

Joint Committee on Government & Finance Interim Book

Table of Contents

<u>Agency</u>	<u>Page</u>
Office of Broadband	1
Minutes	15
Reports Summary	67
Lottery	69
General Revenue	99
Unemployment Comp	107
WorkForce WV (Unemployment Comp Trust Fund)	111
BRIM – PEIA – Real Estate	119
Medicaid Report	131
CHIP	141
Investment Management Board	145
Workers Comp	151
Coal Workers' Pneumoconiosis Fund Update	166
Board of Treasury (Investments)	181



1900 Kanawha Boulevard, East Building 3, Suite 600 Charleston, West Virginia 25305 (800) 982-3386 · (304) 558-2234 westvirginia.gov

October 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 October 6, 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
- 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

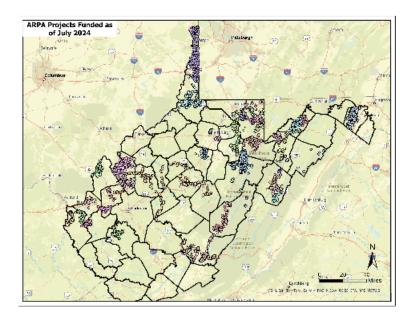
Total Investment \$236.28 Million

Last-Mile Projects 42

Total Miles of New Plant 3,875

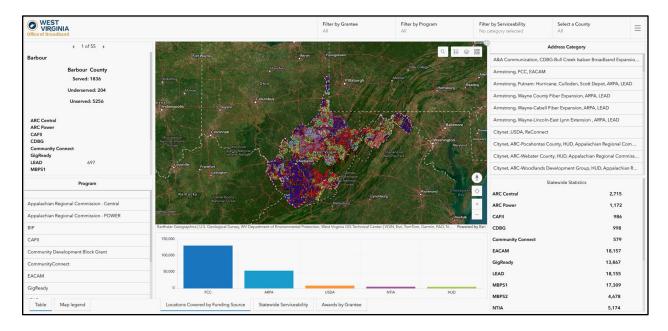
41 Counties

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

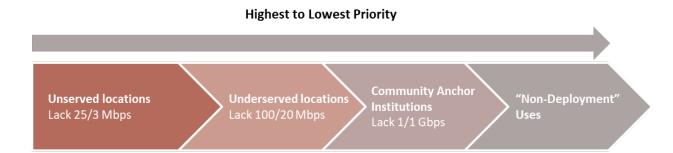
In June 2023, NTIA announced that West Virginia would be awarded \$1.2 billion in federal Broadband Equity, Access and Deployment (BEAD) funding for broadband development in West Virginia. BEAD is administered by the National Telecommunication and Information Administration (NTIA). This historic investment 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.¹ 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.²

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.³

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 and limits economic opportunity. 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:

- 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)

¹ West Virginia is 50th of 50 states, Washington, D.C., and Puerto Rico.

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

³ https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf, p16 and p17

⁴ 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

⁵ Derived from calculations by WVDED. For more details, please see Section 3.1.

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 https://broadband.wv.gov/. 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.
 - West Virginia was among the first states in the nation to open its BEAD Full
 Application Portal. The application portal opened on August 26 and will close on
 October 25, 2024.

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.

Recent BEAD Benchmarks

On August 23, The National Telecommunications Information Administration (NTIA) approved
West Virginia's BEAD Challenge Results. Learn more here: https://broadband.wv.gov/ntia-approves-west-virginias-bead-challenge-process-and-final-locations/. This approval enabled the
State to release the Final BEAD Eligibility Map, which is posted at broadband.wv.gov. Notably,

West Virginia is among the first states in the nation to obtain NTIA approval of its Final Challenge Results and is among the first states to open its Full Application Phase.

- West Virginia launched its Full Application phase on August 26, 2024. Learn more here:
 https://broadband.wv.gov/west-virginia-bead-final-challenge-results-approved-by-ntia-project-application-portal-to-open-august-26-2024/.
- The Full Application portal will be open for 60 days. Providers who successfully completed the BEAD Pre-Application phase were directly provided with an application link and all information needed to complete full applications. As with BEAD pre-applications, full applications will be submitted through WVDED's ZoomGrants Application Portal. Following the Full Application deadline, WVDED will post Target Areas eligible for the Extension and provide applicants the opportunity to propose additional projects.
- On September 27, 2024, WVDED held a virtual Question and Answer Session to provide assistance with the ongoing full application process and respond to the ongoing intake of questions and inquiries through an online BEAD question intake form available at broadband.wv.gov.
- 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 on-site training events on March 28, 2024, at the Robert H. Mollohan Research Center in Fairmont, on May 23, at Bridge Valley Community and Technical College in South Charleston, and on June 12, at the WVU Erickson Alumni Center in Morgantown.

Next Steps for BEAD

On September 16, WVDED published a set of Application Extension Program Procedures for the BEAD Program. Learn more here: https://broadband.wv.gov/program-procedures-for-the-extension-of-west-virginias-bead-program/. WVDED will extend the application window of the West Virginia BEAD Program for a subset of the Program's Target Areas following the Full Application deadline.

On October 9, 2024, WVDED conducted an Extension Webinar on the upcoming BEAD Extension. While the Application Extension Program Procedures for the BEAD Program are very similar to the West Virginia BEAD Program Procedures, there are some differences, and the webinar will focus on helping potential applicants understand the differences.

On September 16, 2024, NTIA released Final Proposal Guidance, https://broadbandusa.ntia.doc.gov/sites/default/files/2024-09/BEAD_Final_Proposal_Guidance.pdf, which more fully clarifies what content and reporting requirements will be involved in the state's final submission which is due April 18, 2024. The WVDED is adjusting it's timeline to allow required 30-day public comment period prior to submission to NTIA.

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 equity⁶:

- 1. 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 ${\rm NTIA.}^7$
- 3. West Virginia has the highest percentage of individuals living in a rural area (90%) in the country.⁸

The Digital Equity Act contains three grant programs:

⁶ 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.

⁷ Calculated using National Broadband Availability Data provided by the Federal Communications Commission, available at https://broadband477map.fcc.gov/#/data-download.

⁸ Ibid.

- 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

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 (https://broadbandusa.ntia.doc.gov/funding-programs/Digital Equity Capacity Grant Program)
- 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 had to then 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 anticipates 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 future rounds of 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 worked to spread awareness and provide assistance to potential applicants during the application window.

The Office of Broadband is aware of at least seven organizations that completed and submitted DE Competitive Grant applications for projects in West Virginia. As NTIA announces awards on a rolling basis, the Office of Broadband will coordinate with any West Virginia awardees to ensure successful cooperation.

When more details are available for future rounds of the DE Competitive Grant Program, the Office of Broadband will again encourage potential applicants to apply and provide assistance.

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 promoted the DE Competitive Grant Program, monitored potential applicants, and provided assistance wherever possible.
- f. At least seven organizations submitted applications for digital inclusion projects in West Virginia. These include both West Virginia based organizations and national groups.

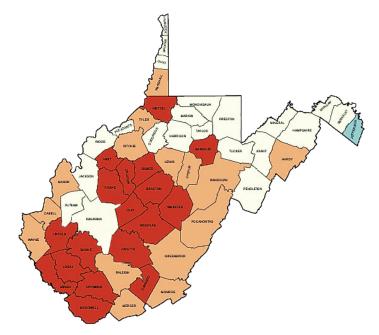
Connect Humanity - Appalachia Digital Accelerator Project

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 through BEAD program planning and by ROC independently, 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 here: https://generationwv.org/appalachia-digital-accelerator-project/

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 to view.

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 14th, 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 14th, 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 14th 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 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 30th 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 to change the subsidy rates? Are we going to ask for additional dollars? 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."

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

(Speaker Hanshaw)

September 9, 2024

4:00 p.m. – 5:00 p.m.

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

Speaker Hanshaw: "All right, folks. Good afternoon. We'll go ahead and call today's meeting to order. It is after 4:00 PM. So, today's committee...Joint Committee on Government and Finance will be in order. Chair notes at this moment we do not yet have a quorum of the committee present. So, we will forego approval of the minutes of our last meeting until a quorum arrives later in the meeting, but I do want us to go ahead and begin with our presentation today. We have Mr. James Fawcett, President of Highmark West Virginia. We are here in Parkersburg where Highmark is situated and it seems entirely appropriate that we invite Mr. Fawcett and his team to share with us some thoughts on their business."

Jim Fossett: "Terrific. Thank you and welcome to our home. We're so delighted you're here. My name is Jim Fossett...as you heard...and I've been with the company for

36 years and this October 1 will be my eighth year as President of Highmark West Virginia.

So, this really is a discussion. Being from Blue Cross Blue Shield...largely going to look at the private commercial markets. We'll delve a little bit into some of the government ones, but again, so delighted to have you here today. Who is Highmark West Virginia? I thought I'd just start with this. We are the only insurance carrier in the state of West Virginia that can serve West Virginians in all 55 counties no matter what their commercial needs are. We can do Medicaid, individual ACA, small group, large group, Medicare Advantage, Medicare supp., dental, vision, we're there in all 55 counties offering insured products. There are over 600 Highmark employees that call West Virginia home. So, we obviously have an important economic impact as an employer in addition to this being our home. We have roots that go back over 80 years in West Virginia, and we are a not-for-profit company...and we are very proud and work very hard to be the number one commercial health insurer in the state of West Virginia.

Going to take a minute and digress a little bit because sometimes there's confusion about what is Blue Cross Blue Shield. I just don't want to assume that everybody knows what Blue Cross Blue Shield is. Blue Cross Blue Shield is our global association that has 33 independent licensees, but the importance of that is one in three Americans carry a Blue Cross Blue Shield card. It's very important in the economics that drive insurance and more importantly to our customers through the association in all...in all the states across America, we dovetail and share each other's provider contracts. So, if you're traveling on vacation and you're in Florida, the Carolinas, if your child decides to go play basketball in another state, or if you're a business owner who has locations outside of West Virginia,

we can allow seamless access to any provider...be it hospital, doctor, or other providers...ensure that you get that excellent experience of acceptance and the best price that you can for the services that your employees, child, loved one needs. Also worth noting, when you think about the employment structure of West Virginia, Blue Cross Blue Shield serves over 5.6 million federal employee...employees...and that's...it's our largest customer too.

So, if that's the national...who is Blue Cross Blue Shield Association...that's the association...there are 33 licensees, Highmark Health is the regional licensee who we're part of that family. Highmark Health is the fifth largest Blue Cross Blue Shield organization. It is all not-for-profit at The Blues...it's The Blues in New York, Pennsylvania, Delaware, and West Virginia. Importantly for us in serving our members, we get the share scale and technology...on the insurance side of the business, scale is incredibly important. We...we have scale that we share over 29 million lives through our parent company and I'll be very candid, earlier I said we're here and all products to all West Virginians...without that scale of Highmark Health we could never be in all markets for all West Virginia...all West Virginians. There are over 42,000 employees that work at Highmark Health. We have dental companies, vision companies, stop loss reinsurance companies. We also have a health system in Western Pennsylvania called Allegheny Health Network, which makes our strategic planning meetings very interesting. So that's Highmark Health...26 billion in revenue. Highmark West Virginia is headquartered right here in Parkersburg, beautiful building. I hope you walk up the street and see us. Feel free to use the tables out front.

We've been serving...through our predecessor companies...West Virginians for over 80 years. Linda Wigal, head of sales back there if you raise your hand. She has a 98% client retention rate over the last five years. We work really hard to keep our customers delighted. It's very competitive year after year. Thank you, Linda. Our service is obviously done here in West Virginia and important in this meeting is when we make money as a not-for-profit...bottom line money...that money stays in West Virginia. It goes to our risk-based capital. Yes, we buy services from Highmark Health, legal services, administrative. services, clinical, and network services...but when we make money here in West Virginia, it stays here in West Virginia.

So, we have the national Blues, we have Regional Health System, and then we have Highmark West Virginia right up the street. We also worry about our...our corporate community citizenship, are...are we good to the communities we serve and three years ago we started a Charitable Fund for Health, a foundation...and I'm going to touch on this a little bit later...but in our first three years we've granted out over \$6 million dollars to not-for-profit agencies who are helping West Virginians in all 55 counties around healthcare access, quality issues, things like that. So, I know we're talking about finance and when you talk about healthcare, we have people that come to work every day to address issues of rural access. I mean that is an issue that you have to face when you're in West Virginia, issues around transportation, housing, healthy food, substance use disorders, chronic and lifestyle issues around obesity, tobacco use, mental health, substance use disorders, and the...the workforce reality that we're in a state that our general population dynamics is aging and it's declining at the same time which creates real workforce challenges, not just for us, but for the employers we serve. I'm going

to...I'm not going to go deep into those issues today. I need to acknowledge those because those are significant drivers in healthcare, knowing who...your roles in our public policy, I kind of wanted to go focus on a couple of other things.

So, I always start off with the Insurance Commissioners Annual Report. I guarantee you I'm the first one who goes out online to read this thing. I live by this thing; I love this report. Not every state does this. We count belly buttons in our business. How many belly buttons do we insure? When you ask my boss, you know, am I doing good or bad? It's...it's how many belly buttons am I insuring? That's a measure and this is kind of a source of truth, you know, it's important to see from the Insurance Commissioners (...inaudible...) and a couple takeaways, we have 1.7 million people in our state, we're not a large state and you can see this is the way that West Virginians are covered, which drives the economic reimbursement back through the system, either to health insurers like myself or to health systems. When you think about our three major health systems...or the FQHC's...in our state, this is a really important model and so the first thing that I take away from this is that 74% of all West Virginians are covered by a plan...or have no insurance...that end up reimbursing our health system providers. These are the big health systems, individual, whatever...on government-based reimbursement. Yes, PEIA just went from Medicare to Medicare plus 10%, but still relative perception, a lot of people are paying at Medicaid rates or lower...because we're West Virginians, we don't realize that maybe just one state over...like one state north of us where Highmark Health is headquartered...if you looked at payer mix rates, it would be like 55, 60% commercial, not government. This is a...a major, major challenge for all of us. Now, this is my artwork taking the state's report and this is kind of when I look at the economic driving forces

behind supporting our health systems. When you have 74% that are government, couple things that happen. One is...is difficult (...inaudible...) that's why we don't see a lot of competition in our state as compared to other states with health systems, we're rural...but also you see this enormous cost shift to the commercial industries. So, there are states where you might hear that, you know the hospital inpatient outpatient reimbursement is 200...250% of Medicare...just using it as a national standard. In West Virginia, it's not uncommon for Medicare, for our commercial hospital rates to be 3, 4, 500% plus of Medicare rates...and it has a long history going back in time why they exist...but to be candid, our...without this important segment of the market, our health systems wouldn't survive and it...it just is incredibly difficult...difficult economic challenge for us to deal with.

The other thing that I'd like to...to get into and this gets a little complicated, I apologize, but I want to look at that 26% that was commercial because that's kind of where I spend my time. So, if you...you look at the green chart on the left, that big piece of the pie, I want to break out when we all hear markets, that little yellow sliver, that 1% represents all the West Virginians that are individual policies. We're highly regulated, both federally and state. That 1% are individual policies, that 2% is the insured small group market, and this is the states, this isn't necessarily Highmark's share. This is how...you know...going through the state, 7% is large group and that means they have an average number of employees of 51 plus that is fully insured. That's seven and then that 16%, those are ASO administrative services...sometime...sometimes called ERISA preempted or ERISA exempt, those are self-funded plans. So, the one take away that I've seen when I watch you all doing public policy is when a new piece of legislation is passed or a new mandate is passed, and if it applies only to commercial policyholders, I just want you all

to be realizing all that effort you did is only impacting 10% of the belly buttons in the West Virginia. So, as the one who hears first-hand about the cost of healthcare and what I love about West Virginia's legislature is you all have private jobs and you're involved. Either your business owners or executives in your business and you understand how this works. So, you kind of get the cost shifting to commercial because of the payer mix on the prior slide and then when mandates come in...and even if they add just small little pieces, time...over time, our commercial customers, our commercial policyholders, bear a lot of that weight and that's just how it works. When I go over to the other piece of the pie, now I'm saying well, let's just look at the commercial markets. So, this is a percent....so, individual makes up 5%, small group is 6%, 29% is the large group fully insured. If you look at that big dark blue piece, that is West Virginians who are covered by a self-funded plan, and when I say self-funded plan, that means there's no insurance, there's no oversight by the OIC. They're usually claiming ERISA preemption or ERISA exemption. The scary part of that is over half of those people are in plans where the decision makers are out of state. Think of Walmart, think of Kroger's, quite frankly, think of Nucor, Toyota. The decision makers who make those plan decisions are in other states. So, a lot of times we as West Virginians don't necessarily have access to those key decision makers. So, that's...that's kind of what I want you to understand...looking from this, that again...10% get the impact of mandates that only apply to commercially insured and that in many instances, the fastest growing market in the commercial markets is self-insured. They don't follow state mandates and often decision makers are out of state.

Going to digress a little bit into individual policies because these are important and I think when you hear my final comment, you'll understand why I want to focus about this.

Let's go to the blue chart to the right...the bars...those are the belly buttons. How many West Virginians have coverage with the...the exchange individual products. So, you can see the start line, this is the past five years. You can see there are 20,000 West Virginians in our individual markets and as you go up to 2024, you can see that goes up to 51,000 people. The line bar with the numbers above it, with the way individual premiums work, there's an advanced premium tax credit that many participants get, and so we look at what's the average amount of the price, the actual amount of money that an individual on average has to pay for...for these coverages...and you can see from 2020 to 2024, it has gone to a high of \$323 dollars to currently it's \$118 dollars. So, a couple of factoids that I would like you all to know that we...what we look at...and that first one is over half the West Virginians on the individual market are actually enrolled in plans that cost them less than \$10 a month...over half. So, that...50,000...two thirds of the West Virginians who earn 200% of the federal poverty level, and I apologize I just realized now I have two acronyms in there without that....APTC is advanced premium tax credit and FPL is federal poverty level...but two thirds of West Virginians who are in these individual markets, who earn below 200%, that means they earn too much to be eligible for Medicaid but they're certainly the working poor. These guys are really struggling...that these...these individuals are often eligible for plans that cost less than \$50.00 dollars a month, and in fact, because of the way the exchanges work...where you can choose between bronze, silver, gold, different policies...that over half of them could actually get good coverage for zero dollars a month and as we talked about, the economics of these plans, remember these plans are reimbursing our health systems at commercial rates, not at government rates. So, it's...it's a win for them to have these coverages plus the reimbursement to our

health systems is commercial. It's worth noting on that fourth bullet there that West Virginia, as published by CMS, had the largest individual growth rate of any state in the United States from '23 to '24. Of course, that's a percentage not...not raw number, but we have the most growth and why do I bring all this up? Lying ahead to us is a very big change that's going to happen federally, and that is that the current advanced premium tax credits that enable this all to happen...which is good for West Virginians as it sits right now...will sunset on 12/31 of '25. So, we as a community have to have plans on how we manage that and of course, the feds are going to make those decisions and the election this fall is going to have everything in the world to do with it. So, a very important segment of the commercial markets, even though it's 1% of total.

So, as the largest commercial insurer are...are we, you know, fair to our customers? Are...are we efficient...and this is based on our 2023 filing with the OIC. This is how our premium dollar and global is spent. Forty-nine cents of the dollar is spent on facility reimbursements and you can see the breakout there between inpatient and outpatient. 13% goes to physician reimbursement, 28%...twenty-eight cents...goes to prescription and specialty drug. I do want to clarify that the drug spends in that 28% can be a combination of what you might get from your local pharmacy. It could be pharmaceuticals that were administered to you in an inpatient setting. It could be pharmaceuticals infused in an outpatient center or in a physician's. We bucketed there for the reason that the single fastest and largest driver of all healthcare costs across the country now is pharmacy. I told you I've been in the business for 36 years. When I started 36 years ago, it was all about inpatient care. How are we going to keep people out of the hospital? You know, maternity deliveries were taking seven days, consuming all these

resources. You fast forward to today, it's almost unfathomable to me...and again, this is primarily commercial population...that we now spend more on pharmacy than we do on inpatient care...and then finally, administrative cost, everything that Highmark does is captured in that 10% admin, our...our margin is posted as well in our filings. So, on that 10%, our margin was 1.8%. So, we do believe we are efficient and...and a very judicious spender of our customers premium.

