

# Joint Committee on Government & Finance Interim Book

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September 2024

# West Virginia Department of Economic Development Office of Broadband Report to the Joint Committee on Government and Finance

Prepared by the West Virginia Office of Broadband August 21, 2024/September 5, 2024

https://broadband.wv.gov

https://internetforallwv.wv.gov

## **American Rescue Plan Act (ARPA) Funding**

The West Virginia Legislature's allocation of State Local Fiscal Recovery Funds (SLFRF) and General Revenue funding provided a historic \$100 million investment for broadband development in West Virginia. This funding will complement West Virginia's allocation of funds through the Capital Projects Funds (CPF), also part of the American Rescue Plan Act (ARPA). West Virginia was among the first four states in the nation to receive approval from the U.S. Treasury for funding under the ARPA CPF program in June 2022. West Virginia received \$136 million in ARPA CPF funding to support broadband development.

The ARPA SLFRF and CPF broadband funding allocations represent a major transition to state-led broadband development through which states will oversee the investment of broadband funding. CPF funding, combined with the Legislature's allocation of SLFRF funding in the amount of \$90 million and General Revenue Funding in the amount of \$10 million, provides a combined total of \$236 million for broadband development in West Virginia under ARPA.

To carry out the Governor's Billion Dollar Broadband Strategy, the West Virginia Department of Economic Development, 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 three separate programs for projects that can be awarded funding from Capital Projects Fund or State and Local Fiscal Recovery Fund (SLFRF). The programs were developed to align with ARPA rules and guidance and contain three well defined infrastructure grant initiatives.

Following Treasury guidelines, ARPA programs focus on last mile connections to locations without access to reliable wireline service of 25/3 Mbps. Deployed networks will deliver a minimum of 100/20 Mbps and are scalable to symmetrical 100 Mbps.

#### **ARPA Key Performance Indicators**

Progress reports are collected from grantees and submitted to the U.S. Treasury on a quarterly basis. The WVDED has awarded 42 ARPA funded projects.

Total investment to date includes \$108.1 million in U.S. Treasury Capital Projects Funds and \$64.4 million in State Local Fiscal Recovery Funds. Private investment has exceeded \$68 million, for a total investment of \$236 million under West Virginia's ARPA initiative.

Below lists the project status for active projects in construction:

- LEAD Citynet Green Valley Line Extension Complete
- LEAD Comcast Brooke, Hancock, Marshall, Ohio Line Extension Construction
- LEAD Comcast Cabell, Kanawha, Morgan, Putnam Line Extension Construction

LEAD	Prodigi North-Central Preston Extensions - Construction	
LEAD	Prodigi West Preston-Valley District Extension - Construction	
LEAD	Hardy Telecommunications - East Hardy Line Extension - Complete	
LEAD	Citynet Shavers Fork, Helvetta, Crestview Line Extension - Complete	
LEAD	Shentel North Fork - Complete	
LEAD	Hardy Telecommunications - South Mill Creek Road Line Extension - Construction	
LEAD	Prodigi East Monongalia and East Preston Rural Broadband - Construction	
ILVD	Dradigi Draston to Darbour Dural Evanasian Construction	

LEAD Prodigi Preston to Barbour Rural Expansion - Construction

MBPS Frontier Boone County - Turtle Creek - Construction

MBPS Frontier West Mason - Construction

MBPS Citynet Thornton, Gladesville & Morgantown South - Construction

MBPS Micrologic Randolph County MBPS - Construction

Projects not under construction are currently in permitting through the West Virginia Division of Highways (WVDOH) and utility pole owners.

# **Current ARPA Projects**

#### **ARPA Funds Awarded to Date**

\$172.46 Million

- \$108.1 Million CPF
- · \$64.4 Million SLFRF

Matching Funds \$68.01 Million

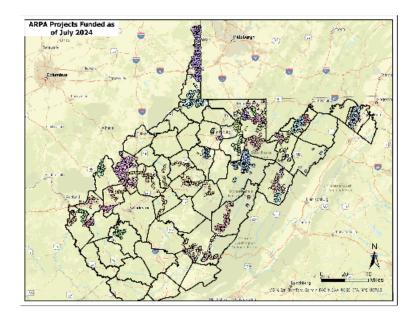
Total Investment \$236.28 Million

Last-Mile Projects 42

Total Miles of New Plant 3,875

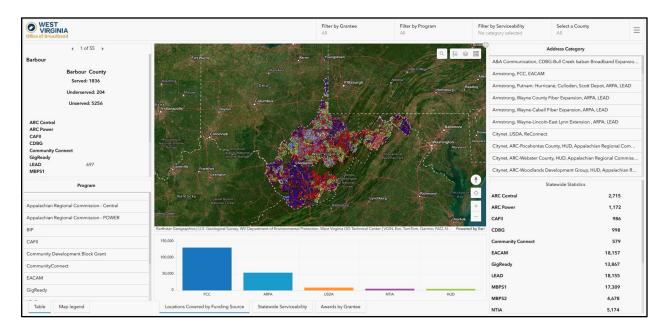
41 Counties

39,617 Targeted Locations



#### West Virginia Broadband Dashboard

To demonstrate broadband availability across West Virginia, the WVDED has created an interactive application for end users to learn more about all funding sources including ARPA project details. Using the CostQuest Fabric data, broadband availability is represented at the address level. The data is currently under review by CostQuest to ensure compliance with the License User Agreement. This dashboard will be available at broadband.wv.gov.



## Infrastructure Investment and Jobs Act (IIJA) Broadband Programs

In June 2023, NTIA announced that West Virginia would be awarded \$1.2 billion in federal Broadband Equity, Access and Deployment (BEAD) funding for broadband development in West Virginia. BEAD is administered by the National Telecommunication and Information Administration (NTIA). This historic investment in broadband infrastructure and related digital inclusion efforts will support West Virginia's universal broadband access vision:

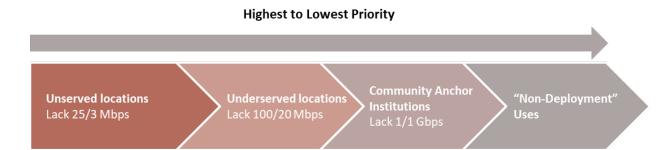
# West Virginia Vision for Digital Equity and BEAD

Achieve universal broadband coverage and digital equity throughout the State through aggressive broadband deployment goals and a commitment to closing the digital divide through robust equity and inclusion initiatives.

The BEAD application requires several steps: a Five-Year Action Plan, Initial Proposal Volumes I and II, followed by a Final Proposal. Additionally, the BEAD Program requires states to coordinate efforts with

Digital Equity planning, capacity building, and workforce development. West Virginia's Initial Proposal Volumes I and II will build upon the goals, objectives, and strategies outlined in West Virginia's BEAD Five-Year Action Plan.

As directed by NTIA, BEAD funding places the highest priority on expanding broadband to unserved locations, followed by underserved locations, community anchor institutions, and non-deployment uses.



West Virginia's broadband access gap is significant, and the State currently ranks near the bottom of broadband availability in the U.S.<sup>1</sup> As of December 31, 2022, Federal Communications Commission (FCC) data shows that only 65.3% of West Virginia's Broadband Serviceable Locations (BSLs) are classified as fully served.<sup>2</sup>

To be considered fully served, a BSL must have a terrestrial or licensed fixed wireless internet service provider that provides, or could easily provide, a minimum connection speed of 100/20 Mbps, with latency less than or equal to 100 milliseconds. Underserved locations are subsequently defined as BSLs with maximum speeds between 25/3 Mbps, and 100/20 Mbps. Finally, unserved locations are defined by the BEAD program as BSLs with speeds less than 25/3 Mbps.<sup>3</sup>

Unserved and underserved locations exclude those with existing enforceable federal, state, or local commitments to provide service. Ongoing state and federal investments are projected to increase the number of connected BSLs, but there is still a long way to go to reach 100%. This gap in broadband access impedes full participation in an increasingly digital society, preventing access to telemedicine, remote work, personal connections, and online news media, among other things. West Virginia's Five-Year Action Plan serves as a guide to achieve universal connectivity and close the digital divide.

#### The IIJA includes three major programs:

<sup>&</sup>lt;sup>1</sup> West Virginia is 50<sup>th</sup> of 50 states, Washington, D.C., and Puerto Rico.

<sup>&</sup>lt;sup>2</sup> West Virginia's broadband availability falls short; of all 50 states, the District of Columbia, and Puerto Rico, West Virginia ranks 50<sup>th</sup>. This number reflects residential broadband availability rankings; the FCC does not provide data for statewide combined residential, mixed-use, and non-residential rankings.

https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf, p16 and p17

<sup>&</sup>lt;sup>4</sup> NTIA, Notice of Funding Opportunity (NOFO) Broadband Equity, Access, and Deployment Program, https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf, p36

<sup>&</sup>lt;sup>5</sup> Derived from calculations by WVDED. For more details, please see Section 3.1.

- 1. Broadband Equity, Access, and Deployment (BEAD) Program (\$42.5 billion)
- 2. State Digital Equity Act programs (Digital Equity Capacity Grant and Digital Equity Competitive Grant (\$2.75 billion)
- 3. Enabling Middle Mile Broadband Infrastructure Program (BIP)

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.
- b. On June 26, 2023, NTIA announced that West Virginia will receive \$1,210,800,969.15 in BEAD funding.
- c. West Virginia's Five-Year Action Plan is approved by NTIA. The plan is posted at broadband.wv.gov.
- d. West Virginia was among the first states in the nation to gain NTIA approval of its Initial Proposal Volume 1. The plan approval date was January 29, 2024, and is posted at broadband.wv.gov.
  - e. West Virginia was among the first states in the nation to begin its BEAD Challenge Process. The process began on February 10 and concluded on April 14, 2024. A list of all challenged locations was publicly posted at broadband.wv.gov on April 24, 2024.
  - f. NTIA approved West Virginia's post-challenge results on August 20, 2024.
  - g. West Virginia's Initial Proposal Volume 2 is posted at <a href="https://broadband.wv.gov/">https://broadband.wv.gov/</a>. NTIA announced approval of the state's BEAD IPV II on April 18, 2024.
  - h. West Virginia was among the first states in the nation to achieve approval of Initial Approval Volume 2.

#### **Key Takeaways from the BEAD Planning Process**

- WVDED is coordinating the deployment of BEAD funding with other existing broadband infrastructure programs in the State.
- Only 65% of broadband serviceable locations in West Virginia are served, according to NTIA's definitions.
- BEAD funding will support deployment to unserved and underserved locations following adjustments from the challenge process, existing enforceable commitments, and areas newly served since the initial BEAD assessment.
- In addition to NTIA's community anchor institution categories, WVDED will consider adding correctional and rehabilitation facilities, courthouses, job training centers, and senior centers because they facilitate greater use of broadband service by vulnerable populations.
- To ensure "future-proof" broadband service, any location served through DSL will be considered "underserved" for the purposes of the BEAD program.

- The Office of Broadband opened the BEAD Pre-application Phase and submission portal on March 18, initially for a period of 30 days. On May 9, 2024, WVDED announced the preapplication deadline was extended through May 30, 2024. WVDED has conducted three training sessions on the BEAD Pre-application Process, two virtual on February 29 and April 10, 2024, and one in-person on March 28, 2024, at the Robert H. Mollohan Research Center in Fairmont, WV.
- On May 3, 2024, WVDED held virtual Pre-application Office Hours to provide assistance and respond to the ongoing intake of questions and inquiries through an online BEAD question intake form available at broadband.wv.gov.
- Four BEAD Full Deployment Funding Application webinar and workshop events were held in June 2024, including onsite in South Charleston and Morgantown. Attendance by potential ISP applicants was strong, especially among those who registered to pre-apply, and other interested partners.

#### **Next Steps for BEAD**

Since March 18, 2024, West Virginia has collected and remediated required Pre-applications, prepared for the BEAD Application Phase through a slate of upcoming workshops and webinars, as well as document and material preparation in anticipation of the deployment full application phase.

Draft versions of BEAD Deployment Program Procedures are available at <u>broadband.wv.gov</u>, subject to change pending final approval by NTIA. Significant coordination is still ongoing with partner funding agencies, such as ARC, and existing funding sources to ensure that West Virginia maximizes use of available funds in partnership with, or in complement with BEAD funding to maximize deployment efforts in the mission to serve all West Virginians with Broadband.

The West Virginia Broadband Summit will be held October 22-23, 2024, at the Charleston Embassy Suites, and serve to convene partners and stakeholders for informative speakers, environmental training, updates on pole attachment efforts and policy, and coordination for the upcoming non-deployment application process.

#### **BEAD Non-Deployment**

The West Virginia Office of Broadband has posted draft procedures for BEAD Non-Deployment Programs broadband.wv.gov including Workforce Development, Device Distribution, and Digital Skills and Navigators. While WVDED expects that BEAD funds will be available for these non-deployment programs, the final budget will not be known until funds are budgeted for BEAD deployment projects for all unserved and underserved locations statewide. To facilitate the efficient and impactful deployment of anticipated non-deployment activities, WVDED has been awarded Appalachian Regional Commission (ARC) funding to complement BEAD efforts to provide technical assistance to applicants, and is pursuing funding to create and implement a Broadband Industry Career Exploration Program through the West Virginia Department of Education. Priorities are being refined and Workforce needs explored in part through the West Virginia Broadband Workforce Council, in particular through a Workforce Committee which is meeting quarterly.

## West Virginia's Digital Equity Program

The Digital Equity Act is a component of the Infrastructure Investment and Jobs Act (IIJA). The goal of the Digital Equity Act is to close the "digital divide" across the nation, ensuring that everyone has access to affordable, high-speed internet service, affordable digital devices, and the tools and training necessary to make full use of the internet's benefits—all of which should be accessible to everyone, regardless of their background.

# **West Virginia Vision for Digital Equity**

Ensure that all West Virginians have the resources they need to participate in the digital world and achieve the economic benefits of digital equity

High quality, accessible, and affordable broadband is critical for a more just and equitable West Virginia, a healthier society, and a stronger economy that offers opportunity for everyone. West Virginia's low rate of access to broadband, coupled with its demographic profile, creates many challenges for digital equity<sup>6</sup>:

- 97% of West Virginians fall into one or more of the Digital Equity Act's covered populations categories—the highest of any state in the country.
- 2. More than 35% of West Virginians live in unserved or underserved areas as defined by the NTIA.
- 3. West Virginia has the highest percentage of individuals living in a rural area (90%) in the country.<sup>8</sup>

The Digital Equity Act contains three grant programs:

- 1. The Digital Equity Planning Grant (\$60 million)
- 2. The Digital Equity Capacity Grant (\$1.44 billion)
- 3. The Digital Equity Competitive Grant (\$1.25 billion)

#### **Digital Equity Planning Grant**

West Virginia was allocated over \$700,000 to complete a State Digital Equity Plan. Grant funds were used to collect data, coordinate with partners and relevant stakeholders, and draft the plan. After a public comment period, multiple rounds of revisions, and two rounds of curing, the West Virginia Digital Equity Plan was completed and submitted to NTIA on December 14, 2023. West Virginia's Plan was approved by NTIA on February 29, 2024—one of the first six states to be granted approval. WVDED completed the remaining reports and requirements to close out the Digital Equity Planning Grant on April 26, 2024.

#### **Digital Equity Capacity Grant**

<sup>&</sup>lt;sup>6</sup> NTIA defines digital equity as a condition in which all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy. Digital equity is necessary for access to essential services, civic and cultural participation, employment, and lifelong learning.

<sup>&</sup>lt;sup>7</sup> Calculated using National Broadband Availability Data provided by the Federal Communications Commission, available at <a href="https://broadband477map.fcc.gov/#/data-download">https://broadband477map.fcc.gov/#/data-download</a>.

<sup>&</sup>lt;sup>8</sup> Ibid.

On March 29, 2024, NTIA released the Notice of Funding Opportunity (NOFO) for the \$1.44 billion Digital Equity Capacity Grant Program. This grant program is for each state and territory to implement its Digital Equity Plan.

The first of three NOFOs under the program has **tentatively allocated over \$9** million to West Virginia to increase adoption of high-speed internet through affordability, digital skills training, and device access programs. West Virginia's funding allocation was determined by its total population, percentage of covered populations, and lack of broadband availability and adoption compared to other states. The Office of Broadband submitted the application for DE Capacity Grant funding on May 15, 2024—well ahead of the May 28 deadline. WVDED is awaiting final approval.

With the official wind-down of the Affordable Connectivity Program (ACP), WVDED will be exploring new methods of ensuring affordability of high-speed internet service, including spreading awareness of existing affordable internet packages and other relevant consumer information.

WVDED will invest funds to support:

- 1. Digital Equity (DE) Plan Updates and Data Collection
- 2. Grant Program Development, Implementation and Evaluation
- 3. Broadband Affordability Awareness.

WVDED will design three grant programs that empower local organizations to serve Covered Populations, as described in both the State's DE Plan and BEAD Initial Proposal Volume II.

**Digital Skills and Navigators Program:** WVDED is prioritizing implementation of a Digital Skills subgrant program to address a "lack of technical knowledge," as identified in the DE Plan Needs Assessment. This program will leverage experienced West Virginia organizations to provide training and education to members of the Covered Populations on the use of digital tools, accessing online resources, and practicing safe and responsible online behavior.

Local Digital Equity Planning: This grant program will be available to local governments (e.g. municipal, county) to support the development of local Digital Equity plans. Successful plans will include strategies and key activities aligned with the State DE Plan so that subgrantees are prepared to secure implementation funding, such as the DE Competitive Grant Program. The goal of the program is to ensure interest and activity in digital inclusion work at the local level after the end of the Digital Equity Act programs.

**Pilot Device Program:** WVDED will pilot its Affordable Device Program to provide eligible residents with new, used, or refurbished devices. The program, connected to the digital skills training program, will ensure participants have the technical assistance needed to operate their new devices. This program, targeted for low-income individuals as defined by the "Covered Households" category of the DEA, will be scaled in subsequent years based on best practices learned from the pilot.

**DE Plan Updates and Data Collection:** WVDED will revise the State's DE Plan, specifically regarding affordability activities, the Local DE Planning Program, and implementation timeline. Additionally, WVDED will continue to collect data and administer surveys to establish more precise baseline figures and subsequent monitoring of Key Performance Indicators (KPIs). WVDED will partner with the National

Digital Inclusion Alliance (NDIA), the Digital Equity Research Center (DERC), Merit Network, and six other states to create a State Evaluation Tool to assist with evaluating both individual projects and overall statewide progress.

#### Highlights:

- a. The Digital Equity Capacity Grant Program is meant to fund implementation and revision of each state Digital Equity Plan (<a href="https://broadbandusa.ntia.doc.gov/funding-programs/Digital Equity Capacity Grant Program">https://broadbandusa.ntia.doc.gov/funding-programs/Digital Equity Capacity Grant Program</a>)
- b. NTIA announced the opening of the application period and released the Notice of Funding Opportunity (NOFO) on March 29, 2024. Applications from States are due by May 28, 2024.
- c. West Virginia has tentatively been allocated over \$9 million to carry out the State Digital Equity Plan for the next five years. Two more funding allocations will become available in 2025 and 2026.
- d. The Office of Broadband has completed the Capacity Grant application. The Program structure features three subgrant programs and data collection activities to annually update the State Digital Equity Plan.

#### **Digital Equity Competitive Grant**

The Digital Equity Competitive Grant Program will allocate \$1.25 billion to state agencies, local governments, community anchor institutions, nonprofit organizations, local education agencies, workforce development entities, and partnerships to implement digital inclusion projects. NTIA released the Notice of Funding Opportunity (NOFO) for the DE Competitive Grant Program on July 24, 2024. Applicants must submit their applications by September 23, 2024.

Applicants may request between \$5 million and \$12 million, with smaller or larger awards allowed with sufficient justification. Eligible uses of funding include educational and workforce development activities, constructing public computer labs, providing broadband service at low or no cost, broadband adoption programs, and a wide variety of digital inclusion projects—all of which must focus on serving members of the DEA covered populations.

Among other scoring criteria, NTIA will place priority on projects that identify and fill a gap in the State Digital Equity Plan. The program is meant to fill implementation gaps and remove systemic barriers to digital equity across the country.

The first round of funding will allocate \$750 million across U.S. States, territories, and tribal entities. Depending on Congressional approval, an additional \$250 million—allocated for Fiscal Year 2025—may be awarded under this initial round of funding. If unauthorized, this funding will be allocated in a second round of awards. There will be at least one more round of awards totaling \$250 million for Fiscal Year 2026.

**NTIA** anticipated granting **150** to **200** awards in total. NTIA anticipates announcing awards on a rolling basis beginning Winter 2024.

The West Virginia Office of Broadband is strongly encouraging state agencies, local governments, nonprofit organizations, and other eligible entities to consider applying for the program. The DE

Competitive Grant Program is a major opportunity to bring federal funds to West Virginia for education, workforce development, and digital inclusion programs. The Office of Broadband is currently spreading awareness and providing assistance to potential applicants.

#### Highlights:

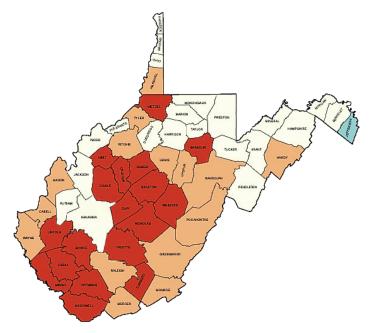
- a. The DE Competitive Grant Program is meant to fund digital inclusion projects from state agencies, nonprofit organizations, community anchor institutions, and partnerships.
   (https://broadbandusa.ntia.doc.gov/funding-programs/Digital Equity Competitive Grant Program)
- b. NTIA announced the opening of the application period and released the NOFO on July 24, 2024. Applications from eligible entities are due to NTIA by September 23, 2024.
- c. Awards will be between \$5 to \$12 million. The first round of awards will allocate \$750 million across the country. An additional \$250 million will be awarded either under this round, or in 2025. A final round of awards, totaling \$250 million, will be awarded in either 2025 or 2026.
- d. NTIA will begin announcing awards on a rolling basis in Winter 2024.
- e. WVDED is currently promoting the DE Competitive Grant Program, monitoring potential applicants, and providing assistance wherever possible.

## **Connect Humanity - Appalachia Digital Accelerator Project**

Connect Humanity, a national nonprofit organization working to assist communities with broadband access and adoption, was awarded a \$6.3 million Appalachian Regional Commission (ARC) ARISE grant in 2023 to assist communities throughout Appalachia. Connect Humanity launched the **Appalachia Digital Accelerator Project**, working with trusted partners in each state to close the digital divide. More information: https://connecthumanity.fund/appalachia-digital-accelerator/

In West Virginia, Connect Humanity has partnered with Generation WV, Regional Optical Communications (ROC), and WVDED. Because broadband infrastructure deployment has been largely planned out by WVDED and ROC through BEAD program planning, Connect Humanity's project in West Virginia has focused on digital equity planning.

The core goal of the Appalachia Digital Accelerator Project in West Virginia is to convene stakeholders, gather data, and draft a county-level digital equity plan for each of the state's 18 ARC distressed counties from Fiscal Year 2023. The digital equity plans will assist each county in coordinating digital inclusion activities and assist with applying for upcoming grant opportunities.



Map of West Virginia by ARC economic status (FY 2023). Targeted counties shown in red.

Targeted counties include: Barbour; Boone; Braxton; Calhoun; Clay; Fayette; Gilmer; Lincoln; Logan; McDowell; Mingo; Nicholas; Roane; Summers; Webster; Wetzel; Wirt; Wyoming.

The core planning team, consisting of Generation WV, WVDED, and ROC, has convened county level steering committees in each of the 18 counties. These steering committees include public officials, local educators, community leaders, and more. County steering committees have met monthly, helping guide each county's priorities and potential projects. In June 2024, Generation WV hosted 3 planning workshops across the state. These were held:

- On June 24 at the Progressive Women's Association Uptown Event Center in Clarksburg, WV
- On June 25 at Hawks Nest State Park in Ansted, WV
- On June 26 at the Larry Joe Harless Community Center in Gilbert, WV

The core planning team, as well as visiting staff from Connect Humanity and NDIA, spoke to county steering committee members from across the state about a variety of topics. These included digital equity basics, best practices, upcoming grant opportunities, statewide goals, data collection, and ideal project structure. Local leaders discussed local barriers to broadband adoption, potential digital inclusion projects, funding sources, and partners. The first drafts of all 18 county-level digital equity plans are currently available for public comment here: <a href="https://generationwv.org/appalachia-digital-accelerator-project/">https://generationwv.org/appalachia-digital-accelerator-project/</a>

#### Highlights:

 a. Connect Humanity was awarded a \$6.3 million ARC ARISE grant to assist communities across Appalachia with broadband access and adoption. Through the Appalachia Digital Accelerator Project, Connect Humanity has convened partners in each state to carry out activities.

- b. West Virginia's core planning team under this project consists of Generation WV, WVDED, and ROC, with support from Connect Humanity and NDIA.
- c. The goal of the project is to create a county-level digital equity plan for each of the state's 18 ARC distressed counties from FY 2023. These plans identify county specific barriers to digital equity and propose local goals and activities to address these barriers. These plans will also support each county in applying for grant funding.
- d. Generation WV hosted three planning workshops in June 2024. Staff from Connect Humanity and NDIA visited to speak to local leaders about digital equity best practices from projects across the country.
- e. The first drafts of all 18 county-level plans are currently available for public comment.

## JOINT COMMITTEE ON GOVERNMENT AND FINANCE

(Speaker Hanshaw)

August 25, 2024

5:00 p.m. - 6:00 p.m.

Senate	House
Blair, Chair	Hanshaw, Chair
Nelson	Criss
Takubo	Hornbuckle (absent)
Tarr	Householder
Trump	Howell
Weld	Phillips
Woelfel (absent)	Summers

**Speaker Hanshaw:** "We do have a quorum, so let's go ahead and call this afternoon's Joint Committee meeting to order. On page fifteen of your packets, you will find the draft set of minutes from our last meeting of the committee on April 14<sup>th</sup>, 2024. If everyone will please take a moment and familiarize yourself with that draft. Are there questions of any member of the committee about the draft set of minutes? If not, Chair recognize the President."

**President Blair**: "Mr. Speaker, I move the minutes from April the 14<sup>th</sup>, 2024's meeting of the Joint Committee on Government Finance, as contained in the members packets be approved."

**Speaker Hanshaw:** "The President's motion is that the draft minutes of the April 14<sup>th</sup> meeting of the committee be approved as distributed. Is there discussion or debate

on the motion? If not, those in favor of the motion will please say aye, any opposed please say no. The ayes have it, that motion is adopted, and the minutes are approved. Let's move into our regular reports. Mr. Muchow, welcome!"

**Secretary Muchow**: "Good afternoon. It's been a while since there was an interim. So, I thought I'd give you a quick...a quick summary and talk about a quick summary of Fiscal Year '24 and then move into July of '25, if that's okay?

In Fiscal Year '24 in the...in the middle of May, there was a special session called by the governor and the revenue estimates for '24 were raised by \$236.611 million dollars...of which \$150 million was appropriated to Highways. So, those are two...two big factors. On the...the final revenues for Fiscal Year '24 totaled \$5.71 billion. The revised estimate was \$5.12 billion. We ended up very close to \$590 million above the revised estimate, down 11.9% from the prior year. That was mainly due to two factors. One, the personal income tax cuts resulted in personal income collections being down 15.9% for the year and severance tax collections were down 61% from the prior year when there was record high prices. Interesting on the...components...the consumer sales tax in the month of June was up 6.2%, which is a very strong growth. For the whole year, it was 3.8%. The personal income tax, even though it was down 15.9% in June, it was up 17...or 15.9% for the year...it was up 17.9% in June. So, we had very strong June revenues for both sales and income tax. That was due to a statute that's been in place for several years that requires certain large taxpayers to accelerate half of their withholding tax and half of their sales tax that's normally due in July, back into June...and we had a very strong pickup of that acceleration that pushed monies into June.

On the State Road Fund...State Road Fund collections were a record...record level in Fiscal Year '24...2.1, almost \$2.12 billion dollars for the State Road Fund. We've never been anywhere near that. That was up \$409.6 million dollars over the prior year. The federal funds were a record \$822.9 million dollars. Normally, for many many years the state would get about \$400 million dollars from the federal government...we got \$822.9 million. The federal funds were up 28.7% over the prior year, or \$183.7 million and the other big factor was the miscellaneous category because the legislature, on two separate occasions, appropriated \$150 million dollars to Highways for a total of \$300 million dollars of one-time monies for Highways in Fiscal Year '24 versus \$150 million in one-time revenues in the prior year. So, that that also pushed the State Road Fund numbers to those levels that we saw in Fiscal Year '24.

We've moved to Fiscal Year '25. In July of '25, only one month in the books, we collected \$335.3 million. The estimate was \$330.4 million, we were above estimate by about \$4.9 million, we were 0.1% ahead of last year, about \$300,000 dollars. We did use a little bit of income tax refund reserve money in June...or in July...\$7.14 million. Absent that reserve fund use, we were slightly below estimate by about \$2.2 million dollars for the month of July. Look at two particular categories, the consumer sales tax in July, \$92.7 million dollars. In a normal month we collect probably one hundred thirty to one hundred fifty million dollars. We collected 92.7, that was 1% below last year and 2 million below estimate. If I put June and July sales tax collections together your growth rate is 3.8%, which is on par with the growth rate we saw for the entire prior fiscal year for sales tax. Personal income tax, we collected \$142.9 million dollars, that was 8.9 million below estimate, 1.8% below last year and that was inclusive of the 7.1 million from the Income

Reserve Fund. If I take the Income Reserve Fund monies out and I combine June revenues and July revenues, the growth rate...adjusted growth rate...for the personal income tax is a healthy seven and a half percent. So, basically due to that acceleration, it pulled from July back into June. So, that's a...that's a July problem that...that happens each year. The criteria for this...accelerated payments...is not adjusted for inflation. So, more folks get caught up in it each year than the previous year and that also plays into those numbers. Beyond those...personal income and sales...some of the other categories, we generally did fairly well. B&O tax is above estimate by 800,00. The corporate income tax was 8.4 million above estimate and just slightly below last year. Insurance premium taxes were 2.6 million above estimate and 12.3% ahead of last year. Interest income is still strong, interest rates are still high, 18.8 million for the month of July, that was 12.6% ahead of last year and 6.6 million above estimate. The severance tax, the severance tax we collected 3.1 million in July, the estimate was 4.4, that was 1.3 million below estimate, 16.7% below last year. Of course, July is the month each year that we put money in the Infrastructure Bond Fund. The Infrastructure Bond Fund was fully funded at a total of 22.2 million and also July represents a quarterly distribution month for local coal severance tax and the local coal severance tax is eleven and a half million dollars...two different distributions...that was actually one and a half million above estimate but a little bit below, about 2.3% below last year. On the state road fund for July, total collections were one hundred and sixty-one and a half million, the estimate was 162 million. So, we're about...a little less than 600,000 below estimate, we were ahead of last year by 0.3%. The federal reimbursement we collected seventy-one and a half million in July compared to 58.9 million last year...so, that was 21.4% ahead. Motor fuel tax is

above estimate by 2.9 million, but it's fourteen and a half percent below last year and

some of that is timing and then the other part is the motor fuel tax rate is actually one and

a half cents lower this year compared to where it was last year. The motor vehicle sales

tax collections 29.3 million, it was 3.8 million above estimate, 5.6% ahead of last year.

Registration fees 15.8 million, that was above estimate by 0.8 million and thirty-eight and

a half percent ahead of last year. So, reasonable...reasonably good performance on

registration fees. If you have any questions, I'll take the questions."

Speaker Hanshaw: "Thank you, sir. Questions from any of the committee

members? President Blair."

President Blair: "Thank you, Mr. Speaker. Let's go back to last fiscal year and

talk about the Road Fund again. I think it served the committee and the public well. You

were able to break that out a little bit further when we we're talking about how the dollars

that we used generate in the state and what we did to draw down the federal dollars, that

there's been a lot of work that's done with that. Can you discuss that—"

Secretary Muchow: "I could discuss—"

**President Blair:** "—or do you need someone from Highways?"

Secretary Muchow: "—that generalistically. In terms of the specifics on highway

matches and how all those things work that's a little...little out of my bailiwick but generally

the more state funds that are put into roads and the more work that's done it has the

ability to draw down federal funds. There's a federal fund allocation for all fifty states and

I know that not all funds are used in particular by all states. So, the leftover funds get

redistributed to the other states. Probably West Virginia has been a recipient of some of

those leftover funds. Secretary of Transportation would be able to give you a whole lot better picture on all that but certainly the more state activity that's going on there's a...there's a federal match rate that goes with that state activity. The state shows that we put up our share, the feds will come with their share. So, that...that plays hand in hand."

President Blair: "All right then, I'll add a little bit more to it then because I've been in a lot of the meetings where this is taking place and what happens is is that they're doing a very, very, very good job of being able to look and see what resources they got and where they've got the ability to draw down the federal dollars and the match up with the needs of the state to be able to do the road...and so I wish they were sitting here to get them to actually lay that out a little bit better. Mr. Speaker, we actually need to get them in here on our next meeting or the next one that we're down here in...in October and have them break that down a little bit because it's interesting and it's good for us to know of how that part of it is managed. So, sorry I put you on the spot for something—"

**Secretary Muchow:** "I know a little bit about it but...but not enough to be well..."

President Blair: "I wasn't sure how far you could go on that. All right, Personal Income Tax Reserve Fund, you didn't talk about that. What's the status of that reserve fund right now and the interest it is generating is not staying in the fund, it's being moved out to the general revenue side, can you talk about any of that?"

**Secretary Muchow:** "Yes, the...the refund reserve account originally had about \$60 million dollars in it and little over a year ago we put an extra \$400 million dollars into it. So, it's \$460 million dollars in the Income Reserve Fund. We've probably taken out about twelve or thirteen million temporarily for...we expect to put it back in...to restore it

to the 460, but whatever interest is earned on...on that fund, plus whatever interest is

earned on various overnight deposits associated with general revenue as a whole, come

back as general revenue interest income. So, the interest earned on that 460 is coming

in that's part of that \$18 million dollars that we saw in...in the month of July in interest

incomes. Part of...probably...maybe about two million of that and I'd have to do some

calculations on that...is coming directly from the Income Reserve Fund."

President Blair: "Thank you, I just wanted it out loud. Thank you, Mark."

Secretary Muchow: "Thank you."

Speaker Hanshaw: "Okay, other...other committee members? Okay, if not,

Mark—"

Secretary Muchow: "Thank you."

**Speaker Hanshaw:** "—thank you very much. Our second report for today is from

the Department of Human Services. We have Secretary Persily with us today. Doctor

Persily, welcome!"

Secretary Persily: "Thank you. Okay, I wasn't really asked to give a report. I was

told that you would have questions, but I do have some introductory remarks about how

things are going, which is the direction that I received so..."

**Speaker Hanshaw:** "You're...you're welcome—"

Secretary Persity: "Here we go?"

**Speaker Hanshaw:** "You're welcome to open any way you'd like."

Secretary Persily: "Okay, thank you. So, we have now been an individual department as the Department of Human Services for about the last eight months...since January the first...but important to note, we've had a separate budget from the other two departments only for about six weeks and so we are still working through untangling the three departments and their finances, but that task has...while it's been Herculean...the three secretaries have worked together very closely with our leaders in our Office of Shared Administration to do that. There will always be some bumps as we go through this and make sure that all of the funds are in the proper accounts and all of the new accounts have been designated but working hand in hand with those leaders and the members...the employees of the Office of Shared Administration, I think we've done a great job with that. Quite frankly, when we came on, the former department was sort of destabilized and we've worked a lot over the last year since the three secretaries have been in place to really try to stabilize the...the new structure by providing consistent leadership and involvement by the secretaries.

In my department I've spent some time to try and get the right people in leadership roles and I think we are on a really good path right now, filling some key vacancies after departures as well as stabilizing the department, completing some ongoing initiatives...you may have heard that we have finally fully implemented the PATH project, which is the large people's access to health project that's been underway for about seven years. We have completely implemented that project and other...some new initiatives that we're we've been working on.

After one year in the role, I think I can confidently say that I believe we're...we're steering a very large ship in the right direction, but certainly continue to have challenges

but we're seeing changes through investing in our workforce, through our programs and...and programming that we've introduced, and through I think a shared sense of purpose and direction across all of the bureaus. I have been heavily involved in the work of the department. I am not a hands-off person and some people say that maybe I am too involved with the work of the department. I don't think you can ever be that as a leader and especially as a new leader. So, I have been very, very much involved in our offices and our depart...our bureaus within the department and the work that they're doing. Making sure that they have the support as well as the attention...the resources...that they need, but also that we are not functioning in silos because that will not serve us well and while you might not hear this enough, we are doing some really great things.

So, there are a number of things that we are leading the nation in...in, in West Virginia and I think we should all be proud of that. There isn't a week that goes by that someone from another state doesn't reach out to one of us to ask us to show us how they were able...we were able...to do something or how we were able to be successful in a particular program. We are providing advice and assistance. We're receiving competitively awarded federal grants for our work. We just got notice of one the other day that's not public yet, but we will be announcing that soon. We need the...we lead the nation in several markers...federal markers...of child welfare, which I think is something you'd never hear, but we are leading the nation in a number of federal markers. We're the first state in the nation to have a fully implemented child welfare information network and that's through our PATH system and that was the first module that was implemented in PATH...not this past January...but the January prior. We will also...because we are the first one implemented...we will hopefully be the first one to have a fully accredited

integrated eligibility system for our...all of our social programs...through the PATH

system.

So, there are a number of accomplishments to add to this and things that I think

that all of us can be proud of related to the department and our work, but I will stop there

and defer to your questions because I literally could speak all day."

Speaker Hanshaw: "Madame Secretary, we thank you. Questions for the

Secretary...on any element of the items she touched on? Just go ahead and do it, Senator

Tarr."

**Senator Tarr:** "I'm not sure if the mics picking up? There it goes. Thank you, Mr.

Speaker. Secretary Persily, I've got a question on the month...you're getting through

these first six weeks...but in our report it has nursing facilities on the actual expenses in

twenty-three and twenty-four and it's talking...it shows a budget difference of about 103

million—"

Secretary Persily: "Right."

Senator Tarr: "—which stands out...excuse me...stands out with another one

that's one down below that's about 186 million. So, can you speak to the ones that...those

are pretty significant variances, can you speak to that?"

Secretary Persily: "So, we'll be talking about that tomorrow in Finance as part of

my presentation, but I do want to say that the 100 million over budget in nursing facilities

is where we thought it was going to be and if you recall, we did go through an initiative.

We undertook a rate adjustment for nursing homes that takes effect on October the 1st

that will save us 60 million in the first year. It's a phased in rate reduction as well as a...a

new way that we will be ... right now their rates are set by cost reporting and we will be

going to a flat...flat rate...not cost reported and so those rates...I think we've spoken

about that before...those rates were escalating and they were really way out of line with

even national rates and certainly our neighboring states and so we have adjusted those

through an agreement with the industry and they are being adjusted over three years, so

that they are then to a rate that will be permanent. So, we expect 60 million savings the

first year and then subsequent savings. We also have a quality withhold with the nursing

homes that will take place that will start at the same time and so that quality withhold will

also help us save some dollars and get us back into a more tenable budget area."