Are we a good corporate citizen? So, we created this Charitable Fund for Health, a true foundation, three years ago. In our first six years, we have already spent...grants...we've issued grants to a total of \$6 million dollars. You can kind of see the high-level focus there, oral health, social determinants of health, etcetera. Every quarter we publish a list of grantee recipients. This just happens to be the 2024...I think it was Q, yeah, Q2...so, you may know that. Our independent fund advisors will accept grants from any eligible organization. They openly prioritize a rich mixture of both large organizations, as well as tiny organizations, and they're really focused on maximum impact on all 55 counties, which as a traditional commercial insurer is wonderful because so much of the need is in the southern part of our state and without a customer base down there, this has really helped us fill the gap. Just as one example and...and this example was...and I want to highlight a couple of things...but we supported WVU Medicine and their Food for Mountaineers Program as well as Vandalia Health and Marshall Health with their Healthy Neighborhood Program. This roughly is a \$2.5 million dollar support program over the next three years and what this does is give the power of the pen to the frontline clinician who's dealing with the family who's really suffering from food insecurities, and if they're...they're struggling with food insecurities and they have a

condition like diabetes or something where a good diet would really be a fantastic way of helping their total health, they can write a script and it results in a...in a debit card being issued and an amount of \$75.00 a month, up to \$150.00 a month, that can be spent at Dollar General, Kroger's or Walmart on healthier for you foods. So, you can't go there and buy soda pop and Twinkies but if you go there for fresh vegetables...and anybody paying attention to Dollar Generals, they are upgrading some of their stores to have fresh fruits and vegetables. This is part of this scheme, the...the idea of helping them out to do that, but the idea is the clinician identifies those who need the help, you arm them not with just the the frontline clinical help, but with either social workers or dieticians who are affiliated with the local health systems...and we're hoping that this has a good enough impact because the big challenge in all these programs is of sustainability, because you can't just do this through grant giving forever, but the hope is that this will be a large enough population...I know the healthy neighborhoods are already up to I think about 5 or 600 individuals right now getting help...that we can then study them and see what was the outcome? Total healthcare cost, did it come down? Quality of life indices, did they go up? What...what is this? If it's measurable, then we can either find additional funding or maybe even find a way of including that in the medical loss ratios for the MCO's. Who knows but very proud of that. It's a great way of...of doing things differently for connecting our foundation with these important health systems.

So, I've talked a lot about commercial. I do want to introduce Jason Landers because we just for the first time ever, have a Blue Cross Blue Shield option for Medicaid. Jason?"

Jason Landers: "Thanks, Jim. Thanks for giving me a little bit of your time as well. Just a couple of quick thoughts before I run in. A little more than about two years ago, I came back to Highmark, and it was a big thing for me and the reason I came back was specifically because I had some discussions about the opportunity to participate in the Medicaid space. It was really important to me. Just a note, I am a lifelong West Virginian, I am a coal miners' kid. Doctor Takubo is near and dear to my heart and as such, where I grew up, it was always...I always describe my existence as always on the brink of disaster. Like you...you just don't know and so anyway, this is a segment of population that really I consider my family. So, that's...that's what drew me back and we spent a couple of years creating a plan, standing it up from scratch, and now we have Highmark health options, Blue Cross and Blue Shield.

It's the first time ever that West Virginians with Medicaid can walk into a providers office with a Blue Cross and Blue Shield card. It means something to me because when I was a kid that was kind of the standard bearer for quality and that was actually, I believe, probably my first question to Jim and others when they were talking about doing a Blue Cross Plan. One was, you know, how is this ACA thing going, and two is it going to be blue branded because I see really an opportunity for those members that can graduate...let's call it graduate, that's probably a better term...from Medicaid into an ACA plan and then beyond. So, I'll just mention our tagline that is on there, Medicaid that goes beyond care. Just pay attention to that, I'll come back to it in a little bit but...we were an option beginning August 1st and I guess technically right now I'm the fastest growing MCO in the state of West Virginia. We went from 860 members in the first month to a couple thousand the next month. So, if I do the math, Southern West Virginia math, that's

about 130% growth, something like that. So, dubious honor, but it's an honor...but it truly is an honor for me to be in this population.

So, a couple of things. I mentioned that we spent a couple of years doing this. We really spent a lot of time really just talking about what we want to do in the Medicaid space and developing win themes and what our company is going to look like from a philosophical standpoint. The second thing we had to do over that two years was we stood up a real multi state Medicaid platform. Highmark government markets serves well over half a million members in our footprint in the government space. Medicaid, D-SNP, LTSS, all lines of business, CHIP, and what we've done here in West Virginia is selected the best of the best platform for claims, for clinical management, for everything...and brought them all together as kind of the cutting edge multi state platform here in West Virginia. We chose a...a real government powered program called Health Rules Payer, we call it HRP. That is our operation system, and then Guiding Care, which is also a HealthEdge product, and it is state-of-the-art...a clinical platform used by a lot of Medicaid plans. So...so, really we...we took the best of the best and brought it to West Virginia, which is very exciting for me...and if you look back on the history of Highmark in the Medicaid space by itself, they've been in that space managing these half a million lives for well over three...30 years, three decades. That's generations of knowledge that we are really bringing into West Virginia to help us manage that segment of this spend in a more productive way. Again, Jim said that you guys are here for finance. We all know Medicaid is the...that is the lion's share of spend. That is a big spend that we have and so we want to be...just as Jim talked about...being good stewards of premium. Our premium comes from the state of West Virginia, and we want to be good stewards of that.

I said we put together win themes. These are...these are just sound bites that really we try to live by every single day and I'll just...I just want to say them...we want to be West Virginia, I am a West Virginian, it's important to me. We want to be accountable...we want to be accountable to the state of West Virginia and our members...and we want to be experts. That's why we really spent the time to develop a plan that we thought we could win with. It's...these are things that we talk about in every single meeting and they're not just words. We really...we live every single one of these and our experience here in West Virginia allows us to really understand the market dynamics that drive healthcare in the state. I mean Jim spent a lot of time talking about what the exact breakdown of care looks like. So, we have a ton of expertise that we bring and again we want to hold ourselves accountable to the provider community, to our members, and to the state of West Virginia.

One of the things that I thought was important when I came back was I want to be West Virginia first and that is something that I talk about at Highmark all the time. They...they joke occasionally that I am...I am West Virginia and I...I feel like that I...I just ran a little trivia contest on the...the first residents in West Virginia, the Pringle brothers, and the Pringle Tree in Buckhannon, West Virginia. I'm a...I'm a West Virginia history nut...so, I love stuff like that but they always kid that I am West Virginia, and it became important to me to have a West Virginia first priority in everything we do in this and so as we stood this thing up...we hired all of our key staff, they're all now in place. We are...we have our last hire that begins...ironically, she is going to get her West Virginia license at the next board meeting of the West Virginia Board of Medicine and that...which I think is November 4th. So, she'll start on November 4th, but they're all people that are here and live here in West Virginia. That is a requirement of the state and it's a requirement of

me...and we developed...even we took it one step further and...and developed a West Virginia first hiring program that as we grow, every incremental job...we can be in any place in the world and the world has changed quite a bit where things like operations claims, those things can be done anywhere in the world...but what we're doing is we've adapted, we've adopted this West Virginia first hiring so that West Virginians get preference in every job.

We want our dollars to stay here in West Virginia as we deliver care to West Virginians and I...I mentioned our...our tagline, we...it's...we go beyond care and I...I just wanted to take a moment to talk about what that means to us. It really means, as I've said repeatedly, putting our West Virginia citizens first. We think about what it means to be a West Virginian, and I was just on a...a clinical discussion today about delivering cardiac rehab services remotely because I have so many places where there is no way that a Medicaid person could actually make it into a...a clinical...a facility setting to receive those services. So, we're looking at ways that we can take our care, take our services to where the members are. Going beyond care really means not only empowering our...our members to be healthy. You know, every health plan makes sure that our kids are getting immunized on schedule, they're seeing their doctor appropriately, all of those scheduled events that we have throughout life and I'm...I'm at the...I'm at the other end, I'm not a...a kid anymore, but I still have my schedule of events that I go but again, as a West Virginian, it also means going beyond that. We are identifying opportunities to assist our members with opportunities to reenter the West Virginia workforce when it's possible. It's not always possible, our SSI population obviously have challenges that have to be met, but our aim is to overcome that notion of West Virginia fatalism that keeps people from entering the

workforce. I have the benefit...I've spent the last almost ten years as a board member on the local college here, West Virginia University of Parkersburg, and I've said a lot that we need to talk to our members about the opportunities that exist that are attainable for them and through a...partnerships with our community colleges, I tell people all the time that you give me a person and one year of their life, I can teach them to be a welder and they'll make more money than I will in a year and that's an achievement and that...that really kind of breaks that bond or of...of kind of just fatalism...it's never going to get better. We have to show people that there are opportunities. So, as we speak to our members, we are looking for all of those opportunities and then really...finally...the final thing it means to go beyond care is, you know, I've talked about our 30 years of...our 80 years of West Virginia history...our 30 years in the Medicaid environment and all of this experience that we've gained really effectively raising the healthcare and the opportunities for other people and offering them to the state of West Virginia as a font of kind of institutional knowledge that we've gained over this period and how can we adapt this to...to make it work for West Virginia?

One of the things in our footprint is, in our Delaware footprint, we actually work on reentry of incarcerated members back into the population. We follow them through their incarcerated...incarceration time, and then as they leave incarceration, we make our first contact with them before they ever walk out. That is probably the most critical time...and we connect them with resources...and the aim is to keep them sober and on the...on the path to a better life and so we spent a lot of time taking those key elements of reentry and talking about ways that we can push those not only to the incarcerated population, but I always view the...the substance use population as another form of reentry. They...they

really need to find ways to...to find that goal, get assistance from us just in terms of...hey,

here are the opportunities out there, we would like to talk to you about them and enabling

the...our people to...to make good decisions. So, that's...I think that's all I had but I did

want to thank you guys again for giving me a chance to talk about something that I'm very

passionate about."

Jim Fawcett: "Thank you. So, in closing we're proud to be Parkersburg, we're

proud to be West Virginia, and we are committed to serving all West Virginians for any of

their health insurance needs in all 55 counties. I thought it would be fair to share our

mission and that is to create a remarkable health experience, freeing people to be their

best, and I always every...every mission statement, there's always a word or something

that grabs you. For me, whether it's been parents, spouse, children, or grandchildren,

when one of them gets sick, I lose my freedom and that's...the word being free is the one

that gets to me...and then most importantly, you know, we're so interested in the work

that all of you are doing. It's so important I mean, I always look forward to the West Virginia

Business Summit because we get good updates on all...everything you're trying to

accomplish, but we really welcome the opportunity to continue to assist the legislation

that you're considering...healthcare policy...I know that you often reach out to Mark

Polen, Linda Beckman, it's never me because your questions are always so granular we

need a subject matter expert but we are interested in providing any facts, figures,

opinions, whatever you'd like. We're...we're in. So, thank you. Questions or yeah?"

Speaker Hanshaw: "Yes, sir. Very good. Thank you. Thank you for being here

and not just today for this meeting but for having us in Parkersburg this week too."

Jim Fawcett: "Yeah."

Speaker Hanshaw: "Questions of any of our...of our committee? Yeah, Delegate

Summers."

Delegate Summers: "Are they on already? Yes. Hi, thanks for being here."

Jim Fawcett: "Sure."

Delegate Summers: "I'd like to see the data where it was talking about the number

of people on Medicaid and then I think you had a Medicare chart, but also on the Medicaid,

you listed the 618,000. So, we got an update this week that our current Medicaid

population is 518,000—"

Jim Fawcett: "Correct."

Delegate Summers: "-enrollees. So, it will be interesting to see if they go...if

the...if those 100,000 go to uninsured or go to other plans but I feel really encouraged

after hearing Jason speak that perhaps...perhaps people will be working with that

population to try to get them on another plan instead of being uninsured. So, that was

kind of exciting to hear."

Jim Fawcett: "It is. That whole redetermination process...which of course I think

got put on hold through COVID...we definitely have tracked some that have come into

the individual policies. Quite frankly some of those people ended up on group policies

and...and I think it will be good for all of us to figure out where they were...and again, this

was the Commissioners Report from the '22 market. So, like I said, I always wait for them

to publish the new ones."

Delegate Summers: "Well yeah, I saw that for '22 and I thought it would be

interesting to see what '25 says...'24 and '25."

Jim Fawcett: "Oh, on the...yeah, because then you go to the ACA...this is '24.

Yeah, this is a...not saying all of them came from redeterminations but that jump from

28,000 to 51,000...think it's a pretty safe bet that some of them came from Medicaid and

as I said could be having zero-dollar premiums or premiums under \$50.00 dollars a month

for commercial coverage because of the advanced premium tax credits."

Speaker Hanshaw: "Others? Senator Takubo."

Senator Takubo: "Thank you, Mr. Chairman. Thank you, Jim for...both of you...for

the presentations. Question...when we passed the bill where we bumped PEIA for

inpatient rates up to 110% of Medicare, has that made any dent in in private premiums?"

Jim Fawcett: "Not a single health system came back and offered to lower the

reimbursement rates for us. Now, I live here in Parkersburg, I...I want WVU Medicine

Camden to be healthy. I'm in my 60s, I'm hypertensive, I'm...according to my BMI, I'm

obese. If I have the big one, I want there to be a really good cardiologist down the street.

So, I care about the financial viability of our systems. So, it would be irresponsible for me

to say that that wasn't a good and an important change. I would say that in many states

you see other models and...and that you know, that pressure on our three major health

systems and everyone else to have to deal with the 75% payer mix is really a

challenge...but again being a Parkersburg resident, it helped (...inaudible...) but we didn't

get any rate reductions."

Senator Takubo: "Thanks."

Speaker Hanshaw: "Others? Delegate Summers again."

Delegate Summers: "I thought of one other question, sorry. So, when you talked about...what did you call it? Allegheny Health Network?"

Jim Fawcett: "Yes."

Delegate Summers: "Is that what you called it? Could you describe that to me just a little bit?"

Jim Fawcett: "Yeah. So, our parent company, Highmark Health, we are a sole corporate member. Highmark Health is a not-for-profit company, we're a not-for-profit company, and that umbrella of Highmark Health...there is the Blue Cross Blue Shields in New York, PA, Delaware, there's a dental company, a...there's a stop loss company, a technology company. They also own Allegheny Health Network. I'm going to give some rough numbers...nearly 3,000 physicians employed, thirteen or fourteen hospitals in Western Pennsylvania up into New York, but they...Allegheny General Hospital, they...you know, the medical provider team behind the Pittsburgh Pirates. If you ever, you know, you're a pirate fan...it is a...a large health system and...in Western Pennsylvania and as part of our leadership team, when we get together, being an integrated delivery of financing system it...it is...you know, I talked about things that I've experienced in my 36 years in this company, you know, like inpatient versus that. Having both clinical leadership, along with insurance leadership in the same parent company has really been just a fantastic part of my experience...and eye opening...and you know, probably why I'm not up here pounding the table to say give PEIA reimbursement to our our...our commercial members because I know that will bankrupt the health systems and

then I don't have the cardiologist I need when it happens but yeah...it's a large health

system. Again...again, I think it's twelve or fourteen hospitals in Western Pennsylvania."

Delegate Summers: "Do you think that health system has any interest in being in

West Virginia?"

Jim Fawcett: "I don't think so. I can't speak for them, but I talked a lot about how

we're structured very clearly that every dollar that Highmark West Virginia makes stays

in West Virginia. Allegheny Health Network is a not-for-profit insurance company...or a

healthcare provider...that came primarily from West Penn. Hospital,

Allegheny...Pittsburgh and Erie. They're very focused on making a difference in the

communities they serve and I really would say West Virginia is not on...on their market. I

mean, they would certainly work with other health systems, you know, but I don't see it

coming down this way and...and our board wouldn't approve our money to be used to

buy a health fund so..."

Delegate Summers: "Right. Right. All right. Thank you, very much."

Jim Fawcett: "But I've learned never say never in this world but I... I don't see it."

Speaker Hanshaw: "All right. Other further questions or comments of any of our

panel today? All right, if not...gentlemen, thank you—"

Jim Fawcett: "Thank you."

Speaker Hanshaw: "—very much for being here today. With that, we have no

other items or business on the agenda. Any other items or business from any of our

committee today? Okay if not, the committee meeting will be adjourned. Thank you, very much."

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

October 01, 2024

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

- West Virginia Lottery as of August 31, 2024
 Gross profit as of August 31, 2024, was \$98.0 million. Gross profit as of August 31, 2023, was \$101.8 million.
- West Virginia Unemployment Compensation Fund as of August 31, 2024
 Total disbursements were \$9.3 million higher than in fiscal year 2024. Overall ending trust fund balance was \$12.5 million higher on July 31, 2024, than on July 31, 2023.
- General Revenue Fund as of September 30, 2024
 The general revenue collections ended the third month of fiscal year 2025 at 100% of the estimate for the year. Total collections were \$1.2 million above the estimate for the fiscal year.
- State Road Fund as of September 30, 2024
 The road revenue collections ended the third month of fiscal year 2025 at 99% of the estimate for the year. Total collections were \$1.4 million below the estimate for the fiscal year.

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



Budget Division Building 1, 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: September 20, 2024

Re: Review of West Virginia Lottery Financial Information

As of August 31, 2024

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for August 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 \$214.9 million for July-August of fiscal year 2024-2025. Table games accounted for \$5.3 million of this total. Historic Resort Hotel video lottery accounted for \$871 thousand of total gross receipts. Gross lottery revenue has decreased by \$12.5 million or -5.5% when compared with July-August 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-August was \$98 million; for July-August of last fiscal year, it was \$101.8 million. Expressed as a percentage, gross profit is -3.7% lower for fiscal year 2025 than for fiscal year 2024.

Operating Transfers to the State of West Virginia:

A total of \$93,911,000.00 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	\$46,469,000.00
Community and Technical College	\$999,000.00
Department of Education	\$6,543,000.00
Library Commission	\$5,106,000.00
Higher Education-Policy Commission	\$3,340,000.00
Tourism	\$3,142,000.00
Department of Natural Resources	\$1,731,000.00
Division of Culture and History	\$1,904,000.00
General Revenue Fund	\$000.00
Economic Development Authority	\$1,999,000.00
School Building Authority	\$3,600,000.00
SUBTOTAL BUDGETARY TRANSFERS	\$74,833,000.00

Excess Lottery Fund

Economic Development Fund	\$4,203,000.00
Higher Education Improvement Fund	\$3,000,000.00
Economic Development Authority	\$878,000.00
General Purpose Fund	\$6,165,000.00
Higher Education Improvement Fund	\$2,750,000.00
State Park Improvement Fund	\$143,000.00
School Building Authority	\$3,528,000.00
Refundable Credit	\$267,000.00
WV Racing Commission	\$990,000.00
WV DHHR	\$000.00
Teacher's Retirement Savings	\$000.00
Division of Human Services	\$17,000,000.00
WV Lottery Statutory Transfers	\$5,788,000.00
Economic Development Authority	\$000.00
General Revenue Fund	\$000.00
Office of Technology	\$000.00
Excess Lottery Surplus	\$000.00
WV Infrastructure Council Fund	\$4,994,000.00
Total State Excess Lottery Revenue Fund	\$49,706,000.00
Total Budgetary Distributions:	\$124,539,000.00
Veterans Instant Ticket Fund	\$124,339,000.00
Panaian Plan	\$78,000.00
LUCTUION LICT	500 000

 Veterans Instant Ticket Fund
 \$78,000.00

 Pension Plan
 \$00.00

 TOTAL TRANSFERS
 *\$124,617,000.00

Lottery continued

* CASH BASIS

Total Accrued last FY 2023:	\$190,015,000.00
Total Cash Distributions FY 2024:	\$124,617,000.00
Applied to FY 2024:	\$124,617,000.00
Applied to FY 2025:	\$000.00
Accrued for FY 2024 as of August 31:	\$65,398,000.00
Accrued for FY 2025 as of August 31:	\$93,911,000.00



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 July A Myers

RE:

Monthly Report on Lottery Operations

Month Ending August 31, 2024

DATE:

September 18, 2024

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

Financial statements of the Lottery for the month ending August 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 \$108,873,697 for the month of August.

Transfers of lottery revenue totaling \$78,175,071 made for the month of August 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 August 31, 2024 was 1,501 and 1,177 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-

August 31, 2024

WEST VIRGINIA LOTTERY

TABLE OF CONTENTS

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

WEST VIRGINIA LOTTERY STATEMENT OF NET POSITION

(In Thousands) -Unaudited-

ASSETS	A	August 31, 2024		June 30, 2024
Current Assets:				
Cash and cash equivalents	\$	192,229	\$	227,763
Accounts receivable		38,724		38,583
Inventory		1,326		1,330
Other assets		213		213
Total Current Assets	_	232,492	2	267,889
Capital assets		63,935		63,915
Less accumulated depreciation and amortization		(23,827)		(23,544)
Net Capital Assets		40,108	_	40,371
Net Pension Asset		24		24
Net OPEB Asset		204		204
Total Noncurrent Assets		40,336	-	40,599
Total Assets	\$	272,828	\$=	308,488
Deferred outflows of resources	\$	1,471	\$_	1,471
Total assets and deferred outflows	\$	274,299	\$ =	309,959
Current Liabilities:				
Accrued nonoperating distributions to the				
State of West Virginia	\$	159,309	\$	190,015
Estimated prize claims		20,242		19,293
Accounts payable		3,318		5,104
Other accrued liabilities		29,528	_	33,645
Total Current Liabilities		212,397		248,057
Deferred inflows	\$	370	_	370
Net Position:				
Net Investment in capital assets		40,108		40,371
Unrestricted	-	21,424	_	21,161
Total Net Position	7	61,532	-	61,532
Total net position, liabilities, and deferred inflows	\$	274,299	\$ _	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 TWO MONTH PERIOD ENDED AUGUST 31, 2024

(In Thousands)
-Unaudited-

		CURRENT MONTH			YEAR TO DA		DATE	
		FY 2025		FY 2024		FY 2025		FY 2024
Lottery revenues								
On-line games	\$	6,025	\$	9,772	\$	11,421	\$	22,090
Instant games		13,544		14,880		27,712		28,932
Racetrack video lottery		41,864		40,006		82,695		84,087
Limited video lottery		40,637		40,585		80,116		81,112
Table games		2,937		2,738		5,264		5,782
Historic resort		403		695		871		1,331
Sports Wagering		412		266		717		528
Interactive Wagering		3,052		1,810		6,067		3,528
		108,874		110,752		214,863	- 2	227,390
Less commissions On-line games		424		656		799		1,542
Instant games		948		1,042		1,940		2,025
Racetrack video lottery		22,968		21,949		45,370		46,133
Limited video lottery		19,912		19,887		39,256		39,745
Table games		1,252		1,167		2,244		2,463
Historic resort		203		312		427		640
Thistoric resort		45,707	9	45,013		90,036	-	92,548
Less on-line prizes		3,097		4,819		5,800	-	10,775
Less instant prizes		9,283		10,158		19,014		19,783
Less instant prizes Less ticket costs		151		186		316		319
		1,006		1,148		1,688		2,213
Less vendor fees and costs		13,537	8	16,311	9	26,818	-	33,090
			9				-	
Gross profit		49,630	9	49,428		98,009	÷	101,752
Administrative expenses Advertising and promotions		702		627		1,239		968
Wages and related benefits		1,132		1,026		1,854		2,059
Telecommunications		(4)		5		122		58
Contractual and professional		1,084		806		2,056		1,711
Rental		25		41		35		63
Depreciation and amortization		141		141		283		283
Other administrative expenses		375		15		349		895
Outer dominional traperson		3,455	0	2,661	-	5,938	- 3	6,037
Other Operating Income		1,057	- 8	1,123		1,443	- 6	1,764
Operating Income		47,232		47,890		93,514		97,479
Nonoperating income (expense)			33				-	
Investment income		1,041		1,204		2,046		2,421
Distributions to municipalities and counties		(797)		(795)		(1,570)		(1,590)
Distributions -capital reinvestment		(39)		(33)		(79)		(69)
Distributions to the State of West Virginia		(47,437)		(48,266)		(93,911)		(98,241)
Distributions to the state of 11 day 1 agreement		(47,232)	- 3	(47,890)	-	(93,514)	-	(97,479)
Net income			2	_		-	ē	
Net position, beginning of period		61,532		61,430		61,532		61,430
Net position, end of period	\$		\$	61,430	\$	61,532	\$	61,430
riot position, ond or period	4		4	52,100	•	,	-	

WEST VIRGINIA LOTTERY STATEMENTS OF CASH FLOWS FOR THE TWO MONTH PERIOD ENDED AUGUST 31, 2024

(In Thousands) -Unaudited-

Coal Comp Company and the coating and the coat		2025		2024
Cash flows from operating activities: Cash received from customers and other sources	\$	216,165	\$	229,385
Cash payments for:	τÞ	210,103	Φ	229,303
Personnel costs		(1,854)		(2,059)
Suppliers		(3,752)		(3,450)
Other operating costs		(115,567)		(120,344)
Cash provided by operating activities	-	94,992	10 -	103,532
and provided by approximate	-		_	200,002
Cash flows from noncapital financing activities:				
Nonoperating distributions to the State of West Virginia		(124,617)		(128,269)
Distributions to municipalities and counties		(1,564)		(1,586)
Distributions to racetrack from racetrack cap. reinv. fund		(6,371)		(1,333)
Cash used in noncapital financing activities		(132,552)	-	(131,188)
	,-			
Cash flows from capital and related financing acitivities:				
Purchases of capital assets		(20)		(204)
Cash flows from investing activities:				
Investment earnings received	-	2,046	-	2,421
Increase (decrease) in cash and cash equivalents		(35,534)		(25,439)
•				
Cash and cash equivalents - beginning of period		227,763		288,680
Cash and cash equivalents - end of period	\$	192,229	\$	263,241
	-		-	
Reconciliation of operating income to net cash provided by operating			_	
Operating income	\$	93,514	\$	97,479
Adjustments to reconcile operating income to				
cash provided by operating activities:				
Depreciation and amortization		283		283
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable		(141)		231
(Increase) decrease in inventory		4		(66)
(Increase) decrease in other assets		0.40		1,200
Increase (decrease) in estimated prize claims		949		919
Increase (decrease) in accounts payable		(1,786)		(987)
Increase (decrease) in other accrued liabilities	_	2,169	_	4,473
Cash provided by operating activities	\$ =	94,992	5	103,532

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 August 31, 2024 the carrying amounts of deposits (overdraft) with financial institutions were \$499 thousand with a bank balance (overdraft) of \$559 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):

	August 31, 2024			June 30, 2024	
Deposits with financial institutions	\$	499	\$	491	
Cash on hand at the Treasurer's Office		2,472		4,236	
Investments with BTI reported as cash equivalents	189,258		223,036		
	\$	192,229	\$	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 August 31, 2024 is as follows (in thousands):

Capital	Accata:
Capital	ASSCIS.

	Historical Cost At June 30, 2024	Additions	Deletions	Historical Cost At August 31, 2024
Construction in				
Progress	2,812	19	-	2,831
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	11,180	•	-	11,180
	\$ 63,916	\$ 19	\$ -	\$ 63,935
Accumulated				
Depreciation:				
	Historical Cost			Historical Cost
	At June 30, 2024	Additions	Deletions	At August 31, 2024
Buildings	\$ 13,865	\$ 204	\$ -	\$ 14,069
Equipment	9,679	79	-	9,758
	\$ 23,544	\$ 283	\$ -	\$ 23,827

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 August 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	\$	1,755,862	\$	3,538,492
Lotto America		487,792		952,093
Mega Millions	-	1,873,490	7	3,119,121
Total	\$	4,117,144	\$	7,609,706
Expenses (Prizes)		Month		Y-T-D
Powerball	\$	881,455	\$	1,776,342
Powerball Lotta America	\$	881,455 243,896	\$	1,776,342 476,047
	\$	•	\$, ,

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

Game	Total Prize Res	erve	Lottery Share
Powerball	\$ 127,055,280	\$	1,137,959
Lotto America	9,565,711		702,883
Mega Millions	100,284,481		744,594
Total	\$ 236,905,472	\$	2,585,436

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 August 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 August 31, 2024 and fiscal year-to-date follows (in thousands):

	Current Month					Year-to-Date				
	2025			2024		2025		2024		
Total credits played	\$	505,870	\$	472,228	\$	996,547	\$	988,870		
Credits (prizes) won		(455,620)		(424,974)		(897,427)		(889,729)		
Promotional credits played		(8,386)		(7,248)		(16,425)		(15,054)		
Gross terminal income		41,864		40,006	-	82,695	-	84,087		
Administrative costs		(1,675)		(1,600)		(3,308)		(3,364)		
Net Terminal Income		40,189		38,406		79,387		80,723		
Less distribution to agents		(22,968)		(21,949)		(45,370)		(46,133)		
Racetrack video lottery revenues	\$	17,221	\$	16,457	\$	34,017	\$	34,590		

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

	Cu	Υe	ear-to-Date	
State Lottery Fund		12,057	\$	23,816
State Excess Lottery Revenue Fund		5,164		10,201
Capital Reinvestment Fund				
Total nonoperating distributions	\$	17,221	\$	34,017

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 August 31, 2024 and fiscal year-to-date follows (in thousands):

	Current	Month		Year-to-Date					
2025		2024			2025		2024		
\$	542,643 (502,006)	\$	537,299 (496,714)	\$	1,076,074 (995,958)	\$	1,075,969 (994,857)		
\$	40,637	\$	40,585	\$	80,116	\$	81,112		
	(813)		(812)		(1,602)		(1,622)		
	39,824		39,773		78,514		79,490		
	(19,912)		(19,887)		(39,256)		(39,745)		
	(796)		(795)		(1,570)		(1,590)		
\$	19,116	\$	19,091	\$	37,688	\$	38,155		
		\$ 542,643 (502,006) \$ 40,637 (813) 39,824 (19,912) (796)	\$ 542,643 \$ (502,006) \$ 40,637 \$ (813) 39,824 (19,912) (796)	2025 2024 \$ 542,643 \$ 537,299 (502,006) (496,714) \$ 40,637 \$ 40,585 (813) (812) 39,824 39,773 (19,912) (19,887) (796) (795)	2025 2024 \$ 542,643 \$ 537,299 \$ (502,006) \$ 40,637 \$ 40,585 \$ (812) 39,824 39,773 (19,912) (19,887) (796) (795)	2025 2024 2025 \$ 542,643 \$ 537,299 \$ 1,076,074 (502,006) (496,714) (995,958) \$ 40,637 \$ 40,585 \$ 80,116 (813) (812) (1,602) 39,824 39,773 78,514 (19,912) (19,887) (39,256) (796) (795) (1,570)	2025 2024 2025 \$ 542,643 \$ 537,299 \$ 1,076,074 \$ (502,006) \$ (496,714) (995,958) \$ 40,637 \$ 40,585 \$ 80,116 \$ (813) \$ (812) (1,602) 39,824 39,773 78,514 (19,912) (19,887) (39,256) (796) (795) (1,570) (1,570)		

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 August 31, 2024 were \$8,391,802 and \$15,041,386, 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		2024
Table Games Privilege Tax	\$	2,937	\$ 2,738	\$	5,264	\$	5,782
Interest on Table Games Fund		30	26		55		55
Administrative costs		(252)	(235)		(451)		(496)
Total Available for Distribution		2,715	2,529	1	4,868		5,341
Less Distributions:							
Racetrack Purse Funds		189	176		338		372
Thoroughbred & Greyhound Development Funds		151	141		271		297
Racing Association Pension Plan		75	70		135		148
Municipalities/ Counties		837	780		1,500		1,646
Total Distributions		1,252	1,167		2,244		2,463
Excess Lottery Fund	\$	1,463	\$ 1,362	\$	2,624	\$	2,878

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 August 31, 2024 and fiscal year-to-date follows (in thousands):

	8	2025		2024	· · · · ·	2025	2024
Total credits played	\$	4,461	\$	4,926	\$	7,985	\$ 11,020
Credits (prizes) won		(4,151)		(4,478)		(7,334)	(10,026)
Promotional credits played		(45)		(86)		(105)	 (193)
Gross terminal income		265	2 ====	362	-	546	801
Capital reinvestment		(13)		(17)		(26)	(38)
Excess Lottery Fund		(2)		(3)		(5)	(7)
Administrative costs		(14)		(20)		(30)	(43)
Hotel commissions		(112)		(153)	5	(231)	 (339)
Net terminal income	-	124		169		254	374
Historic Resort Hotel Fund		79		107		161	238
Human Resource Benefit Fund		45		62		93	136

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 August 31, 2024 were \$393,665 and \$928,177 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:

	Current Month			Year-to-Date			
		2025		2024	2025		2024
Table games privilege tax	\$	138	\$	333	\$ 325	\$	530
Administrative Costs		(18)	_	(43)	(42)		(68)
Total Available for Distribution		120		290	283		462
Historic Resort Hotel Fund		100		243	237		386
Human Resource Benefit Fund		20		47	46		76

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;20+19+
- 5) +74
- 6) 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;
- 7) 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):

Cur	rent Month	Year-to-Date		
\$	79	\$	161	
	100		237	
	6		12	
-	185		410	
	26		57	
	159		353	
\$	185	\$	410	
		100 6 185 26 159	\$ 79 100 6 185 26 159	

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 August 31, 2024 were \$4,120,459 and \$7,166,498, 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	\$ 412	\$	266	\$	717	\$	528	
Interest on Sports Waging Fund	7		-		14		-	
Administrative Costs	 (62)		(40)		(107)		(79)	
Total Available for Distribution	357		226		624		449	

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 August 31, 2024 were \$20,345,143 and \$40,447,251 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	\$	3,052	\$	1,810	\$	6,067	\$	3,528
Interest on Interactive Wagering Fund		52		49		103		92
Administrative Costs		(458)		(272)		(910)		(529)
Total Available for Distribution		2,646		1,587		5,260		3,091

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

	Current Month	Year-to-Date
Pensions	26	53
Lottery Fund	2,620	5,207
Total Distributions	\$ 2,646	\$ 5,260

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 August 31, 2024 the Lottery has accrued additional distributions of \$159,309,061. 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	Au	gust 31, 2024	YY	Year-to-Date		
State Lottery Fund:						
Community and Technical College	\$	499	\$	999		
Bureau of Senior Services	*	25,284		46,469		
Department of Education		1,879		6,543		
Library Commission		1,466		5,106		
Higher Education-Policy Commission		959		3,340		
Tourism		902		3,142		
General Revenue						
Natural Resources		497		1,731		
Fire Protection Fund						
Division of Culture & History		547		1,904		
Economic Development Authority		1,000		1,999		
School Building Authority		1,800	V 0	3,600		
Total State Lottery Fund	\$	34,833	\$	74,833		

te Excess Lottery Revenue Fund:		•	4.000
Economic Development Fund	\$ 2,101	\$	4,203
Higher Education Improvement Fund	1,500		3,000
Economic Development Authority	439		878
General Purpose Account	6,165		6,165
Higher Education Improvement Fund	2,750		2,750
State Park Improvement Fund	143		143
School Building Authority	1,764		3,528
Refundable Credit	267		267
WV Racing Commission	990		99(
Division of Human Services	17,000		17,000
WV Lottery Statutory Transfers	5,788		5,788
General Revenue Fund			
West Va. Infrastructure Council	 4,394		4,994
Total State Excess Lottery Revenue Fund	\$ 43,301	\$	49,706
Total Budgetary distributions:	\$ 78,134	\$	124,539
Veterans Instant Ticket Fund	\$ 41	\$	78
Total nonoperating distributions to the			
State of West Virginia (cash basis)	\$ 78,175	\$	124,617
Accrued nonoperating distributions, beginning	(190,047)		(190,015
Accrued nonoperating distributions, end	159,309		159,309
	\$ 47,437	\$	93,911

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 August 31, 2024 and August 31, 2023 approximated \$35,040 and \$62,825 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 August 31, 2024 and August 31, 2023 approximated \$187,956 and \$152,836 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 August 31, 2024 and fiscal year-to-date are as follows (in thousands):

	Aug	gust 31, 2024	Y	Year-to-Date				
Employee contributions	\$	45	\$	91				
Lottery contributions		73		158				
Total contributions	\$	118	\$	249				

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 1FOR THE TWO MONTH PERIOD ENDED AUGUST 31, 2024 (In Thousands)

	Current	Month	FISCAL YEAR			
	Actual	Projected	Actual	Projected		
Gross Revenues						
Instant games	13,544	12,500	27,712	25,000		
On-line games	6,025	5,833	11,421	11,666		
Racetrack video lottery	41,864	36,789	82,695	77,766		
Limited video lottery	40,637	37,150	80,116	75,117		
Racetrack table games	2,937	2,122	5,264	4,394		
Historic resort	403	434	871	764		
Sports wagering	412	257	717	439		
Interactive wagering	3,052	1,103	6,067	2,115		
Total gross revenues	108,874	96,188	214,863	197,261		
Lottery Fund Instant games On-line games Racetrack Video Lottery Sports wagering Interactive wagering Total Lottery Fund net nevenues	1,479 1,761 12,325 357 2,620 18,542	1,223 1,675 11,080 253 928 15,159	3,008 3,427 24,359 623 5,208 36,625	2,446 3,349 22,281 506 1,780 30,362		
Excess Lottery Fund Racetrack Video Lottery Limited Video Lottery Limited Video Lottery Fees Racetrack table games Historic resort Total Excess Lottery Fund Net Revenues	5,268 19,496 817 1,464 	4,746 17,475 - 1,041 165 23,427	10,410 38,375 845 2,624 358 52,612	9,544 35,335 - 2,156 291 47,326		
Total Net Revenues	45,749	38,586_	89,237	77,688		

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: October 1, 2024

Re: Status of General Revenue Fund and State Road Fund as of September 30, 2024 (FY 25)

We have read the cash flow of the West Virginia general revenue fund as of September 30, 2024, which is the third 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 \$1.2 million above the estimate for the fiscal year.

Personal Income Tax collections were \$17.1 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$1.7 million above the estimate for the year.

Severance Tax was \$3.8 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$4.1 million below the estimate for the fiscal year.

State Road Fund

The state road fund collections were 99% of the estimate for the fiscal year. Total collections were \$1.4 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 \$728,504,218.36 as of September 30, 2024.

Balance July 1, 2024	\$ 706,059,828.24
* Fiscal year 24 Surplus	\$ 00.00
**Loan to General Revenue Fund	\$ (78,500,000.00)
Loan paid off 09-16-2024	\$(78,500,000.00)
Earnings/(Loss)	\$22,444,390.12
Balance September 30, 2024	\$ 728,504,218.36

^{*}No transfer in accordance with SB 1015.

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$571,729,506.74 as of September 30, 2024.

Balance July 1, 2024	\$ 550,104,765.71
Earnings	\$21,624,741.03
Balance September 30, 2024	\$ 571,729,506.74

The **Personal Income Tax Reserve** Fund had a \$460,000,000.00 cash balance as of September 30, 2024.

Balance July 1, 2024	\$460,000,000.00
**Loan to General Revenue Fund	\$(12,903,957.81)
Loan paid off 09-18-2024	\$12,903,957.81
Balance September 30, 2024	\$460,000,000.00

^{**\$78.5} million loan to state General Revenue Fund 7/01/2024 for beginning of the year cash flow, to be repaid within 90 days. Loan was paid off 09-16-2024.