Senator Tarr: "So, are you anticipating that between those two lines that...that

you're going to see at least a \$60 million dollar improvement over the entire fiscal year

from where that sits now?"

Secretary Persily: "Right."

Senator Tarr: "Okay, Okay, thank you."

Secretary Persily: "Mm-hmm."

Speaker Hanshaw: "Delegate Summers."

Delegate Summers: "Thank you, Mr. Speaker. I've got two categories—"

Secretary Persily: "Sure."

Delegate Summers: "—the waiver and childcare—"

Secretary Persily: "Sure."

**Delegate Summers:** "—and I know we haven't been together formally like in four

months...so, a lot of things have changed. For the waiver rate increases that were just

proposed...which I'm really excited about...can you explain to the committee like, where's

the money going to come from and how much does it cost?"

Secretary Persily: "Okay, so you...so I wish I had that in front of me."

**Delegate Summers:** "Is it going to be in Finance?"

Secretary Persily: "It will be in Finance...right."

**Delegate Summers:** "I'm in that committee as well so—"

Secretary Persily: "Yes. Okay—"

Delegate Summers: "—can just address it tomorrow—"

Secretary Persity: "—but basically the dollars are coming from the appropriated

line. The appropriated line for nine months will...we will have to go into the reserve for a

little bit of the...the nine-month IDD waiver increase as well as the ADW...TBI will be

okay."

**Delegate Summers:** "Okay. Okay and can you just talk about the 15% increase?

Like, does each waiver get fifteen or—"

Secretary Persily: "Yes."

Delegate Summers: "—is there varied amounts or..."

Secretary Persily: "All the three waivers will get the 15% increase as was

recommended in the Myers and Stauffer report and the personal care as well.

Family...the family side of IDD waiver will get an increase, but it won't be 15%. On that

side of the waiver, the families are paid directly to care for their family member. They

will...they will have a...a smaller increase."

**Delegate Summers:** "Is there anybody getting more than 15%?"

Secretary Persily: "No."

**Delegate Summers:** "Okay. Okay, I was trying to look at the numbers—"

Secretary Persily: "Sure."

**Delegate Summers:** "—it's kind of—"

Secretary Persily: "Sure."

**Delegate Summers:** "—it's kind of hard to—"

Secretary Persily: "Yeah."

**Delegate Summers:** "—to look at that. Okay and what do you think about...so,

that rate study was December of '23 and so now it's been almost a year—"

Secretary Persily: "Sure."

**Delegate Summers:** "—and I saw Kentucky and Ohio have already raised their

rates and—"

Secretary Persily: "Yes."

Delegate Summers: "—it's like we're behind again. How are we going to compete

with that and keep...keep our providers stable?"

**Secretary Persily:** "Right. So, we will want to be looking at the impact that this

rate increase has. Certainly, we...we hope and we are encouraging that those rate

increases go toward direct care workforce. Remember, we pay rates to providers,

providers make decisions about how much they pay their employees from the...the funds

that we provide to them. So, we are encouraging them. CMS is actually...is actually...has

a rule change that will occur and in the next few years that will require those rates to be

80/20 to...to the workforce...to the direct care workforce. We are looking at how we...how

we do financial reporting for the waiver providers because everyone else does cost

reports. Our waiver providers do not do cost reports. So, financial disclosures will be part

of the ongoing increases on waiver rates and we will continue to study those increases,

study our surrounding states, and come back to you if you so choose to appropriate

additional dollars."

**Delegate Summers:** "Well, and I was thinking that in '23 Senate Bill 617 there is

a report that comes to the Joint Committee on Finance—"

Secretary Persily: "Yes."

**Delegate Summers:** "—due July 1 that does that right? Annually looks at the

review. So, did you guys do that yet for a comparison or?"

**Secretary Persily:** "The waiver rate increases...I think—"

Delegate Summers: "The rate—"

Secretary Persily: "—they were reported—"

Delegate Summers: "—the annual rate—"

Secretary Persily: "—out to your committee—"

Delegate Summers: "—reviews, yeah. So, that'll be—"

Secretary Persily: "I'll have to check on that one—"

Delegate Summers: "Okay, so that would be—"

Secretary Persily: "—Delegate Summers."

**Delegate Summers:** "—in Finance but—"

Secretary Persily: "Yeah."

**Delegate Summers:** "—I know it was due July 1—"

Secretary Persily: "Yeah."

**Delegate Summers:** "—and so I thought, okay, we've had another review of the rates."

Secretary Persily: "Yeah—"

Delegate Summers: "Okay."

**Secretary Persily:** "—and that would have been the previous rates, not the rates that are beginning on October 1st."

**Delegate Summers:** "Okay. Okay and the last thing is I know when in enCircle came before us and presented they said that the billing of 15 minute increments...24 hours a day every 15 minutes—"

**Secretary Persily:** "There are—"

**Delegate Summers:** "—what is that 96 different billing things? It is very cumbersome. Did we change that policy to like an hour or?"

**Secretary Persily:** "There are some services that are still billed in 15 minute increments. Remember that some of these are federal requirements, but some are...some we've done to an hourly rate—"

**Delegate Summers:** "The state—"

Secretary Persily: "—where we can."

Delegate Summers: "—the ones we could in the state."

Secretary Persily: "Where we could, right."

**Delegate Summers:** "Okay, so did enCircle decide to leave? I know that they were saying—"

Secretary Persily: "I—"

Delegate Summers: "—they needed more money. I was—"

Secretary Persily: "|---"

**Delegate Summers:** "I know they have twenty-seven clients. I was just worried about those individuals."

**Secretary Persily:** "So, as part of...so, enCircle I understand has announced closure of their...their centers in West Virginia. We have been in discussions with them and discussing the...you know...the potential rate increase, also discussing whether

there is the possibility of them helping us with some dual diagnosis IDD folks who are in

our state hospitals who need to come out into specialized care, who we could and have

offered higher rates for it. You know, it comes down to them for a business decision...to

a business decision...of what they're doing. They do have, however, a responsibility to

assure appropriate placement of those clients prior to any hand off. So yeah, we're...we're

talking to them, working with them. I can't control their business decisions."

**Delegate Summers:** "But...but we can control what we do to try to help them stay

here..."

Secretary Persily: "Exactly. Exactly."

**Delegate Summers:** "...and what I was wondering is on those twenty-seven

clients, I understand they have to get them moved but they run that model I think where

they have four individuals and I...and I don't know if that would work with higher...they

could get a higher rate if they had a higher acuity person. They're going to leave; those

twenty-seven people have to go somewhere. Those twenty-seven people, that is their

home, right? I mean—"

Secretary Persily: "Yes."

Delegate Summers: "—they've known those—"

Secretary Persily: "Yes."

**Delegate Summers:** "—people they're with, those providers—"

Secretary Persily: "Yes."

Delegate Summers: "—and these individuals all have disabilities."

**Secretary Persily:** "Yes, absolutely. We are extremely concerned and have been

working with them since the moment that they told us. So..."

Delegate Summers: "Okay and the last point on that is that I understood...I

understood in a press release that we were taking some people off of the waiver list—"

Secretary Persily: "Yes."

**Delegate Summers:** "—and how many was that?"

Secretary Persily: "So, on July 1st, we took off ninety-nine people and that

was...those are what we call replacement slots, right?"

**Delegate Summers:** "Oh, just replacing people that—"

Secretary Persily: "So, someone in...someone has moved out of state, or

someone has passed away and so we...they are no longer on the waiver. So, that was

ninety-nine that came off on July 1st and we anticipate...we propose taking fifty more off

on October 1st."

**Delegate Summers:** "And those fifty will be additional clients—"

Secretary Persily "It will be additional slots."

**Delegate Summers**: "—then, not replacements."

Secretary Persily: "Exactly."

**Delegate Summers:** "So, we...we increased...we're going to increase the rates.

So, we're going to increase our cost to deliver services to those clients and now we're

going to add fifty more people that we need to take care of—"

Secretary Persily: "Right."

Delegate Summers: "—in an environment that's not stable yet. I mean—"

Secretary Persily: "Yeah."

**Delegate Summers:** "—that seems concerning to me. So...okay. All right, I have

some-"

Secretary Persily: "We're trying to balance the cost...the workforce. We don't

want to overload the system because of the workforce and so we are trying to balance

the cost, the need, and the workforce."

**Delegate Summers:** "Okay. I have questions on childcare, but if anyone else has

a question first they can go and then I can...does anyone else have any?"

**Speaker Hanshaw:** "You...you have the floor."

**Delegate Summers:** "Okay well, I didn't want to take all the time. Okay. All right.

On childcare, I was just confused on...and there's a lot been going on apparently...okay.

So, you know in my committee we heard testimony about...in Joint Health...we heard the

testimony about the August 30<sup>th</sup> deadline and then everyone was worried about that?

Okay. So, it's my understanding that we thought our funds ran...our TANF ran out then,

but now they don't. So, now we have maybe till December 1 but no matter the date, you're

going to alert providers and families 60 days' notice so that they can prepare—"

Secretary Persily: "Right."

**Delegate Summers:** "—right?"

Secretary Persily: "So, can we go back though?"

Delegate Summers: "Yes."

Secretary Persily: "I'm sorry to interrupt—"

Delegate Summers: "No—"

Secretary Persily: "Can we go back?"

Delegate Summers: "-please do. Yes."

**Secretary Persily:** "Can we go back to the Joint Health testimony that—"

Delegate Summers: "Yes."

**Secretary Persily:** "—Commissioner Cole gave? I don't think that Commissioner Cole ever meant to indicate that the funds would end on September 1st. I think what she said...and I went back and watched her testimony...was that by September 1st we're going to have to make some decisions because we know that the funds are not going to last forever. We're paying for childcare by enrollment via TANF dollars, and so we are using those TANF dollars...the federal dollars...to pay by enrollment. So, the difference between what our appropriation is and what the costs are to pay by enrollment to stabilize that system. So, that arbitrary deadline of September 1st was her saying we're probably going to in...in the next 60 days or 90 days after September 1st we're going to have to make some decisions about what we're going to do. Are we going to change the...the subsidy rates? Are we going...because we don't want to go back to attendance, right? Are we going to change the subsidy rates? Are we going to ask for additional dollars? Are we...what are...what are we going to do? And that somehow in July bubbled up in

social...on social media as we were going to fall over this cliff on September 1st. As soon

as we saw that on social media, we responded to social media posts because they were

coming from groups that we didn't know who they were. So, we couldn't reach out to them

directly. We also put out a dear provider letter to all of our providers. We assured them

that September 1st wasn't that date. We also said...let them know...that if we were going

to make any change that we would give everyone...providers as well as families...a 60-

day notice and we also responded to some press inquiries at that time."

Delegate Summers: "Okay."

Secretary Persily: "So, I think we...we started this by saying September 1st we're

going to have to make some decisions. We did not mean September 1st is when the

money is going to run out."

**Delegate Summers:** "Okay well, I felt good once I saw you said any...no matter

when the date is everyone gets 60 days now."

Secretary Persily: "Absolutely."

Delegate Summers: "Okay."

Secretary Persily: "Absolutely."

**Delegate Summers:** "Okay. So, it seems to me then...like you said...we're going

to only have so much money...whatever 's in your appropriation...and I noticed...but that

is the appropriation and I noticed that the...the department, the governor, never asked for

an additional appropriation."

Secretary Persily: "Right."

**Delegate Summers:** "Not in regular session, not in...not in...not after February we found out that we're going to go to enrollment versus attendance, so we knew we were going to have to pay more money...not in special session and I...I don't know, do you think that's a plan for the next special we...session we have from the governor or the department to the governor...or do you think that we are...we the department are comfortable with this allocation and are going to go back probably to pre pandemic levels because I know it was expanded during the pandemic—"

Secretary Persily: "Sure."

**Delegate Summers:** "—to cover more people that make more money."

**Secretary Persily:** "Sure. So, I think a combination of everything that you just said is probably what will happen. I...and I said this to Charles Young the other day...the childcare allocations are not necessarily science because there are so many factors that cause fluctuations in the amount we spend a month in childcare. So, for instance, it costs more to care for...to...we provide more dollars for infants than we...than we provide for preschool children, than we provide for school aged children and after school care. So, if there were to be a lot of births, our costs are going to go up. If there weren't, our costs are going to go down or stay the same. So, even knowing what our costs are going to be month to month is very difficult to forecast. The second thing is that we are committed to using those TANF dollars until they run out. So, if we have TANF dollars say that have been given to...in another grant...to someone else, even outside of childcare for instance, and they return TANF dollars. We're going to put that toward childcare, and so we're constantly looking and...and trying to figure out. I can't honestly say to you that they're going to run out in December. They may run out in February or March."

**Delegate Summers:** "Right. Yeah, when I saw that date I thought, oh gosh, here

we go there's another date been put out—"

Secretary Persily: "Exactly."

**Delegate Summers:** "—there but really it's we're going to give you 60 days."

Secretary Persily: "Exactly and that's I think the important part is that if we make

any changes, we want to give 60 days' notice. I know it sounds squishy to talk like that

but really our costs are...are just...they fluctuate and the way the dollars are...can be

used across the...across the...all the TANF programs, fluctuate as well."

Delegate Summers: "So, question on the reserve fund then. Do you feel that

you...because I saw the one statement where you felt like you cannot take from the

reserve fund...but I know what Senate Bill 1001 says...that you can use the money, you

can transfer it without any condition. Is that something you would consider using the

reserve fund for or? No, you don't think you can touch it? Like just explain your philosophy

on the reserve fund."

Secretary Persily: "So, our understanding is...of the reserve fund...and we met

with Senator Tarr and his team a couple...month and a half ago maybe...to talk about our

understanding. Our understanding of the reserve fund is that...that we can pull from the

reserve fund after we've spent our other funds and that we can only pull from the reserve

fund to replace funds in those lines that were cut by 10% and so childcare wasn't one of

those lines that was cut and so we don't necessarily...from that discussion...we didn't

necessarily believe that we could do that. I think in further discussions that there perhaps

is some flexibility. If the number that we need to fill is higher though than the amount that

I'm allowed to move from line to line...that I have authority to do...we will need to...to come back to the legislature to ask for that ability to do that. Right now, I think my amount is 5% that I can move between lines, which I assume means from the reserve line as well into other lines and so that would be about nine million. Our estimates are...at some point, you know, if it runs out at the end of the year, we'd need twenty-three million for instance."

**Delegate Summers:** "That...that's not how I'm reading Senate Bill 1001 but I'm not a lawyer...but there's a lot of provisos and I think the final one says you can move it without condition but if you've made arrangements with Finance that I don't know about, then...then I can understand your...your philosophy there. So, okay...thank you, very much."

**Speaker Hanshaw:** "Okay there...there is a little glitch in our recognition system here today. So, the Chair cannot see if anyone has a button pressed. So, at this time are there questions from any other member? Just please raise your hand to be identified. Okay, Senator Tarr."

**Senator Tarr:** "Thank you. Just following up on the childcare piece. Where in the...in our books here in front of us that show your dates...where does the childcare fall within this...these budget line items? Where is that...that expense?"

**Secretary Persily:** "I don't know that off the top of my head but I can have that for you tomorrow morning."

**Senator Tarr:** "Okay. Do you have any idea what we were spending on childcare pre COVID?"

Secretary Persily: "No, but I could have that for you tomorrow morning as well."

**Senator Tarr:** "Okay. Do you know what we're spending now a year on childcare?"

Secretary Persily: "No."

Senator Tarr: "Okay."

Secretary Persily: "I'm sorry, I just wasn't prepared to speak to childcare funding."

**Senator Tarr:** "Yeah. Tomorrow would be...if you can have that for us—"

Secretary Persily: "Yes."

**Senator Tarr:** "—tomorrow to kind of...for those different things."

Secretary Persily: "I will."

**Senator Tarr:** "For...for the federal rule that's changed, going from attendance to

enrollment."

Secretary Persily: "Yes."

Senator Tarr: "That's for people who had already been on state assistance of

some sort. Is that correct? Like if...if I'm not on state assistance and I've got my kid in

childcare...is this childcare rule going from attendance to enrollment going to affect me?"

Secretary Persily: "If you're receiving a subsidy for childcare, then it affects you

and you can receive a subsidy for childcare based on your income levels, which may be

different than based on income levels for other social programs that we have...and

we...and you may choose not to participate in those other social programs as well. You

have to be working full time...excuse me...you have to be working...you have to be...or

you can be in approved education. There are some federal guidelines relative to

education activities in order to receive a childcare subsidy. So, it's based on income and

size of family, and it is...that's how...that's how our...our childcare subsidies work."

Senator Tarr: "You do have to be working or you just have to be looking for a job

as the way it sits now?"

Secretary Persily: "You have to be seeking, you have to be working, or you have

to be in an education program that leads to employment. There are federal rules related

to...there's some categories."

**Senator Tarr:** "So I...so I don't qualify for the subsidy if I just tell you I'm actively

seeking a job now?"

Secretary Persily: "Huh uh."

**Senator Tarr:** "Okay. So, what's the upper limit on the subsidy? So, when you

said there's graduated income levels...so, are we talking if some...you got a family

making \$300,000 dollars a year, do they qualify for subsidy?"

Secretary Persily: "No—"

**Senator Tarr:** "So what's the upper limit on the—"

Secretary Persily: "If I remember correctly...and we can pull that up for you

tomorrow...but if I remember correctly, the upper income level is somewhere around

70,000 but that's for a very large family, seven or eight people."

Senator Tarr: "Is that new since COVID? Did it—"

Secretary Persily: "I don't think that there have been significant changes since

COVID. During COVID though, there were significant ARPA funds that were provided to

child...the childcare provider industry to keep them steady as essential workers. So, there

were significant ARPA funds that were provided to them."

Senator Tarr: "So I guess what I'd like though...what I was trying to get to is a

couple things. One, like if you can prepare for by tomorrow, one is what were we spending

a year—"

Secretary Persily: "Yes."

Senator Tarr: "—as the state of West Virginia on subsidizing childcare—"

Secretary Persily: "Right."

Senator Tarr: "—compared to what we are now per year, compared to what we

would be when it goes to enrollment, and then also labor force participation for those that

are actually getting that subsidy, because what you've told me is different than I

understand it. So, I want to make sure that I understand it correctly."

Secretary Persily: "Sure."

Senator Tarr: "So, I'd like to know that within that population of people who are

receiving the childcare subsidy relative to that change of expense, what has the labor

force participation...how's it changed?"

Secretary Persily: "Okay."

Senator Tarr: "Okay, thank you."

Secretary Persily: "Yes and if I don't have that number by tomorrow, I will make

sure I have that to you this week."

Senator Tarr: "Thank you."

**Speaker Hanshaw:** "Other questions? All right, Madam Secretary, thank you very

much—"

Secretary Persily: "Great."

Speaker Hanshaw: "—we appreciate you being here with us today."

Secretary Persily: "Thank you so much."

**Speaker Hanshaw:** "For the benefit of all members in your packets are various

other reports that are due to the committee this month. You have those for inspection,

including the Board of Treasury report that's available in the packets today. Chair has

noted that...the President's request that at our October meeting, we add Highways as a

presenter to the agenda for the October meeting. If there's no objection from the

committee, we'll ask our staff to please add Highways to our October meeting. At this time

is there other business to come before today's meeting? Yes, Chair recognize Delegate

Criss."

**Delegate Criss:** "On the...old workers comp fund...! noticed in the charts under

the federal black lung there's been a rise in cases...under the old fund...I would like for

somebody from the old workers comp fund to come forward and explain why we're having

increases in the old fund."

Speaker Hanshaw: "Okay. We can ask our staff to also please have that added

to our agenda."

Delegate Criss: "Thank you."

Speaker Hanshaw: "Other business to come before today's meeting? If not, Chair

recognize the President."

President Blair: "I move we adjourn."

Speaker Hanshaw: "The question is on the President's motion that we stand

adjourned. Those in favor will please say aye, those opposed please say no. The ayes

have it, we are adjourned. Thanks to all."

#### WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



Budget Division Building 1, Room 314-West Wing 1900 Kanawha Blvd. East Charleston, WV 25301

304-347-4870

September 04, 2024

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

- West Virginia Lottery as of July 31, 2024
   Gross profit as of July 31, 2024, was \$48.4 million. Gross profit as of July 31, 2023, was \$52.3 million.
- West Virginia Unemployment Compensation Fund as of July 31, 2024
   Total disbursements were \$7 million higher than in fiscal year 2023. Overall ending trust fund balance was \$15 million higher on July 31, 2024, than on July 31, 2023.
- General Revenue Fund as of August 31, 2024
   The general revenue collections ended the second month of fiscal year 2025 at 100% of the estimate for the year. Total collections were \$205 thousand below the estimate for the fiscal year.
- State Road Fund as of August 31, 2024
  The road revenue collections ended the second month of fiscal year 2025 at 96% of the estimate for the year. Total collections were \$7.1 million below the estimate for the fiscal year.

### WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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

#### MEMORANDUM

To: Honorable Chairmen and Members of the Joint Committee on

Government and Finance

From: William Spencer, CPA

Director Budget Division Legislative Auditor's Office

Date: August 20, 2024

Re: Review of West Virginia Lottery Financial Information

As of July 31, 2024

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for July 31, 2024, 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 \$106 million for July of fiscal year 2024-2025. Table games accounted for \$2.3 million of this total. Historic Resort Hotel video lottery accounted for \$468 thousand of total gross receipts. Gross lottery revenue has decreased by \$10.6 million or -9.1% when compared with July of fiscal year 2023-2024. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July was \$48.4 million; for July of last fiscal year, it was \$52.3 million. Expressed as a percentage, gross profit is -7.5% lower for fiscal year 2025 than for fiscal year 2024.

### Operating Transfers to the State of West Virginia:

A total of \$46,473,000.00 has been accrued to the state of West Virginia for fiscal year 2024-2025. 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	\$21,185,000.00
Community and Technical College	\$499,000.00
Department of Education	\$4,664,000.00
Library Commission	\$3,640,000.00
Higher Education-Policy Commission	\$2,381,000.00
Tourism	\$2,240,000.00
Department of Natural Resources	\$1,234,000.00
Division of Culture and History	\$1,357,000.00
General Revenue Fund	\$000.00
Economic Development Authority	\$1,000,000.00
School Building Authority	\$1,800,000.00
SUBTOTAL BUDGETARY TRANSFERS	\$40,000,000.00

### Excess Lottery Fund

Economic Development Fund	\$2,102,000.00
Higher Education Improvement Fund	\$1,500,000.00
Economic Development Authority	\$439,000.00
General Purpose Fund	\$000.00
Higher Education Improvement Fund	\$000.00
State Park Improvement Fund	\$000.00
School Building Authority	\$1,764,000.00
Refundable Credit	\$000.00
WV Racing Commission	\$000.00
WV DHHR	\$000.00
Teacher's Retirement Savings	\$000.00
Division of Human Services	\$000.00
WV Lottery Statutory Transfers	\$000.00
Economic Development Authority	\$000.00
General Revenue Fund	\$000.00
Office of Technology	\$000.00
Excess Lottery Surplus	\$000.00
WV Infrastructure Council Fund	\$599,000.00
Total State Excess Lottery Revenue Fund	\$6,404,000.00
Total Budgetary Distributions:	\$46,404,000.00
Veterans Instant Ticket Fund	\$37,000.00
Danadan Dlan	<u> </u>

TOTAL TRANSFERS	*\$46,441,000.00
Pension Plan	\$00.00
Veterans Instant Ticket Fund	\$37,000.00
Total Budgetary Distributions:	\$46,404,000.00

### Lottery continued

### \* CASH BASIS

Total Accrued last FY 2023:	\$190,015,000.00
Total Cash Distributions FY 2024:	\$46,441,000.00
Applied to FY 2024:	\$46,441,000.00
Applied to FY 2025:	\$000.00
Accrued for FY 2024 as of July 31:	\$143,574,000.00
Accrued for FY 2025 as of July 31:	\$46,473,000.00



### 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 July 31, 2024

DATE: August 16, 2024

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

Financial statements of the Lottery for the month ending July 31, 2024 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$105,989,479 for the month of July.

Transfers of lottery revenue totaling \$46,441,067 made for the month of July to the designated state agencies per Senate Bill 160, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act(§29-22C-27). The amount transferred to each agency is shown in Note 12 on pages 20 and 21 of the attached financial statements.

The number of traditional and limited retailers active as of July 31, 2024 was 1,496 and 1,181 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
 Larry Pack, Cabinet Secretary – Dept. of Revenue
 Riley Moore, Treasurer
 J. B. McCuskey, Auditor
 Members of the West Virginia Lottery Commission

### WEST VIRGINIA LOTTERY

### STATE OF WEST VIRGINIA

### FINANCIAL STATEMENTS -UNAUDITED-

July 31, 2024

### WEST VIRGINIA LOTTERY

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# WEST VIRGINIA LOTTERY STATEMENT OF NET POSITION (In Thousands)

### -Unaudited-

ASSETS		July 31, 2024		June 30, 2024
Current Assets:				
Cash and cash equivalents	\$	229,166	\$	227,763
Accounts receivable		33,405		38,583
Inventory		1,327		1,330
Other assets	_	213	_	213
Total Current Assets		264,111	-	267,889
Capital assets		63,919		63,915
Less accumulated depreciation and amortization		(23,685)		(23,544)
Net Capital Assets		40,234	-	40,371
Net Pension Asset		24		24
Net OPEB Asset	_	204	-	204
Total Noncurrent Assets		40,462	3=	40,599
Total Assets	\$	304,573	\$=	308,488
Deferred outflows of resources	<b>\$</b>	1,471	\$_	1,471
Total assets and deferred outflows	\$	306,044	\$ =	309,959
Current Liabilities:				
Accrued nonoperating distributions to the				
State of West Virginia	\$	190,047	\$	190,015
Estimated prize claims		20,294		19,293
Accounts payable		2,419		5,104
Other accrued liabilities	-	31,382	_	33,645
Total Current Liabilities		244,142		248,057
Deferred inflows	\$	370	2	370
Net Position:				
Net Investment in capital assets		40,234		40,371
Unrestricted		21,298		21,161
Total Net Position		61,532	-	61,532
Total net position, liabilities, and deferred inflows	\$	306,044	\$ =	309,959

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

### WEST VIRGINIA LOTTERY STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE ONE MONTH PERIOD ENDED JULY 31, 2024

(In Thousands)
-Unaudited-

		CURREN	IT N	<b>MONTH</b>		YEAR '	го і	DATE
		FY 2025		FY 2024		FY 2025		FY 2024
Lottery revenues								
On-line games	\$	5,396	\$	12,318	\$	5,396	\$	12,318
Instant games		14,169		14,052		14,169		14,052
Racetrack video lottery		40,831		44,081		40,831		44,081
Limited video lottery		39,479		40,527		39,479		40,527
Table games		2,327		3,043		2,327		3,043
Historic resort		468		636		468		636
Sports Wagering		305		262		305		262
Interactive Wagering		3,015		1,718		3,015		1,718
		105,990		116,637	-	105,990		116,637
Less commissions On-line games		375		886		375		886
Instant games		992		984		992		984
Racetrack video lottery		22,401		24,184		22,401		24,184
Limited video lottery		19,345		19,858		19,345		19,858
Table games		993		1,296		993		1,296
Historic resort		225		328		225		328
Historic resort		44,331		47,536	12	44,331		47,536
Less on-line prizes		2,703		5,956	-	2,703	-	5,956
Less instant prizes		9,731		9,624		9,731		9,624
Less instant prizes  Less ticket costs		165		133		165		133
Less ticket costs  Less vendor fees and costs		682		1,064		682		1,064
Less vendor fees and costs		13,281		16,777	1.7	13,281	-	16,777
							-	52,324
Gross profit Administrative expenses		48,378	,	52,324	3	48,378	2	32,324
Advertising and promotions		537		341		537		341
Wages and related benefits		722		1,034		722		1,034
Telecommunications		126		53		126		53
Contractual and professional		972		905		972		905
Rental		10		22		10		22
Depreciation and amortization		141		141		141		141
Other administrative expenses		(25)		880		(25)		880
1		2,483		3,376		2,483	-	3,376
Other Operating Income		385		641	1 15	385		641
Operating Income		46,280		49,589		46,280		49,589
Nonoperating income (expense)		40,200		17,507	-	.0,200	-	33,003
Investment income		1,006		1,216		1,006		1,216
Distributions to municipalities and counties		(774)		(794)		(774)		(794)
Distributions to municipanties and counties  Distributions -capital reinvestment		(39)		(36)		(39)		(36)
Distributions to the State of West Virginia		(46,473)		(49,975)		(46,473)		(49,975)
Distributions to the State of West Virginia		(46,280)	•	(49,589)		(46,280)	1.5	(49,589)
Net income				_		_		_
Not resition haginning of period		61,532		61,430		61,532		61,430
Net position, beginning of period  Net position, end of period	\$		\$	61,430	\$	61,532	\$	61,430
not position, end of period	φ	- U1,552	Ψ:	01,700	Ψ	01,001	ंक	-2,.00

### WEST VIRGINIA LOTTERY STATEMENTS OF CASH FLOWS FOR THE ONE MONTH PERIOD ENDED JULY 31, 2024

### (In Thousands) -Unaudited-

		2025		2024
Cash flows from operating activities:	\$	111 552	\$	109,510
Cash received from customers and other sources	Э	111,553	Φ	109,510
Cash payments for:  Personnel costs		(722)		(1,034)
		(2,503)		(2,602)
Suppliers Other proportion posts		(54,349)		(59,983)
Other operating costs  Cash provided by operating activities	-	53,979	(	45,891
Cash provided by operating activities	-	33,717	-	15,051
Cash flows from noncapital financing activities:				(46 =04)
Nonoperating distributions to the State of West Virginia		(46,441)		(46,581)
Distributions to municipalities and counties		(791)		(791)
Distributions to racetrack from racetrack cap. reinv. fund	_	(6,346)		(1,749)
Cash used in noncapital financing activities	_	(53,578)	8	(49,121)
Cash flows from capital and related financing acitivities:				
Purchases of capital assets	_	(4)	_	(8)
C-1 Compliance investigation				
Cash flows from investing activities: Investment earnings received		1,006		1,216
Cash provided by investing activities	=	1,006		1,216
Cash provided by investing activities	-		3	
Increase (decrease) in cash and cash equivalents		1,403		(2,022)
Cash and cash equivalents - beginning of period		227,763		288,680
Cash and cash equivalents - end of period	\$	229,166	\$_	286,658
Reconciliation of operating income to net cash provided by operat	ting activi	ties:		
Operating income	\$	46,280	\$	49,589
Adjustments to reconcile operating income to				
cash provided by operating activities:				
Depreciation and amortization		141		141
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable		5,178		(7,768)
(Increase) decrease in inventory		3		132
(Increase) decrease in other assets				
Increase (decrease) in estimated prize claims		1,001		662
Increase (decrease) in accounts payable		(2,685)		(1,296)
Increase (decrease) in other accrued liabilities		4,061		4,431
Cash provided by operating activities	\$	53,979	\$	45,891

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

#### **NOTE 1 - LEGISLATIVE ENACTMENT**

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

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

### 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.

### 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 \$887,847 and \$807,352 at June 30, 2024 and 2023, 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.

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

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

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

### NOTE 3 - CASH AND CASH EQUIVALENTS

At July 31, 2024 the carrying amounts of deposits (overdraft) with financial institutions were \$499 thousand with a bank balance (overdraft) of \$518 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):

	Ju	ly 31, 2024	June 30, 2024
Deposits with financial institutions	\$	499	\$ 491
Cash on hand at the Treasurer's Office		5,430	4,236
Investments with BTI reported as cash equivalents		223,237	 223,036
	\$	229,166	\$ 227,763

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

#### **NOTE 4 – CAPITAL ASSETS**

A summary of capital asset activity for the month ended July 31, 2024 is as follows (in thousands):

	Historical Cost			Historical Cost
	At June 30, 2024	Additions	Deletions	At July 31, 2024
Construction in		<del>*···········</del> ∘		
Progress	2,812	3	-	2,815
Buildings	48,243	-	-	48,243
Land	1,681	=	-	1,681
Equipment	11,180	-		11,180
	\$ 63,916	\$ 3	\$ -	\$ 63,919
Accumulated				
Depreciation:				
	Historical Cost			Historical Cost
	At June 30, 2024	Additions	Deletions	At July 31, 2024
Buildings Equipment	\$ 13,865 9,679	\$ 102 39	\$ - -	\$ 13,967 9,718
	\$ 23,544	\$ 141	\$ -	\$ 23,685

#### NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

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

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, LOTTO AMERICA®, and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended July 31, 2024 and fiscal year-to-date is as follows:

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

Revenues		Month	Y-T-D
Powerball	\$	1,782,630	\$ 1,782,630
Lotto America		464,301	464,301
Mega Millions		1,245,631	1,245,631
Total	\$	3,492,562	\$ 3,492,562
Expenses (Prizes)	_	Month	 Y-T-D
Expenses (Prizes) Powerball	\$	Month 894,886	\$ Y-T-D 894,886
	\$		\$
Powerball	\$	894,886	\$ 894,886

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

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

At July 31, 2024, the Lotteries share of the prize reserve fund balances were as follows:

Game	Total Prize Reserve	Lottery Share
Powerball	\$ 127,055,280	\$ 1,137,959
Lotto America	8,936,378	687,378
Mega Millions	100,268,801	752,555
Total	\$ 236,260,459	\$ 2,577,892

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

### 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 \$23,147,833 at July 31, 2024, of which the Lottery's share was \$213,100.

#### 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%).

### **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 July 31, 2024 and fiscal year-to-date follows (in thousands):

	Current Month					Year-to-Date					
	2025			2024		2025		2024			
Total credits played	\$	490,677	\$	516,641	\$	490,677	\$	516,641			
Credits (prizes) won		(441,807)		(464,755)		(441,807)		(464,755)			
Promotional credits played		(8,039)		(7,805)		(8,039)	-	(7,805)			
Gross terminal income		40,831		44,081		40,831		44,081			
Administrative costs		(1,633)		(1,763)		(1,633)		(1,763)			
Net Terminal Income		39,198		42,318	6	39,198		42,318			
Less distribution to agents		(22,401)		(24,184)		(22,401)		(24,184)			
Racetrack video lottery revenues	\$	16,797	\$	18,134	\$	16,797	\$	18,134			

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

	Cu	rrent Month	Ye	ar-to-Date
State Lottery Fund	\$	11,760	\$	11,760
State Excess Lottery Revenue Fund		5,037		5,037
Capital Reinvestment Fund				-
Total nonoperating distributions	\$	16,797	\$	16,797

#### 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

### **NOTE 7 - LIMITED VIDEO LOTTERY (continued)**

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

A summary of limited video lottery revenues for the month ended July 31, 2024 and fiscal year-to-date follows (in thousands):

	Current	Month			Year-to-Date					
	2025	2024		o: <del></del>	2025	0: 1	2024			
Total credits played	\$ 533,431	\$	538,670	\$	533,431	\$	538,670			
Credits (prizes) won	(493,952)		(498,143)		(493,952)		(498,143)			
Gross terminal income	\$ 39,479	\$	40,527	\$	39,479	\$	40,527			
Administrative costs	(790)		(811)		(790)		(811)			
Gross Profit	38,689		39,716	0)	38,689		39,716			
Commissions	(19,345)		(19,858)		(19,345)		(19,858)			
Municipalities and Counties	(774)	2 10	(794)		(774)		(794)			
Limited video lottery revenues	\$ 18,570	\$	19,064	\$	18,570	\$	19,064			

#### **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:

### **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 July 31, 2024 were \$6,649,584 and \$6,649,584, 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			
		2025		2024	 2025	29-	2024
Table Games Privilege Tax	\$	2,327	\$	3,043	\$ 2,327	\$	3,043
Interest on Table Games Fund		25		28	25		28
Administrative costs		(199)		(261)	(199)		(261)
Total Available for Distribution		2,153		2,810	2,153		2,810
Less Distributions:							
Racetrack Purse Funds		150		196	150		196
Thoroughbred & Greyhound Development Funds		120		157	120		157
Racing Association Pension Plan		60		78	60		78
Municipalities/ Counties		663		865	663	V	865
Total Distributions	-	993		1,296	993		1,296
Excess Lottery Fund	\$	1,160	\$	1,514	\$ 1,160	\$	1,514

#### **NOTE 9 – HISTORIC RESORT HOTEL**

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

### Historic Resort Video Lottery

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

A summary of historic resort hotel video lottery revenues for the month ended July 31, 2024 and fiscal year-to-date follows (in thousands):

	Current	Month	1	Year-to-Date					
	2025		2024		2025		2024		
Total credits played	\$ 3,523	\$	6,094	\$	3,523	\$	6,094		
Credits (prizes) won	(3,182)		(5,548)		(3,182)		(5,548)		
Promotional credits played	(60)		(107)		(60)		(107)		
Gross terminal income	281		439	-	281		439		
Capital reinvestment	(13)		(21)		(13)		(21)		
Excess Lottery Fund	(3)		(4)		(3)		(4)		
Administrative costs	(15)		(24)		(15)		(24)		
Hotel commissions	(119)		(186)		(119)		(186)		
Net terminal income	131		204		131		204		
Historic Resort Hotel Fund	83		129		83		129		
Human Resource Benefit Fund	48		75		48		75		

### **NOTE 9 – HISTORIC RESORT HOTEL (continued)**

#### Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year ended July 31, 2024 were \$534,512 and \$534,512 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:

		Curren	t Month		Year-to-Date				
	2025			2024		2025		2024	
Table games privilege tax	\$	187	\$	197	\$	187	\$	197	
Administrative Costs		(24)		(25)		(24)		(25)	
Total Available for Distribution		163		172		163		172	
Historic Resort Hotel Fund		136		144		136		144	
Human Resource Benefit Fund		27		28		27		28	

#### 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):

Current Month			Year-to-Date		
\$	83	\$	83		
	136		136		
	5		5		
10-	224		224		
	31		31		
	193		193		
\$	224	\$	224		
	-	\$ 83 136 5 224 31 193	\$ 83 \$ 136 5 224 31 193		

#### NOTE 10- SPORTS WAGERING

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

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

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

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

The Sports Wagering adjusted gross wagering receipts for the month and year-to-date periods ended July 31, 2024 were \$3,046,039 and \$3,046,039, 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			
	2025 2024		2025		2024			
Sports Wagering Privilege Tax	\$ 305	\$	262	\$	305	\$	262	
Interest on Sports Waging Fund	7		6		7		6	
Administrative Costs	(46)		(39)		(46)		(39)	
Total Available for Distribution	266		229	0. 3	266		229	

#### NOTE 11- INTERACTIVE WAGERING

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

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

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

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

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

The Interactive Wagering adjusted gross interactive gaming receipts for the month and year-to-date periods ended July 31, 2024 were \$20,102,108 and \$20,102,108 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			
		2025		2024		2025	-	2024	
Interactive Wagering Privilege Tax	\$	3,015	\$	1,718	\$	3,015	\$	1,718	
Interest on Interactive Wagering Fund		51		44		51		44	
Administrative Costs		(452)	_	(258)	-	(452)		(258)	
Total Available for Distribution		2,614		1,504		2,614		1,504	

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

	Current Month	Year-to-Date
Pensions	26	26
Lottery Fund	2,588	2,588
Total Distributions	\$ 2,614	\$ 2,614

### 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, 2025 the State Legislature budgeted \$149,094,042 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 \$6,404,184 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. For the month ended July 31, 2024 the Lottery has accrued additional distributions of \$190,046,616. 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):

BUDGETARY DISTRIBUTIONS	July 31, 2024		<u> </u>	Year-to-Date	
State Lottery Fund:					
Community and Technical College	\$	499	\$	499	
Bureau of Senior Services		21,185		21,185	
Department of Education		4,664		4,664	
Library Commission		3,640		3,640	
Higher Education-Policy Commission		2,381		2,381	
Tourism		2,240		2,240	
General Revenue					
Natural Resources		1,234		1,234	
Fire Protection Fund					
Division of Culture & History		1,357		1,357	
Economic Development Authority		1,000		1,000	
School Building Authority		1,800		1,800	
Total State Lottery Fund	\$	40,000	\$	40,000	

te Excess Lottery Revenue Fund:			ф	0.100
Economic Development Fund	\$	2,102	\$	2,102
Higher Education Improvement Fund	1,500			1,500
Economic Development Authority	439			439
General Purpose Account				
Higher Education Improvement Fund				
State Park Improvement Fund				
School Building Authority	1,764			1,764
Refundable Credit				
WV Racing Commission				
Division of Human Services				
WV Lottery Statutory Transfers				
General Revenue Fund				
West Va. Infrastructure Council	599			599
Total State Excess Lottery Revenue Fund	\$	6,404	\$	6,404
Total Budgetary distributions:	\$	46,404	\$	46,404
Veterans Instant Ticket Fund	\$	37	\$	37
Total nonoperating distributions to the				
State of West Virginia (cash basis)	\$	46,441	\$	46,441
Accrued nonoperating distributions, beginning	(190,015)			(190,015)
Accrued nonoperating distributions, end		190,047	-	190,047
	\$	46,473	\$	46,473

#### **NOTE 13 – LEASES**

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancellable operating leases. Rental expense for the fiscal year-to-date ended July 31, 2024 and July 31, 2023 approximated \$9,865 and \$22,248 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended July 31, 2024 and July 31, 2023 approximated \$103,152 and \$78,690 respectively.