**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. Loan paid off 9-18-2024.

REVENUE COLLECTIONS FISCAL YEAR 2025 as of September 30, 2024

GENERAL REVENUE FUND						FINAL MONTHLY						YTD	
				ACTUAL		COLLECTIONS				ACTUAL		COLLECTIONS	YTD
		MONTH		MONTH		OVER		YTD		YTD		OVER	PERCENT
		ESTIMATES	C	OLLECTIONS		ESTIMATES		ESTIMATES		OLLECTIONS		ESTIMATES	COLLECTED
Personal Income Tax	\$	243,200,000	\$	239,339,458	\$	(3,860,542)	\$	550,500,000	\$	533,408,467	\$	(17,091,533)	
Consumer Sales Tax & Use Tax	Ψ	165,400,000	Ψ	165,053,798	Ψ	(346,202)	Ψ	422,200,000	Ψ	423,948,282	Ψ	1,748,282	100%
Severance Tax		35,600,000		45,691,372		10,091,372		78,000,000		74,215,204		(3,784,796)	
Corporate Net Income Tax		69,800,000		56,247,932		(13,552,068)		84,200,000		80,098,072		(4,101,928)	
Insurance Tax		240,000		1,489,466		1,249,466		26,540,000		30,530,329		3,990,329	115%
Tobacco Products Tax		14,800,000		11,339,297		(3,460,703)		42,000,000		36,072,563		(5,927,437)	
Business and Occupation		8,000,000		11,359,594		3,359,594		26,300,000		29,539,639		3,239,639	112%
Liquor Profit Transfers		2,550,000		2,597,600		47,600		8,800,000		9,435,047		635,047	107%
Departmental Collections		1,600,000		1,302,910		(297,090)		4,600,000		4,185,622		(414,378)	
Property Transfer Tax		600,000		550,734		(49,266)		1,750,000		2,148,856		398,856	123%
Property Tax		3,280,000		3,347,805		67,805		3,970,000		3,975,487		5.487	100%
Beer Tax and Licenses		600,000		479,948		(120,052)		1,900,000		1,766,052		(133,948)	
		*		*		, ,							
Miscellaneous Transfers		1,000,000		62,631		(937,369)		1,140,000		247,331		(892,669)	
Interest Income		12,800,000		21,496,419		8,696,419		37,900,000		61,826,405		23,926,405	163%
Refundable Credit Reimb Liability		0		- 700 504		-		200,000		267,099		67,099	0%
HB 102 - Lottery Transfers		6,550,000		6,788,594		238,594		12,800,000		12,953,613		153,612.95	0%
Miscellaneous		180,000		246,161		66,161		1,950,000		546,489		(1,403,511)	
Business Franchise Fees		77,000		55,267		(21,733)		267,000		133,486		(133,514)	
Estate & Inheritance Tax		45.000		-		(0.050)		-		-		-	0%
Liquor License Renewal		45,000		42,642		(2,358)		181,000		184,041		3,041	102%
Special Revenue Transfers		-		- 193		402		-		450		- 459	0% 0%
Charter Tax Telecommunications Tax		-		193		193		-		459		459	0%
		-				-		-		- 04 044		- 24.244	0%
Video Lottery Transfers		-		58,191		58,191		-		24,344		24,344	0%
July-Dec Retro Rev Adj Cash Flow Transfer		-		(78,500,000)		-		-		-		-	0%
		-		(, , ,		166,713		500,000		1,380,812		- 880.812	276%
Soft Drink Excise Tax SUBTOTALS	\$	566.322.000	•	166,713	•		_		_		\$, -	_ 2/0%
Less: Cash Flow Transfer	Þ	500,322,000	\$	489,216,724 (78,500,000)	\$	1,394,724	\$	1,305,698,000	\$	1,306,887,698	Þ	1,189,698	_
Less: Cash Flow Transfer Less: Special Revenue Transfer		-		(78,500,000)		-		-		-		-	
TOTALS	¢	566,322,000	\$	567,716,724	\$	1,394,724	\$	1,305,698,000	\$	1,306,887,698	\$	- 1,189,698	
IOTALS	φ	300,322,000	φ	301,110,124	Φ	1,354,724	φ	1,303,030,000	φ	1,300,007,096	φ	1,105,050	-

Percent of Estimates 100% 100%

Collections this day \$ 16,736,141

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

October 01, 2024

STATE OF WEST VIRGINIA COMPARISON OF REVENUE SEPT 2023 vs SEPT 2024

GENERAL REVENUE FUND

GENERAL REVENUE FUND						Astrol		Astrol	VTD	YTD
		Actual		Actual		Actual Collections		Actual Collections	YTD	% Increase
						3 Months		3 Months	\$ Increase	
		Collections		Collections					 (Decrease)	(Decrease)
Personal Income Tax	Φ.	Sept 2023	Φ.	Sept 2024	ф.	Jul-Sept 2023	Φ.	Jul-Sept 2024	ver prior period	over prior perio
	\$	320,913,008	\$	239,339,458	\$	607,514,372	\$	533,408,467	\$ (74,105,905)	-12%
Consumer Sales Tax & Use Tax		161,895,299		165,053,798		414,533,579		423,948,282	9,414,704	2%
Severance Tax		27,504,697		45,691,372		72,460,686		74,215,204	1,754,518	2%
Corporate Net Income Tax		98,655,552		56,247,932		125,943,032		80,098,072	(45,844,961)	-36%
Insurance Tax		232,277		1,489,466		26,019,300		30,530,329	4,511,029	17%
Tobacco Products Tax		15,957,697		11,339,297		44,553,081		36,072,563	(8,480,518)	-19%
Business and Occupation		7,629,406		11,359,594		26,033,992		29,539,639	3,505,647	13%
Liquor Profit Transfers		2,547,142		2,597,600		9,047,419		9,435,047	387,627	4%
Departmental Collections		1,537,041		1,302,910		4,425,437		4,185,622	(239,816)	-5%
Property Transfer Tax		1,188,276		550,734		4,155,680		2,148,856	(2,006,824)	-48%
Property Tax		3,126,992		3,347,805		3,839,699		3,975,487	135,788	4%
Beer Tax and Licenses		555,180		479,948		1,861,920		1,766,052	(95,867)	-5%
Miscellaneous Transfers		150,175		62,631		159,772		247,331	87,558	0%
Interest Income		20,473,803		21,496,419		57,441,974		61,826,405	4,384,431	8%
Refundable Credit Reimb Liability		-		-		402,874		267,099	(135,775.00)	0%
HB 102 - Lottery Transfers		6,708,650		6,788,594		13,252,782		12,953,613	(299,168.72)	0%
Miscellaneous		1,752,923		246,161		2,123,923		546,489	(1,577,435)	-74%
Business Franchise Fees		77,374		55,267		273,545		133,486	(140,059)	-51%
Estate & Inheritance Tax		-		-		-		-	-	0%
Liquor License Renewal		42,642		42,642		184,041		184,041	0	0%
Special Revenue Transfers		-		-		-		-	-	0%
Charter Tax		524		193		731		459	(272)	-37%
Video Lottery Transfers		121,271		58,191		169,018		24,344	(144,674)	0%
July-Dec Retro Rev Adj		-		-						0%
Cash Flow Transfer		(70,000,000)		(78,500,000)		-		-	-	0%
Soft Drink Excise Tax		1,073,825		166,713		3,527,512		1,380,812	(2,146,700)	100%
SUBTOTALS	\$	602,143,754	\$	489,216,723	\$	1,417,924,369	\$	1,306,887,698	\$ (111,036,671)	
Less: Cash Flow Transfer		-		(78,500,000)		-		-	_	
Less: Special Revenue Transfer		-		-		-		-	-	
TOTALS	\$	602,143,754	\$	567,716,723	\$	1,417,924,369	\$	1,306,887,698	\$ (111,036,671)	
Increase/Decrease over Prior Period			\$	(34,427,031)			\$	(111,036,671)		
			Ψ	, , , ,			Ψ			
% Increase/Decrease over Prior Period				-5.72%				-7.83%		

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

October 01, 2024

REVENUE COLLECTIONS FISCAL YEAR 2025 as of September 30, 2024

STATE ROAD FUND

			FINAL			YEARLY	
		NET	COLLECTIONS		NET	COLLECTIONS	YTD
	MONTH	MONTH	OVER	YTD	YTD	OVER	PERCENT
	ESTIMATES	COLLECTIONS	ESTIMATES	ESTIMATES ESTIMATES		ESTIMATES C	OLLECTED
Motor Fuel Tax	\$ 34,300,000	\$ 36,835,475	\$ 2,535,475	\$ 107,100,000	\$ 114,447,393	\$ 7,347,393	107%
Sales/Privilege Tax	27,000,000	28,174,512	1,174,512	83,500,000	85,322,118	1,822,118	102%
Licenses & Registration	11,500,000	10,394,905	(1,105,095)	40,500,000	39,306,270	(1,193,730)	97%
Miscellaneous	8,000,000	11,090,363	3,090,363	26,000,000	16,584,942	(9,415,058)	64%
Highway Litter Control	150,000	138,975	(11,026)	470,000	506,555	36,555	108%
Federal Reimbursement	96,500,000	62,773,435	(33,726,565)	251,500,000	217,912,914	(33,587,086)	87%
SUBTOTALS	\$ 177,450,000	\$ 149,407,664	\$ (28,042,336)	\$ 509,070,000	\$ 474,080,193	\$ (34,989,807)	
Less: Federal Reimbursement	96,500,000	62,773,435	(33,726,565)	251,500,000	217,912,914	(33,587,086)	
TOTALS	\$ 80,950,000	\$ 86,634,230	\$ 5,684,230	\$ 257,570,000	\$ 256,167,279	\$ (1,402,721)	

Percent of Estimates 107% 99%

Collections this day \$ 24,299,431

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of September 30, 2024: \$728,504,218.36

\$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. Loan repaid 9-16-2024.

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of September 30, 2024: \$571,729,506.74

SPECIAL INCOME TAX REFUND RESERVE FUND as of September 30, 2024: \$460,000,000.00

\$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. Loan to General Revenue Fund for beginning of the year cash flow. Loan repaid 9-18-204.

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

October 01, 2024

STATE OF WEST VIRGINIA COMPARISON OF REVENUE SEPT 2023 vs SEPT 2024

STATE ROAD FUND

			Actual	Actual		YTD	YTD
	Actual	Actual	Collections	Collections		Increase	% Increase
	Collections	Collections	3 Months	3 Months		(Decrease)	(Decrease)
	 Sept 2023	Sept 2024	Jul-Sept 2023	Jul-Sept 2024	C	over prior period	over prior period
Gasoline & Motor Carrier Rd Tax	\$ 34,278,296	\$ 36,835,475	\$ 108,038,355	\$ 114,447,393	\$	6,409,038	6%
Privilege Tax	25,175,513	28,174,512	85,033,798	85,322,118		288,320	0%
Licenses & Registration	9,015,560	10,394,905	32,318,385	39,306,270		6,987,885	22%
Miscellaneous	9,799,247	11,090,363	182,336,189	16,584,942		(165,751,248)	-91%
Highway Litter Control	137,700	138,975	450,594	506,555		55,962	12%
Federal Reimbursement	 93,458,153	62,773,435	 220,095,568	217,912,914		(2,182,654)	-1%
SUBTOTALS	\$ 171,864,469	\$ 149,407,664	\$ 628,272,889	\$ 474,080,193	\$	(154,192,696)	
Less: Federal Reimbursement	 93,458,153	62,773,435	220,095,568	 217,912,914		(2,182,654)	
TOTALS	\$ 78,406,316	\$ 86,634,230	\$ 408,177,321	\$ 256,167,279	\$	(152,010,043)	
Increase/Decrease over Prior Period		\$ 8,227,913		\$ (152,010,043)			
% Increase/Decrease over Prior Period		10.5%		-37.2%			

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

October 01, 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: October 1, 2024

Re: West Virginia Unemployment Compensation Trust Fund

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

As of August 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	ζ.	79,531,406.06
Disbursements July 1,2024 thru June 30, 2025	\$	77,527,975.37
Balance August 31, 2024	\$	436,056,954.48

ITEMS OF NOTE:

Regular benefits paid for July-August 2024 were \$ 3.5 million more than July-August 2024.

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

Total disbursements were \$9.3 million more in July-August 2024 than the preceding July-August 2023.

Receipts as of July-August 2024, were \$7.6 million more than in July-August 2023. Overall ending trust fund balance was \$12.5 million higher on August 31, 2024, than on August 31, 2023.

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

Since August 2023, employment has increased by 7,800. Employment increases included 6,500 in private education and health services, 2,000 in construction, 700 in government, 300 in professional and business services, 1,200 in leisure and hospitality, 400 mining and logging, 200 in financial activities, and 200 in other services. Employment declines included 2,600 in trade, transportation, and utilities, 1,000 in manufacturing, and 100 in information.

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

	JUNE 2023	JULY 2023	AUGUST 2023	JUNE 2024	JULY 2024	AUGUST 2024	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$ 426,178,943.04	419,876,988.10	\$ 422,838,146.62 \$	438,824,870.99	\$ 434,053,523.79	\$ <u>437,834,850.04</u>	<u>\$ 41,819,167.06</u>
Add Receipts:							•
1. Bond Assessment	1,577,841.26	15,274,118.79	10,920,131.47	1,449,214.25	17,998,166.50	10,029,087.73	\$ - 1. Bond Assessment 1,704,376.96 2. Regular Contributions:
Regular Contributions: Reduced Emergency Reposits (REUC)	78.00	10.046.55	4.951.89	3.256.00	17,330,100.50	10,029,067.73	(11,820.44) 3. Federal Emergency Benefits (PEUC)
Federal Emergency Benefits (PEUC) Federal Share Extended Benefits (EB)	76.00	10,046.55	4,331.03	3,256.00		•	- 4. Federal Share Extended Benefits (EB)
Federal Share Extended Benefits (EB) Federal Additional Compensation - FPUC	13.431.68	34.122.75	70.327.64	3.300.00	900.00	3.030.00	(110,652.07) 5. Federal Additional Compensation - FPUC
Federal Additional Compensation - PPOC Pandemic Unemployment Assistance PUA	(1,432.00)	(10,030.00)	(96,527.94)	39,921.00	(3,570.00)	226.00	144,566.94 6. Pandemic Unemployment Assistance PUA
Control of the management	44,166.47	54,450.49	87,787.58	34,135.22	63,790.31	49,506.82	(38,972.19) 7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA		-	01,707.00	04,100.ZZ	00,730.01	+3,000.02	- 8. TSFR From Non-Invstd FUA
9. EUISAA - EMER US RELIEF/STC	_	_	-	_	-	_	- 9. EUISAA - EMER US RELIEF/STC
10. Treasury Interest Credits	1.989.729.86	_	-	2.913.562.02	_	_	923,832.16 10. Treasury Interest Credits
11. UCX (Military Agencies)	27,124.41	28,621.29	15,034.96	58,852.98	70,899,89	40,283.84	99,256.05 11. UCX (Military Agencies)
12. Temporary Compensation	, <u>-</u>	-	-	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	-	-	-	-	-	-	- 16. Return of Overpayments FPUC/PUA/EU0
Total Monthly Receipts	<u>\$ 14,588,998.76</u>	40,323,764.10	\$ 31,593,212.99 \$	27,730,470.16	\$ 48,159,607.56	31,371,798.50	\$ 20,755,900.37 Total Monthly Receipts
Less Disbursements:							Less Disbursements:
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired) Debt Bond Repayment
Regular Benefits:	\$ 9,813,390.56	12,287,393.67	\$ 10,242,958.74 \$	14,092,450.03	\$ 14,233,919.86 \$	11,805,237.59	7,787,864.51 Regular Benefits:
Federal Emergency Compensation - PEUC	78.00	11,243.55	3,754.89	3,256.00	-	-	(11,820.44) PEUC
Federal Additional Compensation - FPUC	4,711.89	42,921.75	71,827.45	3,300.00	1,230.00	2,700.00	(112,231.09) FPUC
Pandemic Unemployment Assistance PUA	(1,432.00)	(10,030.00)	(100,730.94)	39,921.00	(3,570.00)	226.00	148,769.94 PUA
Federal Emergency Benefits (EUC08)	-	-	-	22,404.00	-	-	22,404.00 Federal Emergency Benefits (EUC08)
Federal Extended - 2112	-	-	-				- Federal Extended - 2112
Emergency Benefits (TEUC)	47.007.00	-	-	-	-	-	- Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	47,097.23	68,750.38	74,659.69	44,991.04	54,132.32	51,006.52	(40,377.42) UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	29,005.17	27,849.72	13,925.77	67,266.60	63,148.27	40,859.84	100,494.05 UCX (Military Workers) Benefits
Reed Act Funds EUISAA Title IX/STC	60,043.77	- 2.042.28	- 1,757.40	-	•	- -	- Reed Act Funds (63,843.45) EUISAA Title IX/STC
EUISAA HIIR INSTU	00,043.77	2,042.20	1,757.40	<u> </u>			(03,043.43) EUISAA TIIIE INSTC
Total Monthly Disbursements	\$20,890,953.70	37,362,605.58	\$30,899,660.39	\$32,501,817.36	<u>\$44,378,281.31</u>	\$33,149,694.06	\$ 20,876,573.06 Total Monthly Disbursements
Trust Fund Balance	<u>\$419,876,988.10</u>	422,838,146.62	<u>\$423,531,699.22</u>	<u>\$434,053,523.79</u>	<u>\$437,834,850.04</u>	<u>\$436,056,954.48</u>	\$ 41,698,494.37 Trust Fund Balance

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

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

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

^{**}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
Totals - 2023	\$ 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	\$ 31,371,798	\$ 33,149,694	\$	436,056,954
September	\$	\$	\$	
October	\$	\$	\$	
November	\$ -	\$	\$	
December	\$	\$	\$	
Totals - 2024	\$	\$	\$	

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

An agency of the Department of Commerce

An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

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

	JUNE 2023	JULY 2023	AUGUST 2023	JUNE 2024	JULY 2024	AUGUST 2024	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$ 426,178,943.04	419,876,988.10	\$ 422,838,146.62 \$	438,824,870.99	\$ 434,053,523.79	\$ <u>437,834,850.04</u>	<u>\$ 41,819,167.06</u>
Add Receipts:							•
1. Bond Assessment	1,577,841.26	15,274,118.79	10,920,131.47	1,449,214.25	17,998,166.50	10,029,087.73	\$ - 1. Bond Assessment 1,704,376.96 2. Regular Contributions:
Regular Contributions: Reduced Emergency Reposits (REUC)	78.00	10.046.55	4.951.89	3.256.00	17,330,100.50	10,029,067.73	(11,820.44) 3. Federal Emergency Benefits (PEUC)
Federal Emergency Benefits (PEUC) Federal Share Extended Benefits (EB)	76.00	10,046.55	4,331.03	3,256.00		•	- 4. Federal Share Extended Benefits (EB)
Federal Share Extended Benefits (EB) Federal Additional Compensation - FPUC	13.431.68	34.122.75	70.327.64	3.300.00	900.00	3.030.00	(110,652.07) 5. Federal Additional Compensation - FPUC
Federal Additional Compensation - PPOC Pandemic Unemployment Assistance PUA	(1,432.00)	(10,030.00)	(96,527.94)	39,921.00	(3,570.00)	226.00	144,566.94 6. Pandemic Unemployment Assistance PUA
Control of the management	44,166.47	54,450.49	87,787.58	34,135.22	63,790.31	49,506.82	(38,972.19) 7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA		-	01,707.00	04,100.ZZ	00,730.01	+3,000.02	- 8. TSFR From Non-Invstd FUA
9. EUISAA - EMER US RELIEF/STC	_	_	-	_	-	_	- 9. EUISAA - EMER US RELIEF/STC
10. Treasury Interest Credits	1.989.729.86	_	-	2.913.562.02	_	_	923,832.16 10. Treasury Interest Credits
11. UCX (Military Agencies)	27,124.41	28,621.29	15,034.96	58,852.98	70,899,89	40,283.84	99,256.05 11. UCX (Military Agencies)
12. Temporary Compensation	, <u>-</u>	-	-	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	-	-	-	-	-	-	- 16. Return of Overpayments FPUC/PUA/EU0
Total Monthly Receipts	<u>\$ 14,588,998.76</u>	40,323,764.10	\$ 31,593,212.99 \$	27,730,470.16	\$ 48,159,607.56	31,371,798.50	\$ 20,755,900.37 Total Monthly Receipts
Less Disbursements:							Less Disbursements:
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired) Debt Bond Repayment
Regular Benefits:	\$ 9,813,390.56	12,287,393.67	\$ 10,242,958.74 \$	14,092,450.03	\$ 14,233,919.86 \$	11,805,237.59	7,787,864.51 Regular Benefits:
Federal Emergency Compensation - PEUC	78.00	11,243.55	3,754.89	3,256.00	-	-	(11,820.44) PEUC
Federal Additional Compensation - FPUC	4,711.89	42,921.75	71,827.45	3,300.00	1,230.00	2,700.00	(112,231.09) FPUC
Pandemic Unemployment Assistance PUA	(1,432.00)	(10,030.00)	(100,730.94)	39,921.00	(3,570.00)	226.00	148,769.94 PUA
Federal Emergency Benefits (EUC08)	-	-	-	22,404.00	-	-	22,404.00 Federal Emergency Benefits (EUC08)
Federal Extended - 2112	-	-	-				- Federal Extended - 2112
Emergency Benefits (TEUC)	47.007.00	-	-	-	-	-	- Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	47,097.23	68,750.38	74,659.69	44,991.04	54,132.32	51,006.52	(40,377.42) UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	29,005.17	27,849.72	13,925.77	67,266.60	63,148.27	40,859.84	100,494.05 UCX (Military Workers) Benefits
Reed Act Funds EUISAA Title IX/STC	60,043.77	- 2.042.28	- 1,757.40	-	•	- -	- Reed Act Funds (63,843.45) EUISAA Title IX/STC
EUISAA HIIR INSTU	00,043.77	2,042.20	1,757.40	<u> </u>			(03,043.43) EUISAA TIIIE INSTC
Total Monthly Disbursements	\$20,890,953.70	37,362,605.58	\$30,899,660.39	\$32,501,817.36	<u>\$44,378,281.31</u>	\$33,149,694.06	\$ 20,876,573.06 Total Monthly Disbursements
Trust Fund Balance	<u>\$419,876,988.10</u>	422,838,146.62	<u>\$423,531,699.22</u>	<u>\$434,053,523.79</u>	<u>\$437,834,850.04</u>	<u>\$436,056,954.48</u>	\$ 41,698,494.37 Trust Fund Balance

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

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

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

^{**}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.