#### **NOTE 14 – COMMITMENTS**

For the years ended June 30, 2024 and June 30, 2023 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2024 and 2023, \$5,321,574 and \$5,986,994, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

### **NOTE 15 - RETIREMENT BENEFITS**

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

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

Covered employees hired prior to July 1, 2015 are required to contribute 4.5% of their salary to the PERS. Covered employees hired on or after July 1, 2015 will contribute 6.0% of their salary to the PERS Tier II. The Lottery is required to contribute 10% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending July 31, 2024 and fiscal year-to-date are as follows (in thousands):

	July 31, 2024		Ye	Year-to-Date	
Employee contributions	\$	46	\$	46	
Lottery contributions		85		85	
Total contributions	\$	131	\$	131	

# WEST VIRGINIA LOTTERY NOTES TO FINANCIAL STATEMENTS -Unaudited-

#### **NOTE 16 - RISK MANAGEMENT**

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

#### WORKERS' COMPENSATION INSURANCE

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

#### PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

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

#### **BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)**

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

# SCHEDULE OF REVENUES AND NET REVENUES OF THE LOTTERY FUND AND EXCESS LOTTERY FUND FOR THE ONE MONTH PERIOD ENDED JULY 31, 2024 (In Thousands)

	Current	Month	FISCAL YEAR		
	Actual	Projected	Actual	Projected	
Gross Revenues					
Instant games	14,169	12,500	14,169	12,500	
On-line games	5,396	5,833	5,396	5,833	
Racetrack video lottery	40,831	40,977	40,831	40,977	
Limited video lottery	39,479	37,967	39,479	37,967	
Racetrack table games	2,327	2,272	2,327	2,272	
Historic resort	468	330	468	330	
Sports wagering	305	182	305	182	
Interactive wagering	3,015	1,012	3,015	1,012	
Total gross revenues	105,990	101,073	105,990	101,073	
Lottery Fund Instant games On-line games Racetrack Video Lottery Sports wagering Interactive wagering Total Lottery Fund net nevenues	1,529 1,666 12,034 266 2,588 18,083	1,223 1,674 11,201 253 852 15,203	1,529 1,666 12,034 266 2,588 18,083	1,223 1,674 11,201 253 852 15,203	
Excess Lottery Fund					
Racetrack Video Lottery	5,142	4,798	5,142	4,798	
Limited Video Lottery	18,879	17,860	18,879	17,860	
Limited Video Lottery Fees	28	-	28	-	
Racetrack table games	1,160	1,115	1,160	1,115	
Historic resort	196_	126	196_	126_	
Total Excess Lottery Fund Net Revenues	25,405	23,899	25,405	23,899	
Total Net Revenues	43,488	39,102	43,488	39,102	

#### WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



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

304-347-4870

#### Memorandum

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

From: William Spencer, C.P.A., Director, Budget Division

Legislative Auditor's Office

Date: September 04, 2024

Re: Status of General Revenue Fund and State Road Fund as of August 31, 2024 (FY 25)

We have read the cash flow of the West Virginia general revenue fund as of August 31, 2024, which is the second month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 100% of the estimate for the fiscal year. Total collections were \$205 thousand below the estimate for the fiscal year.

Personal Income Tax collections were \$13.2 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$2.1 million above the estimate for the year.

Severance Tax was \$13.9 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$9.5 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 \$7.1 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 \$643,197,386.29 as of August 31, 2024.

Balance July 1, 2024	\$ 706,059,828.24
* Fiscal year 24 Surplus	\$ 00.00
**Loan to General Revenue Fund	\$ (78,500,000.00)
Earnings/(Loss)	\$15,637,558.05
Balance August 31, 2024	\$ 643,197,386.29

<sup>\*</sup>No transfer in accordance with SB 1015.

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$564,758,062.47 as of August 31, 2024.

Balance July 1, 2024	\$ 550,104,765.71
Earnings	\$14,653,296.76
Balance August 31, 2024	\$ 564,758,062.47

The **Personal Income Tax Reserve** Fund had a \$447,096,042.19 cash balance as of August 31, 2024.

Balance July 1, 2024	\$460,000,000.00
**Loan to General Revenue Fund	\$(12,903,957.81)
Balance August 31, 2024	\$447,096,042.19

<sup>\*\*\$7+</sup> million loan 7/01/2024 for beginning of year cash flow, to pay income tax refunds, and is expected to be repaid later this year in a similar manner to the funds borrowed from the Rainy Day Fund.

<sup>\*\*\$78.5</sup> million loan to state General Revenue Fund 7/01/2024 for beginning of the year cash flow, to be repaid within 90 days.

#### REVENUE COLLECTIONS FISCAL YEAR 2025 as of August 31, 2024

**FINAL** 

GENERAL REVENUE FUND

					YTD					
			ACTUAL	COLLECTIONS			ACTUAL		COLLECTIONS	YTD
	MONTH		MONTH	OVER	YTD		YTD		OVER	PERCENT
	ESTIMATES	C	OLLECTIONS	ESTIMATES	ESTIMATES	C	OLLECTIONS		ESTIMATES	COLLECTED
Personal Income Tax	\$ 155,500,000	\$	151,176,242	\$ (4,323,758)	\$ 307,300,000	\$	294,069,009	\$	(13,230,991)	96%
Consumer Sales Tax & Use Tax	162,100,000		166,200,336	4,100,336	256,800,000		258,894,484		2,094,484	101%
Severance Tax	38,000,000		25,396,362	(12,603,638)	42,400,000		28,523,832		(13,876,168)	67%
Corporate Net Income Tax	3,800,000		4,885,079	1,085,079	14,400,000		23,850,140		9,450,140	166%
Insurance Tax	300,000		391,670	91,670	26,300,000		29,040,863		2,740,863	110%
Tobacco Products Tax	14,000,000		12,880,592	(1,119,408)	27,200,000		24,733,267		(2,466,733)	91%
Business and Occupation	9,300,000		8,321,145	(978,855)	18,300,000		18,180,045		(119,955)	99%
Liquor Profit Transfers	2,750,000		3,006,567	256,567	6,250,000		6,837,447		587,447	109%
Departmental Collections	1,750,000		1,649,607	(100,393)	3,000,000		2,882,711		(117,289)	
Property Transfer Tax	600,000		554,499	(45,501)	1,150,000		1,598,122		448,122	139%
Property Tax	530,000		527,638	(2,362)	690,000		627,682		(62,318)	
Beer Tax and Licenses	600,000		585,253	(14,747)	1,300,000		1,286,105		(13,895)	99%
Miscellaneous Transfers	100,000		=	(100,000)	140,000		184,700		44,700	132%
Interest Income	12,900,000		21,505,598	8,605,598	25,100,000		40,329,986		15,229,986	161%
Refundable Credit Reimb Liability	200,000		267,099	67,099	200,000		267,099		67,099	0%
HB 102 - Lottery Transfers	6,250,000		6,165,018	(84,982)	6,250,000		6,165,018		(84,981.53)	0%
Miscellaneous	180,000		211,800	31,800	1,770,000		300,328		(1,469,672)	17%
Business Franchise Fees	90,000		69,775	(20,225)	190,000		78,218		(111,782)	41%
Estate & Inheritance Tax	-		-	-	-		-		-	0%
Liquor License Renewal	45,000		42,642	(2,358)	136,000		141,399		5,399	104%
Special Revenue Transfers	-		-	-	-		-		-	0%
Charter Tax	-		41	41	=		266		266	0%
Telecommunications Tax	-		=	=	=		=		-	0%
Video Lottery Transfers	-		6,827	6,827	=		(33,848)		(33,848)	
July-Dec Retro Rev Adj	-		-	-	-		-		-	0%
Cash Flow Transfer	-		<del>-</del>	-	-		78,500,000		-	0%
Soft Drink Excise Tax	 0		(1,272)	 (1,272)	 500,000		1,214,099		714,099	243%
SUBTOTALS	\$ 408,995,000	\$	403,842,518	\$ (5,152,482)	\$ 739,376,000	\$	817,670,974	\$	(205,026)	_ =
Less: Cash Flow Transfer	-		-	-	-		78,500,000		-	
Less: Special Revenue Transfer	-	•	-	-	-		-		- (00F 555)	
TOTALS	\$ 408,995,000	\$	403,842,518	\$ (5,152,482)	\$ 739,376,000	\$	739,170,974	\$	(205,026)	•

Percent of Estimates 99% 100%

Collections this day \$ 13,672,953

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

September 03, 2024

#### **GENERAL REVENUE FUND**

						Actual		Actual		YTD	YTD
		Actual		Actual		Collections		Collections		\$ Increase	% Increase
		Collections		Collections		2 Months		2 Months		(Decrease)	(Decrease)
		Aug 2023		Aug 2024		Jul-Aug 2023		Jul-Aug 2024	C	over prior period	over prior period
Personal Income Tax	\$	141,017,273	\$	151,176,242	\$	286,601,365	\$	294,069,009	\$	7,467,644	3%
Consumer Sales Tax & Use Tax		159,002,384		166,200,336		252,638,279		258,894,484		6,256,205	2%
Severance Tax		41,200,089		25,396,362		44,955,990		28,523,832		(16,432,157)	-37%
Corporate Net Income Tax		8,302,802		4,885,079		27,287,480		23,850,140		(3,437,340)	-13%
Insurance Tax		285,924		391,670		25,787,023		29,040,863		3,253,840	13%
Tobacco Products Tax		14,875,589		12,880,592		28,595,385		24,733,267		(3,862,118)	-14%
Business and Occupation		9,410,669		8,321,145		18,404,586		18,180,045		(224,540)	-1%
Liquor Profit Transfers		2,767,533		3,006,567		6,500,277		6,837,447		337,169	5%
Departmental Collections		1,722,845		1,649,607		2,888,396		2,882,711		(5,685)	0%
Property Transfer Tax		2,222,583		554,499		2,967,404		1,598,122		(1,369,281)	-46%
Property Tax		510,580		527,638		712,707		627,682		(85,025)	-12%
Beer Tax and Licenses		599,414		585,253		1,306,739		1,286,105		(20,634)	-2%
Miscellaneous Transfers		9,597		-		9,597		184,700		175,103	0%
Interest Income		20,244,372		21,505,598		36,968,171		40,329,986		3,361,815	9%
Refundable Credit Reimb Liability		402,874		267,099		402,874		267,099		(135,775.00)	0%
HB 102 - Lottery Transfers		6,544,132		6,165,018		6,544,132		6,165,018		(379,113.67)	0%
Miscellaneous		245,865		211,800		371,000		300,328		(70,672)	-19%
Business Franchise Fees		89,723		69,775		196,171		78,218		(117,952)	-60%
Estate & Inheritance Tax		-		-		-		-		=	0%
Liquor License Renewal		42,642		42,642		141,399		141,399		0	0%
Special Revenue Transfers		-		-		-		-		-	0%
Charter Tax		-		41		206		266		60	29%
Video Lottery Transfers		30,234		-		47,747		(33,848)		(81,595)	0%
July-Dec Retro Rev Adj				6,827		70.000.000		70 500 000		0.500.000	0%
Cash Flow Transfer		4 050 050		(4.070)		70,000,000		78,500,000		8,500,000	0%
Soft Drink Excise Tax	_	1,259,050	_	(1,272)	_	2,453,687	_	1,214,099	_	(1,239,588)	100%
SUBTOTALS	\$	410,786,176	\$	403,842,518	\$	815,780,616	\$	817,670,974	\$	1,890,359	
Less: Cash Flow Transfer		-		-		70,000,000		78,500,000		8,500,000	
Less: Special Revenue Transfer TOTALS	•	440 706 476	•	402 042 E40	¢	- 745 790 646	÷	720 470 074	•	(C COO C44)	
TOTALS	\$	410,786,176	\$	403,842,518	\$	745,780,616	\$	739,170,974	\$	(6,609,641)	
Increase/Decrease over Prior Period			\$	(6,943,657)			\$	(6,609,641)			
% Increase/Decrease over Prior Period				-1.69%				-0.89%			

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

September 03, 2024

#### REVENUE COLLECTIONS FISCAL YEAR 2025 as of August 31, 2024

#### STATE ROAD FUND

			FINAL			YEARLY	
		NET	COLLECTIONS		NET	COLLECTIONS	YTD
	MONTH	MONTH	OVER	YTD	YTD	OVER	PERCENT
	<b>ESTIMATES</b>	COLLECTIONS	ESTIMATES	ESTIMATES	COLLECTIONS	ESTIMATES	COLLECTED
Motor Fuel Tax	\$ 30,900,000	\$ 32,813,020	\$ 1,913,020	\$ 72,800,000	\$ 77,611,918	\$ 4,811,918	107%
Sales/Privilege Tax	31,000,000	27,879,292	(3,120,708)	56,500,000	57,147,606	647,606	101%
Licenses & Registration	14,000,000	13,105,161	(894,839)	29,000,000	28,911,365	(88,635)	100%
Miscellaneous	10,000,000	5,566,588	(4,433,412)	18,000,000	5,494,579	(12,505,421)	31%
Highway Litter Control	160,000	171,190	11,190	320,000	367,581	47,581	115%
Federal Reimbursement	83,500,000	83,651,732	151,732	155,000,000	155,139,480	139,480	100%
SUBTOTALS	\$ 169,560,000	\$ 163,186,983	\$ (6,373,017)	\$ 331,620,000	\$ 324,672,529	\$ (6,947,471)	
Less: Federal Reimbursement	83,500,000	83,651,732	151,732	155,000,000	155,139,480	139,480	
TOTALS	\$ 86,060,000	\$ 79,535,251	\$ (6,524,749)	\$ 176,620,000	\$ 169,533,049	\$ (7,086,951)	-

Percent of Estimates 92% 96%

Collections this day \$ 24,629,416

#### REVENUE SHORTFALL RESERVE FUND 7005, Part A as of August 31, 2024 : \$643,197,386.29

\$78.5 million loan to General Revenue fund 7/1/24 for beginning of the year cash flow, to be repaid within 90 days, not reflected.

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of August 31, 2024: \$ 564,758,062.47

#### SPECIAL INCOME TAX REFUND RESERVE FUND as of August 31, 2024: \$447,096,042.19

\$400 million appropriated on 9/8/23 - HB 2024 will be used to pay for the first year of the Personal Income Tax and Personal Property Tax Exemption.

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

September 03, 2024

#### STATE OF WEST VIRGINIA COMPARISON OF REVENUE AUG 2023 vs AUG 2024

#### STATE ROAD FUND

STATE ROAD FUND	Actual Collections Aug 2023	Actual Collections Aug 2024	Actual Collections 2 Months Jul-Aug 2023	Actual Collections 2 Months Jul-Aug 2024	o	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax	\$ 21,381,700	\$ 32,813,020	\$ 73,760,059	\$ 77,611,918	\$	3,851,859	5%
Privilege Tax	32,142,275	27,879,292	59,858,285	57,147,606		(2,710,678)	-5%
Licenses & Registration	11,890,770	13,105,161	23,302,825	28,911,365		5,608,541	24%
Miscellaneous	162,159,114	5,566,588	172,536,943	5,494,579		(167,042,364)	-97%
Highway Litter Control	146,646	171,190	312,894	367,581		54,687	17%
Federal Reimbursement	 67,738,975	 83,651,732	126,637,415	 155,139,480		28,502,065	23%
SUBTOTALS	\$ 295,459,481	\$ 163,186,983	\$ 456,408,420	\$ 324,672,529	\$	(131,735,892)	
Less: Federal Reimbursement	 67,738,975	83,651,732	126,637,415	155,139,480		28,502,065	
TOTALS	\$ 227,720,506	\$ 79,535,251	\$ 329,771,005	\$ 169,533,049	\$	(160,237,956)	
Increase/Decrease over Prior Period		\$ (148,185,255)		\$ (160,237,956)			
% Increase/Decrease over Prior Period		-65.1%		-48.6%			

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

September 04, 2024

#### 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: September 3, 2024

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the July 31, 2024, monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of July 31, 2024, of fiscal year 2024-2025, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2024	\$ 434,053,523.79
Receipts July 1,2024 thru June 30, 2025	\$ 48,159,607.56
Disbursements July 1,2024 thru June 30, 2025	\$ 44,378,281.31
Balance June 30, 2025	\$ 437,834,850.04

#### ITEMS OF NOTE:

Regular benefits paid for July 2024 were \$ 2 million more than July 2023.

Federal emergency benefits totaled \$0 for July 2024. For July 2023, federal emergency benefits totaled \$0.

Total disbursements were \$7 million more in July 2024 than the preceding July 2023.

Receipts as of July 2024, were \$7.8 million more than in July 2023. Overall ending trust fund balance was \$15 million higher on July 31, 2024, than on July 31, 2023.

Seasonally adjusted unemployment rates for July 2024 were 4.2 percent for West Virginia and 4.3 percent nationally.

Since July 2023, employment has increased by 8,100. Employment increases included 6,900 in private education and health services, 1,700 in construction, 2,000 in government, 600 in leisure and hospitality, 200 mining and logging, and 200 in other services. Employment declines included 2,100 in trade, transportation, and utilities, 400 in professional and business services, 900 in manufacturing, and 100 in information. Employment in financial activities was unchanged over the year.

#### MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE FOR THREE MONTHS STARTING MAY 2023 AND MAY 2024

	MAY 2023	JUNE 2023	JULY 2023	MAY 2024	JUNE 2024	JULY 2024	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$ 373,747,462.11 \$	426,178,943.04 \$	419,876,988.10 \$	421,382,558.91 \$	438,824,870.99	\$434,053,523.79	<u>\$ 74,457,560.44</u>
Add Receipts:  1. Bond Assessment  2. Regular Contributions:  3. Federal Emergency Benefits (PEUC)  4. Federal Share Extended Benefits (EB)  5. Federal Additional Compensation - FPUC  6. Pandemic Unemployment Assistance PUA  7. UCFE (Federal Agencies)  8. TSFR From Non-Invstd FUA  9. EUISAA - EMER US RELIEF/STC	62,174,094.45 7,237.85 - 44,789.43 (2,424.00) 49,129.46 - -	1,577,841.26 78.00 	15,274,118.79 10,046.55 	29,911,356.31 3,818.58 - (4,798.58) (6,466.00) 43,746.82 - -	1,449,214.25 3,256.00 - 3,300.00 39,921.00 34,135.22 - - 2,913,562.02	17,998,166.50 - 900.00 (3,570.00) 63,790.31 -	\$ - 1. Bond Assessment (29,667,317.44) 2. Regular Contributions: (10,287.82) 3. Federal Emergency Benefits (PEUC) - 4. Federal Share Extended Benefits (EB) (92,942.44) 5. Federal Additional Compensation - FPUC 43,771.00 6. Pandemic Unemployment Assistance PUA (6,074.07) 7. UCFE (Federal Agencies) - 8. TSFR From Non-Invstd FUA - 9. EUISAA - EMER US RELIEF/STC 923,832.16 10. Treasury Interest Credits
<ol> <li>Treasury Interest Credits</li> <li>UCX (Military Agencies)</li> <li>Temporary Compensation</li> <li>BT to State UI Account</li> <li>UI Modernization</li> <li>Loan Advance</li> <li>Return of Overpayments FPUC/PUA/EU0</li> </ol>	 40,608.98 - - - - - - -	1,969,729.86 27,124.41 - - - - -	28,621.29 - - - - - -	61,943.86 - - - - - -	58,852.98 5,000,000.00 - - - -	70,899.89 - - - - -	923,632.10 10. Treasury interest credits 95,342.05 11. UCX (Military Agencies) 5,000,000.00 12. Temporary Compensation - 13. BT to State UI Account - 14. UI Modernization - 15. Loan Advance - 16. Return of Overpayments FPUC/PUA/EU0
Total Monthly Receipts	\$ 135,614,881.96 \$	14,588,998.76 \$	40,323,764.10 \$	74,642,045.82 \$	27,730,470.16 \$	48,159,607.56	\$ (39.995.521.28) Total Monthly Receipts
Less Disbursements: Debt Bond Repayment Regular Benefits: Federal Emergency Compensation - PEUC Federal Additional Compensation - FPUC Pandemic Unemployment Assistance PUA Federal Emergency Benefits (EUC08) Federal Extended - 2112 Emergency Benefits (TEUC) UCFE (Federal Workers) Benefits UCX (Military Workers) Benefits Reed Act Funds EUISAA Title IX/STC	\$ (Retired) 9,741,270.73 7,880.95 50,278.16 (1,767.00) 44,073.02 34,504.35 - 5,715.03	(Retired) 9,813,390.56 \$ 78.00 4,711.89 (1,432.00) 47,097.23 29,005.17 - 60,043.77	(Retired) 12,287,393.67 \$ 11,243.55 42,921.75 (10,030.00) 68,750.38 27,849.72 - 2,042.28	(Retired) 12,469,873.03 \$ 3,818.58 (4,798.58) (6,466.00) 44,122.02 60,769.86	(Retired) 14,092,450.03 \$ 3,256.00 3,300.00 39,921.00 22,404.00 44,991.04 67,266.60	(Retired) 14,233,919.86 - 1,230.00 (3,570.00) 54,132.32 63,148.27	8,954,187.96 Regular Benefits: (12,127.92) PEUC (98,180.38) FPUC
Total Monthly Disbursements	<u>\$83,183,401.03</u> <u>\$</u>	20,890,953.70	\$37,362,605.58	\$57,199,763.74	<u>\$32,501,817.36</u>	\$44,378,281.31	\$ (7,357,097.90) Total Monthly Disbursements
Trust Fund Balance	<u>\$426,178,943.04</u> <u>\$</u>	419,876,988.10	<u>\$422,838,146.62</u>	<u>\$438,824,870.99</u>	<u>\$434,053,523.79</u>	\$437,834,850.04	<u>\$ 41,819,137.06</u> Trust Fund Balance

<sup>\*</sup> 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.

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

Indicates prior month values that have been updated

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

<sup>\*\*</sup>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 - 2024**

Month	Receipts	Disbursements	Tr	ust Fund Balance
2023				
Balance 1/1/2023			\$	382,161,959
January	\$ 35,795,306	\$ 41,052,758	\$	376,904,507
February	\$ 25,495,204	\$ 33,091,940	\$	369,307,771
March	\$ 17,679,370	\$ 25,286,212	\$	361,700,928
April	\$ 53,423,465	\$ 41,376,931	\$	373,747,462
May	\$ 135,614,882	\$ 83,183,401	\$	426,178,943
June	\$ 14,588,998	\$ 20,890,953	\$	419,876,988
July	\$ 40,323,764	\$ 37,362,605	\$	422,838,147
August	\$ 31,593,212	\$ 30,899,660	\$	423,531,699
September	\$ 13,233,259	\$ 19,721,305	\$	417,043,653
October	\$ 37,545,497	\$ 33,067,426	\$	421,521,724
November	\$ 21,846,092	\$ 26,399,918	\$	416,967,898
December	\$ 16,677,941	\$ 27,336,411	\$	406,309,428
<b>Totals - 2023</b>	\$ 443,816,990	\$ 419,669,520	\$	406,309,428
2024				
January	\$ 41,041,993	\$ 47,064,592	\$	400,286,829
February	\$ 28,824,885	\$ 37,422,044	\$	389,689,670
March	\$ 17,566,730	\$ 29,810,943	\$	377,424,125
April	\$ 127,728,175	\$ 83,769,711	\$	421,382,589
May	\$ 74,642,045	\$ 57,199,763	\$	438,824,871
June	\$ 27,730,470	\$ 32,501,817	\$	434,053,524
July	\$ 48,159,607	\$ 44,378,281	\$	437,834,850
August	\$	\$	\$	
September	\$	\$	\$	
October	\$	\$	\$	
November	\$ 	\$ 	\$	
December	\$	\$	\$	
<b>Totals - 2024</b>	\$	\$	\$	

Benefits and Technical Support Section ● Unemployment Compensation Division 1900 Kanawha Blvd., East ● Building 3, Room 300 ● Charleston, West Virginia 25305 Telephone: (304) 558-3309 ● Fax: (304) 558-3252

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#### MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE FOR THREE MONTHS STARTING MAY 2023 AND MAY 2024

							THREE MONTH
	MAY 2023	JUNE 2023	JULY 2023	MAY 2024	JUNE 2024	JULY 2024	TOTAL VARIANCE *
Balance Forward	\$ 373,747,462.11	\$ 426,178,943.04 \$	419,876,988.10 \$	421,382,558.91 \$	438,824,870.99	\$ <u>434,053,523.79</u>	\$ 74,457,560.44
Add Receipts:							
Bond Assessment							\$ - 1. Bond Assessment
2. Regular Contributions:	62,174,094.45	1,577,841.26	15,274,118.79	29,911,356.31	1,449,214.25	17,998,166.50	(29,667,317.44) 2. Regular Contributions:
<ol><li>Federal Emergency Benefits (PEUC)</li></ol>	7,237.85	78.00	10,046.55	3,818.58	3,256.00	-	(10,287.82) 3. Federal Emergency Benefits (PEUC)
<ol><li>Federal Share Extended Benefits (EB)</li></ol>						·	- 4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	44,789.43	13,431.68	34,122.75	(4,798.58)	3,300.00	900.00	(92,942.44) 5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA	(2,424.00)	(1,432.00)	(10,030.00)	(6,466.00)	39,921.00	(3,570.00)	• •
7. UCFE (Federal Agencies)	49,129.46	44,166.47	54,450.49	43,746.82	34,135.22	63,790.31	(6,074.07) 7. UCFE (Federal Agencies)
TSFR From Non-Invstd FUA     EUISAA - EMER US RELIEF/STC	•	-	-	-	-	-	<ul> <li>8. TSFR From Non-Invstd FUA</li> <li>9. EUISAA - EMER US RELIEF/STC</li> </ul>
Treasury Interest Credits	-	1.989.729.86	-	-	2,913,562.02	-	923,832.16 10. Treasury Interest Credits
Treastly interest credits     UCX (Military Agencies)	40.608.98	27,124.41	28.621.29	61.943.86	58.852.98	70.899.89	95,342.05 11. UCX (Military Agencies)
12. Temporary Compensation			-	-	5.000.000.00		5,000,000.00 12. Temporary Compensation
13. BT to State UI Account		-	-	_	-	_	- 13. BT to State UI Account
14. UI Modernization	-	_	-	-	-	-	- 14. UI Modernization
15. Loan Advance	-	-	-	-	-	-	- 15. Loan Advance
16. Return of Overpayments FPUC/PUA/EU0			<u> </u>	<u> </u>	<u> </u>	-	16. Return of Overpayments FPUC/PUA/EU0
Total Monthly Receipts	<u>\$ 135,614,881.96</u>	<u>\$ 14,588,998.76</u> <u>\$</u>	40,323,764.10 \$	74,642,045.82 \$	27,730,470.16	48,159,607.56	<b>\$</b> (39,995,521.28) Total Monthly Receipts
Less Disbursements:							Less Disbursements:
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	, , , , , , , , , , , , , , , , , , , ,
Regular Benefits:	\$ 9,741,270.73		12,287,393.67 \$	12,469,873.03 \$	14,092,450.03 \$	14,233,919.86	8,954,187.96 Regular Benefits:
Federal Emergency Compensation - PEUC Federal Additional Compensation - FPUC	7,880.95 50.278.16	78.00 4.711.89	11,243.55 42.921.75	3,818.58 (4,798.58)	3,256.00 3,300.00	1.230.00	(12,127.92) PEUC (98,180.38) FPUC
Pandemic Unemployment Assistance PUA	(1,767.00)	(1,432.00)	(10,030.00)	(6,466.00)	39,921.00	(3,570.00)	
Federal Emergency Benefits (EUC08)	(1,101100)	(1,102.00)	-	(0,100.00)	22,404.00	(0,0:0:00)	22,404.00 Federal Emergency Benefits (EUC08)
Federal Extended - 2112	-	-	-	-	,		- Federal Extended - 2112
Emergency Benefits (TEUC)	-	-	-	-	-	-	<ul> <li>Emergency Benefits (TEUC)</li> </ul>
UCFE (Federal Workers) Benefits	44,073.02	47,097.23	68,750.38	44,122.02	44,991.04	54,132.32	(16,675.25) UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	34,504.35	29,005.17	27,849.72	60,769.86	67,266.60	63,148.27	99,825.49 UCX (Military Workers) Benefits
Reed Act Funds	-	-	-	-	-	-	<ul> <li>Reed Act Funds</li> </ul>
EUISAA Title IX/STC	5,715.03	60,043.77	2,042.28			-	(67,801.08) EUISAA Title IX/STC
Total Monthly Disbursements	\$83,183,401.03	\$ 20,890,953.70	\$37,362,605.58	\$57,199,763.74	\$32,501,817.36	\$44,378,281.31	\$ (7,357,097.90) Total Monthly Disbursements
rotal monthly bisbursements	<del>400, 100, 401.00</del>	<u>Ψ 20,030,933.70</u>	ψ01,002,000.00	ψ01,103,103.14	<u> </u>	<del>ψ-1,370,201.31</del>	(1,001,001.00)
Trust Fund Balance	<u>\$426,178,943.04</u>	\$ 419,876,988.10	\$422,838,146.62	\$438,824,870.99	\$434,053,523.79	\$437,834,850.04	<b>\$</b> 41,819,137.06 Trust Fund Balance

<sup>\*</sup> 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.

Borrowed on 3/11/2016

Repaid on 5/17/2016

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Repaid on 5/4/2017

Outstanding Loan from Revenue Shortfall Reserve Fund

Indicates prior month values that have been updated

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

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



FOR RELEASE: August 14, 2024 Contact: Andy Malinoski Andy.E.Malinoski@wv.gov

304-553-9305

#### State Unemployment Rate Inches Upward in July 2024

West Virginia's seasonally adjusted unemployment rate inched upward one-tenth of a percentage point to 4.2 percent in July 2024. The number of unemployed state residents rose 400 to 33,100. Total employment slipped 100 over the month. The national seasonally adjusted unemployment rate climbed two-tenths of a percentage point to 4.3 percent in July 2024.

Total nonfarm payroll employment declined 700 in July, where a loss of 1,300 in the service-providing sector overpowered a gain of 600 in the goods-producing sector.

Within the goods-producing sector, employment gains included 300 in construction, 200 in manufacturing, and 100 in mining and logging.

Within the service-providing sector, employment gains included 100 in information and 100 in other services. Employment declines included 600 in private education and health services, 300 in government, 200 in professional and business services, 200 in trade, transportation, and utilities, 100 in financial activities, and 100 in leisure and hospitality.

Since July 2023, total nonfarm payroll employment has risen 8,100. Employment gains included 6,900 in private education and health services, 2,000 in government, 1,700 in construction, 600 in leisure and hospitality, 200 in mining and logging, and 200 in other services. Employment declines included 2,100 in trade, transportation, and utilities, 900 in manufacturing, 400 in professional and business services, and 100 in information. Employment in financial activities was unchanged over the year.

West Virginia's not seasonally adjusted unemployment rate climbed two-tenths of a percentage point to 4.7 percent in July.

The state's seasonally adjusted labor force participation rate remained at 55.1 percent in July 2024.

Research, Information and Analysis, 1900 Kanawha Blvd. East Building 3 Suite 300, Charleston, WV 25305 Telephone (304) 558-2660 ~ Fax (304) 558-1343

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#### WEST VIRGINIA

(In Thousands - Seasonally Adjusted)

	July 2024				
	Prelim.	Revised	Revised	Chang	e from:
	Jul	Jun	Jul	Jun	Jul
	2024	2024	2023	2024	2023
Civilian Labor Force	789.0	788.7	786.9	0.3	2.1
Total Employment	755.9	756.0	755.5	-0.1	0.4
Total Unemployment	33.1	32.7	31.4	0.4	1.7
Unemployment Rate	4.2	4.1	4.0	XX	XX
Labor Force Participation Rate	55.1	55.1	55.0	XX	xx
NONFARM PAYROL	L EMPLOYMENT	BY INDUS	ΓRY		
Total Nonfarm	717.2	717.9	709.1	-0.7	8.1
Total Private	563.6	564.0	557.5	-0.4	6.1
Goods Producing	100.5	99.9	99.5	0.6	1.0
Mining and Logging	21.8	21.7	21.6	0.1	0.2
Construction	33.7	33.4	32.0	0.3	1.7
Manufacturing	45.0	44.8	45.9	0.2	-0.9
Durable Goods	27.4	27.2	28.1	0.2	-0.7
Non-Durable Goods	17.6	17.6	17.8	0.0	-0.2
Service-Providing	616.7	618.0	609.6	-1.3	7.1
Private Service-Providing	463.1	464.1	458.0	-1.0	5.1
Trade, Transportation, and Utilities	120.6	120.8	122.7	-0.2	-2.1
Wholesale Trade	18.9	18.9	19.2	0.0	-0.3
Retail Trade	76.7	76.9	77.9	-0.2	-1.2
Transportation, Warehousing, and Utilities	25.0	25.0	25.6	0.0	-0.6
Information	7.7	7.6	7.8	0.1	-0.1
Financial Activities	25.8	25.9	25.8	-0.1	0.0
Finance and Insurance	19.1	19.1	19.0	0.0	0.1
Real Estate and Rental and Leasing	6.7	6.8	6.8	-0.1	-0.1
Professional and Business Services	72.7	72.9	73.1	-0.2	-0.4
Professional, Scientific & Techical Services	30.7	30.4	29.8	0.3	0.9
Administrative and Support and Waste Mgmt	34.8	35.3	36.0	-0.5	-1.2
Private Education and Health Services	140.0	140.6	133.1	-0.6	6.9
Private Educational Services	7.0	7.2	6.8	-0.2	0.2
Health Care and Social Assistance	133.0	133.4	126.3	-0.4	6.7
Leisure and Hospitality	72.1	72.2	71.5	-0.1	0.6
Arts, Entertainment, and Recreation	9.0	9.0	8.7	0.0	0.3
Accommodation and Food Service	63.1	63.2	62.8	-0.1	0.3
Other Services	24.2	24.1	24.0	0.1	0.2
Government	153.6	153.9	151.6	-0.3	2.0
Federal Government	26.7	26.6	25.9	0.1	0.8
State Government	47.7	48.0	47.4	-0.3	0.3
Local Government	79.2	79.3	78.3	-0.1	0.9