Regular UI Account Summary

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Beginning UI Balance	\$400,316,770.70	\$390,647,716.66	\$384,518,696.57	\$371,695,077.18	\$379,586,296.72	\$434,187,565.42	\$423,283,239.93	\$420,588,931.32
UI Deposits - Contributions	4,695,647.45	9,097,559.27	392,787.45	18,136,774.70	65,873,387.24	600,337.63	7,120,022.80	15,809,644.58
Interstate Payments In	1,529,771.18	810,535.42	91,361.62	3,023,983.71	502,939.08	746,089.64	2,354,765.51	1,165,197.53
U.S. Treasury Interest Credits	2,745,303.64	-	-	2,656,195.21	-	-	2,913,562.02	-
UI Deposits - Reimbursement	519,352.55	591,340.73	193,612.55	381,675.77	855,012.76	190,762.37	742,877.20	493,255.42
Total UI Receipts	\$9,490,074.82	\$10,499,435.42	\$677,761.62	\$24,198,629.39	\$67,231,339.08	\$1,537,189.64	\$13,131,227.53	\$17,468,097.53
UI Withdrawals Benefit PMT -								
Contribution	18,573,610.26	15,331,051.73	12,877,209.15	14,843,679.44	11,810,462.53	11,699,279.58	14,666,560.98	10,817,177.48
Interstate Payments Out	-	754,770.54	52,288.10	884,486.63	286,141.08	56,830.16	473,569.77	409,741.67
UI Withdrawals Benefit PMT - Reimbursement	585,518.60	542,633.24	571,883.76	579,243.78	533,466.77	685,405.39	685,405.39	\$649,532.65
	202,02000			5. 5 , 2 .5 5		,	223,10212	¥ - 12,5 - 212 5
Total UI Monthly								
Disbursements	\$19,159,128.86	\$16,628,455.51	\$13,501,381.01	\$16,307,409.85	\$12,630,070.38	\$12,441,515.13	\$15,825,536.14	\$11,876,451.80
UI Trust Fund Balance	\$390,647,716.66	\$384,518,696.57	\$371,695,077.18	\$379,586,296.72	\$434,187,565.42	\$423,283,239.93	\$420,588,931.32	\$426,180,577.05
ASAP Daily report total	\$390,647,716.66	\$384,518,696.57	\$371,695,077.18	\$379,586,296.72	\$434,187,565.42	\$423,283,239.93	\$420,588,931.32	\$426,180,577.05
	-	-	-	-	-	-	-	-



FOR RELEASE: September 18, 2024

Contact: Andy Malinoski <u>Andy.E.Malinoski@wv.gov</u> 304-553-9305

State Unemployment Rate Unchanged in August 2024

West Virginia's seasonally adjusted unemployment rate remained at 4.2 percent in August 2024. The number of unemployed state residents declined 200 to 32,900. Total employment fell 600 over the month. The national seasonally adjusted unemployment rate inched downward one-tenth of a percentage point to 4.2 percent in August 2024.

Total nonfarm payroll employment rose 1,700 in August, with gains of 700 in the goods-producing sector and 1,000 in the service-providing sector.

Within the goods-producing sector, employment gains included 600 in construction and 100 in mining and logging. Manufacturing employment was unchanged over the month.

Within the service -providing sector, employment gains included 800 in government, entirely within the local sector, 500 in professional and business services, 200 in leisure and hospitality, and 100 in financial activities. Employment declines included 400 in private education and health services, 100 in other services, and 100 in information. Employment in trade, transportation, and utilities was unchanged over the month.

Since August 2023, total nonfarm payroll employment has risen 7,800. Employment gains included 6,500 in private education and health services, 2,000 in construction, 1,200 in leisure and hospitality, 700 in government, 400 in mining and logging, 300 in professional and business services, 200 in other services, and 200 in financial activities. Employment declines included 2,600 in trade, transportation, and utilities, 1,000 in manufacturing, and 100 in information.

West Virginia's not seasonally adjusted unemployment rate declined three-tenths of a percentage point to 4.4 percent in August.

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

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

An agency of the Department of Commerce

An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

WEST VIRGINIA

(In Thousands - Seasonally Adjusted)

•	ugust 2024	ajuotou,			
	Prelim.	Revised	Revised	Chang	e from:
	Aug 2024	Jul 2024	Aug 2023	Jul 2024	Aug 2023
Civilian Labor Force	788.1	789.0	788.6	-0.9	-0.5
Total Employment	755.3	755.9	755.9	-0.6	-0.6
Total Unemployment	32.9	33.1	32.7	-0.2	0.2
Unemployment Rate	4.2	4.2	4.2	XX	XX
Labor Force Participation Rate	55.1	55.1	55.1	XX	xx
NONFARM PAYROLL	. EMPLOYMENT	BY INDUS	ΓRY		
Total Nonfarm	718.7	717.0	710.9	1.7	7.8
Total Private	564.8	563.9	557.7	0.9	7.1
Goods Producing	101.3	100.6	99.9	0.7	1.4
Mining and Logging	22.0	21.9	21.6	0.1	0.4
Construction	34.4	33.8	32.4	0.6	2.0
Manufacturing	44.9	44.9	45.9	0.0	-1.0
Durable Goods	27.1	27.2	28.0	-0.1	-0.9
Non-Durable Goods	17.8	17.7	17.9	0.1	-0.1
Service-Providing	617.4	616.4	611.0	1.0	6.4
Private Service-Providing	463.5	463.3	457.8	0.2	5.7
Trade, Transportation, and Utilities	120.1	120.1	122.7	0.0	-2.6
Wholesale Trade	18.5	18.8	19.1	-0.3	-0.6
Retail Trade	76.9	76.4	78.1	0.5	-1.2
Transportation, Warehousing, and Utilities	24.7	24.9	25.5	-0.2	-0.8
Information	7.6	7.7	7.7	-0.1	-0.1
Financial Activities	26.0	25.9	25.8	0.1	0.2
Finance and Insurance	19.3	19.1	19.0	0.2	0.3
Real Estate and Rental and Leasing	6.7	6.8	6.8	-0.1	-0.1
Professional and Business Services	73.3	72.8	73.0	0.5	0.3
Professional, Scientific & Techical Services	30.7	30.7	29.9	0.0	0.8
Administrative and Support and Waste Mgmt	35.4	34.9	35.9	0.5	-0.5
Private Education and Health Services	139.8	140.2	133.3	-0.4	6.5
Private Educational Services	7.1	7.1	6.9	0.0	0.2
Health Care and Social Assistance	132.7	133.1	126.4	-0.4	6.3
Leisure and Hospitality	72.6	72.4	71.4	0.2	1.2
Arts, Entertainment, and Recreation	9.0	9.0	8.7	0.0	0.3
Accommodation and Food Service	63.6	63.4	62.7	0.2	0.9
Other Services	24.1	24.2	23.9	-0.1	0.2
Government	153.9	153.1	153.2	8.0	0.7
Federal Government	26.6	26.7	25.9	-0.1	0.7
State Government	47.2	47.5	47.8	-0.3	-0.6

79.5

80.1

Local Government

78.9

1.2

0.6

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	788,100					
Employment	756,800	756,400	756,200	756,000	756,100	756,000	755,900	755,300					
Unemployment Rate	34,000 4.3	34,100 4.3	34,300 4.3	33,600 4.3	33,000 4.2	32,700 4.1	33,100 4.2	32,900 4.2					
Particpation Rate	55.3	55.2	55.2	55.2	55.1	55.1	55.1	55.1					
r artiopation react	00.0	00.2	00.2	00.2	00.1	00.1	00.1	00.1					
2023	Jan	Feb 700 400	Mar	Apr 704 000	May	Jun 705 400	Jul	Aug	Sep	Oct 700,600	Nov	Dec	AVG
Labor Force Employment	779,400 751,500	780,100 752,800	780,800 753,800	781,900 754,500	783,300 754,800	785,100 755,200	786,900 755,500	788,600 755,900	789,900 756,200	790,600 756,400	790,500 756,400	790,200 756,300	785,600 755,000
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	30,700
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	3.9
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 Particpation Rate	3.9 54.2	3.8 54.3	3.8 54.4	3.8 54.4	3.8 54.4	3.9 54.4	4.0 54.4	4.0 54.4	4.0 54.3	4.0 54.3	3.8 54.4	3.7 54.4	3.9 54.4
	- · · · -		•	•	•	•	•				•		
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force Employment	771,500 724,400	771,600 725,600	772,600 727,400	773,800 729,600	774,800 731,900	775,400 733,800	774,900 735,200	774,300 736,600	773,800 738,200	774,000 740,100	774,800 742,300	775,900 744,600	788,800 749,100
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 artiopation reac	00.0	04.0	04.7	02.0	00.0	00.4	00.0	00.0	00.7	00.0	00.0	00.0	04.1
2019	Jan	Feb	Mar	Apr	Мау	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 Unemployment	753,700 39,700	753,400 39,100	753,400 38,400	753,800 37,800	754,700 37,600	755,800 37,800	756,600 38,500	757,100 39,300	757,700 39,900	758,100 40,300	758,200 40,800	757,500 41,400	759,000 39,300
Rate	5.0	4.9	4.8	4.8	4.7	4.8	4.8	4.9	5.0	5.1	5.1	5.2	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	Anr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,500	789,900	791,700	Apr 793,400	794,500	795,000	794,900	Aug 794,600	794,500	794,600	794,700	794,500	793,400
Employment	746,000	747,400	749,400	751,500	753,100	754,200	754,700	754,900	754,800	754,700	754,500	754,300	752,200
Unemployment	42,500	42,500	42,300	41,900	41,400	40,800	40,200	39,800	39,700	39,900	40,200	40,200	41,200
Rate Particpation Rate	5.4 53.9	5.4 54.0	5.3 54.2	5.3 54.3	5.2 54.4	5.1 54.5	5.1 54.5	5.0 54.5	5.0 54.5	5.0 54.5	5.1 54.5	5.1 54.6	5.2 54.4
r articpation reate	55.9	34.0	54.2	34.3	54.4	34.3	34.3	34.3	34.3	34.3	34.3	34.0	54.4
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,300	781,900	781,700	781,900	782,800	783,900	785,300	786,400	787,200	787,400	787,400	787,500	783,800
Employment Unemployment	739,900 42,300	741,000 40,900	741,800 39,900	742,500 39,400	743,400 39,400	744,300 39,700	745,000 40,200	745,500 40,900	745,700 41,500	745,500 41,900	745,100 42,300	745,000 42,500	742,700 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	Anr	May	lun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	789,400	788,800	Apr 787,500	785,900	Jun 784,600	783,600	Aug 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 Particpation Rate	6.4 53.4	6.3 53.5	6.3 53.4	6.2 53.4	6.2 53.3	6.2 53.2	6.1 53.2	6.1 53.1	6.0 53.1	5.9 53.1	5.8 53.2	5.6 53.2	6.1 53.3
r uniopation rate	00.4	00.0	00.4	00.4	00.0	00.2	00.2	00.1	00.1	00.1	00.2	00.2	00.0
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 Unemployment	742,900 50,900	741,800 51,800	740,900 52,900	740,200 53,800	739,800 54,200	739,300 54,000	738,700 53,200	738,200 52,200	737,900 51,200	737,900 50,500	738,200 50,200	738,700 50,100	739,500 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
r artiopation reac	00.7	00.7	00.7	00.7	00.0	00.0	00.0	00.0	00.0	00.0	00.0	00.0	00.0
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	804,800 747,900	802,800 747,100	801,200	800,300	799,900 747,100	799,700	799,500	798,900	798,000	797,100	796,800	797,000	799,500
Employment Unemployment	747,900 56,900	747,100 55,700	746,600 54,600	746,800 53,500	747,100 52,800	747,200 52,500	746,900 52,600	746,200 52,700	745,100 52,800	744,100 53,000	743,400 53,300	743,300 53,700	745,800 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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	808,100	807,800	807,900	808,200	808,600	808,900	808,900	808,800	808,700	808,400	807,800	806,600	808,000
Employment	750,900	751,000	750,900	750,300	749,700	749,300	749,000	749,000	749,100	749,200	749,100	748,700	749,600
Unemployment	57,200	56,800	57,000	57,900	58,900	59,600	59,900	59,800	59,600	59,200	58,700	57,900	58,400
Rate Particpation Rate	7.1 54.3	7.0 54.3	7.1 54.3	7.2 54.3	7.3 54.3	7.4 54.4	7.4 54.4	7.4 54.3	7.4 54.3	7.3 54.3	7.3 54.3	7.2 54.2	7.2 54.3
ганиоранон Кате	54.3	54.5	54.5	54.5	54.5	54.4	54.4	54.5	54.5	54.5	54.5	54.2	54.5

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	798,100	788,900	•				
Employment	745,200	744,800	746,500	754,500	759,500	764,500	760,900	754,300					
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	37,200 4.4					
Participation Rate	4.6 54.7	54.8	4.9 54.8	54.8	55.2	55.9	55.8	55.1					
r artioipation ratio	01	01.0	01.0	01.0	00.2	00.0	00.0	00.1					
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	770,000	776,400	775,400	781,100	783,600	797,900	793,000	794,400	793,400	793,100	787,100	782,300	785,600
Employment Unemployment	738,700 31,300	744,300 32,100	744,500 30,900	753,600 27,500	755,600 28,000	765,000 32,900	761,600 31,400	759,200 35,300	763,900 29,500	763,700 29,400	758,300 28,800	751,500 30,800	755,000 30,700
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	3.9
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
				_					•			_	41/0
2022 Labor Force	Jan 770,500	Feb 776,300	Mar 773,200	Apr 776,500	May 781,700	Jun 792,200	Jul 784,800	Aug 782,800	Sep 779,500	Oct 781,000	Nov 774,200	Dec 771,800	AVG 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	4.6	4.7	4.2	3.8	3.6	4.3	4.1	4.3	3.3	3.3	3.4	3.3	3.9
Participation Rate	53.7	54.2	54.0	54.2	54.6	55.3	54.8	54.7	54.5	54.6	54.1	53.9	54.4
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	760,700	767,900	765,700	773,800	775,200	787,900	783,700	779,000	776,100	775,300	770,100	768,000	788,800
Employment Unemployment	708,700 52,000	715,500 52,400	716,900 48,800	728,300 45,500	733,400 41,800	742,800 45,100	743,600 40,200	740,500 38,500	745,600 30,600	747,000 28,300	742,600 27,500	741,200 26,800	749,100 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
2000	la	Eala	NA	A	N#	1	11	A	S	Oct	Na	Dan	A\/C
2020 Labor Force	Jan 790,800	Feb 795,500	Mar 785,800	Apr 754,900	May 772,700	Jun 781,300	Jul 778,400	Aug 777,400	Sep 776,900	Oct 778,700	Nov 768,100	Dec 765,100	AVG 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
Participation Rate	54.5	54.9	54.2	52.5	55.0	54.2	54.0	55.9	55.9	54.0	55.5	55.1	54.1
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	786,600	789,900	783,000	786,800	791,400	807,000	804,200	800,400	800,200	803,000	793,900	792,000	798,300
Employment Unemployment	739,400 47,200	743,300 46,600	740,400 42,600	751,000 35,800	755,700 35,600	766,400 40,600	764,500 39,700	761,200 39,200	766,300 33,900	767,000 35,900	757,200 36,700	753,600 38,400	759,000 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	731,800	738,000	736,000	748,900	756,800	765,100	763,800	755,700	762,000	764,800	757,000	751,200	752,200
Unemployment Rate	47,300 6.1	51,300 6.5	47,600 6.1	41,500 5.3	37,800 4.8	43,600 5.4	41,400 5.1	38,800 4.9	33,600 4.2	34,600 4.3	34,300 4.3	38,000 4.8	41,200 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	730,700	731,100	743,000	744,500	753,600	751,500	747,700	757,600	754,300	745,400	739,900	742,700
Unemployment	49,300	49,200	44,000	38,500	35,500	41,600	41,100	42,700	35,300	35,100	38,700	40,400	41,000
Rate Participation Rate	6.4 52.7	6.3 53.0	5.7 52.7	4.9 53.2	4.6 53.1	5.2 54.2	5.2 54.0	5.4 53.9	4.5 54.1	4.4 53.9	4.9 53.5	5.2 53.3	5.2 53.5
·													
2016 Labor Force	Jan 792 600	Feb 787,400	Mar	Apr 786,200	May	Jun 706 000	Jul 789,000	Aug 785,800	Sep 794 900	Oct 786,700	Nov 778,300	Dec	AVG 785,100
Employment	782,600 726,500	767,400 728,800	782,200 727,800	737,800	788,300 742,300	796,900 746,200	769,000	737,600	784,800 741,600	744,500	776,300	773,100 732,500	785,100
Unemployment	56,100	58,500	54,400	48,400	45,900	50,700	47,300	48,300	43,200	42,200	39,300	40,600	47,900
Rate	7.2	7.4	7.0	6.2	5.8	6.4	6.0	6.1	5.5	5.4	5.0	5.2	6.1
Participation Rate	53.0	53.3	53.0	53.3	53.4	54.0	53.5	53.3	53.3	53.4	52.9	52.6	53.3
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	787,000 730,400	789,700	784,900	793,800	797,700	806,900	799,800	793,900	788,100	790,200	783,900	782,400	791,500
Employment Unemployment	730,400 56,600	730,400 59,300	727,800 57,100	741,200 52,600	744,400 53,300	750,700 56,200	744,400 55,400	741,500 52,400	743,100 45,000	745,900 44,400	738,400 45,500	735,300 47,100	739,500 52,100
Rate	7.2	7.5	7.3	6.6	6.7	7.0	6.9	6.6	5.7	5.6	5.8	6.0	6.6
Participation Rate	53.1	53.3	53.0	53.6	53.9	54.5	54.0	53.6	53.3	53.4	53.0	52.9	53.5
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	795,700	792,000	795,300	800,800	805,300	800,900	796,900	795,800	799,900	791,000	785,700	795,700
Employment	730,800	732,700	733,300	745,400	750,400	753,500	748,000	744,200	749,900	754,700	745,000	739,600	744,000
Unemployment Rate	58,700 7.4	63,100 7.9	58,700 7.4	49,900 6.3	50,400 6.3	51,800 6.4	52,900 6.6	52,700 6.6	45,900 5.8	45,200 5.7	46,000 5.8	46,100 5.9	51,800 6.5
Participation Rate	53.1	53.6	53.3	53.5	53.9	54.2	53.9	53.7	53.6	53.9	53.3	53.0	53.6
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	798,800	798,000	790,900	799,200	802,400	814,200	807,700	802,100	800,700	798,100	792,900	788,800	799,500
Employment	734,500	734,900	733,800	747,400	752,100	758,400	754,200	749,400	752,500	749,100	744,500	739,200	745,800
Unemployment	64,300	63,100	57,100	51,800	50,300	55,800	53,500	52,700	48,100	49,000	48,400	49,600	53,600
Rate Participation Rate	8.0 53.7	7.9 53.6	7.2 53.2	6.5 53.7	6.3 54.0	6.9 54.8	6.6 54.3	6.6 53.9	6.0 53.8	6.1 53.7	6.1 53.3	6.3 53.1	6.7 53.8
·													
2012 Labor Force	Jan 797,500	Feb 802,500	Mar 799,100	Apr 806,600	May 815,200	Jun 822,700	Jul 815,800	Aug 809,500	Sep 811,600	Oct 813,000	Nov 802,600	Dec 800,200	AVG 808,000
Employment	736,100	738,000	738,900	750,500	757,200	760,400	754,300	749,300	757,500	759,400	749,400	744,000	749,600
Unemployment	61,400	64,500	60,200	56,100	58,000	62,300	61,500	60,200	54,100	53,600	53,200	56,100	58,400
Rate	7.7	8.0	7.5	7.0	7.1	7.6	7.5	7.4 54.4	6.7	6.6 54.6	6.6	7.0	7.2
Participation Rate	53.6	53.9	53.7	54.2	54.8	55.3	54.8	54.4	54.5	54.6	53.9	53.8	54.3

BRIM October 2024 Interim Packet

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

Talking Points for Joint Committee on Government and Finance Meeting October 2024

- 1. **Premium Revenue** for August reflects the premiums earned for the first two months 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 and August plus estimated accruals for the months of July and August. Claim payments in August were lower than in August of last year.
- 3. **Investments** reflect a gain of \$10.8 million year to date. Investment returns in August of last year were lower than in August 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 Two Months Ended August 31st

	2	024		2023
		(In Thousa	nds)	
Assets				
Current assets:				
Cash and cash equivalents	\$	35,948	\$	8,994
Advance deposits with insurance company and trustee		244,545		231,803
Receivabales		31,454		10,100
Prepaid insurance		7,952		7,118
Restricted cash and cash equivalents		9,843		6,679
Premiums due from other entities		1,539		1,534
Total current assets		331,281		266,228
Noncurrent assets:				
Equity position in internal investments pools		59,834		155,182
Restricted investments		33,487		29,945
Total noncurrent assets		93,321		185,127
Total assets		424,602		451,355
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		27,138		26,167
Agent commissions payable		2,067		1,896
Claims Payable		0		0
Accrued expenses and other liabilities		20,346		1,670
Total current liabilities		141,192		219,155
Estimated unpaid claims and claims adjustment expense net of current portion		201,425		178,257
Compensated absences		182		192
Net pension liability		(4)		148
Total noncurrent liabilities		201,603		178,596
Total liabilities		342,795		397,752
Deferred Inflows of Resources		0		0
Deferred Inflows of Resources - OPEB		64		137
Net position:				
Restricted by State code for mine subsidence coverage		38,024		32,363
Unrestricted		37,827		36,438
Net Assets (Deficiency)		6,144		(14,876)
Net position	\$	81,995		53,925

Unaudited

West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Two Months Ended August 31st

	20	24		2023
		In Thousa	ınds)
Operating revenues				
Premiums		21,504	\$	19,738
Less coverage/reinsurance programs		(2,268)		(2,502)
Net operating revenues		19,236		17,237
Operating expenses				
Claims and claims adjustment expense		22,879		33,260
General and administrative		1,068		937
Total operating expenses		23,947		34,197
Operating income (loss)		(4,711)		(16,961)
Nonoperating revenues				
Investment income		10,855		2,084
Legislative Appropriation		0		0
OPEB Non Operating Income		0		0
Net nonoperating revenues		10,855		2,084
Changes in net position		6,144		(14,876)
Total net position, beginning of year		75,851		68,801
Total net position, end of period	\$	81,995	\$	53,925

Unaudited

PEIA October 2024 Interim Packet

PEIA October Interim Talking Points

- > PEIA and RHBT interim financial statements for July 31, 2024, are available for your review.
- PEIA statements indicate PEIA is currently behind plan by \$5 million. This is due to higher than forecast claims expense.
- > RHBT statements indicate RHBT is currently ahead of plan by \$19 million. This is due to higher than forecast investment income.
- > The 2025 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$(4), \$.1 and \$124 million respectively.
- > These reserve levels represent (.5%), .09% and 61% of the respective funds' expenses. The required reserve for the State Fund is 12% of expenses.

West Virginia Public Employees Insurance Agency Statement of Changes in Plan Net Position For the One Month Ending Wednesday, July 31, 2024

(Dollars in Thousands)

DRAFT- (Unaudited-For Internal Use Only)

			BUDGET VAI	RIANCE	PRIOR YR VA	RIANCE
BUDGET	PRIOR YR		\$	%	\$	%
		Premium Revenue				
\$53,238	\$49,860	Health Insurance - State Gov Employers	\$196	0%	\$3,574	7%
13,683	12,546	Health Insurance - State Gov Employees	(395)	(3%)	742	6%
15,014	13,570	Health Insurance - Local Gov All	139	1%	1,583	12%
385	368	Administrative Fees, Net of Refunds	(11)	(3%)	6	2%
204	186	Other Premium Revenue	(41)	(20%)	(23)	(12%)
82,524	76,530	Total Operating Revenue	(112)	(0%)	5,882	8%
		NON-OPERATING REVENUE				
205	212	Life Insurance	5	2%	(2)	(1%)
797	1,929	Interest and Investment Income	1,664	209%	532	28%
2,417	0	WV RHBT Pay Go Premiums	2	0%	2,419	0%
3,419	2,141	Total Non-Operating Revenue	1,671	49%	2,949	138%
85,943	78,671	TOTAL REVENUE	1,559	2%	8,831	11%
		EXPENSES				
45,920	31,090	Claims Expense - Medical	(4,224)	(9%)	(19,054)	(61%
28,095	27,908	Gross Claims Expense - Drugs	(3,661)	(13%)	(3,848)	(14%)
_ , ,	. , , ,		(440)	3%	2,405	(24%
15,250	17,908	Net Claims Expense- Drugs	(4,101)	(27%)	(1,443)	(8%
5,618	5,300	Payments to Managed Care Org.	(203)	(4%)	(521)	(10%
			1,246		,	59%
						99%
						9%
		•				(1%
			-		_	3%
						0%
72,922	58,366	TOTAL EXPENSES	(6,748)	(9%)	(21,304)	(37%)
13,020	20,306	YTD Surplus (Deficit)	(5,190)	(40%)	(12,476)	(61%)
84,810	124,830	Total Net Position, Beginning of Period	84,810	0%	(40,020)	(32%
\$97,830	\$145,136	Total Net Position, End of Period	(\$5,190)	(5%)	(\$52,496)	(36%
	\$53,238 13,683 15,014 385 204 82,524 205 797 2,417 3,419 85,943 45,920 28,095 (12,845) 15,250 5,618 2,639 184 674 181 39 2,417 72,922 13,020 84,810	\$53,238 \$49,860 13,683 12,546 15,014 13,570 385 368 204 186 82,524 76,530 205 212 797 1,929 2,417 0 3,419 2,141 85,943 78,671 45,920 31,090 28,095 27,908 (12,845) (10,000) 15,250 17,908 5,618 5,300 2,639 3,416 184 77 674 383 181 152 39 40 2,417 0 72,922 58,366 13,020 20,306 84,810 124,830	S53,238	Social Prince Social Prince Social Present Social	S	S S S S S S S S S S

West Virginia Retiree Health Benefit Trust Fund STATEMENT OF CHANGES IN PLAN NET POSITION For One Month Ending Wednesday, July 31, 2024 PRELIMINARY 9.3.24

ACTUAL DUDGET DESCRIPTION		BUDGET VARI	ANCE	PRIOR YR VAR	IANCE		
ACTUAL	BUDGET	PRIOR YR	-	\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$173	\$163	\$168	Health premiums - Non Par	\$10	6%	\$5	3%
567	680	675	Health Premiums - RLC Health, Life	(113)	(17%)	(108)	(16%)
2,419	2,417	0	Pay Go Premiums	2	0%	2,419	100%
2,500	2,500	2,500	State appropriation - OPEB	-	0%	-	0%
5,659	5,760	3,343	Total Employer Premiums	(101)	(2%)	2,316	69%
			Other Additions:				
42	67	42	Retiree Drug Subsidy	(25)	(37%)	=	0%
30,534	11,320	35,330	Investment Income	19,214	170%	(4,796)	(14%)
36,235	17,147	38,715	TOTAL ADDITIONS	19,088	111%	(2,480)	(6%)
			DEDUCTIONS				
4,681	4,613	4,205	Payments to Managed Care Org.	(68)	(1%)	(476)	(11%)
2,159	2,308	2,171	Life Insurance Expense	Ì49	6%	` 1Ź	1%
4,177	4,536	3,800	Medical Claims Expense	359	8%	(377)	(10%)
2,241	2,212	2,221	Pharmacy Claims Expense	(29)	(1%)	(20)	(1%)
99	183	249	Administrative Service Fees (External)	84	46%	150	60%
(4,986)	(4,984)	(4,882)	Member Health premiums	2	(0%)	104	(2%)
(2,182)	(2,311)	(2,201)	Member Life Insurance Premiums	(129)	6%	(19)	1%
234	343	233	Other Operating Expenses	109	32%	(1)	(0%)
6,423	6,900	5,796	TOTAL DEDUCTIONS	477	7%	(627)	(11%)
29,812	10,247	32,919	NET POSITION INCREASE (DECREASE)	19,565	191%	(3,107)	(9%)
			Net Position Restricted for				
			Post Employment Benefits				
1,942,227	1,942,227	1,795,666	Beginning of Period Total Net Position		0%	146,561	8%
1,770,694	1,751,129	1,546,478	End of Period Net Position - Restricted	19,565	1%	224,216	14%
201,345	201,345	282,107	End of Period Net Position - PSR		0%	(80,762)	(29%)
\$1,972,039	\$1,952,474	\$1,828,585	End of Period Total Net Position	\$19,565	1%	\$143,454	8%

Real Estate Division October 2024 Interim Packet

Department of Administration Real Estate Division Leasing Report For the period of September 1 - 30, 2024

There are 5 leasing changes for this period, and they are as follows:

- 3 Straight Renewal
- 1 Renewal with Increase in Rent
- 1 Renewal with Decrease in Rent

Department of Administration Real Estate Division Leasing Report For the period of September 1 - 30, 2024

STRAIGHT RENEWAL

WEST VIRGINIA STATE POLICE

PSA-115 Renewal for 10 years consisting of the entire building office and storage space at the current annual rate of \$1.00, annual cost \$1.00, 11 White Street, in the City of Logan, Logan County, West Virginia.

DEPARTMENT OF HEALTH

HEA-006 Renewal for 5 years consisting of 178 square feet of office space at the current monthly rate of \$250.00, annual cost \$3,000.00, full service, 670 Lower Washington Street, in the City of Elizabeth, Wirt County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-044-726 Renewal for 2 years consisting of 132 square feet of office space at the current monthly rate of \$276.48, annual cost \$3,317.76, full service, 1824 Murdoch Avenue, in the City of Parkersburg, Wood County, West Virginia.

RENEWAL WITH INCREASE IN RENT

DIVISION OF REHABILITATION SERVICES

DRS-135 Renewal for 3 years consisting of 500 square feet of office space with an increase in the monthly rate from \$600.00 to \$707.00, annual cost \$8,484, full service, 206 Stone Drive, in the City of Ripley, Jackson County, West Virginia.

RENEWAL WITH DECREASE IN RENT

DIVISION OF REHABILITATION SERVICES

DRS-089 Renewal consisting of 2,772 square feet of office space with a decrease in the annual per square foot rate from \$18.45 to \$17.83, annual cost \$49,424.76 for year 1, and shall continue until updated, full service, Building #34, 100 Municipal Plaza, Weirton County, West Virginia.

Real Estate Division Monthly Summary of Lease Activity September 1 - 30, 2024

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	WV State Police	PSA-115	Logan	1	1.00	1	10.00	10
2	Department of Health and Human Resources	HEA-006	Wirt	178	16.85	3,000	5.00	15,000
3	Workforce West Virginia	WWV-044	Wood	132	25.13	3,318	2.00	6,636
4	Division of Rehabilitation Services	DRS-135	Jackson	500	16.97	8,484	3.00	25,452
5	Division of Rehabilitation Services	DRS-089	Weirton	2,772	17.83	49,425	1.00	49,425

77.79

Total Rentable : 3,583

Average Annual Rental Rate

15.56

Total Annual Rent

64,228

^{*} Indicates the rental rate will exceed \$1,000,000.00 within the term of the lease.

^{**}Indicates the lease automatically renews at the rate listed until updated by RED.

MEDICAID REPORT

August 2024



Joint Committee on Government and Finance and Legislative Oversight Commission on Health and Human Resources Accountability October 2024

Bureau for Medical Services

MONTH OF AUGUST 2024	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
			Current	Current	Year To-Date	09/01/24
	SFY2024	SFY2025	Month Ended	Month Ended	Thru	Thru
			08/31/24	08/31/24	08/31/24	6/30/2025
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	83,817,704	80,487,667	5,161,611	7,243,890	10,714,855	69,772,812
Inpatient Hospital - DSH	50,312,786	53,500,000	11,903,397	4,815,000	13,149,240	40,350,760
Inpatient Hospital - Supplemental Payments	50,512,760	55,500,000	11,903,397	4,615,000	13,149,240	40,350,760
Inpatient Hospital - GME Payments	14,955,984	13,452,984	3,668,199	1,210,769	3,668,199	9,784,785
Mental Health Facilities	9,303,347	6,126,772	813,684	551,409	1,975,799	4,150,973
	, ,	' '	813,084	1	' '	' '
Mental Health Facilities - DSH Adjustment Payments	21,401,331	18,887,045		1,699,834	4,721,761	14,165,284
Nursing Facility Services - Regular Payments	1,015,122,804	977,819,307	90,802,416	88,003,738	185,189,195	792,630,112
Nursing Facility Services - Supplemental Payments	-	25,000,000	-	2,250,000	-	25,000,000
Intermediate Care Facilities - Public Providers	70 000 440	-		5 704 000	10.700.110	50 004 400
Intermediate Care Facilities - Private Providers	72,228,418	63,354,257	6,410,889	5,701,883	12,723,118	50,631,139
Intermediate Care Facilities - Supplemental Payments	-		4 005 000		- 440000	
Physicians Services - Regular Payments	31,193,313	26,937,348	1,965,332	2,424,361	4,146,332	22,791,016
Physicians Services - Supplemental Payments	-	-	-	-	-	-
Physician and Surgical Services - Evaluation and Management	-	-	-	-	-	=
Physician and Surgical Services - Vaccine Codes						
Outpatient Hospital Services - Regular Payments	40,442,837	36,161,261	6,077,803	3,254,514	9,164,370	26,996,891
Outpatient Hospital Services - Supplemental Payments						
Prescribed Drugs	870,892,219	982,436,076	65,564,503	88,419,247	141,873,072	840,563,004
Drug Rebate Offset - National Agreement	(499,047,033)	(555,000,000)	(1,434,232)	(49,950,000)	(68,717,309)	(486,282,691)
Drug Rebate Offset - State Sidebar Agreement	(110,721,125)	(50,000,000)	(2,292,976)	(4,500,000)	(24,949,995)	(25,050,005)
Drug Rebate Offset - MCO National	(6,058,271)	(10,600,000)	(46,348)	(954,000)	(1,380,032)	(9,219,968)
Drug Rebate Offset - MCO State Sidebar Agreement	-	-	-	-	243	(243)
OUD Medication Assisted Treatment–Drugs	88,015,331	-	6,394,335	-	13,752,188	(13,752,188)
Dental Services	4,984,609	3,176,416	433,209	285,877	805,530	2,370,886
Other Practitioners Services - Regular Payments	204,036,097	148,476,163	222,189	13,362,855	3,365,043	145,111,120
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	=
Clinic Services	3,424,613	2,830,187	22,691	254,717	71,210	2,758,977
Lab & Radiological Services	6,347,377	2,973,175	389,807	267,586	892,118	2,081,057
Home Health Services	19,827,448	22,173,528	1,537,432	1,995,618	2,055,189	20,118,339
Hysterectomies/Sterilizations	4,402	2,617	-	236	390	2,227
Pregnancy Terminations (2)	-	9,500	-	855	-	9,500
EPSDT Services	1,624,351	984,638	136,325	88,617	293,766	690,872
Rural Health Clinic Services	3,596,071	1,635,084	167,470	147,158	475,409	1,159,675
Medicare Health Insurance Payments - Part A Premiums	29,878,225	30,546,783	2,548,211	2,749,210	5,080,257	25,466,526
Medicare Health Insurance Payments - Part B Premiums	147,248,461	171,623,734	12,286,875	15,446,136	24,630,926	146,992,808
120% - 134% Of Poverty	16,268,702	16,303,907	1,189,532	1,467,352	2,366,137	13,937,770
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	13,872,088	13,234,165	1,052,929	1,191,075	2,167,222	11,066,943