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

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	790,900	790,500	790,500	789,600	789,200	788,700	789,000						
Employment	756,800	756,400	756,200	756,000	756,100	756,000	755,900						
Unemployment	34,000	34,100	34,300	33,600	33,000	32,700	33,100						
Rate	4.3	4.3	4.3	4.3	4.2 55.1	4.1	4.2						
Particpation Rate	55.3	55.2	55.2	55.2	55.1	55.1	55.1						
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	779,400	780,100	780,800	781,900	783,300	785,100	786,900	788,600	789,900	790,600	790,500	790,200	786,700
Employment	751,500	752,800	753,800	754,500	754,800	755,200	755,500	755,900	756,200	756,400	756,400	756,300	756,900
Unemployment	27,900	27,200	27,000	27,400	28,500	29,900	31,400	32,700	33,700	34,200	34,100	33,900	29,800
Rate	3.6	3.5	3.5	3.5	3.6	3.8	4.0	4.2	4.3	4.3	4.3	4.3	3.8
Particpation Rate	54.5	54.5	54.6	54.7	54.8	54.9	55.0	55.1	55.2	55.2	55.2	55.2	54.9
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	777,400	778,700	779,500	779,700	779,400	778,800	778,300	778,000	777,800	777,900	778,300	778,800	778,700
Employment	747,000	748,900	750,000	750,200	749,500	748,400	747,300	746,500	746,400	747,000	748,300	750,000	748,300
Unemployment	30,400	29,700	29,400	29,500	29,900	30,400	31,000	31,400	31,400	30,900	30,000	28,900	30,400
Rate	3.9	3.8	3.8	3.8	3.8	3.9	4.0	4.0	4.0	4.0	3.8	3.7	3.9
Particpation Rate	54.2	54.3	54.4	54.4	54.4	54.4	54.4	54.4	54.3	54.3	54.4	54.4	54.4
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	771,500	771,600	772,600	773,800	774,800	775,400	774,900	774,300	773,800	774,000	774,800	775,900	788,800
Employment	724,400	725,600	727,400	729,600	731,900	733,800	735,200	736,600	738,200	740,100	742,300	744,600	749,100
Unemployment	47,100	46,100	45,300	44,300	43,000	41,600	39,700	37,600	35,600	33,800	32,400	31,300	39,700
Rate	6.1	6.0	5.9	5.7	5.5	5.4	5.1	4.9	4.6	4.4	4.2	4.0	5.0
Particpation Rate	53.6	53.6	53.7	53.8	53.9	53.9	53.9	53.8	53.8	53.9	53.9	54.0	54.7
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,900	795,900	792,900	759,100	772,900	769,700	772,800	771,500	773,700	772,500	772,300	772,400	792,200
Employment	755,800	753,300	750,400	639,200	676,900	689,000	700,200	708,800	715,400	719,400	721,900	723,300	726,000
Unemployment	42,100	42,500	42,500	119,900	96,000	80,700	72,600	62,700	58,300	53,100	50,500	49,000	66,100
Rate Particpation Rate	5.3 55.0	5.3 54.9	5.4 54.7	15.8 52.6	12.4 53.6	10.5 53.4	9.4 53.6	8.1 53.5	7.5 53.7	6.9 53.6	6.5 53.6	6.3 53.6	8.3 54.1
r articpation Nate	55.0	54.5	54.7	32.0	33.0	33.4	33.0	33.3	33.7	33.0	33.0	33.0	34.1
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,400	792,500	791,700	791,700	792,300	793,600	795,100	796,500	797,600	798,500	798,900	798,800	798,300
Employment	753,700	753,400	753,400	753,800	754,700	755,800	756,600	757,100	757,700	758,100	758,200	757,500	759,000
Unemployment Rate	39,700 5.0	39,100 4.9	38,400 4.8	37,800 4.8	37,600 4.7	37,800 4.8	38,500 4.8	39,300 4.9	39,900 5.0	40,300 5.1	40,800 5.1	41,400 5.2	39,300 4.9
Particpation Rate	54.5	54.5	54.4	54.5	54.5	54.6	54.7	54.9	54.9	55.0	55.0	55.1	54.8
'													
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,500	789,900	791,700	793,400	794,500	795,000	794,900	794,600	794,500	794,600	794,700	794,500	793,400
Employment Unemployment	746,000 42,500	747,400 42,500	749,400 42,300	751,500 41,900	753,100 41,400	754,200 40,800	754,700 40,200	754,900 39,800	754,800 39,700	754,700 39,900	754,500 40,200	754,300 40,200	752,200 41,200
Rate	42,500 5.4	42,500 5.4	42,300 5.3	5.3	41,400 5.2	40,600 5.1	40,200 5.1	5.0	5.0	5.0	40,200 5.1	40,200 5.1	5.2
Particpation Rate	53.9	54.0	54.2	54.3	54.4	54.5	54.5	54.5	54.5	54.5	54.5	54.6	54.4
				_				_		• .		_	
2017 Labor Force	<b>Jan</b> 782,300	<b>Feb</b> 781,900	<b>Mar</b> 781,700	<b>Apr</b> 781,900	<b>May</b> 782,800	<b>Jun</b> 783,900	<b>Jul</b> 785,300	<b>Aug</b> 786,400	<b>Sep</b> 787,200	Oct 787,400	<b>Nov</b> 787,400	<b>Dec</b> 787,500	<b>AVG</b> 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
Particpation 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	53.5
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
Particpation 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	53.3
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
Particpation 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	53.5
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 Particpation Rate	6.7 53.7	6.7 53.7	6.7 53.7	6.6 53.7	6.5 53.6	6.5 53.5	6.4 53.5	6.4 53.5	6.4 53.5	6.4 53.5	6.3 53.5	6.4 53.5	6.5 53.6
•													
2013	<b>Jan</b>	<b>Feb</b>	Mar 200	Apr 200	<b>May</b>	Jun 700 700	Jul 700 500	Aug 200	<b>Sep</b>	Oct 707 100	Nov 706 900	<b>Dec</b>	AVG
Labor Force Employment	804,800 747,900	802,800 747,100	801,200 746,600	800,300 746,800	799,900 747,100	799,700 747,200	799,500 746,900	798,900 746,200	798,000 745,100	797,100 744,100	796,800 743,400	797,000 743,300	799,500 745,800
Unemployment	747,900 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
Particpation 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	53.8
·									_				
2012 Labor Force	<b>Jan</b> 808,100	<b>Feb</b> 807,800	<b>Mar</b> 807,900	<b>Apr</b> 808,200	<b>May</b> 808,600	<b>Jun</b> 808,900	<b>Jul</b> 808,900	<b>Aug</b> 808,800	<b>Sep</b> 808,700	Oct 808,400	<b>Nov</b> 807,800	<b>Dec</b> 806,600	<b>AVG</b> 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
Particpation 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	54.3

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

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,500	783,900	784,900	784,500	789,300	800,500	798,000		-				
Employment	745,200	744,800	746,500	754,500	759,500	764,500	760,700						
Unemployment Rate	37,200 4.8	39,100 5.0	38,300 4.9	30,000 3.8	29,900 3.8	36,000 4.5	37,200 4.7						
Participation Rate	54.7	54.8	54.8	54.8	55.2	55.9	55.7						
•													
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force Employment	770,000 738,700	776,400 744,300	775,400 744,500	781,100 753,600	783,600 755,600	797,900 765,000	793,000 761,600	794,400 759,200	793,400 763,900	793,100 763,700	787,100 758,300	782,300 751,500	786,700 756,900
Unemployment	31,300	32,100	30,900	27,500	28,000	32,900	31,400	35,300	29,500	29,400	28,800	30,800	29,800
Rate	4.1	4.1	4.0	3.5	3.6	4.1	4.0	4.4	3.7	3.7	3.7	3.9	3.8
Participation Rate	53.8	54.3	54.2	54.6	54.8	55.8	55.4	55.5	55.4	55.4	55.0	54.7	54.9
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	770,500	776,300	773,200	776,500	781,700	792,200	784,800	782,800	779,500	781,000	774,200	771,800	778,700
Employment	734,700	739,900	740,500	747,200	753,900	758,100	752,200	749,300	753,900	755,000	748,100	746,500	748,300
Unemployment	35,800	36,400	32,600	29,400	27,800	34,200	32,500	33,500	25,600	26,000	26,100	25,300	30,400
Rate Participation Rate	4.6 53.7	4.7 54.2	4.2 54.0	3.8 54.2	3.6 54.6	4.3 55.3	4.1 54.8	4.3 54.7	3.3 54.5	3.3 54.6	3.4 54.1	3.3 53.9	3.9 54.4
r artioipation rate	00.1	04.2	04.0	04.2	04.0	00.0	04.0	04.7	04.0	04.0	04.1	00.0	04.4
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	760,700 708,700	767,900 715,500	765,700 716,900	773,800 728,300	775,200 733,400	787,900 742,800	783,700 743,600	779,000 740,500	776,100 745,600	775,300 747,000	770,100 742,600	768,000 741,200	788,800 749,100
Employment Unemployment	52,000	52,400	48,800	45,500	41,800	45,100	40,200	38,500	30,600	28,300	27,500	26,800	39,700
Rate	6.8	6.8	6.4	5.9	5.4	5.7	5.1	4.9	3.9	3.6	3.6	3.5	5.0
Participation Rate	52.8	53.4	53.2	53.8	53.9	54.8	54.5	54.2	54.0	54.0	53.6	53.5	54.7
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	790,800	795,500	785,800	754,900	772,700	781,300	778,400	777,400	776,900	778,700	768,100	765,100	792,200
Employment	745,200	749,000	733,000	636,800	674,400	703,000	703,700	715,800	721,700	732,100	723,400	718,400	726,000
Unemployment	45,600	46,400	52,800	118,100	98,300	78,400	74,800	61,600	55,200	46,600	44,700	46,700	66,100
Rate Participation Rate	5.8 54.5	5.8 54.9	6.7 54.2	15.6 52.3	12.7 53.6	10.0 54.2	9.6 54.0	7.9 53.9	7.1 53.9	6.0 54.0	5.8 53.3	6.1 53.1	8.3 54.1
r di dolpadon r dio	01.0	01.0	01.2	02.0	00.0	02	00	00.0	00.0	0 1.0	00.0	00.1	<b>0</b>
2019	Jan 700 000	Feb	Mar	<b>Apr</b>	May 704 400	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force Employment	786,600 739,400	789,900 743,300	783,000 740,400	786,800 751,000	791,400 755,700	807,000 766,400	804,200 764,500	800,400 761,200	800,200 766,300	803,000 767,000	793,900 757,200	792,000 753,600	798,300 759,000
Unemployment	47,200	46,600	42,600	35,800	35,600	40,600	39,700	39,200	33,900	35,900	36,700	38,400	39,300
Rate	6.0	5.9	5.4	4.5	4.5	5.0	4.9	4.9	4.2	4.5	4.6	4.8	4.9
Participation Rate	54.0	54.3	53.8	54.1	54.5	55.6	55.4	55.1	55.1	55.3	54.7	54.6	54.8
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	779,100	789,200	783,600	790,400	794,700	808,800	805,300	794,500	795,600	799,400	791,300	789,200	793,400
Employment Unemployment	731,800 47,300	738,000 51,300	736,000 47,600	748,900 41,500	756,800 37,800	765,100 43,600	763,800 41,400	755,700 38,800	762,000 33,600	764,800 34,600	757,000 34,300	751,200 38,000	752,200 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	4.8	5.2
Participation Rate	53.3	54.0	53.6	54.1	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 49,300	730,700 49,200	731,100 44,000	743,000 38,500	744,500 35,500	753,600 41,600	751,500 41,100	747,700 42,700	757,600 35,300	754,300 35,100	745,400 38,700	739,900 40,400	742,700 41,000
Unemployment Rate	49,300 6.4	6.3	5.7	4.9	4.6	5.2	5.2	42,700 5.4	4.5	4.4	4.9	40,400 5.2	41,000 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 Participation Rate	7.2 53.0	7.4 53.3	7.0 53.0	6.2 53.3	5.8 53.4	6.4 54.0	6.0 53.5	6.1 53.3	5.5 53.3	5.4 53.4	5.0 52.9	5.2 52.6	6.1 53.3
·				_				_	_			_	
2015 Labor Force	<b>Jan</b> 787,000	<b>Feb</b> 789,700	<b>Mar</b> 784,900	<b>Apr</b> 793,800	<b>May</b> 797,700	<b>Jun</b> 806,900	<b>Jul</b> 799,800	<b>Aug</b> 793,900	<b>Sep</b> 788,100	Oct 790,200	<b>Nov</b> 783,900	<b>Dec</b> 782,400	<b>AVG</b> 791,500
Employment	730,400	730,400	764,900	793,800	744,400	750,700	744,400	793,900	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 53.1	7.5 53.3	7.3 53.0	6.6 53.6	6.7 53.9	7.0 54.5	6.9 54.0	6.6 53.6	5.7 53.3	5.6 53.4	5.8 53.0	6.0 52.9	6.6 53.5
Participation Rate	JJ. I		55.0	55.0	55.5	J <del>-1</del> .J	J <del>-1</del> .U	55.0	55.5	55.4	55.0	JZ.3	
2014	Jan 790 400	Feb 705 700	Mar	<b>Apr</b>	May	Jun 200	Jul	Aug	<b>Sep</b>	Oct 700,000	Nov	<b>Dec</b>	AVG
Labor Force Employment	789,400 730,800	795,700 732,700	792,000 733,300	795,300 745,400	800,800 750,400	805,300 753,500	800,900 748,000	796,900 744,200	795,800 749,900	799,900 754,700	791,000 745,000	785,700 739,600	795,700 744,000
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 Unemployment	734,500 64,300	734,900 63,100	733,800 57,100	747,400 51,800	752,100 50,300	758,400 55,800	754,200 53,500	749,400 52,700	752,500 48,100	749,100 49,000	744,500 48,400	739,200 49,600	745,800 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 Rate	61,400 7.7	64,500 8.0	60,200 7.5	56,100 7.0	58,000 7.1	62,300 7.6	61,500 7.5	60,200 7.4	54,100 6.7	53,600 6.6	53,200 6.6	56,100 7.0	58,400 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
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# BRIM September 2024 Interim Packet

# West Virginia Board of Risk and Insurance Management UNAUDITED BALANCE SHEET AND INCOME STATEMENT For the Twelve Months Ending July 31, 2024

## Talking Points for Joint Committee on Government and Finance Meeting September 2024

- 1. **Premium Revenue** for July reflects the premiums earned for the first month of the current fiscal year. BRIM premiums in FY'25 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 in July plus an estimated accrual for the month of July. Claim payments in July were lower than in July of last year.
- 3. **Investments** reflect a gain of \$5.8 million year to date. Investment returns in July of last year were lower than in July of this year. Interest rates fluctuated during FY'24 and there was volatility in the equities markets. In FY'25 the outlook for investment income is uncertain given the continued volatility of the equities markets and the interest rate environment.
- 4. BRIM continues to pursue pro-active loss control initiatives.

#### West Virginia Board of Risk and Insurance Management

#### Statements of Net Position

#### For the One Month Ended July 31st

	20	024		2023
		(In Thousa	nds)	
Assets				
Current assets:			_	
Cash and cash equivalents	\$	40,567	\$	37,264
Advance deposits with insurance company and trustee		255,633		218,609
Receivabales		26,042		5,366
Prepaid insurance		00		1,302
Restricted cash and cash equivalents  Premiums due from other entities		8,680		5,488
Total current assets		1,539		1,534
Total current assets		332,461		269,563
Noncurrent assets:				
Equity position in internal investments pools		59,146		156,476
Restricted investments		33,102		30,211
Total noncurrent assets		92,248		186,687
Total assets		424,709		456,250
Deferred Outflows of Resources		243		399
Deferred Outflows of Resources - OPEB		10		59
Liabilities				
Current liabilities:				
Estimated unpaid claims and claims adjustment expense		91,641		189,423
Unearned premiums		24,039		22,298
Agent commissions payable		1,932		1,771
Claims Payable		0		. 0
Accrued expenses and other liabilities		19,968		1,211
Total current liabilities		137,579		214,702
Estimated unpaid claims and claims adjustment expense net of current portion		200,925		177,757
Compensated absences		182		192
Net pension liability		(4)		148
Total noncurrent liabilities		201,103		178,096
Total liabilities	-	338,682		392,798
Deferred Inflows of Resources		0		0
Deferred Inflows of Resources - OPEB		64		137
Net position:				
Restricted by State code for mine subsidence coverage		38,018		32,363
Unrestricted		37,811		36,438
Net Assets (Deficiency)		10,386		(5,028)
Net position	\$	86,215	\$	63,774

Unaudited

#### West Virginia Board of Risk and Insurance Management

#### Statements of Revenues, Expenses, and Changes in Net Position

#### For the One Month Ended July 31st

	2024	2023		
	(In Thousa	nds)		
Operating revenues				
Premiums	10,134	\$ 9,381		
Less coverage/reinsurance programs	(66)	(431)		
Net operating revenues	10,068	8,950		
Operating expenses				
Claims and claims adjustment expense	5,100	16,924		
General and administrative	445	408		
Total operating expenses	5,545	17,332		
Operating income (loss)	4,523	(8,382)		
Nonoperating revenues				
Investment income	5,863	3,354		
Legislative Appropriation	0	0		
OPEB Non Operating Income	0	0		
Net nonoperating revenues	5,863	3,354		
Changes in net position	10,386	(5,028)		
Total net position, beginning of year	75,829	68,801		
Total net position, end of period	\$ 86,215	\$ 63,774		

Unaudited

# PEIA September 2024 Interim Packet

# PEIA September Interim Talking Points

- > PEIA and RHBT FY 2024 preliminary year end financial statements for June 30, 2024, are available for your review.
- > PEIA statements indicate PEIA will finish behind plan by \$51 million. This is due to higher than forecast claims expense.
- > RHBT statements indicate RHBT will finish ahead of plan by \$65 million. This is due to higher than forecast investment income.
- > The 2024 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$77, \$11 and \$202 million respectively.
- > These reserve levels represent 10%, 6% and 115% 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 Twelve Months Ending Sunday, June 30, 2024 PRELIMINARY 7.25.24

# West Virginia Public Employees Insurance Agency DRAFT- Statement of Changes in Plan Net Position For the Twelve Months Ending Sunday, June 30, 2024

(Unaudited-For Internal Use Only)

Premium Revenue	Premium Revenue   Sign   Sig					BUDGET VARIANCE	RIANCE	PRIOR YR VARIANCE	ARIANCE
Premium Revenue   S10,016   2%   S163,114   S16,529   Health Insurance - State Gov Employees   147,744   119,189   Health Insurance - Local Gov Employees   166,539   136,682   Health Insurance - Local Gov Employees   166,539   136,682   Health Insurance - Local Gov Employees   179   170   17	Premium Revenue   S10,016   2%   S163,114   S165,514   S165,514   S165,514   S165,514   S165,514   S165,682   Health Insurance - Local Gov Mil   4,75   4,696   Administrative Frees, Net of Redunds   C2,780   C2,80   C	ACTUAL	BUDGET	PRIOR YR	HINHMA ONLY GHAO	S	%	€9	%
Health Insurance - Star Gov Employers   119,189   Health Insurance - Local Gov All   179   179   28,055   136,682   14,7574   119,189   Health Insurance - Local Gov All   179   27,097   27,0	Health Insurance - Stace Gov Employers   147,574   119,189   Health Insurance - Local Gov All     47,574   119,189   Health Insurance - Local Gov All     47,64   4,669   Administrative Feers, State of Refunds     5,764   2,664   Total Operating Revenue     5,100   2,020   Life Insurance     6,874   19,6   218,141   3				OPERATING REVENUE				
147,574   119,189	147.574   119,189   Health Insurance - State Gov Employees   3300, 1078   28,015.114   31,056   Health Insurance - Local Gov Employees   3300, 1078   28,015.114   32,020   136,622   Health Insurance - Local Gov Employees   13,000   12,430   701,163   Administrative Fees, Not of Refunds   1719   (278)   (27				Premium Revenue				
19,189   Health Insurance - State Gov Employees   13,00   (0%)   28,055   16,653   16,682   Health Insurance - Local Gov All   179   4%   (14)   (17	14/574   119,189   Health Insurance - State Gov Employees   14/574   119,189   Health Insurance - State Gov All   179   4%   1790   23,097   1704   47574   179   4%   (14)   (1	\$600,773	\$590,757	<b>9</b> -3	Health Insurance - State Gov Employers	\$10,016	2%	\$163,114	37%
166,559   136,682   14 elith Insurance - Local Gov All   (2,780)   (2%)   27,007   (14)     4,776	16,559   15,682   Health Insurance - Local Gov All   (2,780) (2%) 27,097   (11) 6   (11)	147,244	147,574		Health Insurance - State Gov Employees	(330)	(%0)	28,055	24%
4,76	4,776   4,969   Administrative Fees, Net of Refunds   179   476   149   (141)     2,764   2,664   Other Pentium Revenue   6,874   196   218,141   3     312,430   701,163   Total Net Pentium Revenue   6,874   196   218,141   3     10,522   2,020   Direct Transfer   0   0   0   0     12,106   2,200   Direct Transfer   0   0   0   0     12,430   701,163   Total Net Position, End of Period   0   0   0     12,430   701,163   Total Net Position, End of Period   0   0   0     12,430   701,163   Total Net Position, End of Period   0   0   0     12,430   701,163   Total Net Position, End of Period   0   0   0     12,430   701,163   Total Net Position, End of Period   0   0   0     12,430   701,163   Total Net Position, End of Period   0   0   0     12,430   701,163   Total Net Position, End of Period   0   0   0     12,430   701,163   Total Net Position, End of Period   0   0   0     12,430   701,163   Total Net Position, End of Period   0   0   0     12,641   19,641	163,779	166,559		Health Insurance - Local Gov All	(2,780)	(5%)	27,097	20%
2,764   2,664   Cother Premium Revenue   (211)   (8%)   (111	2,764   2,664   Total Operating Revenue   (211)   (8%) (111)   (11)	4,955	4,776		Administrative Fees, Net of Refunds	179	4%	(14)	(%0)
NON-OPERATING REVENUE   2,020   12%   345   13%   145,040   145,	10,522   12,600   1,163   1,2430   1,163   1,164   1,96   1,1841   1,184   1	2,553	2,764		Other Premium Revenue	(211)	(8%)	(111)	(4%)
Compact   Comp	10,522   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   12%   345   137   1	919,304	912,430	701,163	Total Operating Revenue	6,874	1%	218,141	31%
2,106         2,020         Life Insurance         259         12%         345         (10           0         52,000         Direct Transfer         0         0%         (52,000)         (10           8,416         8,182         Interest and Investment Income         6,123         73%         6,357         (10           10,522         62,202         Total Non-Operating Revenue         6,382         61%         (45,298)         (73           EXPENSES           EXPENSES           EXPENSES           604,84         468,987         Claims Expense - Medical         (32,576)         (17%)         (73,447)         (4           10,434         468,987         Claims Expense - Drugs         (35,501)         (17%)         (73,447)         (4           604,984         468,987         Claims Expense - Drugs         (35,501)         (17%)         (73,447)         (4           10,10,735         173,249         Claims Expense - Drugs         (35,501)         (17%)         (74,433)         (75)           10,10,737         73,148         ACA Comparating Expenses         Comparating Expenses         (409)         (409)         (400)         (400)         (400)         (400)         <	2,106         2,020         Life Insurance         259         12%         345         (10           0         5,2000         Interest and Investment Income         6,123         73%         (2,2000)         (10           10,522         62,202         Total Non-Operating Revenue         6,132         73%         (45,298)         (73           922,952         763,365         TOTAL REVENUE         13,256         1%         172,843         (73,447)         (73,47)         (73,447)         (73,477)         (73,477)         (73,447)         (4           10,735         173,249         Claims Expense - Medical         (32,576)         (7%)         (168,573)         (73,447)         (4           10,748         54,401         Payments to Managed Care Orge         3,522         5%         (9,825)         (1           10,748         5,440         Payments to Managed Care Orge         1,227         6%         5,290         (3,800)         (3,800)         (3,800)         (3,800)         (3,800)         (3,800)         (4,800)         (8,800)         (4,800)         (8,800)         (4,800)         (8,800)         (4,800)         (4,800)         (4,800)         (8,800)         (4,800)         (8,800)         (4,800)         (8,800)         (				NON-OPERATING REVENUE				
8,416   8,182   Interest and Investment Income   6,123   73%   6,357     10,522   62,202   Total Non-Operating Revenue   6,382   61%   (45,298)   (73     10,522   763,365   Total Non-Operating Revenue   6,382   61%   (45,298)   (73     10,522   763,365   Total Non-Operating Revenue   6,382   61%   (45,298)   (73     10,522   763,365   Total Non-Operating Revenue   6,382   61%   (45,298)   (73     10,522   763,365   Total Non-Operating Revenue   6,382   1%   172,843   (73     10,522   763,365   Total Net Position, End of Period   (6,74%)   (7%)   (7%)   (7%, 173,47)   (16   10     10,522   763,365   Total Net Position, End of Period   (5,0943)   (38%)   (34,47)   (34,47)   (4,433)   (34,47)   (4,433)   (34,47)   (4,433)   (34,433)   (33,47)   (34,47)   (4,433)   (34,433)   (33,47)   (34,47)   (4,433)   (34,433)   (33,47)   (34,47)   (4,433)   (34,433)   (33,47)   (34,47)	8,416   8,182   Direct Transfer   0   0   0   0   0   0   0   0   0	2,365	2,106		Life Insurance	259	12%	345	17%
8,416         8,182         Interest and Investment Income         6,123         73%         6,387         7.7915         7.382         61%         45,298         7.73         7.37         6,123         73%         6,387         7.73         7.34         6,123         7.3%         6,387         7.73         7.34 <td>8,416         8,182         Interest and Investment Income         6,123         73%         6,357         7.34</td> <td>0</td> <td>0</td> <td>40</td> <td>Direct Transfer</td> <td>0</td> <td>%0</td> <td>(52,000)</td> <td>(100%)</td>	8,416         8,182         Interest and Investment Income         6,123         73%         6,357         7.34	0	0	40	Direct Transfer	0	%0	(52,000)	(100%)
10,522	10,522   62,202   Total Non-Operating Revenue   6,382   61% (45,298) (73     922,952   763,365   TOTAL REVENUE   13,256   1%   172,343   2     EXPENSES   TOTAL REVENUE   13,256   1%   172,343   2     510,735   173,249   Claims Expense - Medical   (32,576)   (17%)   (73,447)   (4     67,748   54,401   Payments to Managed Care Org.   3,522   5%   (9,825)   (1     5,371   27,264   Administrative Service Fees   1,297   6%   5,290   (1     5,371   5,249   Other Operating Expenses Management   (314)   (38%)   (767)   (1     1,182   1,836   ACA Comparative Effectiveness Fee   (37)   (8%)   (767)   (16)   (1     7,915   31,405   Total Net Position, Beginning of Period   (50,943)   (38%)   (344,633,028)   (345,0224   12:0.07)   (345	14,539	8,416		Interest and Investment Income	6,123	73%	6,357	78%
FXPENSES   T63,365   TOTAL REVENUE   13,256   1%   172,843   2	EXPENSES         TOTAL REVENUE         13,256         1%         172,843         2           604,984         468,987         Claims Expense - Medical         (32,576)         (5%)         (168,573)         (3)           210,735         173,249         Claims Expense - Drugs         (35,961)         (17%)         (73,447)         (4)           57,748         54,401         Payments to Managed Care Org.         3,522         5%         (188,573)         (1)           67,748         54,401         Payments to Managed Care Org.         3,522         5%         (38.25)         (1)           1,237         Administrative Service Fees         3,522         5%         (38.25)         (1)           1,337         Administrative Service Fees         1,297         6%         5,290         (16           1,836         Life Insurance Expenses         1,340         (38%)         (767)         (16           1,836         ACA Comparative Effectiveness Fee         (64,200)         (7%)         (247,277)         (34           1,24,830         93,425         Total Net Position, End of Period         (50,943)         (54,4%)         (543,028)         (38           1,24,830         Total Net Position, End of Period         (550,943)         (38%	16,904	10,522		Total Non-Operating Revenue	6,382	61%	(45,298)	(73%)
EXPENSES         EXPENSES           604,984         468,987         Claims Expense - Medical         (32,576)         (5%)         (168,573)         (3           210,735         173,249         Claims Expense - Drugs         (35,961)         (17%)         (73,477)         (4           67,748         54,401         Payments to Managed Care Org.         3,522         5%         (168,573)         (4           73,21         27,264         Administrative Service Fees         1,297         6%         5,290         (16)           1,836         Wellness and Discase Management         (314)         (338%)         (767)         (16)           1,836         Life Insurance Expenses         338         15%         (8%)         (767)         (16)           477         498         ACA Comparative Effectiveness Fee         (37)         (8%)         (767)         (16)           1,415         31,405         TOTAL EXPENSES         (64,200)         (7%)         (74,433)         (237)           1,24,830         93,425         Total Net Position, Beginning of Period         (850,943)         (844,%)         (74,433)         (38%)         (543,028)         (38	EXPENSES         EXPENSES         (32,576)         (5%)         (168,573)         (3           10,735         173,249         Claims Expense - Medical         (32,576)         (5%)         (168,573)         (3           210,735         173,249         Claims Expense - Medical         (35,961)         (17%)         (73,47)         (4           67,748         54,401         Payments to Managed Care Org.         3,522         5%         (9,825)         (1           23,271         27,64         Administrative Service Fees         1,297         6%         5,290         (1           93         476         Wellness and Disease Management         (314)         (338%)         (6%         5,290         (6           1,836         Life Insurance Expenses         338         15%         (8%)         (767)         (1           477         498         ACA Comparative Effectiveness Fee         (37)         (8%)         (767)         (16)           7,915         31,405         TOTAL EXPENSES         (64,200)         (7%)         (247,277)         (33           124,830         93,425         Total Net Position, End of Period         (\$50,943)         (\$543,028)         (\$543,028)         (\$31,405	936,208	922,952	763,365	TOTAL REVENUE	13,256	1%	172,843	23%
604,984         468,987         Claims Expense - Medical         (32,576)         (5%)         (168,573)         (3           210,735         173,249         Claims Expense - Drugs         (35,961)         (17%)         (73,447)         (4           51,748         54,401         Payments to Managed Care Org.         3,522         5%         (9,825)         (1           73,271         27,264         Administrative Service Fees         1,297         6%         5,290         (1           93         476         Wellness and Disease Management         (314)         (338%)         69         (16)           1,836         Life Insurance Expense         338         115%         (8)         (767)         (1           477         498         ACA Comparative Effectiveness Fee         (37)         (8%)         (767)         (16)           1,836         TOTAL EXPENSES         (64,200)         (7%)         (247,277)         (33           1,24,830         93,425         Total Net Position, End of Period         (850,943)         (38%)         (44,433)         (33           1,24,830         93,425         Total Net Position, End of Period         (850,943)         (38%)         (543,028)         (35	604,984         468,987         Claims Expense - Medical         (32,576)         (5%)         (168,573)         (3           210,735         173,249         Claims Expense - Drugs         (35,961)         (17%)         (73,447)         (4           210,735         173,249         Claims Expense - Drugs         (35,961)         (17%)         (73,447)         (4           67,748         54,401         Payments to Managed Care Org.         3,522         5%         (9,825)         (1           93         476         Wellness and Discase Management         (314)         (338%)         69         5,290           1,182         1,836         Life Insurance Expenses         338         15%         (8)         (767)         (1           1,182         1,836         ACA Comparative Effectiveness Fee         (64,200)         (7%)         (247,277)         (3           1,24,837         31,405         Total Net Position, Beginning of Period         (50,943)         (644%)         (74,433)         (3           1,24,830         93,425         Total Net Position, End of Period         (\$50,943)         (38%)         (543,028)         (3           1,24,830         7/30/2024         (\$50,943)         (\$44,03)         (\$43,028)         (\$45,028) <td></td> <td></td> <td></td> <td>EXPENSES</td> <td></td> <td></td> <td></td> <td></td>				EXPENSES				
210,735         173,249         Claims Expense - Drugs         (35,961)         (17%)         (73,447)         (4           67,748         54,401         Payments to Managed Care Org.         3,522         5%         (9,825)         (1           23,271         27,264         Administrative Service Fees         1,297         6%         5,290         (1           93         476         Wellness and Disease Management         (314)         (338%)         69         (5290           1,836         Life Insurance Expenses         338         15%         (8%)         (767)         (1           1,836         Life Insurance Expense         338         15%         (8)         (767)         (1           1,836         ACA Comparative Effectiveness Fee         (37)         (8%)         (767)         (1           1,836         ACA Comparative Effectiveness Fee         (37)         (8%)         (767)         (3           1,24,830         31,405         YTD Surplus (Deficit)         (50,943)         (64,200)         (7%)         (74,433)         (237)           124,830         93,425         Total Net Position, End of Period         (850,943)         (38%)         (543,028)         (36           1,8405         Acation, R	173,249   Claims Expense - Drugs	637,560	604,984	468,987	Claims Expense - Medical	(32,576)	(%5)	(168,573)	(36%)
67,748         54,401         Payments to Managed Care Org.         3,522         5%         (9,825)         (1           23,271         27,264         Administrative Service Fees         1,297         6%         5,290         (1           476         Wellness and Disease Management         (314)         (338%)         69         (67)         (1           5,547         5,249         Wellness and Disease Management         (469)         (8%)         (767)         (1           1,182         1,836         Life Insurance Expense         338         15%         (8)         (6           ACA Comparative Effectiveness Fee         (37)         (8%)         (16)         (37)         (8%)         (16)           ACA Comparative Effectiveness Fee         (37)         (8%)         (16)         (38         (34,2777)         (34           ACA Comparative Effectiveness Fee         (37)         (8%)         (74,433)         (34           ACA Comparative Effectiveness Fee         ACA Comparative Effectiveness Fee         (64,200)         (7%)         (247,277)         (34           ACA Comparative Effectiveness Fee         ACA Comparative Effectiveness Fee         (64,200)         (7,4433)         (237           ACA Comparative Effectiveness Fee         ACA	67,748         54,401         Payments to Managed Care Org.         3,522         5%         (9,825)         (1           23,271         27,264         Administrative Service Fees         1,297         6%         5,290         (1           93         476         Wellness and Disease Management         (314)         (338%)         69         (767)         (1           1,2182         1,836         Life Insurance Expense         338         15%         (8)         (767)         (1           1,182         1,836         Life Insurance Expense         338         15%         (8)         (767)         (1           1,182         477         498         ACA Comparative Effectiveness Fee         (64,200)         (7%)         (247,277)         (3           1,24,830         93,425         Total Net Position, Beginning of Period         (50,943)         (644%)         (74,433)         (237)           1,24,830         93,425         Total Net Position, End of Period         (\$50,943)         (38%)         (\$43,028)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00)         (\$64,00) </td <td>246,696</td> <td>210,735</td> <td></td> <td>Claims Expense - Drugs</td> <td>(35,961)</td> <td>(17%)</td> <td>(73,447)</td> <td>(42%)</td>	246,696	210,735		Claims Expense - Drugs	(35,961)	(17%)	(73,447)	(42%)
1.23.71         27,264         Administrative Service Fees         1,297         6%         5,290           93         476         Wellness and Disease Management         (314)         (338%)         69           5,547         5,249         Wellness and Disease Management         (469)         (8%)         (767)         (16           2,182         1,836         Life Insurance Expense         338         15%         (8)         (6)           477         498         ACA Comparative Effectiveness Fee         (37)         (8%)         (16)         (34)           7,915         31,405         YTD Surplus (Deficit)         (50,943)         (644%)         (74,433)         (237)           93,425         Total Net Position, Beginning of Period         0         0%         31,405         31,405           124,830         \$124,830         Total Net Position, End of Period         (850,943)         (843,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,028)         (36,43,	1.2.71         Administrative Service Fees         1.297         6%         5,290           93         476         Wellness and Disease Management         (314)         (338%)         6%         5,290           5,547         5,249         Wellness and Disease Management         (314)         (338%)         69           6,547         5,249         Other Operating Expenses         (314)         (338%)         (69)         (8%)         (767)         (167)           1,836         Life Insurance Expense         1,836         ACA Comparative Effectiveness Fee         (37)         (8%)         (16)         (8)         (16)         (34)           7,915         31,405         TOTAL EXPENSES         (64,200)         (7%)         (247,277)         (34)           7,915         31,405         Total Net Position, Beginning of Period         0         0%         31,405           124,830         93,425         Total Net Position, End of Period         (\$50,943)         (38%)         (\$43,028)         (36           124,830         Total Net Position, End of Period         (\$50,943)         (38%)         (\$43,028)         (36	64,226	67,748		Payments to Managed Care Org.	3,522	5%	(9,825)	(18%)
93         476         Wellness and Disease Management         (314)         (338%)         69           5,547         5,249         Other Operating Expenses         (469)         (8%)         (767)         (16           2,182         1,836         Life Insurance Expense         338         15%         (8)         (6)           477         498         ACA Comparative Effectiveness Fee         (37)         (8%)         (16)         (16)           7915,037         731,960         YTD Surplus (Deficit)         (50,943)         (644,200)         (7%)         (247,277)         (34           7,915         31,405         Total Net Position, Beginning of Period         0         0%         31,405         (38%)         (543,028)         (38%)         (543,028)         (36	93       476       Wellness and Disease Management       (314)       (338%)       69         5,547       5,249       Other Operating Expenses       (469)       (8%)       (767)       (1         1,836       Life Insurance Expenses       338       15%       (8)       (767)       (1         7,915       731,960       ACA Comparative Effectiveness Fee       (64,200)       (7%)       (247,277)       (34         7,915       31,405       TOTAL EXPENSES       (64,200)       (7%)       (74,433)       (237         7,915       31,405       Total Net Position, Beginning of Period       0       0       31,405       (343,028)       (343,028)       (343,0224)       12:00	21,974	23,271		Administrative Service Fees	1,297	%9	5,290	19%
5,547         5,249         Other Operating Expenses         (469)         (8%)         (767)         (1           2,182         1,836         Life Insurance Expense         338         15%         (8)         (6)           477         498         ACA Comparative Effectiveness Fee         (37)         (8%)         (16)         (16)           7915,037         731,960         TOTAL EXPENSES         (64,200)         (7%)         (247,277)         (34           7,915         31,405         YTD Surplus (Deficit)         (50,943)         (644%)         (74,433)         (237           124,830         93,425         Total Net Position, Beginning of Period         0%         31,405         31,405           1232,745         \$124,830         Total Net Position, End of Period         (850,943)         (38%)         (543,028)         (36	5,547         5,249         Other Operating Expenses         (469)         (8%)         (767)         (1           2,182         1,836         Life Insurance Expense         338         15%         (8)         (7           477         498         ACA Comparative Effectiveness Fee         (37)         (8%)         (16)         (6           7915,037         731,960         TOTAL EXPENSES         (64,200)         (7%)         (247,277)         (34           7,915         31,405         YTD Surplus (Deficit)         (50,943)         (644%)         (74,433)         (237           7,915         93,425         Total Net Position, Beginning of Period         0         0%         31,405           124,830         Total Net Position, End of Period         (550,943)         (543,028)         (343,028)         (343,028)	407			Wellness and Disease Management	(314)	(338%)	69	14%
Life Insurance Expense 338 15% (8) 477 498 ACA Comparative Effectiveness Fee (37) (8%) (16) (16) (16) (17) 473 498 ACA Comparative Effectiveness Fee (37) (8%) (16) (16) (16) (16) (16) (16) (16) (16	Life Insurance Expense 338 15% (8) ACA Comparative Effectiveness Fee (37) (8%) (16) (16) (16) (17,0137 (16) (16) (16) (17,0137 (16) (16) (16) (16) (16) (16) (16) (16)	6,016			Other Operating Expenses	(469)	(%8)	(767)	(15%)
477         498         ACA Comparative Effectiveness Fee         (37)         (8%)         (16)         (34)           7915,037         731,960         TOTAL EXPENSES         (64,200)         (7%)         (247,277)         (34)           7,915         31,405         YTD Surplus (Deficit)         (50,943)         (644%)         (74,433)         (237)           124,830         93,425         Total Net Position, Beginning of Period         0%         31,405         31,405           1232,745         \$124,830         Total Net Position, End of Period         (850,943)         (38%)         (543,028)         (36	477         498         ACA Comparative Effectiveness Fee         (37)         (8%)         (16)         (34)           7,915         31,405         YTD Surplus (Deficit)         (50,943)         (644%)         (74,433)         (237)           124,830         93,425         Total Net Position, Beginning of Period         0         0%         31,405         31,405           232,745         \$124,830         Total Net Position, End of Period         (550,943)         (38%)         (543,028)         (350,2024)	1,844			Life Insurance Expense	338	15%	8	(%0)
7,915         31,405         TOTAL EXPENSES         (64,200)         (7%)         (247,277)         (34           7,915         31,405         YTD Surplus (Deficit)         (50,943)         (644%)         (74,433)         (237           124,830         93,425         Total Net Position, Beginning of Period         0         0%         31,405           124,830         Total Net Position, End of Period         (850,943)         (38%)         (543,028)         (34	7,915         31,405         TOTAL EXPENSES         (64,200)         (7%)         (247,277)         (34           7,915         31,405         YTD Surplus (Deficit)         (50,943)         (644%)         (74,433)         (237           124,830         93,425         Total Net Position, Beginning of Period         0         0%         31,405         31,405           2 \$132,745         \$124,830         Total Net Position, End of Period         (\$50,943)         (\$43,028)         (\$43,028)         (\$36,020,020,020,020,020,020,020,020,020,02	514	477		ACA Comparative Effectiveness Fee	(37)	(%8)	(16)	(3%)
7,915 31,405 YTD Surplus (Deficit) (50,943) (644%) (74,433) (237	7,915         31,405         YTD Surplus (Deficit)         (50,943)         (644%)         (74,433)         (237,145)           124,830         93,425         Total Net Position, Beginning of Period         0         0%         31,405           124,830         Total Net Position, End of Period         (\$50,943)         (38%)         (\$43,028)         (343,028)	979,237	915,037	731,960	TOTAL EXPENSES	(64,200)	(4%)	(247,277)	(34%)
124,830 93,425 Total Net Position, Beginning of Period 0 0% 31,405 S132,745 \$124,830 Total Net Position, End of Period (\$50,943) (38%) (\$43,028) (343,028)	124,830 93,425 Total Net Position, Beginning of Period 0 0% 31,405  S132,745 \$124,830 Total Net Position, End of Period (\$50,943) (38%) (\$43,028) (347	(43,028)	7,915		YTD Surplus (Deficit)	(50,943)	(644%)	(74,433)	(237%)
\$132,745 \$124,830 Total Net Position, End of Period (\$50,943) (38%) (\$43,028)	\$132,745 \$124,830 Total Net Position, End of Period (\$50,943) (38%) (\$43,028)	124,830	124,830		Total Net Position, Beginning of Period	0	%0	31,405	34%
	1	\$81,802	\$132,745	,	Total Net Position, End of Period	(\$50,943)		(\$43,028)	(34%)

# Real Estate Division September 2024 Interim Packet

#### Department of Administration Real Estate Division Leasing Report For the period of August 1 - 31, 2024

#### There are 25 leasing changes for this period, and they are as follows:

- 2 New Contract of Lease
- 1 Straight Renewal
- 2 Renewal with Increase in Rent DOA Owned
- 4 Renewal with Increase in Rent
- 3 Renewal with Decrease in Rent DOA Owned
- 3 Renewal with Increase in Rent & Increase in Square Feet DOA Owne
- 1 Renewal with Decrease in Rent & Increase in Square Feet DOA Owned
- 1 Renewal with Decrease in Rent & Decrease in Square Feet DOA Owned
- 1 Renewal with Decrease in Rent & Decrease in Square Feet
- 1 Renewal with Increase in Square Feet
- 1 Cancellation
- 5 Non-Renewal

### Department of Administration Real Estate Division Leasing Report For the period of August 1-31, 2024

#### **NEW CONTRACT OF LEASE**

#### DEPARTMENT OF ENVIRONMENTAL PROTECTION

**DEP-164** New Contract of Lease for 20 years consisting of 16,087 square feet of office and storage space at the annual per square foot rate of \$17.50, annual cost \$281,522.50 for years 1 - 5, then an increase in the annual per square foot rate to \$18.50, annual cost \$297,609.50 for years 6 - 10, then an increase in the annual per square foot rate to \$19.50, annual cost \$313,696.50 for years 11 - 15, then an increase in the annual per square foot rate to \$20.50, annual cost \$329,783.50 for years 15 - 20, full service, 1000 Technology Drive, in the City of Fairmont, Marion County, West Virginia

#### DEPARTMENT OF HEALTH

**HEA-009** New Contract of Lease for 10 years consisting of 4,794 square feet of office space at the annual per square foot rate of \$13.50, annual cost \$64,719.00, for years 1 – 5 then an increase in the annual per square foot rate to \$14.50, annual cost \$69,513.00, for years 6 – 10, full service, 2 Player's Club Drive, in the City of Charleston, Kanawha County, West Virginia.