WV DEPARTMENT OF HUMAN SERVICES BUREAU FOR MEDICAL SERVICES EXPENDITURES BY PROVIDER TYPE SFY2025

MONTH OF AUGUST 2024	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
			Current	Current	Year To-Date	09/01/24
	SFY2024	SFY2025	Month Ended	Month Ended	Thru	Thru
			08/31/24	08/31/24	08/31/24	6/30/2025
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,266,208,133	2,252,164,686	170,964,153	202,694,822	313,041,331	1,939,123,355
Medicaid MCO - Evaluation and Management		2,202,101,000		202,00 1,022	-	- 1,000,120,000
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	2,557,631	2,345,281	194,260	211,075	674,238	1,671,043
Medicaid Health Insurance Payments: Coinsurance	-	-	-		· -	-
Medicaid Health Insurance Payments: Other	_	-	_	_	_	-
Home & Community-Based Services (IDD)	329,808,774	425,642,440	27,448,534	38,307,820	60,441,317	365,201,123
Home & Community-Based Services (Aged/Disabled)	56,452,071	173,750,658	12,468,592	15,637,559	31,361,601	142,389,057
Home & Community-Based Services (Traumatic Brain Injury)	1,275,260	2,366,248	200,531	212,962	532,744	1,833,504
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	=	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services - Regular Payments	15,087,039	79,295,592	6,501,492	7,136,603	12,929,336	66,366,256
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	675,729	2,173,559	47,796	195,620	92,593	2,080,966
Primary Care Case Management Services	-	-	-	-	-	-
Hospice Benefits	37,776,695	27,406,107	2,307,982	2,466,550	6,254,618	21,151,489
Emergency Services Undocumented Aliens	862,430	599,959	77,062	53,996	188,896	411,063
Federally Qualified Health Center	16,145,868	19,980,394	514,617	1,798,235	1,124,416	18,855,978
Non-Emergency Medical Transportation	39,975,647	38,198,127	3,273,616	3,437,831	6,485,988	31,712,139
Physical Therapy	1,022,382	970,227	65,627	87,320	138,396	831,831
Occupational Therapy	424,227	377,068	27,612	33,936	61,299	315,769
Services for Speech, Hearing & Language	285,602	250,955	33,025	22,586	57,182	193,773
Prosthetic Devices, Dentures, Eyeglasses	830,381	784,017	80,129	70,562	149,340	634,677
Diagnostic Screening & Preventive Services	92,984	62,227	4,603	5,600	11,228	50,999
Nurse Mid-Wife	119,754	99,331	6,997	8,940	15,068	84,263
Emergency Hospital Services	1,347	-	-	-	-	-
Critical Access Hospitals	24,477,636	23,478,001	2,283,158	2,113,020	4,211,173	19,266,828
Nurse Practitioner Services	6,088,515	4,369,853	379,081	393,287	796,708	3,573,145
School Based Services	32,300,499	30,000,000	424,031	2,700,000	793,918	29,206,082
Rehabilitative Services (Non-School Based)	32,984,078	28,282,709	2,849,407	2,356,892	5,664,625	22,618,084
2a) Opioid Treatment Program (OTP) - Methadone services	163,700	-	11,141	-	28,597	(28,597)
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	4,567	-	78,564	-	112,982	(112,982)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	11,203,875	-	903,525	-	1,931,950	(1,931,950)
2a) OUD Medicaid Assisted Treatment Services	16,943,910	-	1,175,369	-	2,742,928	(2,742,928)
2a) Opioid Treatment Program (OTP) - Other	689,814	0.504.000	62,716	047.400	136,107	(136,107)
Private Duty Nursing	5,407,133	3,524,030	376,256	317,163	987,266	2,536,764
Freestanding Birth Centers	0.000.004	0.404.740	- 04 557	004.505	400 740	0.004.000
Health Home for Enrollees w Chronic Conditions	2,022,694	2,494,719	24,557	224,525	193,713	2,301,006
Other Care Services Less: Recoupments	33,133,542	34,525,780	2,260,790	3,107,320	4,952,355 (7,176,860)	29,573,425 7,176,860
•	F 007 004 004	- DOE 074 FOO	(6,667,895)	474 000 404		
NET MEDICAID EXPENDITURES:	5,067,994,004	5,235,674,582	443,352,611	471,022,161	797,169,286	4,438,505,295

2

WV DEPARTMENT OF HUMAN SERVICES BUREAU FOR MEDICAL SERVICES EXPENDITURES BY PROVIDER TYPE SFY2025

MONTH OF AUGUST 2024	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
			Current	Current	Year To-Date	09/01/24
	SFY2024	SFY2025	Month Ended	Month Ended	Thru	Thru
			08/31/24	08/31/24	08/31/24	6/30/2025
Collections: Third Party Liability (line 9A on CMS-64)	(6,776,262)	_	_	-	_	-
Collections: Probate (line 9B on CMS-64)	(4,205,201)	-	-	-	-	-
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(472,244)	-	-	-	-	-
Collections: Other (line 9D on CMS-64)	(32,211,509)	-	-	-	-	-
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	5,024,328,788	5,235,674,582	443,352,611	471,022,161	797,169,286	4,438,505,295
Plus: Medicaid Part D Expenditures	52,812,392	53,881,349	4,661,381	4,849,321	9,323,637	44,557,712
Plus: State Only Medicaid Expenditures	204,570	258,896	21,536	23,301	36,973	221,923
Plus: Money Follow the Person Expenditures	1,049,581	1,194,667	59,555	107,520	153,279	1,041,388
TOTAL MEDICAID EXPENDITURES	\$5,078,395,331	\$5,291,009,494	\$448,095,083	\$476,002,303	\$806,683,175	\$4,484,326,318
Plus: Reimbursables (1)	5,819,748	-	500,833	_]	1,128,801	(1,128,801)
Plus: NATCEP/PASARR/Eligibility Exams	242,674	209,422	2,125	18,848	38,875	170,547
Plus: HIT Incentive Payments	-	-	-	-	-	-
TOTAL EXPENDITURES	\$5,084,457,753	\$5,291,218,915	\$448,598,041	\$476,021,151	\$807,850,851	\$4,483,368,064

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

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

⁽³⁾ Of the amount in the 'Nursing Facility Services - Regular Payments' line \$4,715,638 is the amount paid to State Facilities year to date.

WV DEPARTMENT OF HUMAN SERVICES BUREAU FOR MEDICAL SERVICES MEDICAID CASH REPORT SFY2025

MONTH OF AUGUST 2024	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
		Current	Year-To-Date	09/01/24	
	SFY2024	Month Ended	Thru	Thru	SFY2025
		08/31/24	08/31/24	06/30/25	
REVENUE SOURCES					
Beg. Bal. 7/01/22 (5084/1020 prior mth)	127,247,384	52,626,097	51,699,646	-	51,699,646
MATCHING FUNDS	-				
General Revenue (0403/189)	267,202,774	4,513,641	9,027,282	58,677,338	67,704,620
Prescription Drugs (FFS)	-	1,316,046	2,632,092	17,108,606	19,740,698
Physical and Occupational Therapy (FFS)	-	4,586	9,172	59,620	68,792
Speech, Hearing, and Language Disorders (FFS)	-	854	1,708	11,105	12,813
Respiratory Care Services (FFS)	-	672	1,344	8,739	10,083
Clinic Services (FFS)	-	9,631	19,262	125,209	144,471
Diagnostic, Screening, Preventive and Rehabilitative Services (FFS)	-	211	422	2,754	3,176
Dental Services (FFS)	-	11,092	22,184	144,206	166,390
Podiatry Services, Optometry Services, and Prosthetics (FFS)	-	2,071	4,142	26,936	31,078
Chiropractic Services (FFS)	-	347	694	4,512	5,206
Private Duty Nurses, Personal Care, and Other Practitioner Services (FFS)	-	789,819	1,579,638	10,267,656	11,847,294
Hospice Benefits (FFS)	-	93,252	186,504	1,212,289	1,398,793
Case Management (FFS)	-	7,395	14,790	96,148	110,938
Institution for Mental Disease Services (FFS)	-	85,132	170,264	1,106,721	1,276,985
Intermediate Care Facility Services (FFS)	-	215,571	431,142	2,802,425	3,233,567
Health Homes for Enrollees with Chronic Conditions (FFS)	-	8,488	16,976	110,353	127,329
Managed Care Organizations (FFS)	-	7,566,257	15,132,514	98,361,355	113,493,869
Substance Use Disorder Waiver (FFS)	-	56,143	112,286	729,865	842,151
IDD Waiver (0403/466)	108,541,736	6,512,504	13,025,008	84,662,554	97,687,562
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	155,760	311,520	2,024,880	2,336,400
Tertiary Funding (0403/547)	6,356,000	381,360	762,720	4,957,680	5,720,400
Traumatic Brain Injury (0403/835)	800,000	48,000	96,000	624,000	720,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	906,241	1,812,482	11,781,138	13,593,620
Medical Services Surplus (0403/633)	-		-	18,000,000	18,000,000
Waiver for Senior Citizens Surplus (0403/526)	-		-	-	-
Lottery Waiver (Less 550,000) (5405/539)	23,126,633	6,396,523	6,396,523	20,989,569	27,386,092
Lottery Waiver (0420/539)	10,839,825	1,645,092	1,645,092	4,935,274	6,580,366
Lottery Transfer (5405/871)	16,400,070	4,100,018	4,100,018	12,300,052	16,400,070
Excess Lottery (5365/189)	60,716,750	17,000,000	17,000,000	46,232,578	63,232,578
Lottery Surplus (5405/68199)	14,750,000	14,750,000	14,750,000	-	14,750,000
Lottery Surplus (5365/68100)	17,000,000	-	-	17,000,000	17,000,000
Trust Fund Appropriation (5185/189)	55,000,000	9,464,533	9,464,533	39,811,549	49,276,082
Provider Tax (5090/189)	393,594,315	98,187,684	119,087,684	395,984,248	515,071,932
NSGO UPL (5084/6717)	-	-	-		-
Expirations (5084)	-	-	-	-	-

WV DEPARTMENT OF HUMAN SERVICES BUREAU FOR MEDICAL SERVICES MEDICAID CASH REPORT SFY2025

MONTH OF AUGUST 2024	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2024	Current Month Ended 08/31/24	Year-To-Date Thru 08/31/24	09/01/24 Thru 06/30/25	SFY2025
Certified Match Reimbursables - Amount Reimbursed Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015 CHIP State Share CMS - 64 Adjustments TOTAL MATCHING FUNDS FEDERAL FUNDS	18,829,653 5,281,103 512,476 - 1,563,870 \$ 1,143,952,210	961,197 101,228 67,645 - - \$ 227,985,089	1,853,871 149,762 139,375 - \$ 271,656,650	12,498,379 (149,762) (139,375) - \$ 862,368,601	14,352,250 - - - - - \$ 1,134,025,251
TOTAL REVENUE SOURCES	3,991,384,983 \$ 5,135,337,193	255,000,000 \$ 482,985,089	\$70,778,764 \$ 842,435,414	3,520,951,545 \$ 4,383,320,146	4,091,730,309 \$ 5,225,755,560
TOTAL EXPENDITURES: Provider Payments	\$ 5,084,457,753	\$ 448.598.041	\$ 842,435,414	\$ 4,383,320,146	\$ 5,225,755,560
TOTAL	\$ 50,879,440	\$ 34,387,049	\$ 34,584,562	\$ (100,047,918)	\$ (65,463,356)

Notes: FMAP (74.10% applicable Jul 2024 - Sep 2024)

FFS: Fee For Service

MEDICAID WAIVER REPORT

August 2024



Joint Committee on Government and Finance and Legislative Oversight Commission on Health and Human Resources Accountability October 2024

Bureau for Medical Services

WV Department of Human Services

Bureau for Medical Services A&D Waiver Program Report

Aged	d & Disabled Waiver Reported August 31, 2024	FY2024	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	FY2025 YTD
Slots Approved By	y CMS (1)	8,750	8,750	8,750											8,750
-Slots Available for	Traditional (ADW-WV) enrollees	8,674	8,424	8,674											8,674
-Slots reserved for	Take Me Home-WV (TMH-WV) enrollees	76	76	76											76
-Slots reserved for	Money Follows the Person (MFP-WV) enrollees	70	70	70											70
	embers served YTD (unduplicated slots used) (2) cts most recent month's count	8,551	7,568	7,708											7,708
	ned eligible this month and added to MEL (3) ing Financial Eligibility not yet on MEL	87	130	98											98
Applicants determin	ned ineligible	2	1	5											5
	ACTIVE MEMBERS		•												
Active Traditional M	Members at the end of the month	7,530	7,516	7,533											7,533
Active Take Me Ho	me Members at the end of the month	50	48	51											51
Active Money Follo	ws the Person Members at the end of the month	50	40	51											31
	ers at the end of the month (unduplicated slots active) cts most recent month's count	7,580	7,564	7,584											7,584
Active members e	enrolled during the calendar month	1,592	75	187											262
-Total Active Tradit	ional members enrolled during the calendar month	1,541	71	182											253
-Total Active TMH-	WV members enrolled during the calendar month	51	1	5											9
-Total Active MFP-\	WV members enrolled during the calendar month	31	4	,											9
Members discharge	ed during the calendar month	1,619	91	167											258
	Member is deceased	742	56	78											134
whose case was closed by reason	Other (4)	877	35	89											124
	MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants	s closed during the calendar month (removed from MEL)	2,270	368	156											524
ADW Applicants	Applicant offered a slot (Traditional + MFP)	1,010	270	49											319
	Applicant became deceased	116	9	14											23
the MEL	Other (5)	1,144	89	93											182
	MEL who are in a nursing facility cts # members in setting during reporting month	0	2	4											4
	MEL receiving Personal Care cts # members receiving service during reporting month	0	3	1											1
Applicants on the M	IEL at the end of month	208	19	23											23
Days - Average tim	e spent on the MEL to date Minus MFP Applicants	9	1	3											2

⁽¹⁾ 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.

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

⁽³⁾ Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

⁽⁴⁾ 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.

^{(5) &}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

	pmental Disabilities Waiver Reported August 31, 2024	FY2024	July-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	YTD2025
Slots approved by C	MS	6,115	6,115	6,165											6,165
Total number of mer	mbers served YTD (unduplicated slots used) (1)	6,109	6,033	6,037											6,037
Total number of mer	mbers served YTD in Traditional Slots	6,101	6,033	6,036											6,036
Total number of members served YTD in Adult Ben H. slots (Active)			0	0											0
	mbers served YTD in Children Ben H. slots (Active)	3	0	1											1
Applicants determine	ed eligible (2)	459	51	43											94
Applicants determine	ed ineligible (3) ACTIVE MEMBERS	556	51	38											89
	at the end of the month (unduplicated slots active) (1)	5,957	6,015	6,006											6,006
Discharged member	s at the end of the calendar month	168	18	15											33
	Deceased	63	6	7											13
	Left program to enter a facility	39	6	1											7
	a. Hospital	0	0	0											0
Discharged	b. ICF/IID	18	5	0											5
members who were discharged	c. Nursing Facility	21	1	1											2
by reason	d. Psychiatric Facility	0	0	0											0
	e. Rehabilitation Facility	0	0	0											0
	f. Other Facility	0	0	0											0
	Other (6)	66	6	7											13
N	IANAGED ENROLLMENT LIST (MEL)														
Total number of app	licants on the MEL at the end of the month	753	726	759											759
	s added to the MEL (4)	459	51	43											94
Applicants enrolled	(removed from the MEL)	220	76	6											82
Applicants removed	from the MEL due to Death (5)	4	0	0											0
Applicants removed	from the MEL due to Other (6)	30	2	4											6
	EL who are in a Nursing Facility	2	2	2											2
	EL who are in an ICF/IID Group Home	23	35	37											37
	EL receiving Personal Care Services each month	14	10	9											9
Longest on the MEL	to date (7)	1,098	1,129	1,160											1,160

- (1) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.
- (2) and (3) Numbers determined medically eligible and ineligible reflect the activity for the month reported. Financial eligibility is not determined until after slot release.
- (4) Monthly managed enrollment is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on the date the Medical Eligibility Contract Agent (MECA) determines medical eligibility.
- (5) Currently there is no way to track other reasons why someone may leave the MEL for reasons such as moved out of state, decided not to participate in program, etc.
- (6) Other reason for program discharge may include, but is not limited to, member is no longer financial or medically eligible, moved out of state, no longer wants the service, etc.
- (7) Longest number of days an applicant has been on the MEL.

WV Department of Human Services

Bureau for Medical Services TBI Waiver Program Report

Traumatic Br	ain Injury Waiver Reported August 31, 2024	FY2024	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	FY2025 YTD
Slots Approved By	CMS (1)	102	102	102											102
-Slots Available for	Traditional (non TMH-WV) enrollees	100	6	6											6
-Slots reserved for	Take Me Home-WV (TMH-WV) enrollees	2	4	4											4
	embers served YTD (unduplicated slots used) (2) ects most recent month's count	100	92	92											92
Applicants determi	ned eligible this month and added to MEL (3)	14	0	0											0
Applicants determi	ned ineligible	0	0	0											0
	ACTIVE MEMBERS														
	the end of the month (unduplicated slots active) ects most recent month's count	92	92	92											92
Active members er	nrolled during the calendar month	15	0	0											0
-Total Active Tradi	tional members enrolled during the calendar month	13	0	0											0
-Total Active TMH-	WV members enrolled during the calendar month	2	0	0											0
	ed during the calendar month	15	0	0											0
TBIW Members whose case was	Member is deceased	5	0	0											0
closed by reason	Other (4)	10	0	0											0
	NAGED ENROLLMENT LIST (MEL)														
MEL)	s closed during the calendar month (removed from	16	0	0											0
TBIW Applicants	Applicant offered a slot	16	0	0											0
removed from the	Applicant became deceased	0	0	0											0
MEL	Other (5)	2	0	0											0
Applicants on the I	MEL who are in a nursing facility	1	0	0											0
Applicants on the I	MEL receiving Personal Care	2	0	0											0
Applicants on the I	MEL at the end of the month	0	0	0											0
, ,	e spent on the MEL to date (6) ects average # of days	78	0	0											0

⁽¹⁾ 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

⁽²⁾ 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.

⁽³⁾ Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

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

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

October 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 Two Months Ending August 31, 2024 and August 31, 2023

	Annual Budget 2025	Budget Year-to-Date	Actual August 31, 2024	Actual August 31, 2023	Actual Variance	,	Budget Variance	
			,	,	\$	%	\$	%
Beginning Operating Fund Balance			\$3,275,610	\$5,382,999	(\$2,107,389)	-39%		
Revenues								
Federal Grants	\$63,527,759	\$10,587,960	\$11,600,000	\$8,999,606	\$2,600,394	29%	\$1,012,040	10%
State Appropriations	\$12,755,475	\$2,125,913	\$1,702,716	\$1,473,556	\$0	0%	(\$423,197)	-20%
Premium Revenues	\$83,500	\$13,917	\$111,117	\$10,313	\$100,804	977%	\$97,200	698%
Investment Earnings (Interest)	<u>\$155,000</u>	<u>\$25,833</u>	\$47,947	<u>\$13,568</u>	\$34,379	<u>253%</u>	\$22,114	86%
Total Operating Fund Revenues	<u>\$76,521,734</u>	<u>\$12,753,623</u>	<u>\$13,461,780</u>	<u>\$10,497,043</u>	<u>\$2,964,737</u>	28%	\$708,157	6%
Expenditures:								
Claims Expenses:								
Managed Care Organizations			\$9,574,689	\$6,910,238.00	\$2,664,451	39%		
Prescribed Drugs			\$1,717,948	\$1,612,317	\$105,631	7%		
Physicians & Surgical			\$269,657	\$881,924	(\$612,267)	-69%		
Medical Transportation			\$364,883	\$531,026	(\$166,143)	-31%		
Outpatient Services			\$196,241	\$110,640	\$85,601	77%		
Inpatient Hospital Services			\$123,386	\$183,198	(\$59,812)	-33%		
Dental			\$103,209	\$59,736	\$43,473	73% 82%		
Therapy Other Services			\$57,537 \$26,159	\$31,528 \$3,671	\$26,009 \$22,488	82% 613%		
Inpatient Mental Health			\$20,159 \$0	\$7,232	(\$7,232)	-100%		
Outpatient Mental Health			\$6,948	\$6,550	\$398	6%		
Vision			\$6,539	\$16,387	(\$9,848)	-60%		
Durable & Disposable Med. Equip.			\$3,275	\$277,638	(\$274,363)	-99%		
Less: Other Collections**			\$0	(\$3,624)	\$3,624	-100%		
Drug Rebates	(\$2.517.954)	(\$419,659)	<u>\$0</u>	\$0	\$0	0%	(\$419,659)	100%
Total Claims Expenses	\$70,153,130	\$11,692,188	\$12,450,471	\$10,628,461	\$1,822,010	17%	\$758,283	6%
Administrative Expenses:	' ', ' ', ' '	, , ,	·				,,	
Salaries and Benefits	\$557,031	\$92,839	\$60,192	\$56,817	\$3,375	6%	(\$32,647)	-35%
Program Administration	\$5,222,107	\$870,351	\$415,529	\$806,651	(\$391,122)	-48%	(\$454,822)	-52%
Outreach & Health Promotion	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
Health Service Initiative	\$225,000	\$56,250	\$0	\$0	\$0	0%	(\$56,250)	-100%
Current	<u>\$413,409</u>	<u>\$68,902</u>	<u>\$6,384</u>	<u>\$5,880</u>	<u>\$504</u>	9%	(\$62,518)	-91%
Total Administrative Expenses in Operating Fund	<u>\$6,417,547</u>	<u>\$1,088,342</u>	<u>\$482,105</u>	<u>\$869,348</u>	<u>(\$387,243)</u>	-45%	(\$606,237)	-56%
Total Operating Fund Expenditures	<u>\$76,570,677</u>	<u>\$12,780,530</u>	<u>\$12,932,576</u>	<u>\$11,497,809</u>	<u>\$1,434,767</u>	12%	\$152,046	1%
Adjustments			<u>(\$847,853)</u>	<u>(\$280)</u>				
Full and Output from I Polymer			*** *** ***	* 4 ***	(04 404 055)	0001		
Ending Operating Fund Balance			\$2,956,961.00	\$4,381,953	<u>(\$1,424,992)</u>	-33%		
Money Market			\$14,478	\$13,763				
Bond Pool Cash on Deposit			\$2,460,122 \$482,361	\$3,744,656 \$623,534				
Cash on Deposit			φ402,30 i	φ023,334				
Revenues Outside of Operating Funds:								
Federal Grants			<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0%		
Total WVCHIP Revenues			<u>\$13,461,780</u>	\$10,497,043	\$2,964,737	28%		
Program Expenses outside of Operating Funds:								
Eligibility	\$1,500,000	\$250,000	<u>\$0</u>	<u>\$0</u>	\$0	0%	(\$250,000)	-100%
Total Administrative Expenses	\$7,917,547	\$1,338,342	\$482,105	\$869,348	(\$387,243)	-45%	(\$856,237)	-64%
·								
Total WVCHIP Expenditures	<u>\$78,070,677</u>	<u>\$13,030,530</u>	<u>\$12,932,576</u>	<u>\$11,497,809</u>	<u>\$1,434,767</u>	<u>12%</u>	<u>(\$97,954)</u>	-1%