#### STRAIGHT RENEWAL

#### **LOTTERY COMMISSION**

**LOT-005** Renewal for 3 years consisting of 386 square feet of office space at the current annual per square foot rate of \$6.56, annual cost \$2,532.16, full service, 1420 Mountaineer Circle, in the City of New Cumberland, Hancock County, West Virginia.

#### **RENEWAL WITH INCREASE IN RENT - DOA OWNED**

#### **DIVISION OF REHABILITATION SERVICES**

**DRS-125** Renewal consisting of 4,303 square feet of office space with an increase in the annual per square foot rate from \$22.99 to\$25.29, annual cost \$108,822.87 for year 1, then an increase in the annual per square foot rate to \$27.82, annual cost \$119,709.46 for year 2, and shall continue until updated, full service, Building #54, 416 Adams Street, in the City of Fairmont, Marion County, West Virginia.

#### **WEST VIRGINIA BOARD OF SOCIAL WORK**

**SOC-003** Renewal consisting of 1,187 square feet of office space with an increase in the annual per square foot rate from \$14.52 to \$14.80, annual cost \$17,567.60, and shall continue until updated, full service, Building #86, located at 1124 Smith Street, Suite B200, in the City of Charleston, Kanawha County, West Virginia.

#### RENEWAL WITH INCREASE IN RENT

#### **DEPARTMENT OF HUMAN SERVICES**

**HUM-004** Renewal for 5 years consisting of 9,981 square feet of office space with an increase in the annual per square foot rate from \$11.00 to \$11.50, annual cost \$114,781.56, Utilities included, 34 Auction Lane, in the City of Buckhannon, Upshur County, West Virginia.

#### **DEPARTMENT OF HEALTH**

**HEA-005** Renewal for 5 years consisting of 13,790 square feet of office space with an increase in the annual per square foot rate from \$13.75 to \$14.25, annual cost \$196,507.56, for years 1 – 3 then an increase in the annual per square foot rate from \$14.25 to \$15.25, annual cost \$210,297.48, for years 4 – 5, Utilities included, 500 Summers Street, in the City of Charleston, Kanawha County, West Virginia.

#### **HEALTH CARE AUTHORITY**

**HCA-001** Renewal for 5 years consisting of 9,200 square feet of office space with an increase in the annual per square foot rate from \$12.25 to \$13.01, annual cost \$119,691.96, full service, 100 Dee Drive, in the City of Charleston, Kanawha County, West Virginia.

#### **WEST VIRGINIA STATE POLICE**

**PSA-066** Renewal for 5 years consisting of 3,200 square feet of office space with an increase in the annual per square foot rate from \$2.80 to \$3.19, annual cost \$10,208.00, includes snow and ice removal, 2700 East DuPont Avenue, in the City of Belle, Kanawha County, West Virginia.

#### **RENEWAL WITH DECREASE IN RENT - DOA OWNED**

#### **WORKFORCE WEST VIRGINIA**

**WWV-004** Renewal consisting of 10,226 square feet of office space with a decrease in the annual per square foot rate from \$15.34 to \$14.57, annual cost \$148,992.82 for year 1, then a decrease in the annual per square foot rate to \$13.84, annual cost \$141,527.84 for year 2, and **shall continue until updated**, full service, Building #32, located at 2699 Park Avenue, in the City of Huntington, Cabell County, West Virginia.

#### **DIVISION OR REHABILITATION SERVICES**

**DRS-082** Renewal for 2 years consisting of 8,138 square feet of office space with a decrease in the annual per square foot rate from \$15.34 to \$14.57, annual cost \$118,570.66 for year 1, then a decrease in the annual per square foot rate to \$13.84, annual cost \$112,629.92 for year 2, and shall continue until updated, full service, Building #32, 2699 Park Avenue, in the City of Huntington, Cabell County, West Virginia.

**DRS-054** Renewal for 2 years consisting of 5,496 square feet of office space with a decrease in the rate from \$15.91 to \$15.11, annual cost \$83,044.56 for year 1, then a decrease in the annual per square foot rate to \$14.36, annual cost \$78,922.56, for year 2, and shall continuing until updated, full service, Building #25, 400 5th Street, in the City of Parkersburg, Wood County, West Virginia.

# RENEWAL WITH INCREASE IN RENT & INCREASE IN SQUARE FEET - DOA OWNED

#### **WORKFORCE WEST VIRGINIA**

**WWV-039** Renewal with an increase in square feet from 9,355 square feet to 9,507 square feet of office space with an increase in the annual per square foot rate from \$22.99 to \$25.10, annual cost \$238,625.70, and shall continue until updated, full service, Building #53, located at 153 West Main Street, in the City of Clarksburg, Harrison County, West Virginia

**WWV-034** Renewal with an increase in square feet from 6,020 square feet to 6,027 square feet of office space with an increase in the annual per square foot rate from \$14.52 to \$15.81, annual cost \$95,286.87, and shall continue until updated, full service, Building #55, located at 130 Stratton Street, in the City of Logan, Logan County, West Virginia.

#### **PURCHASING DIVISION**

**PUR-001** Renewal with a decrease in square feet from 12,107 square feet to 11,737 square feet of office space with a decrease in the rate from \$10.83 to \$10.55, annual cost \$123,825.35 for year 1 and shall continue until updated, full service, 2019 Washington Street, East, in the City of Charleston, Kanawha County, West Virginia.

## RENEWAL WITH DECREASE IN RENT & INCREASE IN SQUARE FEET - DOA OWNED

#### **FINANCE DIVISION**

**F&A-025** Renewal with an increase of square feet from 683 square feet to 1,053 square feet of office space with a decrease in the rate from \$10.83 to \$10.55, annual cost \$11,109.15 for year 1, and continue until updated, full service, 2019 Washington Street, East, in the City of Charleston, Kanawha County, West Virginia.

## RENEWAL WITH DECREASE IN RENT & DECREASE IN SQUARE FEET - DOA OWNED

#### **DEPARTMENT OF VETERANS ASSISTANCE**

**VET-048** Renewal with a decrease in square feet from 5,239 square feet to 5,225 square feet of office space and a decrease in the annual per square foot rate from \$11.16 to \$10.60, annual cost \$55,385.00 for year 1, then a decrease in the annual per square foot rate to \$10.07 annual cost \$52,615.75, for year 2 and shall continue until updated, full service, Building #5, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

#### RENEWAL WITH DECREASE IN RENT & DECREASE IN SQUARE FEET

#### WEST VIRGINIA BOARD OF OPTOMETRY

**BOO-002** Renewal for 3 years with a decrease of square feet from 697 square feet to 516 square feet of office space and an increase in the annual per square foot rate of from \$12.74 to \$13.26, annual cost \$6,840.00, plus \$60.00 monthly for one reserved parking space, annual cost \$720.00, full service, 179 Summers in the City of Charleston, Kanawha, West Virginia

#### RENEWAL WITH INCREASE IN SQUARE FEET

#### **WEST VIRGINIA STATE POLICE**

**PSA-078** Renewal for 5 years with an increase of square feet from 2,670 square feet to 4,458 square feet of office space at the current annual per square foot rate of \$3.00, annual cost \$13,374.00, utilities included, 347 Kenmore Drive #2a in the City of Danville, Boone County, West Virginia.

#### CANCELLATION

#### **DIVISION OF FORESTRY**

**FOR-043** Lease cancellation consisting of 210 square feet of office space, at the quarterly rate of \$504.00 annual cost \$2,016.00, full service, US Route 220, Moorefield Industrial Park, in the City of Moorefield, Hardy County, West Virginia.

#### **NON-RENEWAL**

#### **DIVISION OF FORESTRY**

**FOR-049** Lease non-renewal consisting of 1 square foot of tower/monitoring space, at the monthly rate of \$250.00, annual cost \$3,000.00, full service, the coordinates of 39-21-34 north latitude and 80-38-15 west longitude, near the City of Salem, Harrison County, West Virginia.

**FOR-051** Lease non-renewal consisting of 1 square foot of tower/monitoring space, at the monthly rate of \$225.00, annual cost \$2,700.00, full service, the coordinates of 39-15-25 north latitude and 81-16-06 west longitude, near the City of Parkersburg, Wood County, West Virginia.

#### DEPARTMENT OF ENVIRONMENTAL PROTECTION

**DEP-134** Lease non-renewal consisting of 400 square feet of land for air monitoring equipment, at the annual rate of \$1.00, at the Community Park on Tyrone Road, in the Town of Lawrenceville, Hancock County, West Virginia.

**DEP-135** Lease non-renewal consisting of 240 square feet of land for air monitoring equipment, at the annual rate of \$1.00, 605 Railroad Street, in the City of Chester, Hancock County, West Virginia.

**DEP-136** Lease non-renewal consisting of 252 square feet of land for air monitoring equipment, at the annual rate of \$1.00, 128 Frankfort Road, Hancock County, West Virginia.

#### Real Estate Division Monthly Summary of Lease Activity

June 1 - 30, 2023

# of ansactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Department of Environmental Protection	DEP-164	Marion	16,087	17.50	281,523	5.00	1,407,613
	Department of Environmental Protection	DEP-164	Marion	16,087	18.50	297,610	5.00	1,488,048
	Department of Environmental Protection	DEP-164	Marion	16,087	19.50	313,697	5.00	1,568,483
	Department of Environmental Protection	DEP-164	Marion	16,087	20.50	329,784	5.00	1,648,918
2	Department of Health	HEA-009	Kanawha	4,794	13.50	64,719	5.00	323,595
	Department of Health	HEA-009	Kanawha	4,794	14.50	69,513	5.00	347,565
3	Lottery Commission	LOT-005	Hancock	386	6.56	2,532	3.00	7,596
4	Division of Rehabilitation Services	DRS-125	Marion	4,303	25.29	108,823	1.00	108,823
	Division of Rehabilitation Services	DRS-125	Marion	4,303	27.82	119,709	1.00	119,709
5	WV Board of Social Work	SOC-003	Kanawha	1,187	14.80	17,568	1.00	17,568
6	Department of Human Services	HUM-004	Upshur	9,981	11.50	114,782	5.00	573,908
7	Department of Health	HEA-005	Kanawha	13,790	14.25	196,508	3.00	589,52
	Department of Health	HEA-005	Kanawha	13,790	15.25	210,298	3.00	630,893
8	Health Care Authority	HCA-001	Kanawha	9,200	13.01	119,692	5.00	598,460
9	WV State Police	PSA-066	Kanawha	3,200	3.19	10,208	5.00	51,040
10	Workforce West Virginia	WWV-004	Cabell	10,226	14.57	148,993	1.00	148,993
	Workforce West Virginia	WWV-004	Cabell	10,226	13.84	141,528	1.00	141,528
11	Division of Rehabilitation Services	DRS-082	Cabell	8,138	14.57	118,571	1.00	118,571
	Division of Rehabilitation Services	DRS-082	Cabell	8,138	13.84	112,630	1.00	112,630
12	Division of Rehabilitation Services	DRS-054	Wood	5,496	15.11	83,045	1.00	83,045
	Division of Rehabilitation Services	DRS-054	Wood	5,496	14.36	78,923	1.00	78,923
13	Workforce West Virginia	WWV-039	Harrison	9,507	25.10	238,626	1.00	238,626
14	Workforce West Virginia	WWV-034	Logan	6,027	15.81	95,287	1.00	95,287
15	Purchasing Division	PUR-001	Kanawha	11,737	10.55	123,825	1.00	123,825
16	Finance Division	F&A-025	Kanawha	1,053	10.55	11,109	1.00	11,109
17	Department of Veterans Assistance	VET-048	Kanawha	5,225	10.60	55,385	1.00	55,385
	Department of Veterans Assistance	VET-048	Kanawha	5,225	10.07	52,616	1.00	52,616
18	WV Board of Optometry	BOO-002	Kanawha	516	13.26	6,840	3.00	20,520
20	WV State Police	PSA-078	Boone	4,458	3.00	13,374	5.00	66,870

420.90

Total Rentable : 225,544

Average Annual Rental Rate 14.51

**Total Annual Rent** 

3,537,713

**TERMINATIONS** 

	TERMINATIONS					
# of	Agency	Lease #	County	Square	Rental	Annual
21	Division of Forestry	FOR-043	Hardy	210	9.60	2,016
22	Division of Forestry	FOR-049	Harrison	1	3,000.00	3,000
23	Division of Forestry	FOR-051	Wood	1	2,700.00	2,700
24	Department of Environmental Protection	DEP-134	Hancock	400	1.00	1
25	Department of Environmental Protection	DEP-135	Hancock	240	1.00	1
26	Department of Environmental Protection	DEP-136	Hancock	252	1.00	1

7,719

<sup>\*</sup> Indicates the rental rate will exceed \$1,000,000.00 within the term of the lease.

<sup>\*\*</sup>Indicates the lease automatically renews at the rate listed until updated by RED.

# MEDICAID REPORT JUNE 2024

August 2024



Submitted to

Joint Committee on Government and Finance and

Legislative Oversight Commission on Health and Human Resources Accountability

#### WV DEPARTMENT OF HUMAN SERVICES BUREAU FOR MEDICAL SERVICES EXPENDITURES BY PROVIDER TYPE SFY2024

MONTH OF JUNE 2024	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	Difference
			Current	Current	Year To-Date	Budget
	SFY2023	SFY2024	Month Ended	Month Ended	Thru	VS
			06/30/24	06/30/24	06/30/24	06/30/24
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	81,103,148	92,979,426	3,531,076	7,438,354	80,479,735	12,499,691
Inpatient Hospital - NSH	57,339,873	53,500,000	607,045	4,280,000	50,312,786	3,187,214
Inpatient Hospital - Supplemental Payments	1,098,674	55,500,000	607,045	4,200,000	50,512,760	3,107,214
Inpatient Hospital - Supplemental Payments	14,461,737	13,452,984	-	1,076,239	14,955,984	(1,503,000)
Mental Health Facilities	6,295,274	9,855,666	528,210	788,453	9,257,330	598,336
Mental Health Facilities - DSH Adjustment Payments	16,372,757	18,887,045	520,210	1,510,964	21,401,331	,
Nursing Facility Services - Regular Payments	909,736,563	910,851,905	91,614,050	72,868,152	1,014,717,191	(2,514,286) (103,865,286)
Nursing Facility Services - Regular Fayments  Nursing Facility Services - Supplemental Payments	909,736,363	25,000,000	91,014,050	2,000,000	1,014,717,191	25,000,000
Intermediate Care Facilities - Public Providers	-	25,000,000	-	2,000,000	-	25,000,000
Intermediate Care Facilities - Providers  Intermediate Care Facilities - Private Providers	70,285,738	61,773,950	6,010,890	4,941,916	72,228,418	(10,454,468)
	70,265,736	61,773,950	6,010,690	4,941,910	12,220,410	(10,454,466)
Intermediate Care Facilities - Supplemental Payments Physicians Services - Regular Payments	27,303,815	27,571,075	2,319,271	2,205,686	31,135,709	(3,564,634)
Physicians Services - Regular Payments  Physicians Services - Supplemental Payments	27,303,615	27,571,075	2,319,271	2,205,666	31,135,709	(3,364,634)
Physician and Surgical Services - Evaluation and Management	-	-	-	-	-	-
Physician and Surgical Services - Evaluation and Management  Physician and Surgical Services - Vaccine Codes	-	-	-	-	-	-
Outpatient Hospital Services - Regular Payments	34,572,879	36,497,510	3,144,581	2,919,801	40,436,045	(3,938,535)
Outpatient Hospital Services - Regular Payments  Outpatient Hospital Services - Supplemental Payments	34,572,679	30,497,310	3,144,361	2,919,001	40,436,045	(3,936,333)
Prescribed Drugs	889,666,463	961,587,502	58,424,736	76,927,000	870,683,830	90,903,672
Drug Rebate Offset - National Agreement	(591,930,088)	(466,000,000)	(46,588,691)	(37,280,000)	(499,629,885)	33,629,885
Drug Rebate Offset - National Agreement  Drug Rebate Offset - State Sidebar Agreement	(97,081,651)	(48,000,000)	(1,919,467)	(3,840,000)	(110,455,674)	62,455,674
Drug Rebate Offset - MCO National	(8,746,526)	(12,600,000)	(267,848)	(1,008,000)	(6,337,539)	(6,262,461)
Drug Rebate Offset - MCO State Sidebar Agreement	17,601	(12,600,000)	(207,040)	(1,000,000)	(6,337,339)	(0,202,401)
OUD Medication Assisted Treatment–Drugs	86,680,518	-	5,567,892	-	88,013,226	(88,013,226)
Dental Services	4,326,025	4,399,087	409,522	351,927	4,980,895	(581,809)
Other Practitioners Services - Regular Payments	146,588,874	4,399,087 17,263,355	13,460,064	1,381,068	204,035,871	(186,772,516)
Other Practitioners Services - Regular Payments  Other Practitioners Services - Supplemental Payments	146,588,874	17,203,300	13,460,064	1,381,068	204,035,871	(180,772,510)
Clinic Services	2 442 104	1,433,269	209,371	114,662	2 424 612	(1 001 344)
Lab & Radiological Services	2,442,194 5,444,721	6,061,343	605,738	484,907	3,424,613 6,345,173	(1,991,344) (283,829)
Home Health Services	22,635,227	31,691,744	1,689,267	2,535,340	19,575,013	12,116,731
	7,015	2,928	1,009,207	2,555,540	4,402	, ,
Hysterectomies/Sterilizations Pregnancy Terminations (2)	7,015	19,089	-	1,527	4,402	(1,474) 19,089
EPSDT Services	1 214 270	771,690	100,000	61,735	1 624 226	,
Rural Health Clinic Services	1,214,270 2,449,746	2,237,118	109,090 173,738	178,969	1,624,336 3,593,379	(852,645) (1,356,261)
Medicare Health Insurance Payments - Part A Premiums	2,449,746	30,240,573	2,748,981	2,419,246	29,878,225	362,348
Medicare Health Insurance Payments - Part B Premiums  Medicare Health Insurance Payments - Part B Premiums	150,906,037	170,705,833	12,095,845	13,656,467	147,248,461	23,457,372
•		16,226,884		1,298,151	1 1	, ,
120% - 134% Of Poverty 135% - 175% Of Poverty	15,979,491	10,220,884	1,174,333	1,298,151	16,268,702	(41,818)
Coinsurance And Deductibles	13,687,829	12,394,747	1 116 507	991,580	13,872,088	(1,477,341)
Comsulance And Deductibles	13,087,829	12,394,747	1,116,507	991,580	13,872,088	(1,477,341)

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#### WV DEPARTMENT OF HUMAN SERVICES BUREAU FOR MEDICAL SERVICES EXPENDITURES BY PROVIDER TYPE SFY2024

MONTH OF JUNE 2024	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	Difference
			Current	Current	Year To-Date	Budget
	SFY2023	SFY2024	Month Ended	Month Ended	Thru	VS
			06/30/24	06/30/24	06/30/24	06/30/24
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,699,447,506	2,316,592,754	231,334,962	185,327,420	2,266,208,133	50,384,621
Medicaid MCO - Evaluation and Management	2,000,111,000	2,010,002,101	201,001,002	100,021,120	2,200,200,100	00,001,021
Medicaid MCO - Vaccine Codes	_	_ [	_	_	_	_
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	_	_ [	_	_	_	_
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	_	_	_	_	_	_
Medicaid Health Insurance Payments: Group Health Plan Payments	2,311,560	2,219,207	_	177,537	2,557,631	(338,424)
Medicaid Health Insurance Payments: Coinsurance	2,011,000	2,210,201	_	- 177,007	2,007,007	(000, 12 1)
Medicaid Health Insurance Payments: Other		_	_	_	_	_
Home & Community-Based Services (IDD)	399,436,614	425,644,479	25,197,586	34,051,558	329,748,036	95,896,443
Home & Community-Based Services (ISB)  Home & Community-Based Services (Aged/Disabled)	114,651,033	162,465,610	5,130,541	12,997,249	56,130,703	106,334,908
Home & Community-Based Services (Aged/bisabled)  Home & Community-Based Services (Traumatic Brain Injury)	3,938,462	2,368,144	80,627	189,451	1,257,727	1,110,417
Home & Community-Based Services (State Plan 1915(i) Only)	3,930,402	2,300,144	00,027	109,451	1,237,727	1,110,417
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Community Supported Living Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	- 1	-	-	-	-
·	F0 767 401	96 942 202	1 062 569	6.047.294	15.072.012	71 769 200
Personal Care Services - Regular Payments Personal Care Services - SDS 1915(i)	58,767,481	86,842,302	1,063,568	6,947,384	15,073,912	71,768,390
<b>3</b> /	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	4 052 672	2 425 004	44.007	470.004	- C7F 700	4 450 075
Targeted Case Management Services - State Wide	1,953,673	2,125,804	44,897	170,064	675,729	1,450,075
Primary Care Case Management Services		07.040.050	4.450.040	0.005.000		(0.057.404)
Hospice Benefits	30,179,762	27,812,852	4,159,048	2,225,028	37,769,986	(9,957,134)
Emergency Services Undocumented Aliens	1,591,557	599,899	128,297	47,992	862,430	(262,531)
Federally Qualified Health Center	11,339,883	6,515,541	599,703	521,243	15,863,446	(9,347,905)
Non-Emergency Medical Transportation	41,612,362	42,182,568	3,249,310	3,374,605	39,927,459	2,255,109
Physical Therapy	1,001,192	985,693	68,041	78,855	1,022,382	(36,689)
Occupational Therapy	417,926	408,056	25,709	32,644	424,227	(16,171)
Services for Speech, Hearing & Language	286,823	236,711	21,243	18,937	285,565	(48,854)
Prosthetic Devices, Dentures, Eyeglasses	799,272	564,182	44,041	45,135	830,381	(266,199)
Diagnostic Screening & Preventive Services	74,116	63,414	6,510	5,073	92,984	(29,570)
Nurse Mid-Wife	96,015	101,173	6,371	8,094	119,754	(18,581)
Emergency Hospital Services			(192)		1,347	(1,347)
Critical Access Hospitals	23,286,462	21,496,408	1,521,499	1,719,713	23,286,959	(1,790,551)
Nurse Practitioner Services	4,696,653	3,859,208	483,216	308,737	6,088,485	(2,229,277)
School Based Services	32,482,763	29,998,882	29,435,238	2,399,911	32,306,546	(2,307,663)
Rehabilitative Services (Non-School Based)	36,592,651	26,807,946	2,444,414	2,233,995	32,979,709	(6,171,764)
2a) Opioid Treatment Program (OTP) - Methadone services	146,007	-	11,878	-	163,700	(163,700)
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	2,322,357	-	-	-	4,567	(4,567)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	7,008,425	-	904,850	-	11,203,875	(11,203,875)
2a) OUD Medicaid Assisted Treatment Services	16,386,491	-	1,040,539	-	16,943,910	(16,943,910)
2a) Opioid Treatment Program (OTP) - Other	629,873	-	51,163	-	689,814	(689,814)
Private Duty Nursing	4,636,150	4,807,324	351,190	384,586	5,406,515	(599,192)
Freestanding Birth Centers	-	-	-	-	-	-
Health Home for Enrollees w Chronic Conditions	2,657,501	2,507,273	110,874	200,582	2,022,694	484,580
Other Care Services	26,284,761	36,847,337	2,522,210	2,947,787	33,133,542	3,713,795
Less: Recoupments	-	-	(76,825)		(937,888)	937,888
NET MEDICAID EXPENDITURES:	5,416,202,136	5,182,857,492	466,724,709	414,717,959	5,060,193,905	122,663,587

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#### WV DEPARTMENT OF HUMAN SERVICES BUREAU FOR MEDICAL SERVICES EXPENDITURES BY PROVIDER TYPE SFY2024

MONTH OF JUNE 2024	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	Difference
			Current	Current	Year To-Date	Budget
	SFY2023	SFY2024	Month Ended	Month Ended	Thru	VS
			06/30/24	06/30/24	06/30/24	06/30/24
Collections: Third Party Liability (line 9A on CMS-64)	(8,071,960)	_	_	_	(4,591,500)	4,591,500
Collections: Probate (line 9B on CMS-64)	(2,609,787)	_	_	_	(3,093,117)	3,093,117
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(917,727)	-	-	-	(452,365)	452,365
Collections: Other (line 9D on CMS-64)	(35,290,306)	-	-	-	(28,814,283)	28,814,283
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	5,369,312,356	5,182,857,492	466,724,709	414,717,959	5,023,242,639	159,614,853
Plus: Medicaid Part D Expenditures	43,535,275	52,661,876	4,735,583	4,212,950	52,812,392	(150,515)
Plus: State Only Medicaid Expenditures	187,230	262,845	25,798	21,028	204,570	58,275
Plus: Money Follow the Person Expenditures	1,170,896	1,037,688	70,507	83,015	1,049,581	(11,893)
TOTAL MEDICAID EXPENDITURES	\$5,414,205,758	\$5,236,819,901	\$471,556,598	\$419,034,952	\$5,077,309,182	\$159,510,719
Plus: Reimbursables (1)	4,404,092	-	444,270	_	5,819,748	(5,819,748)
Plus: NATCEP/PASARR/Eligibility Exams	241,251	29,578	5,000	2,366	242,674	(213,095)
Plus: HIT Incentive Payments	-	-	-	-	-	-
TOTAL EXPENDITURES	\$5,418,851,102	\$5,236,849,480	\$472,005,868	\$419,037,318	\$5,083,371,604	\$153,477,876

<sup>(1)</sup> This amount will revert to State Only if not reimbursed.

<sup>(2)</sup> Pregnancy Terminations are State Only expenditures and are not currently claimed.

<sup>(3)</sup> Of the amount in the 'Nursing Facility Services - Regular Payments' line \$31,776,555 is the amount paid to State Facilities year to date.

#### WV DEPARTMENT OF HUMAN SERVICES BUREAU FOR MEDICAL SERVICES MEDICAID CASH REPORT SFY2024

MONTH OF JUNE 2024	ACTUALS	ACTUALS	ACTUALS	Difference	TOTAL
		Current	Year-To-Date	Budget	
	SFY2023	Month Ended	Thru	vs	SFY2024
REVENUE SOURCES		06/30/24	06/30/24	Actual	
Beg. Bal. (5084/1020 prior mth)	81,507,579	37,949,157	127,247,384	-	127,247,384
MATCHING FUNDS					
General Revenue (0403/189)	292,112,801	33,890,150	267,202,774	-	267,202,774
IDD Waiver (0403/466)	108,541,736	11,939,591	108,541,736	-	108,541,736
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,334	2,596,000	-	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,666	6,356,000	-	6,356,000
Traumatic Brain Injury (0403/835)	800,000	88,000	800,000	-	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	1,495,299	13,593,620	-	13,593,620
Medical Services Surplus (0403/633)	8,800,000	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	13,603,501	-	23,126,633	-	23,126,633
Lottery Waiver (0420/539)	19,612,957	-	10,839,825	-	10,839,825
Lottery Transfer (5405/871)	16,400,070	-	16,400,070	-	16,400,070
Excess Lottery (5365/189)	26,697,960	26,796,851	60,716,750	-	60,716,750
Lottery Surplus (5405/68199)	14,750,000	-	14,750,000	-	14,750,000
Lottery Surplus (5365/68100)	16,200,000	-	17,000,000	-	17,000,000
Trust Fund Appropriation (5185/189)	14,208,033	36,113,612	55,000,000	16,085,999	71,085,999
Provider Tax (5090/189)	290,400,000	-	393,594,315	245,657,347	639,251,662
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	-	-	-	-	-
Certified Match	15,218,760	8,480,299	18,835,700	(5,129,700)	13,706,000
Reimbursables - Amount Reimbursed	7,427,510	551,453	5,281,103	(5,281,103)	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	10,461	62,284	512,476	(512,476)	-
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	196,666	-	1,516,454	(1,516,454)	-
TOTAL MATCHING FUNDS	\$ 949,033,654	\$ 158,112,697	\$ 1,143,910,840	\$ 249,303,613	\$ 1,393,214,454
			-		
FEDERAL FUNDS	4,596,740,061	365,836,961	3,991,384,983	111,635,340	4,103,020,324
TOTAL REVENUE SOURCES	\$ 5,545,773,715	\$ 523,949,658	\$ 5,135,295,824	\$ 360,938,954	\$ 5,496,234,777
TOTAL EXPENDITURES:					
Provider Payments	\$ 5,418,851,102	\$ 472,005,868	\$ 5,083,371,604	\$ 153,477,876	\$ 5,236,849,480
TOTAL	\$ 126,922,614	\$ 51,943,790	\$ 51,924,219	\$ 207,461,078	\$ 259,385,298

Note: FMAP (74.10% applicable Jan 2024 - Jun 2024)

# MEDICAID WAIVER REPORT JUNE 2024

August 2024



Submitted to

Joint Committee on Government and Finance and

Legislative Oversight Commission on Health and Human Resources Accountability

#### **WV Department of Human Services**

#### **Bureau for Medical Services A&D Waiver Program Report**

Age	ed & Disabled Waiver Reported June 30, 2024	FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY2024 YTD
Slots Approved B	y CMS (1)	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,750	8,750	8,750	8,750	8,750	8,750	8,750
-Slots Available for	Traditional (ADW-WV) enrollees	8,424	8,424	8,424	8,424	8,424	8,424	8,424	8,674	8,674	8,674	8,674	8,674	8,674	8,674
-Slots reserved for	Take Me Home-WV (TMH-WV) enrollees	76	76	76	76	76	76	76	76	76	76	76	76	76	76
-Slots reserved for Money Follows the Person (MFP-WV) enrollees		70	70	70	70	70	70	70	70	70	70	70	70	70	70
	embers served YTD (unduplicated slots used) (2) cts most recent month's count	8,613	7,675	7,772	7,846	7,889	8,010	8,050	8,223	8,290	8,432	8,558	8,599	8,551	8,551
	ned eligible this month and added to MEL (3) ing Financial Eligibility not yet on MEL	2,416	137	157	125	151	141	149	179	175	139	169	118	87	87
Applicants determine	ned ineligible	123	11	10	7	4	3	7	6	6	8	4	8	2	2
	ACTIVE MEMBERS		•												
Active Traditional M	Members at the end of the month	7,559	7,554	7,596	7,599	7,596	7,616	7,602	7,622	7,640	7,621	7,629	7,573	7,530	7,530
Active Take Me Ho	me Members at the end of the month	48	41	44	42	45	46	50	46	47	46	45	45	50	50
Active Money Follo	ws the Person Members at the end of the month	40	41	44	42	43	40	30	40	41	40	7	43	30	30
	ers at the end of the month (unduplicated slots active) cts most recent month's count	7,607	7,595	7,640	7,641	7,641	7,662	7,652	7,668	7,687	7,667	7,674	7,618	7,580	7,580
Active members	enrolled during the calendar month	1,835	187	195	113	153	127	113	169	159	113	136	75	52	1,592
-Total Active Tradit	ional members enrolled during the calendar month	1,787	186	190	108	151	120	109	166	153	108	131	72	47	1,541
-Total Active TMH-	WV members enrolled during the calendar month	48	1	5	5	2	7	4	3	6	5	5	3	5	51
-Total Active MFP-	WV members enrolled during the calendar month	40	l '	3	3	2	<b>'</b>	4	3	O	3	3	3	3	31
Members discharge	ed during the calendar month	1,516	199	150	112	153	106	123	153	140	133	129	131	90	1,619
ADW Members	Member is deceased	874	71	31	33	74	63	66	89	77	62	63	71	42	742
whose case was closed by reason	Other (4)	642	128	119	79	79	43	57	64	63	71	66	60	48	877
	MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants	s closed during the calendar month (removed from MEL)	2,499	248	164	173	178	209	214	211	205	214	218	106	130	2,270
ADW Applicants	Applicant offered a slot (Traditional + MFP)	1,330	143	69	74	79	83	105	98	106	96	117	5	35	1,010
	Applicant became deceased	222	12	8	16	8	13	11	12	4	16	4	12	0	116
the MEL	Other (5)	947	93	87	83	91	113	98	101	95	102	97	89	95	1,144
	MEL who are in a nursing facility cts # members in setting during reporting month	0	0	1	1	1	0	1	0	0	0	6	4	7	7
	MEL receiving Personal Care cts # members receiving service during reporting month	1	0	4	4	0	0	0	1	0	3	4	4	2	2
Applicants on the M	MEL at the end of month	83	5	25	22	18	20	15	31	36	36	53	161	208	208
Days - Average tim	e spent on the MEL to date Minus MFP Applicants	127	28	2	3	1	1	3	1	3	3	5	23	38	9

<sup>(1)</sup> Beginning January 1, 2024, an additional 250 slots were approved by CMS, increasing the total to 8750. Of these slots, 76 are reserved for Money Follows the Person and Rebalancing Demonstration Grant.

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

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

<sup>(5) &</sup>quot;Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

#### **WV Department of Human Services**

#### **Bureau for Medical Services I/DD Waiver Program Report**

Intellectual/Devel	opmental Disabilities Waiver Reported June 30, 2024	FY2023	July-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	YTD2024
Slots approved by C	MS	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115
Total number of mer	mbers served YTD (unduplicated slots used) (1)	6,075	6,015	6,017	6,023	6,032	6,068	6,073	6,078	6,083	6,088	6,097	6,104	6,109	6,109
Total number of mer	mbers served YTD in Traditional Slots	6,073	6,013	6,015	6,021	6,029	6,065	6,070	6,074	6,078	6,083	6,091	6,096	6,101	6,101
Total number of mer	mbers served YTD in Adult Ben H. slots (Active)	2	0	1	1	2	2	2	3	3	3	4	5	5	5
Total number of mer	mbers served YTD in Children Ben H. slots (Active)	2	1	1	1	1	1	1	1	2	2	2	3	3	3
Applicants determine	3 ( )	503	31	28	43	37	35	43	34	42	44	41	45	36	459
Applicants determine	<u> </u>	546	40	58	49	61	47	41	38	48	43	44	35	52	556
	ACTIVE MEMBERS														
	at the end of the month (unduplicated slots active) (1)	5,905	6,004	5,994	5,987	5,993	6,004	6,006	5,998	5,992	5,981	5,964	5,962	5,957	5,957
Discharged member	rs at the end of the calendar month	183	19	14	14	3	27	4	14	12	16	26	9	10	168
	Deceased	67	7	5	5	2	12	2	4	5	6	13	1	1	63
	Left program to enter a facility	56	4	2	4	0	5	0	2	5	3	5	3	6	39
	a. Hospital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Discharged	b. ICF/IID	30	1	0	3	0	3	0	1	3	0	2	1	4	18
members who were discharged	c. Nursing Facility	25	3	2	1	0	2	0	1	2	3	3	2	2	21
by reason	d. Psychiatric Facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-	e. Rehabilitation Facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	f. Other Facility	1	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other (6)	60	8	7	5	1	10	2	8	2	7	8	5	3	66
N	IANAGED ENROLLMENT LIST (MEL)														
Total number of app	licants on the MEL at the end of the month	548	459	483	516	540	537	571	588	623	658	686	724	753	753
Number of applicant	s added to the MEL (4)	503	31	28	43	37	35	43	34	42	44	41	45	36	459
Applicants enrolled (	(removed from the MEL)	208	118	4	7	9	38	6	6	6	5	9	7	5	220
Applicants removed	from the MEL due to Death (5)	2	1	0	1	1	0	0	0	0	1	0	0	0	4
Applicants removed	from the MEL due to Other (6)	17	1	0	2	3	0	3	11	1	3	4	0	2	30
Applicants on the MI	EL who are in a Nursing Facility	1	3	3	5	4	4	4	3	3	2	1	2	2	2
Applicants on the MI	EL who are in an ICF/IID Group Home	20	20	24	22	20	21	25	28	28	39	38	20	23	23
<u>'</u>	EL receiving Personal Care Services each month	10	10	13	13	8	9	10	6	10	12	13	13	14	14
Longest on the MEL	to date (7)	1173	1,204	1,235	1,265	1,296	1,326	1,357	1,213	1,242	1,273	1,303	1,068	1,098	1,098

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

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

<sup>(4)</sup> 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.

<sup>(5)</sup> 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.

<sup>(6)</sup> 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.

<sup>(7)</sup> Longest number of days an applicant has been on the MEL.

#### **WV Department of Human Services**

#### **Bureau for Medical Services TBI Waiver Program Report**

Traumatic B	rain Injury Waiver Reported June 30, 2024	FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY2024 YTD
Slots Approved By	CMS (1)	96	96	96	96	96	96	96	96	96	96	96	102	102	102
-Slots Available for	Traditional (non TMH-WV) enrollees	95	92	92	92	92	92	92	92	94	94	94	100	100	100
-Slots reserved for	Take Me Home-WV (TMH-WV) enrollees	1	4	4	4	4	4	4	4	2	2	2	2	2	2
	embers served YTD (unduplicated slots used) (2) ects most recent month's count	96	92	90	93	93	93	94	94	96	96	96	100	100	100
Applicants determi	ned eligible this month and added to MEL (3)	12	1	3	2	1	2	2	1	0	2	0	0	0	14
Applicants determi	ned ineligible	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	ACTIVE MEMBERS														
	the end of the month (unduplicated slots active) ects most recent month's count	92	92	90	92	92	91	92	91	91	91	90	93	92	92
Active members er	nrolled during the calendar month	13	0	0	7	0	0	1	0	3	0	0	4	0	15
-Total Active Tradi	tional members enrolled during the calendar month	12	0	0	6	0	0	0	0	3	0	0	4	0	13
-Total Active TMH-	-WV members enrolled during the calendar month	1	0	0	1	0	0	1	0	0	0	0	0	0	2
Members discharge	ed during the calendar month	5	0	2	5	0	1	0	1	3	0	1	1	1	15
TBIW Members whose case was	Member is deceased	1	0	1	1	0	1	0	0	0	0	1	1	0	5
	Other (4)	4	0	1	4	0	0	0	1	3	0	0	0	1	10
MAM	NAGED ENROLLMENT LIST (MEL)														
# Eligible applicant MEL)	s closed during the calendar month (removed from	0	0	2	4	0	0	1	0	5	0	4	0	0	16
TBIW Applicants	Applicant offered a slot	0	0	2	4	0	0	1	0	5	0	4	0	0	16
	Applicant became deceased	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MEL	Other (5)	0	0	0	0	0	0	0	0	2	0	0	0	0	2
	MEL who are in a nursing facility	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Applicants on the N	MEL receiving Personal Care	0	1	0	0	0	0	0	1	0	0	0	0	0	2
Applicants on the N	MEL at the end of the month	2	3	4	2	3	5	6	7	2	4	0	0	0	0
, ,	e spent on the MEL to date (6) ects average # of days	15	46	31	23	54	84	115	146	116	147	177	0	0	78

<sup>(1)</sup> CMS Approved 96+6=102 slots\*\*. Of the 102 slots approved by CMS, four (4) are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2024. 2/2024-two (2) reserved slots released for non TMH applicants. \*\*5/2024-six (6) slots approved by CMS.

- (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

<sup>(2)</sup> Unduplicated slots used refers to the total number of members who accessed services during the fiscal year. Two (2) funded slots became available, no services paid for this SFY.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

# JOINT COMMITTEE ON GOVERNMENT AND FINANCE

August 2024



West Virginia Children's Health Insurance Program Stacey Shamblin, Deputy Commissioner, WVCHIP, BMS

#### West Virginia Children's Health Insurance Program Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual For the Years Ending June 30, 2024 and June 30, 2023

	A	Destruct	A = 1 1	Astront	A - 1 1	1	D. J.	
	Annual	Budget	Actual	Actual	Actual		Budget	
	Budget 2024	Year-to-Date	June 30, 2024	June 30, 2023	Variance \$	%	Variance \$	%
Beginning Operating Fund Balance			\$5,382,999	\$6,999,256	(\$1,616,257)	-23%	·	
gg -pg			**,**=,***	**,***,_**	(+1,010,011)			
Revenues								
Federal Grants	\$57,889,868	\$57,889,868	\$65,239,204	\$42,274,614	\$22,964,590	54%	\$7,349,336	13%
State Appropriations	\$11,026,842	\$11,026,842	\$11,026,832	\$6,921,508	\$0	0%	(\$10)	0%
Premium Revenues	\$52,500	\$52,500	\$128,182	\$93,746	\$34,436	37%	\$75,682	144%
Investment Earnings (Interest)	\$100,000	\$100,000	\$24,780	\$37,926	(\$13,147)	<u>-35%</u>	(\$75,220)	-75%
Total Operating Fund Revenues	\$69,069,210	<u>\$69,069,210</u>	<u>\$76,418,998</u>	<u>\$49,327,794</u>	<u>\$27,091,204</u>	55%	\$7,349,788	11%
Expenditures:								
Claims Expenses:								
Managed Care Organizations			\$54,635,761	\$37,307,335	\$17,328,426	46%		
Prescribed Drugs			\$13,438,772	\$9,213,924	\$4,224,848	46%		
Physicians & Surgical			\$3,805,922	\$2,493,965	\$1,311,957	53%		
Medical Transportation			\$1,969,256	\$44,793	\$1,924,464	4296%		
Outpatient Services			\$1,463,916	\$339,141	\$1,124,776	332%		
Inpatient Hospital Services			\$1,362,905	\$616,348	\$746,557	121%		
Dental			\$744,089	\$144,989	\$599,099	413%		
Therapy			\$308,661	\$86,041	\$222,620	259%		
Other Services			\$168,885	\$59,806	\$109,079	182%		
Inpatient Mental Health			\$177,778	\$44,330	\$133,448	301%		
Outpatient Mental Health			\$72,524	\$10,336	\$62,188	602%		
Vision			\$39,962	\$7,804	\$32,159	412%		
Durable & Disposable Med. Equip.			\$23,359	\$4,618	\$18,740	406%		
Less: Other Collections**			(\$8,424)	(\$138,117)	\$129,693	-94%		
Drug Rebates	<u>(\$2,517,954)</u>	(\$2,517,954)	(\$4,809,999)	(\$3,222,763)	(\$1,587,237)	49%	\$2,300,470	-91%
Total Claims Expenses	\$64,732,739	\$64,732,739	<u>\$73,393,366</u>	<u>\$47,012,550</u>	<u>\$26,380,816</u>	56%	\$8,660,627	13%
Administrative Expenses:					(**)			
Salaries and Benefits	\$557,031	\$557,031	\$323,380	\$326,850	(\$3,470)	-1%	(\$233,651)	-42%
Program Administration	\$4,864,472	\$4,864,472	\$4,788,881	\$3,334,190	\$1,454,691	44%	(\$75,591)	-2%
Outreach & Health Promotion	\$0	\$0	\$0	\$0	\$0 \$0	0%	\$0 \$0	0%
Health Service Initiative	\$225,000	\$225,000	\$225,000	\$225,000	\$0 (647.248)	0%	\$0 (\$205.407)	0%
Current	\$413,409 \$6,050,043	\$413,409 \$6,050,043	\$28,212 \$5 365 474	\$45,460 \$2,024,504	(\$17,248) \$4,433,073	<u>-38%</u>	(\$385,197)	-93%
Total Administrative Expenses in Operating Fund	<u>\$6,059,912</u>	<u>\$6,059,912</u>	<u>\$5,365,474</u>	<u>\$3,931,501</u>	<u>\$1,433,973</u>	36%	(\$694,438)	-11%
Total Operating Fund Expenditures	<u>\$70,792,651</u>	<u>\$70,792,651</u>	<u>\$78,758,840</u>	<u>\$50,944,050</u>	\$27,814,789	55%	\$7,966,189	11%
Adjustments			<u>\$212,642</u>	<u>(\$0)</u>				
Ending Operating Fund Balance	1		\$3,255,799.09	\$5,382,99 <u>9</u>	(\$2,127,200)	-40%		
					<u>[\$2,127,200]</u>	-40 %		
Money Market Bond Pool			\$0 \$2,416,749	\$3,736,809				
Cash on Deposit			\$2,416,748 \$839,051	\$0 \$1,646,190				
Cash on Deposit			ф039,031	\$1,040,190				
Revenues Outside of Operating Funds:								
Federal Grants	ĺ		\$0	\$1,550,000	(\$1,550,000)	-100%		
Total WVCHIP Revenues			\$76,418,9 <u>98</u>	\$50,877,794	\$25,541,204	50%		
Program Expenses outside of Operating Funds:								
Eligibility	\$1,500,000	\$1,500,000	\$2,247,918	\$2,726,279	(\$478,361)	-18%	\$747,918	50%
Total Administrative Expenses	\$7,559,912	\$7,559,912	\$7,613,392	\$6,657,780	\$955,612	14%	\$53,480	1%
·							<u></u> -	
Total WVCHIP Expenditures	<u>\$72,292,651</u>	<u>\$72,292,651</u>	<u>\$81,006,758</u>	<u>\$53,670,330</u>	<u>\$27,336,428</u>	<u>51%</u>	<u>\$8,714,107</u>	12%

#### Footnotes:

- 1) Statement is on cash basis.
- 2) Estimate of Incurred but Not Reported (IBNR) claims on June 30, 2024 is \$998,704. The June 30, 2023 estimate was \$558,624.
- 3) Administrative Accounts Payable balance on June 30, 2024 was \$209,637. The June 30, 2023 balance was \$558,624.
- 3) Administrative Accounts Payable balance on June 30, 2024 was \$209,037. The June 30, 2023 balance was \$508,024.

  4) 2024 and 2023 adjustments to fund balances represents 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 SFY24 is 81.87% (1/1/24); 82.92% (10/1/23); 83.56% (7/1/23). SFY23 was 85.00%.

  6) Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid primarily auto).

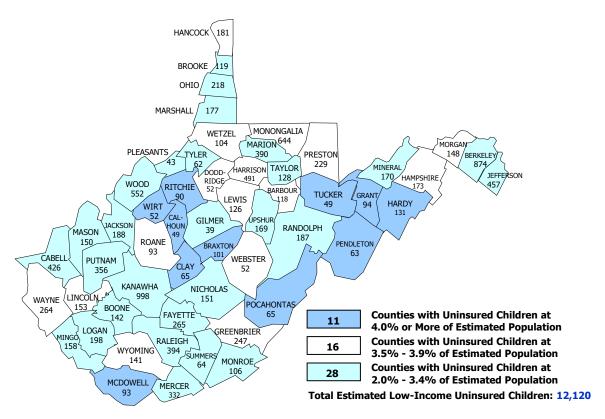
  7) Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.

- 8) Other Services includes 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 JUNE 2024

County	County Pop. 2021 Est.	BLUE	GOLD	PREM	BLUE	RNITY PREM Jul-24	Enrollment		CHIP/Medicaid	CHIP/Medicaid Enrollment % of Population	2021 SAHIE	2021 SAHIE
County	(0-18 Yrs)	<u>Jul-24</u>	<u>Jul-24</u>	<u>Jul-24</u>	<u>Jul-24</u>	<u>Jui-24</u>	<u>Jul-24</u>	<u>Jul-24</u>	<u>Enrollment</u>	% of Population	Uninsured Est.	% Uninsured
Barbour	3,204	113	51	85	2	2	253	1,559	1,812	56.6%	107	3.3%
Berkeley	30,213	1,282	472	756	20	19	2,549	12,221	14,770	48.9%	879	2.9%
Boone	4,539	131	54	74	4	1	264	2,489	2,753	60.7%	145	3.2%
Braxton	2,378	68	23	44	2	3	140	1,235	1,375	57.8%	98	4.1%
Brooke	4,043				0	0	0	0	0	0.0%	121	3.0%
Cabell	19,300	563	195	329	5	12	1,104	8,387	9,491	49.2%	562	2.9%
Calhoun	1,178 1,793	63 60	19 14	35 34	1 2	0 1	118	668	786 1,247	66.7% 69.5%	47 76	4.0% 4.2%
Clay Doddridge	1,793	46	10	33	0	1	111 90	1,136 669	759	70.0%	76 39	3.6%
Fayette	8,467	347	122	173	4	7	653	4,394	5,047	59.6%	254	3.0%
Gilmer	1,140	24	19	33	1	0	77	521	598	52.5%	35	3.1%
Grant	2,230	76	28	73	4	1	182	1,071	1,253	56.2%	93	4.2%
Greenbrier	6,534	308	110	210	5	9	642	3,232	3,874	59.3%	246	3.8%
Hampshire	4,248	170	57	82	5	2	316	2,172	2,488	58.6%	159	3.7%
Hancock	5,604	280	124	158	4	4	570	3,591	4,161	74.3%	205	3.7%
Hardy	2,892	125	39	93	2	3	262	1,281	1,543	53.4%	139	4.8%
Harrison	14,585	489	164	311	3	11	978	5,665	6,643	45.5%	555	3.8%
Jackson	6,181	188	82	115	2	0	387	2,614	3,001	48.6%	196	3.2%
Jefferson	13,328	419	138	251	4	4	816	3,570	4,386	32.9%	473	3.5%
Kanawha	36,989	1,195	436	740	26	32	2,429	30,056	32,485	87.8%	1103	3.0%
Lewis	3,706 4,606	135	75 40	80 90	2 1	2 9	294 295	1,812 2,445	2,106 2,740	56.8% 59.5%	133 169	3.6% 3.7%
Lincoln Logan	6,800	155 202	79	130	7	0	418	3,832	4,250	62.5%	225	3.7%
Marion	11,652	392	79 147	237	1	8	785	3,032 4,821	5,606	48.1%	380	3.3%
Marshall	5,954	151	72	95	2	0	320	2,466	2,786	46.8%	154	2.6%
Mason	5,368	191	71	87	2	4	355	3,769	4,124	76.8%	157	2.9%
McDowell	3,143	104	33	70	2	1	210	2,426	2,636	83.9%	128	4.1%
Mercer	3,802	564	210	259	4	11	1,048	7,222	8,270	217.5%	110	2.9%
Mineral	12,788	203	86	105	0	1	395	2,215	2,610	20.4%	433	3.4%
Mingo	5,538	163	50	77	3	4	297	3,460	3,757	67.8%	144	2.6%
Monongalia	5,227	485	199	357	9	11	1,061	5,314	6,375	122.0%	188	3.6%
Monroe	18,601	105	42	86	1	3	237	1,116	1,353	7.3%	540	2.9%
Morgan	2,520	155	53	87	2	0	297	1,362	1,659	65.8%	97	3.8%
Nicholas	5,074	187	68	121	3	5	384	2,317	2,701	53.2%	166	3.3%
Ohio	8,461	210	73	122	1	4	410	3,361	3,771	44.6%	257	3.0%
Pendleton	1,195	39	14	45	1	1	100	519	619	51.8%	60	5.0%
Pleasants	1,522	35	8	32	1	0	76	629	705	46.3%	37	2.4%
Pocahontas Preston	1,417 6,770	53 248	19 73	29 168	0 2	0 5	101 496	635 2,768	736 3,264	51.9% 48.2%	66 238	4.7% 3.5%
Putnam	13,220	365	73 159	247	8	8	787	3,757	3,204 4,544	34.4%	392	3.0%
Raleigh	16,094	543	195	405	13	7	1,163	8,099	9,262	57.5%	481	3.0%
Randolph	5,312	239	74	155	3	3	474	2,370	2,844	53.5%	176	3.3%
Ritchie	1,750	63	19	28	1	0	171	871	1,042	59.5%	90	5.1%
Roane	2,946	135	50	88	0	4	244	1,318	1,562	53.0%	107	3.6%
Summers	1,967	91	34	55	1	1	178	1,317	1,495	76.0%	65	3.3%
Taylor	3,325	117	53	51	1	3	221	1,359	1,580	47.5%	112	3.4%
Tucker	920	44	30	47	1	1	109	451	560	60.9%	45	4.9%
Tyler	1,667	51	15	33	0	0	208	707	915	54.9%	55	3.3%
Upshur	4,995	179	81	142	2	3	405	2,463	2,868	57.4%	164	3.3%
Wayne	8,022	308	97	140	3	6	443	4,173	4,616	57.5%	300	3.7%
Webster	1,639	74	35	29	0	4	168	949	1,117	68.2%	60	3.7%
Wetzel Wirt	3,033	73	26	55 20	1	5	134	1,714	1,848 952	60.9% 95.0%	106	3.5% 4.0%
Wood	1,108 18,255	40 563	4 155	29 345	2 7	0 6	391 886	561 7,723	952 8,609	85.9% 47.2%	44 548	4.0% 3.0%
Wyoming	4,418	116	60	345 <u>155</u>	7 <u>4</u>	5 5	340	2,019	2,359	53.4%	161	3.6%
								· <del></del>				
Totals	<u>372,745</u>	<u>12,725</u>	<u>4,656</u>	<u>7,910</u>	<u>187</u>	<u>237</u>	<u>25,715</u>	<u>178,871</u>	<u>204,586</u>	<u>54.9%</u>	<u>12,120</u>	<u>3.3%</u>

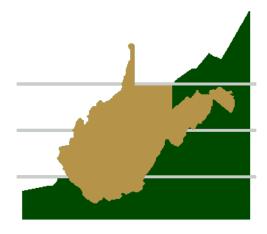


The above map shows the most recent 2021 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 3.3%, the SAHIE data reflects more accurately the variation from county to county depending on the availability of employer-sponsored insurance and should be a more accurate way to target outreach than in previous years.

# WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

July 31, 2024



West Virginia Investment Management Board

### Participant Plans Allocation & Performance Net of Fees - Preliminary

Period Ending: July 31, 2024

	6/30/2024		7/31/2024					Perform	ance %			
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	26,296,841	100.0	26,645,952	100.0								
Pension Assets	21,401,842	81.3	21,680,201	81.3								
Public Employees' Retirement System	9,053,057	34.6	9,199,891	34.5	1.5	5.0	1.5	10.9	4.8	9.4	8.3	8.1
Teachers' Retirement System	10,035,292	38.0	10,135,011	38.1	1.5	5.0	1.5	10.9	4.8	9.4	8.2	7.9
EMS Retirement System	142,499	0.5	144,976	0.5	1.5	5.0	1.5	10.9	4.7	9.4	8.3	
Public Safety Retirement System	820,195	3.1	828,368	3.1	1.5	5.0	1.5	10.9	4.8	9.4	8.3	8.1
Judges' Retirement System	306,303	1.2	310,599	1.2	1.6	5.0	1.6	10.9	4.8	9.4	8.3	8.1
State Police Retirement System	365,264	1.4	371,386	1.4	1.5	5.0	1.5	10.9	4.7	9.4	8.3	8.1
Deputy Sheriffs' Retirement System	351,822	1.3	357,205	1.3	1.5	5.0	1.5	10.9	4.7	9.4	8.3	8.1
Municipal Police & Firefighter Retirement System	46,163	0.2	47,472	0.2	1.5	4.9	1.5	10.9	4.7	9.3	8.2	
Natural Resources Police Office Retirement System	32,057	0.1	32,655	0.1	1.5	4.9	1.5	10.9	4.7			
Municipal Model A	245,903	0.9	249,203	0.9	1.5	5.0	1.5	11.4	5.4	9.8	8.5	
Municipal Model B	3,287	0.0	3,435	0.0	2.1	6.4	2.1	12.5	3.1	7.1		
Insurance Assets	3,327,638	12.7	3,371,727	12.8								
Workers' Compensation Old Fund	836,067	3.2	842,595	3.2	1.6	4.5	1.6	9.7	1.8	5.2	4.7	
Workers' Comp. Self-Insured Guaranty Risk Pool	40,236	0.1	40,848	0.2	1.6	4.5	1.6	9.6	2.2	5.5	4.9	
Workers' Comp. Self-Insured Security Risk Pool	50,713	0.2	51,350	0.2	1.6	4.5	1.6	9.6	2.2	5.5	4.9	
Workers' Comp. Uninsured Employers' Fund	18,633	0.1	18,979	0.1	1.6	4.5	1.6	9.6	2.2	5.4	4.7	
Pneumoconiosis	201,789	0.8	203,438	0.8	1.6	4.5	1.6	9.7	2.2	5.5	4.8	5.3
Board of Risk & Insurance Management	90,806	0.3	92,248	0.3	1.6	4.5	1.6	9.7	2.2	5.5	4.8	
Public Employees' Insurance Agency	148,433	0.6	150,863	0.6	1.6	4.4	1.6	9.7	1.8	5.0	4.6	
WV Retiree Health Benefit Trust Fund	1,940,961	7.4	1,971,406	7.4	1.6	5.0	1.6	10.9	4.7	9.4	8.3	
Endowment Assets	1,567,361	6.0	1,594,024	5.9								
Berkeley County Development Authority	6,794	0.0	6,901	0.0	1.6	5.0	1.6	10.4	4.6	9.3		
Wildlife Fund	74,625	0.3	74,209	0.3	1.6	5.0	1.6	10.9	4.7	9.3	8.3	8.0
WV State Parks and Recreation Endowment Fund	47,090	0.2	48,451	0.2	1.6	4.9	1.6	10.9	4.9			
Revenue Shortfall Reserve Fund	609,682	2.3	620,238	2.3	1.7	4.3	1.7	7.4	(0.2)	1.7	2.1	
Revenue Shortfall Reserve Fund - Part B	554,466	2.1	564,758	2.1	1.9	4.7	1.9	8.3	0.1	3.9	4.1	
WV DEP Trust	10,990	0.1	11,164	0.0	1.6	5.3	1.6	11.4	4.0	8.5	7.1	
WV DEP Agency	263,714	1.0	268,303	1.0	1.7	5.1	1.7	11.5	3.0	6.5	5.7	
<u> </u>			·									



West Virginia Investment Management Board

### Composite Asset Allocation & Performance Net of Fees - Preliminary

Period Ending: July 31, 2024

						Perform	ance %			
	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
Investment Pools Composite	26,659,946	100.00								
Portable Alpha Composite +/- S&P 500 Index	5,852,646	21.95	1.47 0.25	10.08 <i>0.03</i>	1.47 0.25	23.73 1.58	9.17 <i>(0.43)</i>			
Large Cap Domestic Equity Composite +/- S&P 500 Index	331,111	1.24	1.17 <i>(0.05)</i>	10.00 (0.05)	1.17 <i>(0.05)</i>	22.14 (0.01)	9.51 <i>(0.09)</i>	14.95 <i>(0.05)</i>	13.06 <i>(0.09)</i>	10.58 <i>0.04</i>
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	1,188,257	4.46	4.92 (2.51)	6.36 (3.86)	4.92 (2.51)	15.00 <i>1.94</i>	7.12 4.40	11.58 <i>1.</i> 93	9.64 <i>0.3</i> 3	10.06 <i>0.4</i> 6
International Equity Composite +/- MSCI AC World ex US IMI Index (a)	4,525,422	16.97	2.83 0.27	5.95 <i>0.48</i>	2.83 0.27	12.72 2.41	2.93 <i>0.</i> 95	8.10 1.21	5.47 0.69	7.73 1.13
Fixed Income Composite +/- Bloomberg Universal (b)	4,757,581	17.84	2.27 0.00	4.80 (0.12)	2.27 0.00	6.52 <i>0.80</i>	(1.16) 1.12	1.56 1.06	2.60 <i>0.71</i>	3.93 <i>0.46</i>
Core Fixed Income Composite +/- Bloomberg US Aggregate	2,159,443	8.10	2.41 0.07	5.18 <i>0.12</i>	2.41 0.07	6.11 1.01	(1.70) 0.93	1.13 <i>0.94</i>	2.28 0.67	
Total Return Fixed Income Composite (c) +/- Bloomberg Universal	2,598,138	9.74	2.15 (0.12)	4.49 (0.43)	2.15 (0.12)	6.86 1.14	(0.72) 1.56	1.85 1.35	2.78 0.89	4.34 0.85
TIPS Composite +/- Bloomberg US TIPS 1-10 Yr (d)	521,253	1.96	1.46 <i>(0.03)</i>	3.64 (0.04)	1.46 <i>(0.03)</i>	5.34 0.01	(1.23) 0.03	2.65 0.07	2.25 0.05	
Cash Composite +/- FTSE 3 Month US T-Bill (e)	270,813	1.02	0.47 0.00	1.33 <i>(0.06)</i>	0.47 0.00	5.43 (0.22)	3.20 (0.13)	2.14 (0.14)	1.52 (0.06)	1.64 (0.03)
Private Equity Composite +/- Russell 3000 + 3% (f, g)	2,682,583	10.06	(0.03) (2.14)	0.87 (9.85)	(0.03) (2.14)	3.90 (20.17)	5.90 (5.21)	17.20 (0.03)	16.93 <i>1.35</i>	
Real Estate Composite +/- NCREIF + 1% (f)	2,481,823	9.31	0.19 <i>0.1</i> 9	0.03 <i>0.52</i>	0.19 <i>0.1</i> 9	(5.07) 0.55	1.47 (2.73)	3.19 <i>(1.45)</i>	6.18 <i>(1.12)</i>	
Hedge Fund Composite +/- HFRI FOF + 1% (h)	2,918,154	10.95	0.55 0.02	1.99 <i>0.2</i> 3	0.55 0.02	12.97 3.98	7.24 3.75	7.52 1.66	5.38 <i>0.80</i>	
Private Credit & Income Composite +/- SOFR + 4% (f, i)	1,130,303	4.24	0.94 <i>0.15</i>	2.67 0.31	0.94 <i>0.15</i>	5.41 (4.15)	5.55 (0.95)	6.09 (0.23)		



	Equity Actual % Strate	· ·	ked Income % Strategy		te Equity Strategy %		Estate Strategy %		dit & Income Strategy %	U	Funds Strategy %	Cas Actual %	
Pension Assets													
Public Employees' Retirement System	47.5	45.0	5.2 15	.0 11.0	12.0	10.2	12.0	4.6	6.0	10.9	10.0	0.6	0.0
Teachers' Retirement System	47.2	45.0	5.2 15	.0 11.0	12.0	10.2	12.0	4.6	6.0	10.9	10.0	0.9	0.0
EMS Retirement System	47.1	45.0	5.2 15	.0 11.0	12.0	10.2	12.0	4.6	6.0	10.9	10.0	1.0	0.0
Public Safety Retirement System	47.7	45.0	5.1 15	.0 11.	1 12.0	10.3	12.0	4.7	6.0	11.0	10.0	0.1	0.0
Judges' Retirement System	47.5	45.0	5.6 15	.0 11.0	12.0	10.2	12.0	4.7	6.0	10.9	10.0	0.1	0.0
State Police Retirement System	47.2	45.0	5.5 15	.0 11.0	12.0	10.2	12.0	4.6	6.0	10.9	10.0	0.6	0.0
Deputy Sheriffs' Retirement System	47.4	45.0	5.3 15	.0 11.0	12.0	10.2	12.0	4.6	6.0	10.9	10.0	0.6	0.0
Municipal Police & Firefighter Retirement System	46.4	45.0	4.9 15	.0 10.8	3 12.0	10.0	12.0	4.5	6.0	10.7	10.0	2.7	0.0
Natural Resources Police Office Retirement System	47.1	45.0	4.9 15	.0 11.0	12.0	10.2	12.0	4.6	6.0	10.9	10.0	1.3	0.0
Municipal Model A	47.5	45.0	5.3 15	.0 11.0	12.0	10.2	12.0	4.7	6.0	10.9	10.0	0.4	0.0
Municipal Model B	53.4	55.0	2.6 45	.0 0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0
Insurance Assets													
Workers' Compensation Old Fund	26.2		4.5 45			3.4				16.4	15.0	4.2	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	26.1		4.1 45							16.3	15.0	4.9	5.0
Workers' Comp. Self-Insured Security Risk Pool	26.3		4.2 45			3.4				16.3	15.0	4.6	5.0
Workers' Comp. Uninsured Employers' Fund	26.1	25.0	4.0 45							16.2		5.2	5.0
Pneumoconiosis	26.2		4.5 45			3.4				16.4	15.0	4.2	5.0
Board of Risk & Insurance Management	26.1		4.1 45			3.4				16.3		4.9	5.0
Public Employees' Insurance Agency	20.7		53.3 55							21.7	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	47.6	45.0	5.7 15	.0 11.0	12.0	10.2	12.0	4.6	6.0	10.9	10.0	0.0	0.0
Endowment Assets													
Berkeley County Development Authority	47.5	45.0	5.8 15	.0 11.0	12.0	10.2	12.0	4.6	6.0	10.9	10.0	0.0	0.0
Wildlife Fund	47.3	45.0	5.8 15	.0 11.0	12.0	10.2	12.0	4.6	6.0	10.9	10.0	0.2	0.0
WV State Parks and Recreation Endowment Fund	46.7	45.0	5.6 15	.0 10.9	9 12.0	10.1	12.0	4.6	6.0	10.8	10.0	1.3	0.0
Revenue Shortfall Reserve Fund	10.2	10.0	80.0 80	.0 0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8	10.0
Revenue Shortfall Reserve Fund - Part B	18.1	17.5	2.2 72	.5 1.8	3 2.0	1.7	2.0	0.8	1.0	5.4	5.0	0.0	0.0
WV DEP Trust	52.5	50.0	5.4 15	.0 9.	1 10.0	8.4	10.0	3.8	5.0	10.8	10.0	0.0	0.0
WV DEP Agency	35.7	35.0	88.3 40	.0 1.8	3 2.0	1.7	2.0	0.8	1.0	21.7	20.0	0.0	0.0



#### Footnotes

- (a) Prior to January 2014, the index was the MSCIACW ex USA (Standard).
- (b) Prior to April 2008, the index was Bloomberg US Aggregate.
- (c) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (d) Prior to June 2023, the index was Bloomberg US TIPS.
- (e) Prior to January 2014, the index was FTSE 3 Month US T-Bill plus 15 basis points.
- (f) 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.
- (g) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (h) Prior to January 2014, the index was Libor plus 400 basis points.
- (i) From April 2017 to May 2023, the index was CS Leveraged Loan plus 200 basis points. Prior to April 2017, the index was CS Leveraged Loan plus 250 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

## **Insurance Commissioner**

**August 2024 Report** 

to

Joint Committee on Government & Finance

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#### Introduction

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The passage of S.B. 1004 in January 2005 brought historic changes to workers' compensation insurance in West Virginia. The State-administered monopolistic system was phased out and the West Virginia workers' compensation insurance market was privatized and opened to full competition beginning in July 2008.

Although workers' compensation insurance in WV was privatized, a large legacy liability existed from the 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.

As of July 2024, there were 6,104 active claims remaining in the Old Fund. This report provides updates on the status of the various workers' compensation funds and the activities associated with the regulation of workers' compensation insurance by the Insurance Commissioner.

#### **Definitions:**

**Board of Review:** The Board of Review (BOR) is charged with adjudicating objections to claims decisions made by private carriers, self-insured employers or the Insurance Commissioner, if applicable, regarding claims made pursuant to the provisions of W.Va. Coe §23-5-1a. The BOR conducts hearings, receives and weighs evidence, and issues written decisions on objections filed in regard to initial claims management decisions. A final decision of the Board of Review may be appealed to the Intermediate Court of Appeals.

<u>Intermediate Court of Appeals:</u> The Intermediate Court of Appeals (ICA) is the appellate court created in W.Va. Code §51-11-1, et seq., the *West Virginia Appellate Reorganization Act*, with appellate jurisdiction over final orders or decisions of the BOR issued pursuant to W.Va. Code 23-5-1, et seq., after June 30, 2022. Any employer, employee, claimant, or dependent who is aggrieved by a decision of the BOR may appeal to the West Virginia Intermedial Court of Appeals. The ICA may reverse, vacate, modify, or remand a decision of the BOR. Any appeal taken from an ICA final order must be filed with the West Virginia Supreme Court of Appeals.

<u>Claim Reserve:</u> 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.

<u>Coal Workers' Pneumoconiosis Fund (CWP):</u> 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 December 31, 2005. Because of the latency period between the date of last exposure and the onset of disease, new FBL claims will occur.

**<u>Fatal:</u>** 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 statues 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.

<u>FBL Paying Claim:</u> 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.

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

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

<u>Old Fund</u>: 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.

<u>OP/OD:</u> 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.

**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.

<u>PTD</u>: (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.

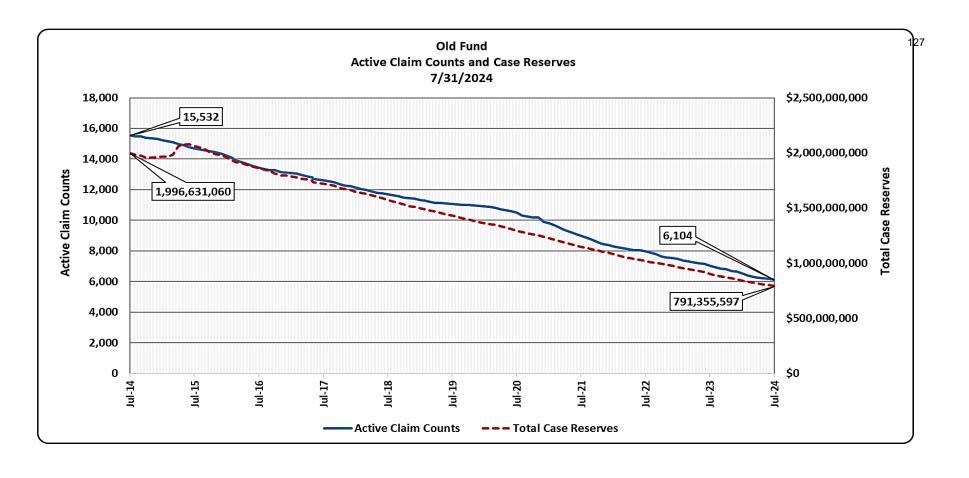
<u>Self-Insured:</u> an employer who has met certain specific guidelines, and who is then permitted to guarantee their own payment and handling of workers' compensation claims to their employees in accordance with WV statutes.

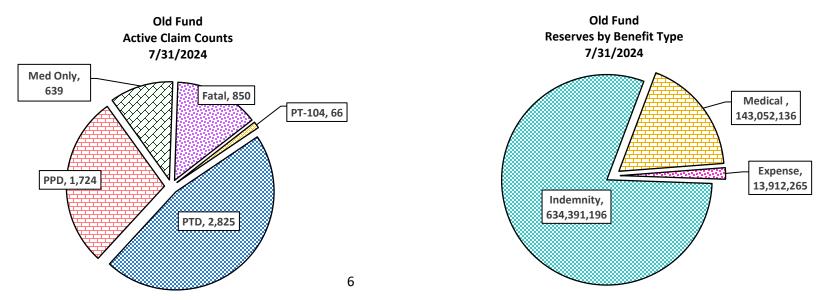
**Self-Insured Guaranty Fund:** State managed fund consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR \$19 (2004) and any future funds collected through continued administration of that exempt legislative rule as administered by the WVOIC and out of which workers'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

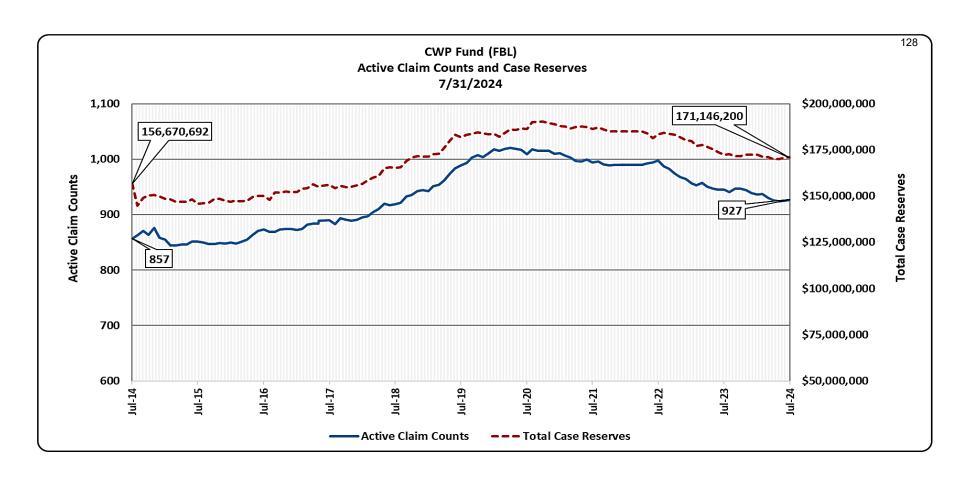
<u>Self-Insured Security Fund:</u> State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury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

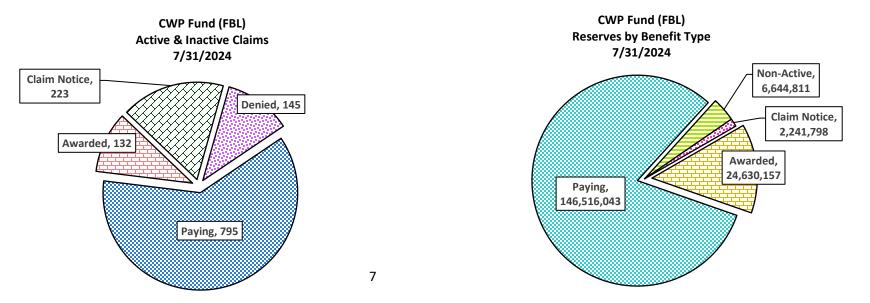
<u>TTD:</u> (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be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

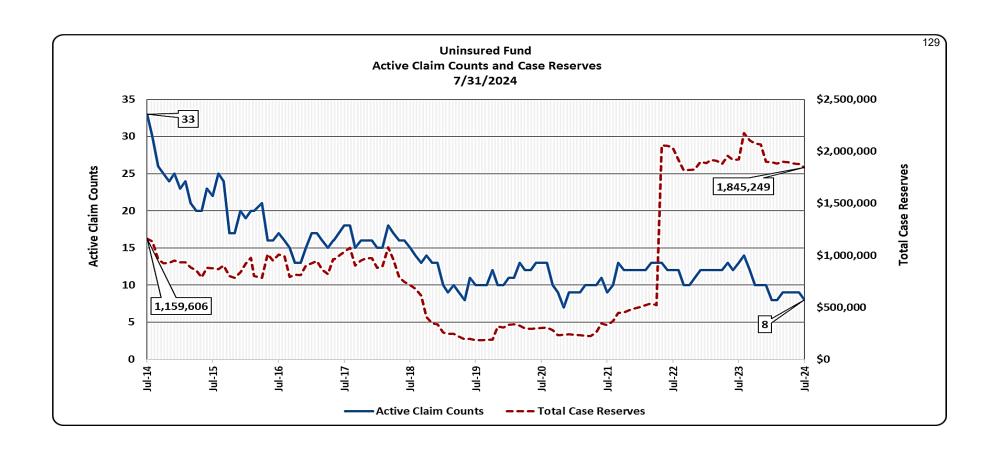
<u>Uninsured Fund:</u> State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006, or later.

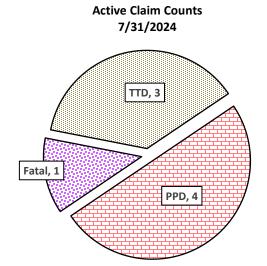




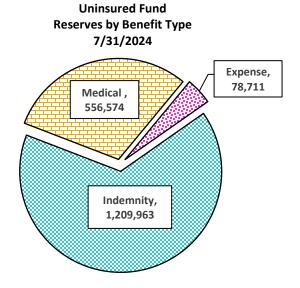


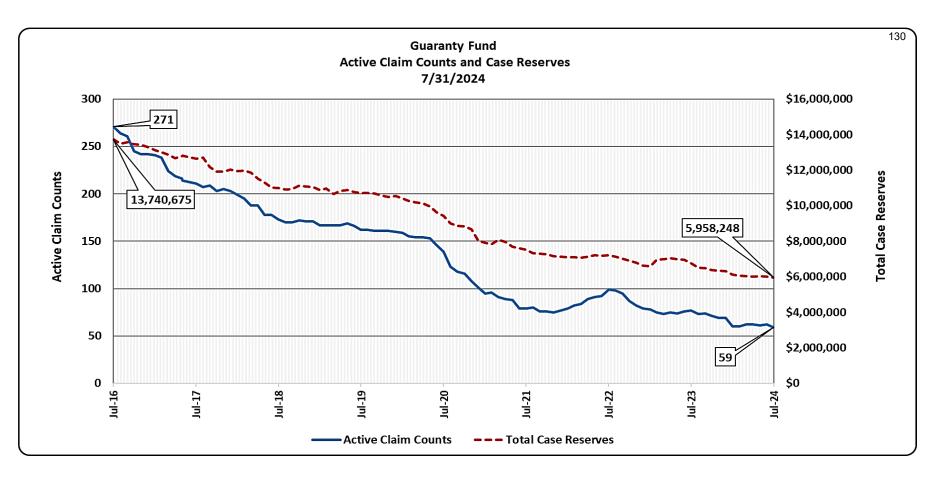


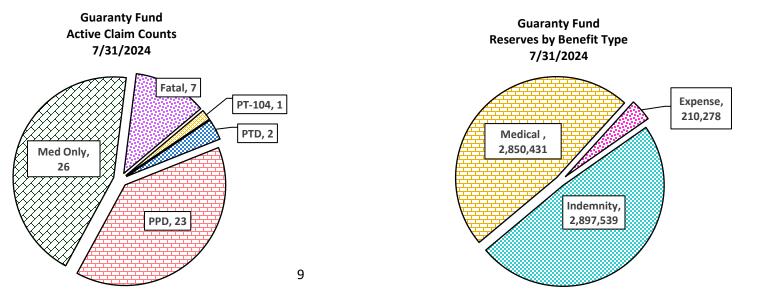


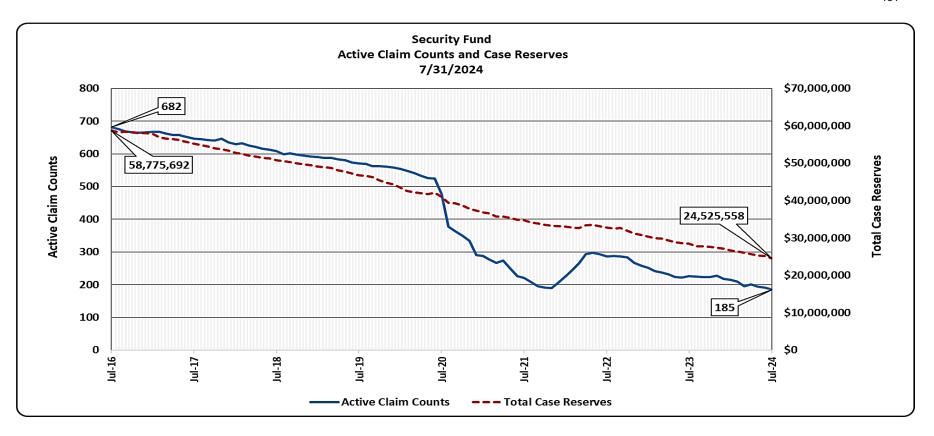


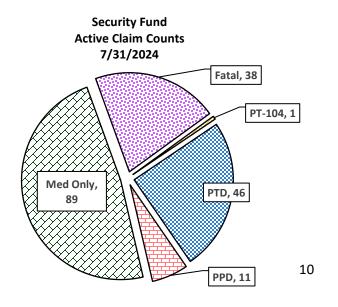
**Uninsured Fund** 

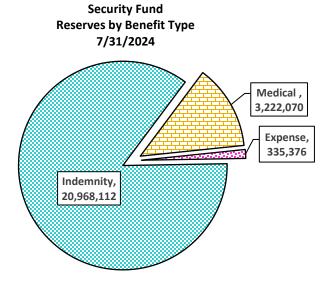












Cash Beginning Balances	YTD FY2024 834,791,874	YTD FY2023 919,242,416	Change (84,450,541)	FY2023 919,242,416	FY2022 1,080,592,100	FY2021 993,229,138
Revenues		, ,	, , ,	, ,		, ,
Employer Premium	40,195	41,326	(1,131)	41,326	238,786	189,298
Other Income	-	-	<u>-</u>		-	
Operating Revenues	40,195	41,326	(1,131)	41,326	238,786	189,298
Investment / Interest Earnings (Losses)	86,594,939	(11,188,287)	97,783,227	(11,188,287)	(52,668,067)	187,370,470
Total Revenues	86,635,134	(11,146,961)	97,782,096	(11,146,961)	(52,429,280)	187,559,768
Expenditures						
Claims Benefits Paid:						
Medical	14,966,677	14,732,152	234,525	14,732,152	14,588,442	16,509,277
Permanent Total Disability	52,493,813	57,045,856	(4,552,043)	57,045,856	63,031,618	69,561,392
Permanent Partial Disability	82,200	66,107	16,093	66,107	163,078	112,956
Temporary Disability	-	-	-	-	-	-
Fatals	15,351,375	16,153,932	(802,557)	16,153,932	17,124,757	18,386,146
104 weeks death benefit	4,272,093	4,611,340	(339,247)	4,611,340	6,011,709	6,353,928
Settlements	505,342	1,249,524	(744,181)	1,249,524	2,382,067	2,708,581
Loss Adjustment Expenses	610,318	899,017	(288,700)	899,017	1,284,295	1,095,241
Total	88,281,817	94,757,927	(6,476,110)	94,757,927	104,585,967	114,727,520
Less: Formulary Rebates	538,673	-	538,673	-	-	-
Less: Claims credits and overpayments	397,531	550,422	(152,891)	550,422	454,800	334,334
Total Benefits Paid	87,345,614	94,207,505	(6,861,891)	94,207,505	104,131,167	114,393,187
Administrative Expenses	3,878,830	4,096,075	(217,245)	4,096,075	4,789,237	5,803,619
Total Expenditures	91,224,443	98,303,580	(7,079,136)	98,303,580	108,920,405	120,196,805
Excess (Deficiency) of Revenues over Expenditures	(4,589,309)	(109,450,541)	104,861,232	(109,450,541)	(161,349,685)	67,362,963
Transfer from Operating Fund		25,000,000	(25,000,000)	25,000,000	-	20,000,000
Cash Ending Balances	830,202,565	834,791,874	(4,589,309)	834,791,874	919,242,416	1,080,592,100

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.

	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	36,425,695	37,187,942	(762,247)	37,187,942	39,659,496	33,724,356
Revenues						
Guaranty Risk Pool Assessments	213,674	15,000	198,674	15,000	10,000	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	3,942,002	(209,276)	4,151,279	(209,276)	(1,884,585)	6,763,880
Total Revenues _	4,155,676	(194,276)	4,349,953	(194,276)	(1,874,585)	6,763,880
Expenditures						
Claims Benefits Paid:						
Medical	257,106	167,151	89,955	167,151	178,127	280,185
Permanent Total Disability	12,316	37,257	(24,941)	37,257	63,717	89,242
Permanent Partial Disability	52,003	33,839	18,164	33,839	83,562	91,922
Temporary Disability	-	-	-	-	-	-
Fatals	185,950	201,734	(15,784)	201,734	206,996	206,996
104 Weeks Death Benefit	35,280	26,460	8,820	26,460	-	-
Settlement Agreements	-	43,500	(43,500)	43,500	62,000	39,699
Non Awarded Partial Disability	-	-	-	-	-	-
Loss Adjustment Expenses	38,735	63,319	(24,585)	63,319	31,743	52,455
Total	581,389	573,261	8,129	573,261	626,144	760,498
Less: Formulary Rebates	4,063	-	4,063	-	-	-
Less: Claims Credits and Overpayments	22,843	409	22,434	409	53,649	150
Total Benefits Paid	554,483	572,851	(18,368)	572,851	572,495	760,348
Administrative Expenses	-	(4,880)	4,880	(4,880)	24,473	68,392
Total Expenditures	554,483	567,971	(13,488)	567,971	596,968	828,740
Excess (Deficiency) of Revenues over Expenditures	3,601,193	(762,247)	4,363,440	(762,247)	(2,471,554)	5,935,140
Cash Ending Balances	40,026,888	36,425,695	3,601,193	36,425,695	37,187,942	39,659,496

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.

	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	47,666,403	50,605,643	(2,939,240)	50,605,643	55,995,948	49,568,499
Revenues	450.000		450.000			
Security Risk Pool Assessments	150,000	-	150,000	-	-	-
Collateral Proceeds	-	(005 705)	-	(005 705)	(0.500.004)	-
Investment Earnings (Losses)	5,070,845	(325,785)	5,396,630	(325,785)	(2,592,281)	9,805,453
Total Revenues	5,220,845	(325,785)	5,546,630	(325,785)	(2,592,281)	9,805,453
Expenditures						
Claims Benefits Paid:						
Medical	615,450	717,600	(102,150)	717,600	585,099	531,814
Permanent Total Disability	1,031,307	1,086,424	(55,117)	1,086,424	1,177,138	1,250,688
Permanent Partial Disability	8,996	8,906	91	8,906	11,540	4,243
Temporary Disability	-	-	-	-	-	-
Fatals	807,206	849,667	(42,460)	849,667	838,483	918,152
104 Weeks Death Benefit	30,662	35,632	(4,970)	35,632	50,458	171,468
Settlement Agreements	-	16,000	(16,000)	16,000	61,325	315,463
Loss Adjustment Expenses	24,558	39,671	(15,113)	39,671	36,980	73,223
Total	2,518,181	2,753,900	(235,719)	2,753,900	2,761,024	3,265,052
Less: Formulary Rebates	16,786	-	16,786	-	-	-
Less: Claims Credits and Overpayments	45,050	117,966	(72,916)	117,966	31,348	84,004
Total Benefits Paid	2,456,345	2,635,934	(179,589)	2,635,934	2,729,676	3,181,048
Administrative Expenses	627	(22,479)	23,106	(22,479)	68,348	196,956
Total Expenditures	2,456,972	2,613,455	(156,483)	2,613,455	2,798,024	3,378,004
Excess (Deficiency) of Revenues over Expenditures	2,763,872	(2,939,240)	5,703,113	(2,939,240)	(5,390,305)	6,427,449
Cash Ending Balances	50,430,275	47,666,403	2,763,872	47,666,403	50,605,643	55,995,948

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.

Cash Beginning Balances	YTD FY2024 16,468,190	YTD FY2023 16,195,294	Change 272,895	FY2023 16,195,294	FY2022 16,844,759	FY2021 13,817,714
Revenues Fines and Penalties	488,794	477,594	11,200	477,594	341,220	322,680
Investment Earnings (Losses)	1,798,818	(74,574)	1,873,392	(74,574)	(828,855)	2,767,995
Total Revenues	2,287,612	403,021	1,884,592	403,021	(487,635)	3,090,675
Expenditures Claims Benefits Paid: Medical	192,619	46,236	146,383	46,236	449 270	2,096
Permanent Total Disability	192,019	40,230	140,303	40,230	118,279 -	2,096
Permanent Partial Disability	41,300	5,809	35,492	5,809	6,929	-
Temporary Disability	34,340	26,145	8,195	26,145	64,151	3,048
Fatals	12,067	-	12,067	-	19,201	25,601
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	6,000	54,000	(48,000)	54,000	22,000	44,276
Loss Adjustment Expenses	38,953	34,594	4,359	34,594	39,974	26,492
Total	325,279	166,784	158,495	166,784	270,534	101,513
Less: Employer Reimbursement	80,972	40,241	40,730	40,241	-	-
Less: Formulary Rebates	1,132	-	1,132	-	-	-
Less: Claims Credits and Overpayments	79	332	(253)	332	116,115	42,742
Total Benefits Paid	243,096	126,210	116,886	126,210	154,419	58,770
Administrative Expenses	2,115	3,915	(1,800)	3,915	7,410	4,860
Total Expenditures	245,211	130,125	115,085	130,125	161,829	63,630
Excess (Deficiency) of Revenues over Expenditures	2,042,401	272,895	1,769,506	272,895	(649,465)	3,027,045
Cash Ending Balances	18,510,591	16,468,190	2,042,401	16,468,190	16,195,294	16,844,759

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.

Cash Beginning Balances	YTD FY2024 196,484,406	YTD FY2023 215,931,727	Change (19,447,321)	FY2023 215,931,727	FY2022 246,613,162	FY2021 220,914,521
Revenues						
Investment Earnings (Losses)	20,658,281	(1,550,178)	22,208,458	(1,550,178)	(11,131,323)	43,567,242
Other Income	-	-	-	-	-	-
Total Revenues _	20,658,281	(1,550,178)	22,208,458	(1,550,178)	(11,131,323)	43,567,242
Expenditures						
Claims Benefits Paid:						
Medical	2,155,296	2,799,907	(644,611)	2,799,907	6,033,252	5,107,159
PTD and Fatal Indemnity	10,859,596	10,613,261	246,335	10,613,261	9,518,418	8,726,207
Settlements	-	-	-	-	1,837	-
Loss Adjustment Expenses	3,720,334	4,660,713	(940,379)	4,660,713	3,513,844	3,343,071
Total	16,735,226	18,073,881	(1,338,655)	18,073,881	19,067,350	17,176,438
Less: Formulary Rebates	105,443	-	105,443	-	-	-
Less: Claims Credits and Overpayments	637,167	738,146	(100,979)	738,146	387,376	94,896
Total Benefits Paid	15,992,616	17,335,735	(1,343,119)	17,335,735	18,679,974	17,081,541
Administrative Expenses	664,765	561,407	103,358	561,407	870,138	787,060
Total Expenditures	16,657,381	17,897,142	(1,239,761)	17,897,142	19,550,112	17,868,601
Excess (Deficiency) of Revenues over Expenditures	4,000,899	(19,447,321)	23,448,220	(19,447,321)	(30,681,436)	25,698,641
Cash Ending Balances	200,485,305	196,484,406	4,000,900	196,484,406	215,931,727	246,613,162

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.

WEST VIRGINIA

# BOARD OF TREASURY INVESTMENTS

#### CALENDAR NOTE

Board Meeting October 31, 2024

### **OPERATING REPORT**

**JULY 2024** 

#### Board of Treasury Investments

315 70<sup>th</sup> Street, SE Charleston WV 25304 (304) 340-1564 www.wvbti.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

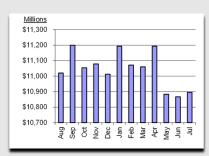
Chief Financial Officer Karl Shanholtzer, CFA, CPA, CIA

# Total Net Assets Under Management

\$10,895,176,000

Last Month \$10,866,862,000

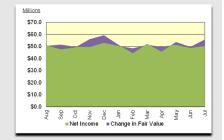
Beginning of Fiscal Year \$10,866,862,000



Net Assets for the Past 12 Months

# Total Net Income & Changes in Fair Value

Fiscal Year \$55,785,000



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

### **Money Market Pools**

As of July 31, 2024

<u>Pool</u>	30-Day Avg. Yield *	<u>W.A.M.</u> **	Net Assets
WV Money Market	5.4812%	36 Days	\$9.6 Billion
WV Gov't Money Market	5.3242%	41 Days	\$523.8 Million

- \* Yields represent the simple money market yield net of fees.
- \*\* W.A.M. is the weighted average maturity.

# WEST VIRGINIA BOARD OF TREASURY INVESTMENTS THE ECONOMIC STATE JULY 2024

#### "may you live in interesting times"

#### Rotate: "To cause to turn or move"

It looks like we might finally see a turn in many aspects of the markets and economy.

The rotation in economic data during the month continued to underscore a slowing economy, albeit within an overall sanguine backdrop. CPI inflation slowed again to 3.0% in June (year-over-year) from 3.3% in May. Manufacturing data also slowed and the labor market, while choppy, is slowly weakening from a very strong starting position. The second quarter GDP print of 2.8% surprised to the upside, but with a slowing consumer indicated by retail sales figures and increasing debt levels and delinquencies, the consensus outlook is for a downshifting economy.

The month of July also marked the beginnings of a rotation for stocks and bonds. Small capitalization stocks (+10.2%) dominated the large cap growth names (-1.7%) that have led the market year-to-date.

Last but certainly not least in terms of importance, the month saw a big change in the U.S. election backdrop.

#### **Equity Markets**

As was highlighted, the move to small capitalization stocks was strong and they led the way in July, bringing the year-to-date return to a positive 12.1%. In yet another stark reversal, value stocks also performed well in July with the Russell 1000 Value index returning 5.1% versus -1.7% for the Russell 1000 Growth index. The strong relative performance for value stocks narrowed the huge outperformance of the large growth companies year-to-date to 18.6% for Russell 1000 Growth index vs 12.1% for the Russell 1000 Value index. For reference, through the end of June, the Russell 1000 Growth index had returned 20.7% year-to-date vs 6.6% for the Russell 1000 Value index. In a measure of a broader participation of stocks in the month, the S&P 500 equal weighted index return was 4.5% versus the standard S&P 500 market cap weighted return of 1.2%.

Non-US markets also had a positive month with the EAFE up 2.9%, outperforming the S&P 500, Emerging Markets were up just 0.3% as both China and Taiwan were negative. Taiwan, in particular, suffered the same technology related sell off as in the U.S.

#### **Fixed Income**

There was a shift of sentiment towards a first rate cut on the horizon following the Federal Reserve's most recent meeting. The Bloomberg Aggregate index returned 2.3% for the month and bonds moved into solidly positive territory year-to-date with a return of 1.6%.

Issuance in both high yield and investment grade credit related bond markets continued to exceed expectations, with year-to-date issuance of high yield bonds of \$176 billion running at nearly double the pace of 2023. High yield bonds returned 1.9% and outperformed the S&P 500 during the month.

#### **Looking Forward**

Markets will continue to focus on the economic backdrop to support the rate cut scenario now priced in. The performance of the US economy has led the world year-to-date, and the performance of the stock market has similarly outperformed. We will enter the final innings of the election cycle in the fall and with-it the likely uncertainty as to the outcome and the commensurate impacts on the economy. The adage "may you live in interesting times" certainly comes to mind as we look out over the balance of 2024.

# West Virginia Board of Treasury Investments Financial Highlights as of July 31, 2024

#### **WV Short Term Bond Pool**

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

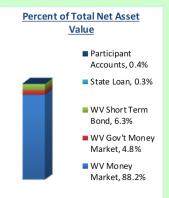
**Net Assets** At Jul 31 **Aug 1 - July 31** Return (In Millions) 2024 6.5% \$ 689.9 2023 1.9% \$ 705.1 \$ 695.6 2022 (3.1%)\$ 819.7 2021 1.2% 2020 4.9% \$ 815.2

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

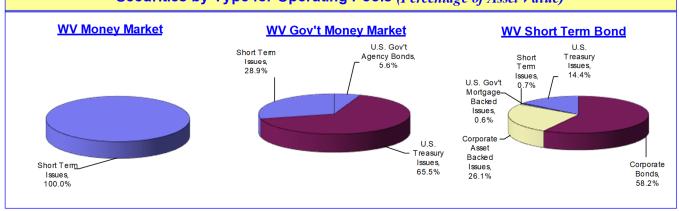


## Summary of Value and Earnings (In Thousands)

Pool	Net Asset Value		Jul Net Income (Loss)		Fiscal YTD Net Income (Loss)		
WV Money Market	\$	9,603,940	\$45,	075	\$	45,075	
WV Gov't Money Market		523,795	2,	243		2,243	
WV Short Term Bond		689,920	8,	196		8,196	
Loans		35,835		106		106	
Participant Accounts		41,686		165		165	
	\$	10,895,176	\$ 55,	785	\$	55,785	



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



# WEST VIRGINIA BOARD OF TREASURY INVESTMENTS SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED JULY 31, 2024

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	Other Pools	Participant Directed Accounts	Total
Assets						
Investments:						
At amortized cost	\$ 9,577,355	\$ 538,314	\$ -	\$ 35,737	\$ 40,502	\$10,191,908
At fair value	-	-	688,940	-	1,018	689,958
Other assets	28,122	297	24,522	100	168	53,209
Total assets	9,605,477	538,611	713,462	35,837	41,688	10,935,075
Liabilities						
Accrued expenses, dividends payable &			22.512			22.222
payables for investments purchased	1,537	14,816	23,542	2	2	39,899
Total liabilities	1,537	14,816	23,542			39,899
Net Position  Held in trust for investment pool participants  Held in trust for individual investment	9,603,940	523,795	689,920	-	-	10,817,655
account holders	_	_	_	35,835	41,686	77,521
Total net position	\$ 9,603,940	\$ 523,795	\$ 689,920	\$ 35,835	\$ 41,686	\$ 10,895,176
Total not position	0 3,003,310	525,775	0 000,020	33,033	0 11,000	010,055,170
Additions						
Investment income:						
Interest and dividends	\$ 19,476	\$ 1,051	\$ 2,705	\$ 106	\$ 165	\$ 23,503
Net (amortization) accretion	25,971	1,213	146	-	-	27,330
Provision for uncollectible loans	-	-	-	_	_	-
Total investment income	45,447	2,264	2,851	106	165	50,833
Investment expenses: Investment advisor, custodian bank &						
administrative fees	372	21	44			437
Total investment expenses	372	21	44			437
27	45.075	2.242	2.007	100	165	50.206
Net investment income	45,075	2,243	2,807	106	165	50,396
Net realized gain (loss) from investments Net increase (decrease) in fair value of	-	-	(19)	-	-	(19)
investments			5,408			5,408
investments			5,408			5,408
Net increase (decrease) in net position						
from operations	45,075	2,243	8,196	106	165	55,785
nom operations	15,075	2,215	0,150	100	103	33,703
Participant transaction additions: Purchase of pool units by participants Reinvestment of pool distributions	1,125,865 45,075	60,684 2,243	2,398	-	-	1,186,549 49,716
Contributions to individual investment						
accounts	1,170,940	62,927	2 200	56		1,236,321
Total participant transaction additions	1,170,940	62,927	2,398	56		1,230,321
Total additions	1,216,015	65,170	10,594	162	165	1,292,106
Total additions	1,210,015	05,170	10,554	102	103	1,272,100
<b>Deductions</b> Distributions to pool participants:	45.055	2242	2.00=			
Net investment income	45,075	2,243	2,807	-	-	50,125
Net realized gain (loss) from investments	45,075	2,243	2,788			50,106
Total distributions to pool participants	45,075	2,243	2,788	_	-	30,106
Participant transaction deductions: Redemption of pool units by participants Withdrawals from individual investment	1,202,478	11,139	-	-	-	1,213,617
accounts				69_		69
Total participant transaction deductions	1,202,478	11,139		69		1,213,686
T		12.202	2.500			. 262 502
Total deductions	1,247,553	13,382	2,788	69		1,263,792
Not increase (do) in and a site of						
Net increase (decrease) in net position from	(21 520)	51 700	7,806	93	165	20 214
operations	(31,538)	51,788	7,800	93	103	28,314
Inter-pool transfers in	_	_	_	_	_	-
Inter-pool transfers out	_	-	_	-	_	_
Net inter-pool transfers in (out)						
Change in net position Net position at beginning of period Net position at end of period	(31,538) 9,635,478 \$ 9,603,940	51,788 472,007 \$ 523,795	7,806 682,114 \$ 689,920	93 35,742 \$ 35,835	165 41,521 \$ 41,686	28,314 10,866,862 \$10,895,176
-						



# Offices of the Insurance Commissioner

Allan L. McVey Insurance Commissioner

September 6, 2024

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

Honorable Committee Members:

Please find enclosed the Insurance Commissioner's West Virginia Workers' Compensation Safety Initiatives Report for September 2024, required by W. Va. Code §23-2C-5(c)(6) to present an overview of the safety initiatives currently being utilized in the workers' compensation insurance market.

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

Sincerely,

Allan L. McVey

CPCU, ARM, AAI, AAM, AIS

Insurance Commissioner

ALM/jlh

Enclosure



September Northers Compensation

Northers Compensation

Workers'
Compensation
Safety Initiatives
Survey

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## Introduction

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

To comply with this mandate, the WVOIC developed, disseminated and analyzed a web-based survey form. The forms were created by the WVOIC and are accessible on the <a href="https://www.wvinsurance.gov">www.wvinsurance.gov</a> webpage. The forms were distributed to the top ten (10) workers' compensation private insurer groups based on 2023 premium market share as well as 49 self-insured employers. The insurer survey consisted of questions including company information, aggregated insured information, safety practices and procedures and the safety opinion of West Virginia employer utilization of insurer services. The self-insured employer survey consisted of questions including company and industry information, safety programs, drug and/or alcohol programs, Return to Work (RTW) programs, industry/employee training, workplace information and additional comments relevant to safety in workplaces. Insurers were asked to submit aggregated responses on behalf of all companies within the group that reported workers' compensation premiums. Self-insured employers were instructed to complete a survey for each company with active self-insured status for West Virginia workers' compensation. A copy of each survey form (insurer and self-insured employer) is provided as Exhibit 1 and Exhibit 2.

One notable change from previous surveys is the inclusion of the WV Counties Risk Pool (WVCoRP) in the insurer aggregated responses rather than reported in the self-insured employer section. The WV Counties Risk Pool is a self-insured, risk bearing group of West Virginia counties and communities that have pooled together for workers' compensation purposes. WVCoRP administers the association and offers the members services such as claims management, safety and loss control, risk management and cost containment measures. While WVCoRP is a self-insured pool, for the purposes of this survey, the services they offer are more aligned with the insurer role rather than an individual employer role. Due to these organizational operations, the West Virginia Counties Risk Pool responses are aggregated with the private insurer data analysis.

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

## **Private Insurer Section**

## Insurer Group Responses

The survey form was distributed electronically to ten (10) carrier groups based on 2023 premium market share. There were 77 total groups that reported workers' compensation premium for West Virginia on the annual financial statements to the National Association of Insurance Commissioners (NAIC). The aggregated market share for the ten (10) groups totaled approximately 83% while the remaining 67 groups reported 17% of overall premium. The ten (10) insurer groups and cumulative market share are provided in the table below.

NAIC Group Code	NAIC Group Name	Cumulative Market Share
291	Encova Mut Ins Grp	41.2%
3548	Travelers Grp	8.5%
212	Zurich Ins Grp	7.0%
408	Brookfield Reins Ltd Grp*	6.8%
213	Erie Ins Grp	5.7%
111	Liberty Mut Grp	4.5%
91	Hartford Fire & Cas Grp	2.8%
626	Chubb Ltd Grp	2.5%
4670	Starr Grp	2.4%
4381	Skyward Specialty Ins Grp	1.7%

<sup>\*</sup> Formerly Argo Grp US Inc Grp; includes Argonaut companies and Rockwood Casualty Ins. Co.

## Private Insurer Safety Survey Summary

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

The survey uses written premium market share reports to identify the top 10 insurers required to respond to the survey. The insurers were asked to provide both policy count and written premium as part of the survey. The table below includes a summary of responses by insurer.

NAIC Group Name	WV Policy Count CY2023 Year End	WV Written Premium CY2023 Year End
Encova Mut Ins Grp	8,819	\$111,068,517
Travelers Grp	4,429	\$19,483,670
Zurich Ins Grp	893	\$16,648,816
Brookfield Reins Ltd Grp	432	\$16,103,712
Erie Ins Grp	4,092	\$13,505,140
Liberty Mut Grp	1,230	\$6,123,266
Chubb Ltd Grp	3,653	\$5,995,618
Starr Grp	479	\$5,746,897
Hartford Fire & Cas Grp	5,972	\$5,112,475
Skyward Specialty Ins Grp	55	\$4,143,670
WVCoRP (Self Insured Risk Pool)	141 members	\$5,872,791

Total 30,195 \$209,804,572

The companies reported written premiums totaling \$203,931,781 (excluding WVCoRP). The 2023 overall written premium from the NAIC market share reports for the West Virginia workers' compensation market was \$237,062,427 so the top 10 groups reported 86% of the total premiums. As previously stated, the responding insurers made up 83% of the 2023 market share and based on the current written premiums provided above, it would appear the insurers maintain a consistent market share.

The next section includes graphs that represent aggregated data analysis of the responses by the private insurer groups as well as the self-insured risk pool, WVCoRP.

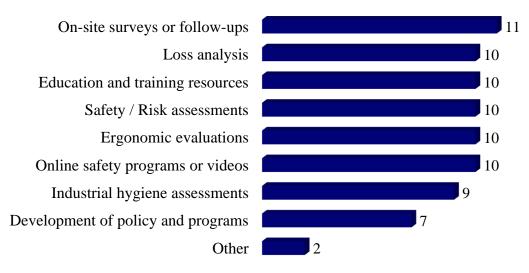
Do you offer safety and loss programs or risk management services to WV employers?



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

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

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



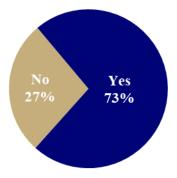
The options above were pre-set options that an employer marked if applicable. If "Other" was selected, the comments below were provided by insurers as additional options relating to types of safety services offered to insureds.

- <u>Erie:</u> Service plan creation and development, implemented with policyholder endorsement.
- <u>Travelers:</u> We provide services with Return-to-Work programs, through on-site consultation and online website resources. While we do not assume the employer's responsibility for development of safety policies and programs, we will assist them with their development of policies and programs.

Six (6) insurers offered a dedicated safety unit to West Virginia policyholders. The insurers offering a dedicated safety unit were Encova, Travelers, Zurich, Hartford, Chubb and WVCoRP. The following additional comments were received as a part of the response:

- Encova: 13 Safety and Loss Control consultants are dedicated to WV employers to provide safety services.
- <u>Travelers:</u> The services referenced in the question above are the primary services offered by our Risk Control Staff. Twenty-Nine (29) Risk Control consultants provided services to WV employers during 2023.
- <u>Zurich:</u> 30 Safety and Loss Control consultants are dedicated to WV employers to provide safety services.
- <u>Hartford</u>: We provide many services including loss analysis, Industrial Hygiene needs, ergonomic assessments and overall workplace safety.
- <u>Chubb:</u> Chubb has a network of close to 500 risk engineers globally available to help WV companies anticipate and minimize exposures. We provide a range of services focused on identifying exposures, assessing the adequacy of existing controls, and helping customers anticipate and mitigate potential costly losses. We offer customized risk management and loss control programs and specialized consulting focused on lessons from losses, industry best practices and consensus standards. The network of risk engineers possesses deep industry knowledge and technical expertise in a wide range of industries. At this time, we do not have any risk engineering staff stationed in WV, however, we have several risk engineers who typically provide our services to WV.
- <u>WVCoRP</u>: 2 Safety and Loss Control consultants are dedicated to WV employers to provide safety services.

Do you offer regular safety audits to West Virginia employers?



Eight (8) insurers responded "Yes" to this question. Seven (7) of the insurers affirmed that the information obtained via safety audits is used in the schedule rating process.

The survey required insurers to provide information on utilization of safety services offered to policyholders. The table below displays utilization of services analysis by insurer group.

NAIC Group Name	WV Employer Utilization	WV Premium Utilization	Utilization Premium Percent of Overall WV Reported Premium
Skyward Specialty Ins Grp	55	\$4,143,670	100.0%
Encova Mut Ins Grp	2,634	\$98,147,861	88.4%
WVCoRP	112	\$4,500,000	76.6%
Zurich Ins Grp	13	\$9,188,819	55.2%
Travelers Grp	140	\$6,146,195	31.5%
Erie Ins Grp	165	\$3,046,108	22.6%
Liberty Mut Grp	10	\$1,380,707	22.5%
Brookfield Reins Ltd Grp	54	\$1,702,740	10.6%
Chubb Ltd Grp	1	\$302,797	5.1%
Hartford Fire & Cas Grp	67	\$64,462	1.3%
Starr Grp	9	\$0	0.0%
Total	3,260	\$128,623,359	61.3%

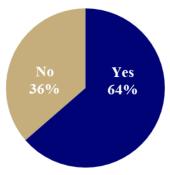
The West Virginia employer utilization includes the policy count of all policyholders utilizing safety services offered by the insurer. The West Virginia utilization premium is the amount of premium generated by employers that utilized safety services offered by the insurer. When comparing the utilization premium to the written premiums reported by insurers in an earlier section of the report, 61.3% of the total written premium is taking advantage of insurer offered safety services. However, when performing the same comparison using the overall West Virginia policy count mentioned in an earlier section to the employer utilization policy count, only 10.8% of policies take advantage of the safety services. The disparity of percentages indicates that the larger, higher premium policies are utilizing safety services while the smaller, lower premium policies are not.

The utilization percentages are affected by an outlier reported by Starr Grp. At the time of this writing, Starr Grp was unable to provide the premium utilization of the nine (9) employers participating in safety programs with the insurer. Starr Grp reported a total policy count of 479 so with only nine (9) policies (1.8% of the total policies) participating in safety programs, it is assumed the premium effect would be minimal to the overall but as stated previously, if the higher premium policies are engaging in the safety services, then the overall could be more substantial.

As a follow-up question to the utilization section, insurers were asked to describe the most utilized safety programs or options by WV employers and provide an approximate count of employer utilization for each program or option.

- <u>Encova:</u> 1. Consultative Service by our 13 dedicated WV Safety and Loss Control Consultants. 2. The Streamery online safety video training service.
- Travelers: 17 Evaluate Motor Vehicle Records 10 Fleet Safety Program Improvement 9
   Establishing Transitional Duty 7 Driving Personal Vehicles for Company Business 7 Safety Meetings 6 Driver Qualification Files 5 Motor Vehicle Record Evaluation Criteria 5 Occupational Health Exposure Monitoring 4 Employee Handbook On Safety Policy And Procedures 4 Late Claim Reporting 3 DOT Roadside Inspection Out of Service Violations 3 Post Injury Management Program 3 Training on Workplace Harassment Policy
- Zurich: Risk Assessment 13
- <u>Brookfield:</u> Onsite Survey & Recommendations 49 Industrial Hygiene 1 Training 4
- <u>Erie:</u> Consultative Visit 49; Desktop 4; Survey 91; Vendor Survey 21
- <u>Liberty:</u> Largest used includes industrial hygiene and on-site visits to make and implement recommendations.
- <u>Chubb:</u> Ergonomics 1
- Hartford: This answer is based on the 67 employers who utilized our Risk Engineering services and have policies in West Virginia. Please know that we may service their account in a different state. 25 Ergonomic Visits 4 Industrial Hygiene Services 38 Loss Analysis
- <u>WVCoRP</u>: Law Enforcement Training -85 employers; Distracted Driving Safety Programs
   100 employers; Fleet Safety 100 employers; Workplace Safety Programs 100 employers

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

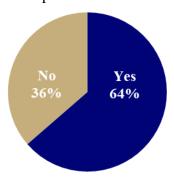


The seven (7) insurers that affirmed follow-up measures are implemented to ensure employer utilization were then asked to provide quantitative metrics used to measure utilization success. The following responses were provided:

- <u>Encova:</u> Reduction in Frequency of Indemnity Claims per \$100 Million in payroll is the primary metric used to measure success.
- <u>Travelers:</u> We track recommendation status, to determine if the customer is making progress, or if the recommendation has been completed. With this internal data, we can quantify the number of recommendations submitted and completed to determine whether the safety services were utilized. We can then compare utilization with loss ratios, measuring utilization success by lower loss ratios.
- Brookfield: 1. Reduction in Loss Ratio 2. Reduction in Experience Modification
   3. Reduction in average cost per claim
- <u>Liberty:</u> Quantitative metrics are not available at this time- during on-site visits, recommendations are made and then followed up to ensure appropriate implementation.
- <u>Chubb:</u> Both Risk Engineering Services and Underwriting are responsible for recommendation follow-up activities and documentation of resolution for all critical recommendations. Our risk engineers will discuss recommendations with the responsible contact during the consultation at the end of the survey. This is then followed up in writing with a letter sent to the contact outlining both risk improvement and critical recommendations. As part of the correspondence the policyholder is asked to respond to all critical recommendations within 30 days. If no response is received after 30 days from the initial recommendation letter, a second letter is sent automatically to the contact regarding critical recommendation resolution and timeframes, along with copies to the producer. If no resolution after 60 days from the initial recommendation letter, an additional letter with the recommendations is sent via email to the survey contacts regarding resolution and timeframes. If no response is received within an additional 15 days, an Alert is sent to the underwriter informing them the insured has not responded to the critical recommendation(s). The underwriter must then take action to gain resolution of the critical recommendation(s).

- <u>Hartford:</u> We have an internal quality program where the countrywide success rate is 92%
- <u>WVCoRP</u>: WVCoRP utilizes employer loss history with individual claims analysis to determine potential exposures and utilization success.

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

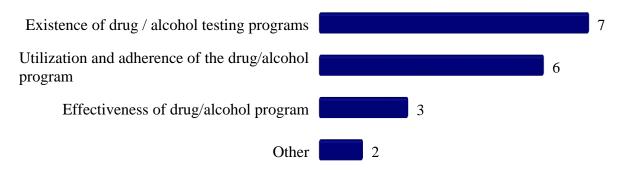


Seven (7) insurers responded "Yes" to this question while four (4) responded "No". This question had follow-up questions dependent on whether an insurer responded yes or no. The "Yes" response question included pre-selected options to select as well as an "Other" option to include additional comments. The comments below were submitted dependent on the insurer's answer to the drug/alcohol testing question.

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

- This topic is part of our overall risk control discussion with employee safety, as well as regulated fleets.
- Part of the assessment or on-site surveys
- WVCoRP offers drug/alcohol program policy reviews and provides guidance and recommendations as needed.

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

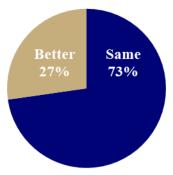


The "Other" comments were:

- Subjective application considering industry, risk exposure, and account risk characteristics.
- Percentage of employees tested annually.

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

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

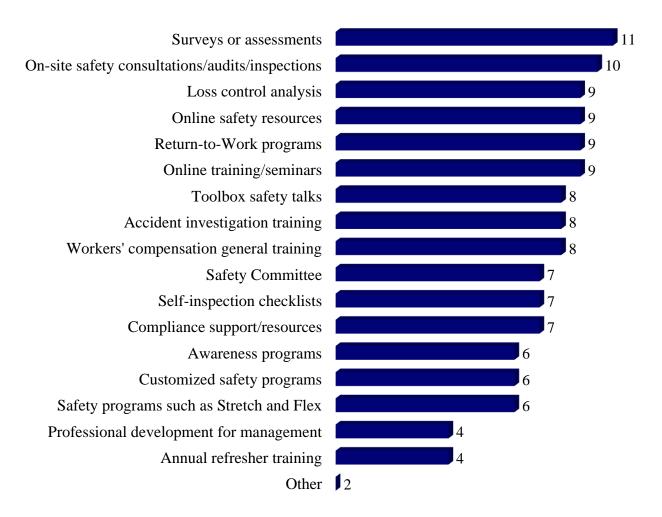


Eight (8) insurers selected "Same" while three (3) insurers selected "Better". Two (2) insurers selected "Better" in the 2022 survey. The response indicates the West Virginia market is attractive to insurers and reiterates that West Virginia employers compare similarly to nationwide employer safety utilization and implementation.

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

- Based on data analytics such as injury and illness incident rates and DART rates, partner with the DOL and insurance carriers to deploy resources targeted to industries with high frequency and severity of injuries.
- Additional information to customers on the West Virginia Division of Labor, regarding general safety, machine guarding, and industrial hygiene services they offer to West Virginia employers.
- Implement a Certified Safety Committee program similar to Pennsylvania's program and offer a 5% credit for certification.
- If the state, working with NCCI, could develop a uniform program for safety credits, it would become more common knowledge to policyholders.
- The state can provide additional awareness to employers on the importance of utilizing safety training and program/policy development resources.

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



The "Other" comments regarding additional programs offered by insurers included:

- AIHA accredited Industrial Hygiene lab services
- Online safety resources such as webinars, videos, video chat, etc.; Surveys or assessments; Return-to-Work programs; Online training/seminars; Compliance support/resources

#### Private Insurer Conclusions

The survey results concluded that all ten insurer groups and the self-insured employer, WVCoRP, offered safety and risk management services to West Virginia policyholders or members of the risk pool.

The most common safety services offered by all insurers included surveys or assessments, on-site safety consultations including audits and inspections, loss control analysis, online safety resources, Return-to-Work programs and Online training/seminars.

Twenty-seven (27%) percent of the respondent insurers indicated that West Virginia employers perform better than national standards regarding the effective use of safety and loss control programs while 73% indicated that West Virginia employers utilize safety programs at the same national rate. This is an improvement in the insurer perception of the West Virginia workers' compensation market as both the 2018 and the 2020 safety reports have a 100% equivalent or "Same" standard and the 2022 report where 20% of insurers answered "Better" than average. Historically, insurers deemed West Virginia employers lacking in safety initiative utilization equality by reporting 50% in 2012, 73% in 2014 and 90% in 2016. This positive trend in safety utilization has resulted in lowered loss costs and premium rates for employers and provides West Virginia workers a safe workplace environment.

In January 2006, the West Virginia workers' compensation market privatized and completed the transition to an open market in 2008. Since that time, West Virginia has realized 19 consecutive loss cost decreases for a total aggregate decrease of 83.7%. When considering the loss cost decreases as well as the number of insurers offering workers' compensation coverage in the West Virginia (~348) in conjunction with the insurer responses indicating that West Virginia employers are 100% better or equal to employers nationwide, these factors indicate a definitive safety culture shift from an injury ridden, abused system to an environment focused on protecting employees and preventing injuries using safety and loss programs and initiatives in the workplace.

## Self-Insured Employer Section

#### Employer Responses

The self-insured employer safety survey was tailored to address safety and loss programs implemented by West Virginia employers. As was done with the private insurer survey, the West Virginia Offices of the Insurance Commissioner developed and disseminated a similar web-based survey form that was electronically provided to 49 self-insured employers.

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

ACNR Resources Inc.

Alex Energy LLC

Alliance Coal LLC

Highland Mining Company

Huntington Alloys Corporation

Huntington Bancshares Inc.

American Electric Power Company Inc.

Aracoma Coal Company LLC

Asplundh Tree Expert LLC

Brooks Run South Mining LLC

City of Fairmont

JELD-WEN Inc.

Kingston Mining Inc.

Lowes Home Centers LLC

Marfork Coal Company LLC

Monongahela Power Company

City of Huntington Pepsi-Cola Metropolitan Bottling Co Inc.
City of Parkersburg Performance Coal Company LLC

City of Wheeling Pilgrim's Pride Corp of West Virginia Inc.

Columbia West Virginia Corporation Potomac Edison Company
CONSOL Mining Company LLC Spartan Mining Company LLC

CONSOL Pennsylvania Coal Company LLC SWVA Inc.

Cracker Barrel Old Country Store Inc.

Thorce Freight Inc.

Delhaize America LLC

Toyota Motor Manufacturing Wv Inc.

Dolgencorp LLC

U S Silica Company

Eastern Gas Transmission Union Carbide Corporation Encompass Health Corporation United Parcel Service Inc.

Exxon Mobil Corporation Virginia Electric and Power Company

Federal Express Corporation Wendy's International LLC

FedEx Ground Package System Inc. West Virginia Counties Risk Pool Inc.

Fiesta Tableware Company Weyerhaeuser Company
FirstEnergy Service Company Wheeling Park Commission

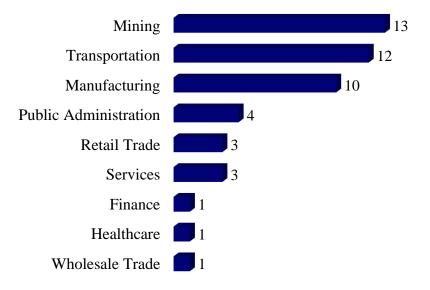
General Motors LLC

All 49 self-insured employers responded to the survey. As previously reported, the West Virginia Counties Risk Pool Inc. (WVCoRP) response was included in the private insurer section, so this section focuses on 48 self-insured employer responses.

## General Safety Programs and Policies

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

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

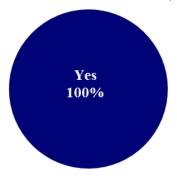


Transportation includes communications, electric, gas and/or sanitary services. Services include lodging, health recreation, education, legal, restaurant, social services, etc. Finance includes insurance and/or real estate services.

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

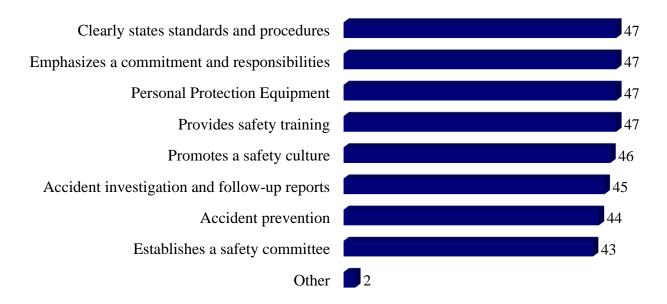
Industry	WV Employees	WV Annual Payroll
Transportation	8,670	\$679,769,075
Mining	5,020	\$536,266,518
Manufacturing	6,641	\$535,698,217
Retail Trade	6,406	\$152,837,033
Public Administration	1,268	\$53,242,497
Healthcare	966	\$50,484,933
Services	1,598	\$28,487,503
Finance	245	\$21,000,000
Wholesale Trade	106	\$10,500,353
Total	30,920	\$2,068,286,128

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



All 48 employers confirmed they do have a written safety and loss program for employees.

Self-insured employers were then asked to mark all safety service categories that applied to their operations. One employer that marked "Yes" did not mark any safety service categories so the graphic below is based on 47 responses.



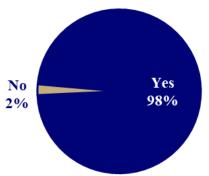
The options above were pre-set options that an employer marked if applicable. If "Other" was selected, the comments below were provided by employers as additional components relating to the company safety program.

- Comprehensive Safety Program
- Governance program, goals and metrics, location specific safety plans and risk-based initiatives, risk-ranking system, contractor safety management program, company safety vision, company safety core value, leadership safety development, safety pledge, incident management database, company chemical management process and database.

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

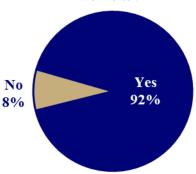
The employers were asked whether the safety programs and services they implemented or provided to employees were enforced. Forty-six (46) employers selected "Yes" the safety program was enforced, while one employer selected "No".

Are the safety programs and services selected above enforced?



Forty-seven employers selected "Yes" and one employer selected "No".

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



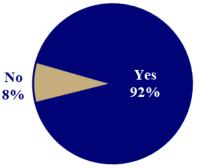
Forty-four employers selected "Yes" and four employers selected "No".

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



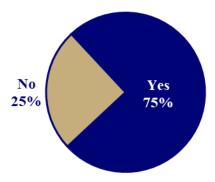
All 48 employers confirmed that senior management meets at least annually for reviews.

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



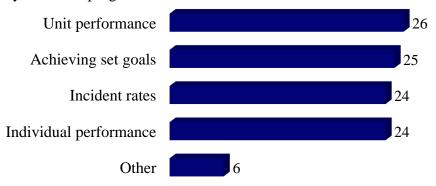
Forty-four employers selected "Yes" and four selected "No".

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



Thirty-six employers selected "Yes" and 12 selected "No".

Of the 36 employers who selected "Yes", a follow-up question was posed to identify options included in company incentive programs.

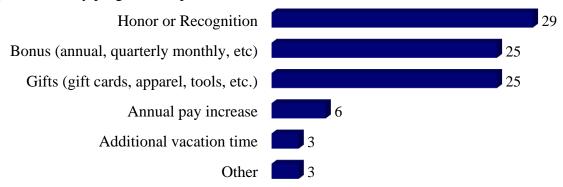


The options above were pre-set options that an employer marked if applicable. If "Other" was selected, the comments below were provided by employers as additional options relating to company safety incentive program criteria.

- Supporting Safety Program Initiatives
- Proactive safety initiatives
- Financial incentives

- Top safety observations turned in for the month are given a gift card to recognize them along with an email that is sent to the workforce with the safety observations for the month.
- Stop, Call and Wait recognition Gift Cards Annual Safety bonus tied to KPI of CHIPS acronym (Stop, Look and Point at intersections for safe walking behavior on campus)
- Financial incentives are NOT tied to lagging metrics like RIR. Safety is included in performance management plans which impact bonuses and raises. Company policy prohibits incentives that are tied to lagging indicators.

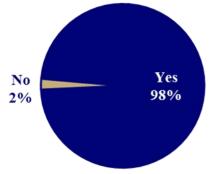
An additional follow-up question was posed to the 36 employers that selected "Yes" for the safety incentive program question to further narrow down incentives specifically used to incentivize employees for safety program compliance.



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

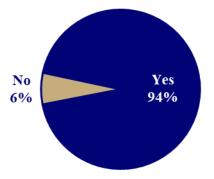
- Supporting Safety Program initiatives
- We provide "Lunch and Learn" twice a year for employees.
- The recognition is for the hospital not individual employees and they receive a portion of their insurance premium returned to them if they reach certain goals.

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



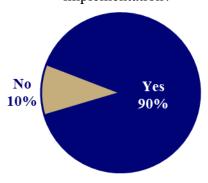
Forty-seven employers selected "Yes" and one employer selected "No".

Do you have a workplace safety committee which meets regularly?



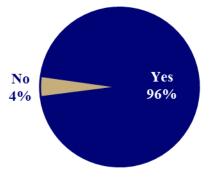
Forty-five employers selected "Yes" and three employers selected "No".

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



Forty-three employers selected "Yes" and five employers selected "No".

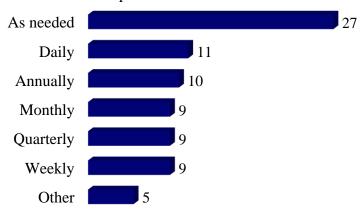
Has a safety survey been completed for each work area and evaluated for occupational safety?



Forty-six employers selected "Yes" and two employers selected "No".

Several additional questions were asked based on an employer's response to the above question. If an employer responded "Yes", they were asked to provide the following supplemental information. The following analysis is based on the 46 employers who affirmatively answered the safety survey for each work area question.

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



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

- Depends on type of survey and location
- Different timelines dependent on type.
- Every four months an outside vendor performs a workplace safety audit
- ASAP Inspections, GEMBA Walks, EHS Committee Walks multiple ways of auditing areas (Daily, Weekly, Monthly, Annually). Risk Assessments done by area annually as well.
- Each facility is evaluated and re-evaluated with any re-configurations for facility based hazards. Each position is evaluated for hazards and common issues related to each jobcode (position). Training is provided that includes both the position and facility hazards as well as general safe work methods.

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



All 46 employers confirmed they do have protocols in place to address safety and loss issues reflected in a safety survey.

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



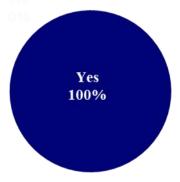
The two "Other" comments were:

- Enter findings in Risk Assessment and track CAP to completion
- Escalate workplace safety survey findings with appropriate corporate and field cross-functional departments to resolve findings. Encourage employees to report safety concerns; Education and training; Additional supervision and/or monitoring of the issue; Preventative maintenance; Address specific concerns with the employee(s); Implement discipline policy standards

## Substance Abuse Programs

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

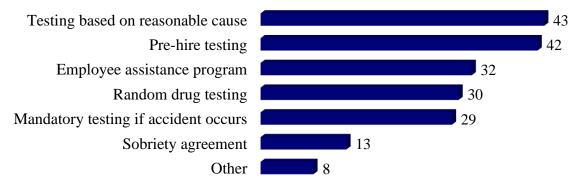
Do you have a written drug and/or alcohol program?



All 48 employers selected "Yes".

Of the 48 employers that selected "Yes" for the question above, 36 employers marked that the drug and/or alcohol program applied to testing for all company employees; 8 employers marked "No" and 4 employers did not make a selection for this follow-up question.

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



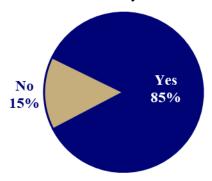
The options above were pre-set options that an employer marked if applicable. The following additional options were provided by employers that selected "Other" relating to the specific criteria or implementation procedures as part of the drug and/or alcohol program:

- Follow-up drug and/or alcohol testing
   IAW DOT regulations
- Possible post-incident periodic/unscheduled on last chance agreement
- Testing if accident is caused by error in judgment or coordination.
- Pre-hire testing for all applicants. Random drug testing for covered positions (FAA and FMSCSA) and required post accident testing based on FMCSA standards. Reasonable cause testing (again in FMCSA) and policy. Employee Assistance program for all employees including self-reports.

#### Return to Work Programs

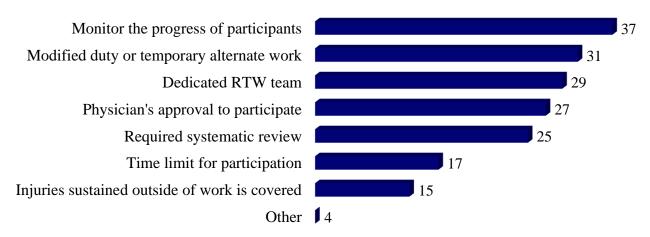
This section of the survey measures the implementation and effectiveness of Return to Work (RTW) programs.

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



Forty-one employers selected "Yes" and seven employers selected "No".

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



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

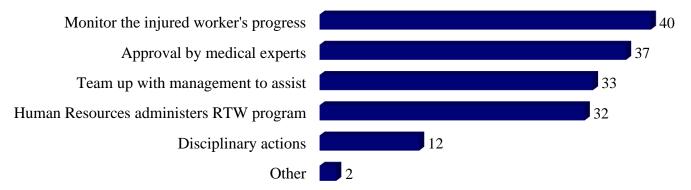
- RTW without restrictions or with acceptable limitations.
- Injuries sustained outside of work engage with Leaves and Accommodations team to assist returning to work. Not RTW team. Time limit for participation is 120 days and can restart should claimant have surgery/hospitalization/major medical event, restarting the 120 days.
- This program is managed by our Internal Leave and Liability Team (workers comp/STD/LTD etc.) and third party administrator who manages these claims.
- RTW manager for every facility but not housed at every facility.

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



All 41 employers that answered the RTW question affirmatively, also responded "Yes" to this follow-up question.

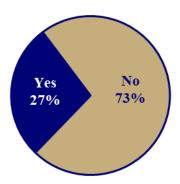
A follow-up question was asked to provide procedures in place to ensure the RTW program is effective. The following options were selected:



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

- Managed by Leave and Liability Team every claim.
- Home office administers the RTW program for work related injuries.

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

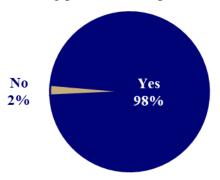


Eleven employers selected "Yes", 29 employers selected "No" and 8 employers did not make a selection.

## Workplace and Employee Training

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

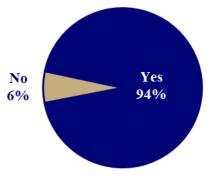
Do you provide initial training for employees and management participating in job activities involving potential workplace hazards?



Forty-seven employers selected "Yes" and one employer selected "No".

A follow-up question was required for the 47 employers that confirmed they provide initial employee training that addressed potential workplace hazards.

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



Forty-four employers selected "Yes" and three employers selected "No".

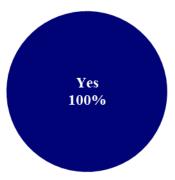
The following questions are related to initial training practices and protocols used in the employer's workplace.

Is all training mandatory for employees and/or management?



All 48 employers selected "Yes".

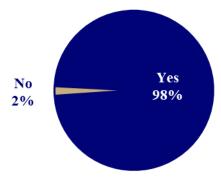
Do you use a developed training curriculum and related materials?



All 48 employers selected "Yes".

The following questions focus on re-training options.

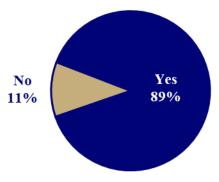
Do you provide re-training for employees and/or management?



Forty-seven employers selected "Yes" and one employer selected "No".

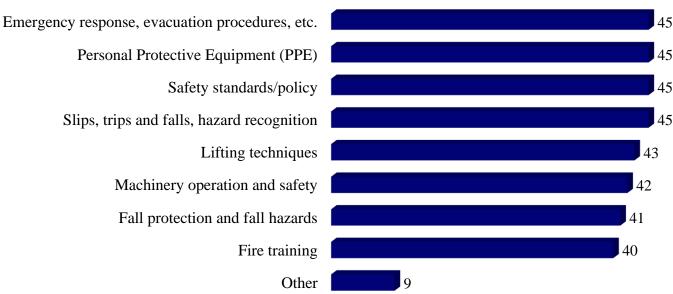
A follow-up question was required for the 47 employers who confirmed that re-training was provided to employees and management. Employers were asked if the re-training addressed all workplace hazards applicable to their industry.

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



Forty-one employers selected "Yes", 5 employers selected "No" and one employer did not make a selection.

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



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

- Hazard Communications Ergonomics Control of Hazardous Energy Forklift and Pedestrian Safety Confined Spare Hearing Loss Prevention Respiratory Protection Electrical Safety
- Comprehensive safety program related to the work environment

- Bloodborne Pathogens, Lock out, Forklift safety, Hazard communication, Harassment, FSC
- Bloodborne pathogens; pre/post trip inspection; distracted driving
- Any topic with required training could be part of the re-training (e.g., incident reporting, respiratory protection, LOTO, powered industrial trucks, etc.)
- Crane, mobile equipment, electrical safety, working at heights, rail safety, etc.
- Energy isolation, hazard communication, industrial hygiene awareness, hot work, lifting & rigging, critical device bypass, line of fire, emergency response, excavation & trenching, fire protection & prevention, electrical safety, motor vehicle safety, work authorization, driving, etc.
- Training goes according to annual training calendar plus retraining when there is an incident or required as part of a corrective action plan. Retraining would be on specific area and hazard affected. Example a forklift operator hits another forklift causing an injury. The operator who struck the other would have to undergo PIT operator retraining.
- We train and re-train on all areas of Safety applicable to the facility and the position, not all hazards applicable to the industry. For example, we train an aircraft mechanic on different hazards than we train a handler in a local station since they have different hazards in their facility and jobs. Fore fire training, we train to call 911 and evacuate (life safety only). Although all employees are advised on the location of the well marked fire extinguishers, we train only to life safety. Fall protection training is covered if appropriate for the job position.

## Workplace Information

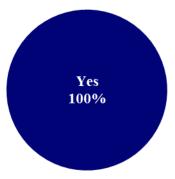
The final section of the self-insured employer survey includes questions regarding workplace safety such as the use of personal protective equipment, workplace hazards, emergency preparedness and other industry information.

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



All 48 employers selected "Yes".

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



All 48 employers selected "Yes".

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



All 48 employers selected "Yes".

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



All 48 employers selected "Yes".

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



All 48 employers selected "Yes".

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



All 48 employers selected "Yes".

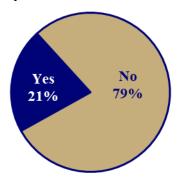
The 48 employers that responded affirmatively were asked to select all options involved in an emergency preparedness plan. The selected options included:



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

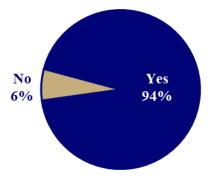
- Regional Response Team available to deploy, if needed.
- Emergency Plan App on company devices for every site that details on needed info so that accessible in any emergency.
- Dedicated unit vs external partnerships are distinct to each facility and are part of that facility's emergency plan.

Are you certified by an international standards organization?



Ten employers selected "Yes" and 38 employers selected "No".

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



Forty-five employers selected "Yes" and 3 employers selected "No".

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

- Wendy's International LLC: Our safety culture is continuously improving in partnership with senior leadership partners in operations. Wendy's employs a dedicated EHS team integrated into our risk management function. Our safety programs are built around OSHA compliance and safety awareness, as well as education and training for our valued employees.
- <u>JELD-WEN Inc.</u>: We have a well-developed, comprehensive safety management system in place at each location.
- <u>Huntington Bancshares Incorporated</u>: The Environmental Health and Safety Manager, along with his staff, conduct annual audits of large buildings.
- <u>Weyerhaeuser Company</u>: Sutton OSB facility is OSHA VPP
- Wheeling Park Commission: Safety is a high priority with Wheeling Park Commission. Trainings are in-house, and on-line and we work with our local medical emergency, fire department, community college, etc. for trainings and inspections.
- <u>City of Wheeling</u>: We are looking for a training manager so that we can ensure that all facets of protection are fully observed.

## Self-Insured Employer Conclusions

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

Nine industry types were represented with the highest percentages of employee count (28%) and the highest percentage of payroll (33%) reported in the transportation industry. Transportation includes communications, electric, gas and/or sanitary services.

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

- Clearly states standards and procedures; 100%
- Emphasizes a commitment and responsibilities; 100%
- Personal Protection Equipment; 100%
- Provides safety training; 100%
- Promotes a safety culture; 97.9%
- Accident investigation and follow-up reports; 95.7%
- Accident prevention; 93.6%
- Establishes a safety committee; 91.5%

98% of employers responded that all safety and loss programs or procedures are enforced and monitored on a regular basis with 90% reporting that at least one employee is solely dedicated to the oversight and implementation of the safety program.

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

## Exhibits Index

<u>Exhibit 1</u> – 2024 West Virginia Safety Initiatives in the Workers' Compensation Market Insurer Survey
<a href="https://www.wvinsurance.gov/insurer\_safety\_survey">https://www.wvinsurance.gov/insurer\_safety\_survey</a>

<u>Exhibit 2</u> – 2024 West Virginia Safety Initiatives in the Workers' Compensation Market Self-Insured Employer Survey <a href="https://www.wvinsurance.gov/Self-Insured\_Safety\_Survey">https://www.wvinsurance.gov/Self-Insured\_Safety\_Survey</a>

**Exhibit 3** – Insurer Groups and Companies

**Exhibit 4** – Self-Insured Employers with Industry Type

#### Exhibit 1



# 2024 West Virginia Safety Initiatives in the Workers' Compensation Market Insurer Survey

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

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

Company Name and NAIC Company Code* If multiple companies, please list each name separately.
4 <u>F</u>
Company Address* If multiple companies, please provide only one address.
4 <u>F</u>
Respondent Name

**NAIC Group Code** 

Respondent Phone Number
Respondent Email Address
WV Policy Count - CY2023 Year End
WV Total Written Premium - CY2023 Year End
Do you offer safety and loss programs, or risk management services to WV employers?  O Yes No
Please check all types of safety programs and initiatives you offer. Multiple selections are accepted.  On-site surveys or follow-up recommendations  Loss analysis  Education and training resources  Safety / Risk assessments  Ergonomic evaluations  Online safety programs or videos  Development of policy and programs  Industrial hygiene assessments  Other
If "Other" was selected, then please provide additional information here.
Do you offer the services of a dedicated safety unit to WV employers?  Or Yes No
If you answered "Yes" to the question above, please describe the services offered and approximate number of staff dedicated to WV employers for these services.

Do you offer regular safety audits to WV employers?  O Yes No
If you answered "Yes" to the question above, please answer whether the information obtained from the safety audits is used in the schedule rating credit/debit consideration. $\begin{array}{cc} & \\ & \\ & \\ & \\ & \\ & \\ & \\ & \\ & \\ & $
How many WV employers utilize the safety and loss programs and initiatives offered by you? (i.e., the count of WV policies utilizing any of the safety services you offer)
Of those WV employers that utilize the safety services that you provided in the previous question, please provide the premium amount for only those employers.
Please describe the most utilized safety programs or options by WV employers and provide an approximate count of employer utilization for each program or option.
Do you implement follow-up measures to ensure employer utilization of the offered safety services is effective and appropriate? $\begin{array}{cc} & & \\ & $
If you answered "Yes" to the question above, please provide quantitative metrics used to measure utilization success.
If an employer implements a drug and/or alcohol testing program in the workplace, do you consider that in the premium determination process? $\begin{array}{cc} & & \\ &$

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

	ou answered "Yes" to the question above, what aspects of a drug and/or alcohol testing program all you consider for a premium credit?
	Existence of drug / alcohol testing programs
	Utilization and adherence of the drug/alcohol program
	Effectiveness of drug/alcohol program
	Other
If "C	Other" was selected, then please provide additional information here.
	erally speaking, how do you feel WV employers compare to employers in other states regarding the ctive use of safety and loss programs and initiatives?
0	Better
O	Same
C	Worse
Dler	ase provide any suggestions of what the state of West Virginia could do to encourage employers to element safety and loss programs, and initiatives.

Plea	ase mark all options below that are most commonly used in your safety and loss programs.
	Online safety resources such as webinars, videos, video chat, etc.
	On-site safety consultations/audits/inspections
	Surveys or assessments
	Safety programs such as Stretch and Flex or other fitness-based routines
	Loss control analysis
	Return-to-Work programs
	Online training/seminars
	Compliance support/resources
	Toolbox safety talks
	Customized safety programs
	Accident investigation training
	Workers' compensation general training
	Safety Committee
	Self-inspection checklists
	Awareness programs (posters, booklets, stickers, etc.)
	Professional development for management
	Annual refresher training based on job function
	Other
If "C	Other" was selected, then please provide additional programs offered by your company to WV
	ployers.
be g	ase use this section to provide any additional comments relating to this safety survey. Comments may general in nature or specific to any of the questions included within the survey or related to the ribution and format of the survey.
4	



# 2024 West Virginia Safety Initiatives in the Workers' Compensation Market Self-Insured Employer Survey

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

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

**Employer Name** 

★ ▼
Employer Address * If multiple locations, please provide the corporate headquarters mailing address.
Employer Address in multiple locations, please provide the corporate headquarters maining address.
Employer Contact Name
Employer Contact Name
Employer Contact Phone Number
Employer Contact Email Address

Prim	nary Industry
C	Agriculture Construction
	Finance, Insurance and/or Real Estate
	Healthcare
	Manufacturing
	Mining
	Public Administration
	Retail Trade
	Services - Hotel, Lodging, Health Recreation, Education, Legal, Restaurant, Social Services, etc.
O	Transportation, Communications, Electric, Gas and/or Sanitary
0	Wholesale Trade
	roximate 2023 calendar year annual WV payroll
parti	ou have a written safety and loss program for your employees, including provisions for any icular problems associated with your business (such as dust or noise)?  Yes  No
	u answered "Yes" to the question above, please check all components that your safety program resses.
	Provides safety training
	Personal Protection Equipment
	Promotes a safety culture
	Emphasizes a commitment and responsibilities
	Accident prevention
	Accident investigation and follow-up reports
	Establishes a safety committee
	Clearly states standards and procedures
	Other

If "Other" was selected, then please provide additional components of your safety program here.
<b>V</b>
Is the safety program enforced?
C Yes C No
Are the safety program principles or mission statement posted in a conspicuous place(s) at the worksite?
C Yes No
Does senior management meet at least once annually to discuss and review the safety program, to ensure it is effective, sustainable and continually improving?  Yes  No
Yes No
Is safety compliance a performance review measure for management and/or employees?  Yes No
Do you utilize a safety incentive program for management and/or employees?  Output  Output  Do you utilize a safety incentive program for management and/or employees?  No
If you answered "Yes" to the question above, please select any options below that are included within the safety incentive program.
Achieving set goals
Unit performance
Individual performance
Incident rates
Other
If "Other" was selected, then please provide additional options included in the safety incentive program.

If you answered "Yes" to the safety incentive question, please select any options below that are

awarded to employees for safety program compliance.
Bonus (annual, quarterly monthly, etc.)
Annual pay increase
Honor or Recognition
Additional vacation time
Gifts (gift cards, apparel, tools, etc.)
Other
If "Other" was selected, then please provide additional awards or honors provided to compliant employees as part of the safety incentive program.
Do you have a progressive discipline policy in place to address safety program violations? $ \begin{array}{cc} \text{Ves} & \text{C} \\ \text{No} \end{array} $
Do you have a workplace safety committee that meets regularly?  O Yes No
Do you have at least one full time employee, dedicated solely to the safety program oversight and implementation?
Has a safety survey been completed for each work area, and evaluated for occupational safety?  Yes No
If you answered "Yes" to the question above, how often are safety surveys conducted and/or updated?  Annually
Quarterly
Monthly
Weekly
As needed
Other

If "Other" was selected, then please provide additional information below.
If you answered "Yes" to the completed safety survey question above, do you have a protocol to address any safety or loss issues reflected in a completed survey?  Yes No
If you answered "Yes" to the question above, please select applicable protocols used to address safety concerns as a result of completed safety surveys.
Encourage employees to report safety concerns
Education and training
Additional supervision and/or monitoring of the issue
Preventative maintenance
Address specific concerns with employee(s)
Implement discipline policy standards
Other
If "Other" was selected, then please provide additional protocol information here.
Do you have a written drug and/or alcohol program?  Yes No
If you answered "Yes" to the question above, does the program include testing for all employees?  Yes No

Plea	se select all options applicable to the drug and/or alcohol program.
	Pre-hire testing
	Testing based on reasonable cause and/or suspect
	Employee assistance program
	Random drug testing
	Sobriety agreement
	Mandatory testing if accident occurs Other
	other" was selected, then please provide additional options applicable to the drug and/or alcohol gram below.
_	you have a written Return-to-Work (RTW) program complete with a RTW manager at each facility?  Yes No
-	ou answered "Yes" to the question above, please select options that are included within your RTW gram.
	Modified duty or temporary alternate work
	Physician's approval to participate in the program
	Monitor the progress of participants
	Required systematic review
	Injuries sustained outside of work is covered under the program
	Dedicated RTW team
	Time limit for participation
Ш	Other
If "O	ther" was selected, then please provide additional options that are included in your RTW program.

Is the written RTW program actively utilized by management and employees?  Yes No
Please select all procedures that are in place to ensure the RTW program is utilized.
Human Resources administers the RTW program  Monitor the injured worker's progress  Approval by medical experts to determine further procedures  Team up with different units and management to assist the injured worker  Disciplinary actions  Other
If "Other" was selected, then please provide additional procedures that are in place to ensure the RTW program is utilized.
Are there incentives to management and/or employees for reviewing and implementing the RTW program?  C Yes No
Do you provide initial training for employees and management participating in job activities involving potential workplace hazards?  Yes No
If you answered "Yes" to the question above, does the initial training address all workplace hazards applicable to the industry?  Yes No
Is safety training mandatory for employees and/or management?  O Yes No
Do you use a developed safety training curriculum and related materials?  Yes No
Do you provide re-training for employees and/or management?  Yes No
Does re-training address all workplace hazards applicable to the industry?  Yes No

Please select the hazards that are addressed in re-training.
Personal Protective Equipment (PPE)  Safety standards/policy  Emergency response, evacuation procedures, etc.
Slips, trips and falls, hazard recognition  Fall protection and fall hazards  Lifting techniques  Fire training  Machinery operation and safety  Other
If "Other" was selected, then please provide additional hazards or areas of focus involved in retraining.
Do you provide appropriate personal protection equipment (PPE) to employees who have the potential for exposure to a workplace hazard?  Yes No
Do you provide regular inspection by management to ensure PPE is being used correctly? $\begin{array}{cc} \text{C} & \text{Yes} \\ \end{array}$
Do you provide appropriate access and egress to the facility including proper emergency lighting? $\begin{array}{cc} \text{C} & \text{Yes} \\ \end{array}$
Do you have a system in place for regular inspection by management to ensure the access, egress, and lighting is properly maintained?
Are machines (including office equipment) regularly inspected, guarded, maintained and operated?  O yes No
Do you have a program in place to address emergency preparedness?  Yes No

preparedness plan.	У
Emergency and evacuation plans are posted at worksites and are easily accessible by employees  Written policy with clear and concise procedures  Alarm systems are in place to alert employees  Mandatory training and drills are performed  Existence of a dedicated unit to handle emergencies  External partnerships  Other	
If you selected "Other" on the question above, please provide additional options relating to your emergency preparedness plan.	c
Are you certified by an international standards organization?	
Do you undergo regular internal and/or external safety audits?  O Yes No	
Please use this section to provide any additional comments relating to this safety survey. Comments be general in nature or specific to any of the questions included within this survey.	ents

Group Name	Company Name(s)	
Encova Mut Ins Grp	BrickStreet Mut Ins Co	
	Northstone Ins Co	
	Pinnaclepoint Ins Co	
	Summitpoint Ins Co	
Travelers Grp	Charter Oak Fire Ins Co	
	Farmington Cas Co	
	Phoenix Ins Co	
	Standard Fire Ins Co	
	Travelers Cas & Surety Co	
	Travelers Cas Ins Co of Amer	
	Travelers Ind Co	
	Travelers Ind Co of Amer	
	Travelers Ind Co of CT	
	Travelers Prop Cas Co of Amer	
Zurich Ins Grp	American Guar & Liab Ins	
	American Zurich Ins Co	
	Zurich Amer Ins Co	
	Zurich Amer Ins Co of IL	
	T	
Brookfield Reins Ltd Grp	Argonaut Ins Co	
(formerly Agro Grp)	Argonaut Midwest Ins Co	
	Rockwood Cas Ins Co	
	United Farm Family Ins Co	
<del></del>		
Erie Ins Grp	Flagship City Ins Co	
	Erie Ins Exch	
	Erie Ins Prop & Cas Co	
	Erie Ins Co of NY	
	Erie Ins Co	
Starr Grp	Starr Ind & Liab Co	
	Starr Specialty Ins Co	
	I, . , , ,	
Skyward Specialty Ins Grp	Imperium Ins Co	

Group Name	Company Name(s)
Hartford Fire & Cas Grp	Hartford Accident & Ind Co
-	Hartford Cas Ins Co
	Hartford Fire Ins Co
	Hartford Ins Co of IL
	Hartford Ins Co of The Midwest
	Hartford Ins Co of The Southeast
	Hartford Underwriters Ins Co
	Nutmeg Ins Co
	Property & Cas Ins Co of Hartford
	Sentinel Ins Co Ltd
	Trumbull Ins Co
	Twin City Fire Ins Co

Chubb Ltd Grp	Ace Amer Ins Co
-	Ace Prop & Cas Ins Co
	Bankers Standard Ins Co
	Chubb Ind Ins Co
	Chubb Natl Ins Co
	Executive Risk Ind Inc
	Federal Ins Co
	Great Northern Ins Co
	Indemnity Ins Co of North Amer
	Pacific Employers Ins Co
	Pacific Ind Co
	Vigilant Ins Co
	Westchester Fire Ins Co

Liberty Mut Grp	American Fire & Cas Co
	Employers Ins Co of Wausau
	First Liberty Ins Corp
	Liberty Ins Corp
	Liberty Mut Fire Ins Co
	LM Ins Corp
	Milbank Ins Co
	Ohio Cas Ins Co
	Ohio Security Ins Co
	Plaza Ins Co
	State Auto Prop & Cas Ins Co
	State Automobile Mut Ins Co
	West Amer Ins Co

Name: ACNR Resources, Inc.

Name: CONSOL Pennsylvania Coal Company LLC

Industry: Mining Industry: Mining

Name: Alex Energy LLC Name: Cracker Barrel Old Country Store Inc.

Industry: Mining Industry: Services

Name: Alliance Coal LLC Name: Delhaize America LLC

Industry: Mining Industry: Retail Trade

Name: American Electric Power Company Inc.

Name: Dolgencorp LLC

Industry: Transportation Industry: Retail Trade

Name: Aracoma Coal Company LLC Name: Eastern Gas Transmission

Industry: Mining Industry: Transportation

Name: Asplundh Tree Expert LLC Name: Encompass Health Corporation

Industry: Transportation Industry: Healthcare

Name: Brooks Run South Mining LLC

Name: Exxon Mobil Corporation

Industry: Mining Industry: Transportation

Name: City of Fairmont Name: Federal Express Corporation

Industry: Public Administration Industry: Transportation

Name: City of Huntington Name: FedEx Ground Package System Inc.

Industry: Public Administration Industry: Transportation

Name: City of Parkersburg Name: Fiesta Tableware Company

Industry: Public Administration Industry: Manufacturing

Name: City of Wheeling Name: FirstEnergy Service Company

Industry: Public Administration Industry: Transportation

Name: Columbia West Virginia Corporation Name: General Motors LLC

Industry: Manufacturing Industry: Wholesale Trade

Name: CONSOL Mining Company LLC

Name: Highland Mining Company

Industry: Mining Industry: Mining

Name: Huntington Alloys Corporation

**Industry:** Manufacturing

Name: SWVA Inc. Industry: Manufacturing

Name: Huntington Bancshares Inc.

Industry: Finance

Name: T-Force Freight Inc. Industry: Transportation

Name: JELD-WEN Inc.

**Industry:** Manufacturing

Name: Toyota Motor Manufacturing WV Inc.

Industry: Manufacturing

Name: Kingston Mining Inc.

**Industry: Mining** 

Name: U S Silica Company

**Industry: Mining** 

Name: Lowes Home Centers LLC

Industry: Retail Trade

Name: Union Carbide Corporation

**Industry: Manufacturing** 

Name: Marfork Coal Company LLC

**Industry: Mining** 

Name: United Parcel Service Inc.

**Industry: Transportation** 

Name: Monongahela Power Company

**Industry: Transportation** 

Name: Virginia Electric and Power Company

**Industry: Transportation** 

Name: Pepsi-Cola Metropolitan Bottling Co Inc.

**Industry:** Manufacturing

Name: Wendy's International LLC

**Industry: Services** 

Name: Performance Coal Company LLC

**Industry: Mining** 

Name: West Virginia Counties Risk Pool Inc.

**Industry: Public Administration** 

Name: Pilgrim's Pride Corp Of West Virginia Inc

**Industry:** Manufacturing

Name: Weyerhaeuser Company

Industry: Manufacturing

Name: Potomac Edison Company

**Industry: Transportation** 

Name: Wheeling Park Commission

**Industry: Services** 

Name: Spartan Mining Company LLC

**Industry: Mining**