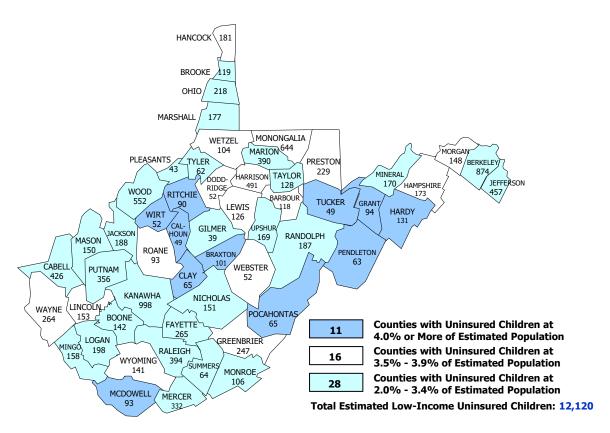
Footnotes:

- 1) Statement is on cash basis.
- 2) Estimate of Incurred but Not Reported (IBNR) claims on August 31, 2024 is \$998,704. The August 31, 2023 estimate was \$558,624.
- 3) Administrative Accounts Payable balance on August 31, 2024 was \$758,866. The August 31, 2023 balance was \$450,541.
- 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 81.81%. SFY24 was 83.56%.
- 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 AUGUST 2024

County	County Pop. 2021 Est. (0-18 Yrs)	BLUE	GOLD	PREM	MATE BLUE	PREM	Enrollment		Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2021 SAHIE	2021 SAHIE
County	(0-18 115)	<u>Aug-24</u>	Enrollment	% of Population	Uninsured Est.	% Uninsured						
Barbour	3,204	112	53	85	2	3	255	1,613	1,868	58.3%	107	3.3%
Berkeley	30,213	1,325	420	769	21	23	2,558	12,459	15,017	49.7%	879	2.9%
Boone	4,539	143	57	76	4	2	282	2,505	2,787	61.4%	145	3.2%
Braxton	2,378	72	19	50	2	3	146	1,292	1,438	60.5%	98	4.1%
Brooke	4,043	0	0	0	0	0	0	1	1	0.0%	121	3.0%
Cabell	19,300	565	185	333	5	12	1,100	8,495	9,595	49.7%	562	2.9%
Calhoun	1,178	59	19	31	1	0	110	713	823	69.9%	47	4.0%
Clay	1,793	65	14	34	2	1	116	1,157	1,273	71.0%	76	4.2%
Doddridge	1,084	42	10	33	0	1	86	687	773	71.3%	39	3.6%
Fayette	8,467	355	110	179	4	8	656	4,478	5,134	60.6%	254	3.0%
Gilmer	1,140	31	19	33	1	0	84	525	609	53.4%	35	3.1%
Grant	2,230	77	27	72	4	1	181	1,152	1,333	59.8%	93	4.2%
Greenbrier	6,534	318	104	209	5	9	645	3,288	3,933	60.2%	246	3.8%
Hampshire	4,248	172	59	83	5	2	321	2,201	2,522	59.4%	159	3.7%
Hancock	5,604	277	126	158	5	5	571	3,655	4,226	75.4%	205	3.7%
Hardy	2,892	132	32	88	2	3	257	1,305	1,562	54.0%	139	4.8%
Harrison	14,585	477	162	313	4	11	967	5,817	6,784	46.5%	555	3.8%
Jackson	6,181	186	78	116	3	0	383	2,667	3,050	49.3%	196	3.2%
Jefferson	13,328	425	131	253	4	4	817	3,575	4,392	33.0%	473	3.5%
Kanawha	36,989	1,191	408	750	25	32	2,406	30,478	32,884	88.9%	1103	3.0%
Lewis	3,706	133	71	84	2	2	292	1,846	2,138	57.7%	133	3.6%
Lincoln	4,606	166	41	80	1	10	298	2,479	2,777	60.3%	169	3.7%
Logan	6,800	203	71	129	7	0	410	3,930	4,340	63.8%	225	3.3%
Marion	11,652	431	150	237	1	7	826	4,883	5,709	49.0%	380	3.3%
Marshall	5,954	159	67	97	2	1	326	2,499	2,825	47.4%	154	2.6%
Mason	5,368	188	65	81	3	3	340	3,894	4,234	78.9%	157	2.9%
McDowell	3,143	101	29	73	2	1	206	2,453	2,659	84.6%	128	4.1%
Mercer	3,802	576	192	259	5	12	1,044	7,299	8,343	219.4%	110	2.9%
Mineral	12,788	205	88	105	0	1	399	2,278	2,677	20.9%	433	3.4%
Mingo	5,538	168	48	77	3	4	300	3,513	3,813	68.9%	144	2.6%
Monongalia	5,227	484	196	357	10	12	1,059	5,381	6,440	123.2%	188	3.6%
Monroe	18,601	103	47	86	1	3	240	1,117	1,357	7.3%	540	2.9%
Morgan	2,520	145	57	87	2	0	291	1,402	1,693	67.2%	97	3.8%
Nicholas	5,074	187	65	121	3	6	382	2,376	2,758	54.4%	166	3.3%
Ohio	8,461	199	79	122	1	5	406	3,417	3,823	45.2%	257	3.0%
Pendleton	1,195	38	11	45	1	1	96	523	619	51.8%	60	5.0%
Pleasants	1,522	36	6	32	1	0	75	652	727	47.8%	37	2.4%
Pocahontas	1,417	52	21	26	0	0	99	649	748	52.8%	66	4.7%
Preston	6,770	249	72	158	2	5	486	2,840	3,326	49.1%	238	3.5%
Putnam	13,220	384	154	251	9	10	808	3,809	4,617	34.9%	392	3.0%
Raleigh	16,094	550	198	406	13	7	1,174	8,115	9,289	57.7%	481	3.0%
Randolph	5,312	244	67	153	4	4	472	2,399	2,871	54.0%	176	3.3%
Ritchie	1,750	63	16	30	1	0	161	906	1,067	61.0%	90	5.1%
Roane	2,946	132	47	81	0	4	237	1,368	1,605	54.5%	107	3.6%
Summers	1,967	91	36	54	2	1	183	1,347	1,530	77.8%	65	3.3%
Taylor	3,325	121	54	53	1	4	224	1,402	1,626	48.9%	112	3.4%
Tucker	920	45	32	44	1	1	117	456	573	62.3%	45	4.9%
Tyler	1,667	52	12	38	0	0	208	696	904	54.2%	55 404	3.3%
Upshur	4,995	181	76	144	2	3	393	2,555	2,948	59.0%	164	3.3%
Wayne	8,022	312	104	131	3	6	459	4,259	4,718	58.8%	300	3.7%
Webster	1,639	76	32	34	0	4	159	930	1,089	66.4%	60	3.7%
Wetzel	3,033	72	25	47	1	5	132	1,830	1,962	64.7%	106	3.5%
Wirt	1,108	40	3	29	2	0	391	550	941	84.9%	44	4.0%
Wood	18,255	579	157	346	7	7	900	7,975	8,875	48.6%	548	3.0%
Wyoming	<u>4,418</u>	<u>120</u>	<u>50</u>	<u>150</u>	<u>4</u>	<u>6</u>	<u>330</u>	<u>2,042</u>	<u>2,372</u>	<u>53.7%</u>	161	<u>3.6%</u>
Totals	372.745	12.909	4.472	7.912	<u>196</u>	255	25.744	182.133	207.877	<u>55.8%</u>	<u>12.120</u>	3.3%

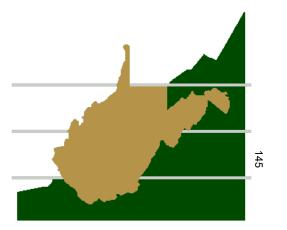


The above map shows the most recent 2021 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 3.3%, the SAHIE data reflects more accurately the variation from county 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

August 31, 2024



	6/30/2024		8/31/2024	-				Perform	ance %			
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	26,315,335	100.0	26,860,432	100.0								
Pension Assets	21,418,293	81.3	21,843,136	81.3								
Public Employees' Retirement System	9,060,044	34.4	9,274,797	34.5	1.1	3.7	2.7	13.7	4.8	10.0	8.2	8.1
Teachers' Retirement System	10,042,974	38.2	10,201,599	38.0	1.2	3.7	2.7	13.7	4.8	9.9	8.2	7.9
EMS Retirement System	142,608	0.5	146,583	0.6	1.1	3.7	2.7	13.6	4.7	9.9	8.2	
Public Safety Retirement System	820,831	3.1	833,571	3.1	1.1	3.7	2.7	13.7	4.8	10.0	8.2	8.1
Judges' Retirement System	306,539	1.2	313,842	1.2	1.2	3.7	2.7	13.7	4.8	10.0	8.2	8.1
State Police Retirement System	365,544	1.4	375,634	1.4	1.1	3.7	2.7	13.7	4.8	10.0	8.2	8.1
Deputy Sheriffs' Retirement System	352,093	1.3	360,860	1.3	1.1	3.7	2.7	13.7	4.8	10.0	8.2	8.1
Municipal Police & Firefighter Retirement System	46,198	0.2	48,050	0.2	1.1	3.7	2.7	13.6	4.7	9.9	8.1	
Natural Resources Police Office Retirement System	32,082	0.1	33,054	0.1	1.1	3.7	2.7	13.6	4.7			
Municipal Model A	246,093	0.9	251,706	0.9	1.2	3.7	2.7	14.2	5.4	10.4	8.4	
Municipal Model B	3,287	0.0	3,440	0.0	1.7	5.1	3.9	16.3	3.3	7.7		
Insurance Assets	3,329,471	12.8	3,402,986	12.7								
Workers' Compensation Old Fund	836,283	3.2	844,913	3.1	1.1	3.6	2.7	11.9	1.9	5.6	4.7	
Workers' Comp. Self-Insured Guaranty Risk Pool	40,246	0.2	41,296	0.2	1.1	3.6	2.7	11.8	2.3	5.8	4.9	
Workers' Comp. Self-Insured Security Risk Pool	50,726	0.2	51,733	0.2	1.1	3.6	2.7	11.8	2.3	5.8	4.9	
Workers' Comp. Uninsured Employers' Fund	18,638	0.1	19,237	0.1	1.1	3.6	2.7	11.8	2.3	5.8	4.7	
Pneumoconiosis	201,841	0.8	204,064	0.8	1.1	3.6	2.8	11.9	2.3	5.8	4.8	5.3
Board of Risk & Insurance Management	90,829	0.3	93,321	0.3	1.1	3.6	2.7	11.9	2.2	5.8	4.8	
Public Employees' Insurance Agency	148,452	0.6	152,539	0.6	1.1	3.5	2.8	11.7	2.0	5.3	4.6	
WV Retiree Health Benefit Trust Fund	1,942,456	7.4	1,995,883	7.4	1.2	3.7	2.8	13.6	4.8	10.0	8.2	
Endowment Assets	1,567,571	5.9	1,614,310	6.0								
Berkeley County Development Authority	6,800	0.0	6,987	0.0	1.2	3.7	2.8	13.2	4.6	9.9		
Wildlife Fund	74,682	0.3	75,990	0.3	1.2	3.7	2.7	13.7	4.8	9.9	8.2	8.1
WV State Parks and Recreation Endowment Fund	47,125	0.2	49,527	0.2	1.2	3.7	2.7	13.6	4.9			
Revenue Shortfall Reserve Fund	609,682	2.3	626,932	2.3	1.1	3.6	2.8	9.1	0.1	1.6	2.2	
Revenue Shortfall Reserve Fund - Part B	554,537	2.1	571,729	2.1	1.2	3.9	3.1	10.6	0.4	4.1	4.1	
WV DEP Trust	10,997	0.0	11,320	0.1	1.3	3.9	2.9	14.5	3.9	9.2	7.0	
WV DEP Agency	263,748	1.0	271,825	1.0	1.3	4.0	3.1	14.2	3.1	7.0	5.7	
•	, -		, -									



			Performance %								
_	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Investment Pools Composite	26,868,667	100.00									
Portable Alpha Composite +/- S&P 500 Index	5,955,776	22.17	2.06 (0.37)	7.34 (0.05)	3.56 (0.11)	28.40 1.26	8.87 <i>(0.51)</i>				
Large Cap Domestic Equity Composite +/- S&P 500 Index	329,420	1.23	2.43 0.00	7.35 (0.04)	3.62 (0.05)	27.12 (0.02)	9.29 (0.09)	15.90 <i>(0.02)</i>	12.88 <i>(0.10)</i>	10.71 <i>0.06</i>	
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	1,207,084	4.49	0.22 0.48	3.87 (1.68)	5.15 (2.00)	18.31 <i>0.94</i>	6.26 <i>4.</i> 39	12.45 <i>1.</i> 96	9.04 <i>0.</i> 28	10.08 <i>0.4</i> 8	
International Equity Composite +/- MSCI AC World ex US IMI Index (a)	4,641,372	17.27	1.91 <i>(0.82)</i>	4.11 <i>(1.04)</i>	4.80 <i>(0.55)</i>	18.78 <i>0.4</i> 2	3.15 <i>0.92</i>	9.44 1.31	5.56 <i>0.5</i> 6	7.80 1.10	
Fixed Income Composite +/- Bloomberg Universal (b)	4,915,572	18.29	1.34 (0.13)	4.44 (0.28)	3.64 <i>(0.14)</i>	8.63 <i>0.71</i>	(0.75) 1.03	1.61 1.27	2.67 <i>0.74</i>	3.88 <i>0.4</i> 3	
Core Fixed Income Composite +/- Bloomberg US Aggregate	2,234,161	8.31	1.36 <i>(0.08)</i>	4.82 0.03	3.81 <i>0.00</i>	8.11 <i>0.81</i>	(1.20) 0.91	0.83 <i>0.8</i> 7	2.32 0.68		
Total Return Fixed Income Composite (c) +/- Bloomberg Universal	2,681,411	9.98	1.32 <i>(0.15)</i>	4.12 (0.60)	3.50 (0.28)	9.06 1.14	(0.35) 1.43	2.06 1.72	2.87 0.94	4.28 0.81	
TIPS Composite +/- Bloomberg US TIPS 1-10 Yr (d)	524,929	1.95	0.70 0.01	2.91 <i>(0.06)</i>	2.18 <i>(</i> 0.01)	6.57 <i>0.0</i> 3	(0.95) 0.03	2.31 0.07	2.27 0.04		
Cash Composite +/- FTSE 3 Month US T-Bill (e)	198,222	0.74	0.45 (0.01)	1.34 <i>(0.04)</i>	0.92 (0.01)	5.44 (0.21)	3.35 <i>(</i> 0.14)	2.20 (0.13)	1.57 (0.05)	1.65 (0.03)	
Private Equity Composite +/- Russell 3000 + 3% (f, g)	2,692,492	10.02	0.01 (2.41)	0.99 <i>(7.05)</i>	0.00 <i>(4.57)</i>	4.94 (24.20)	6.26 <i>(4.61)</i>	17.45 <i>(0.74)</i>	16.80 <i>1.44</i>		
Real Estate Composite +/- NCREIF + 1% (f)	2,474,039	9.21	0.62 0.62	(0.04) 0.21	0.97 <i>0.97</i>	(4.91) 0.17	1.37 (2.40)	3.12 (1.40)	6.12 <i>(1.07)</i>		
Hedge Fund Composite +/- HFRI FOF + 1% (h)	2,818,123	10.49	0.17 (0.23)	1.11 <i>(0.27)</i>	0.72 (0.28)	12.90 <i>3.31</i>	6.93 3.72	7.62 1.51	5.34 <i>0.80</i>		
Private Credit & Income Composite +/- SOFR + 4% (f, i)	1,111,638	4.14	(0.56) (1.35)	1.90 (0.46)	0.04 (1.54)	6.41 (3.15)	5.74 (0.80)	6.21 (0.30)			



			Strategy %
Pension Assets			_
Public Employees' Retirement System 48.0 45.0 15.6 15.0 10.9 12.0 10.0 12.0 4.5 6.0	10.4	10.0 0.6	0.0
Teachers' Retirement System 48.1 45.0 15.7 15.0 11.0 12.0 10.1 12.0 4.5 6.0	10.5	10.0 0.1	0.0
EMS Retirement System 47.9 45.0 15.6 15.0 10.9 12.0 10.0 12.0 4.5 6.0	10.4	10.0 0.7	0.0
Public Safety Retirement System 48.0 45.0 15.4 15.0 10.9 12.0 10.1 12.0 4.5 6.0	10.4	10.0 0.7	0.0
Judges' Retirement System 48.0 45.0 15.9 15.0 11.0 12.0 10.1 12.0 4.5 6.0	10.4	10.0 0.1	0.0
State Police Retirement System 47.8 45.0 15.8 15.0 10.9 12.0 10.0 12.0 4.5 6.0	10.4	10.0 0.6	0.0
Deputy Sheriffs' Retirement System 47.9 45.0 15.6 15.0 10.9 12.0 10.1 12.0 4.5 6.0	10.4	10.0 0.6	0.0
Municipal Police & Firefighter Retirement System 46.9 45.0 15.2 15.0 10.7 12.0 9.8 12.0 4.4 6.0	10.2	10.0 2.8	0.0
Natural Resources Police Office Retirement System 47.3 45.0 15.1 15.0 10.8 12.0 9.9 12.0 4.5 6.0	10.3	10.0 2.1	0.0
Municipal Model A 48.0 45.0 15.7 15.0 11.0 12.0 10.1 12.0 4.5 6.0	10.4	10.0 0.3	0.0
Municipal Model B 55.4 55.0 44.2 45.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	0.0	0.0 0.4	0.0
Insurance Assets			
Workers' Compensation Old Fund 26.4 25.0 45.2 45.0 3.7 4.0 3.4 4.0 1.5 2.0	15.8	15.0 4.0	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool 26.1 25.0 44.9 45.0 3.6 4.0 3.4 4.0 1.5 2.0	15.6	15.0 4.9	5.0
Workers' Comp. Self-Insured Security Risk Pool 26.1 25.0 45.1 45.0 3.7 4.0 3.4 4.0 1.5 2.0	15.7	15.0 4.5	5.0
Workers' Comp. Uninsured Employers' Fund 26.1 25.0 44.7 45.0 3.6 4.0 3.3 4.0 1.5 2.0	15.6	15.0 5.2	5.0
Pneumoconiosis 26.3 25.0 45.3 45.0 3.7 4.0 3.4 4.0 1.5 2.0	15.8	15.0 4.0	5.0
Board of Risk & Insurance Management 26.2 25.0 44.8 45.0 3.6 4.0 3.3 4.0 1.5 2.0	15.6	15.0 5.0	5.0
Public Employees' Insurance Agency 20.7 20.0 54.2 55.0 1.8 2.0 1.7 2.0 0.8 1.0	20.8	20.0 0.0	0.0
WV Retiree Health Benefit Trust Fund 47.9 45.0 16.2 15.0 10.9 12.0 10.1 12.0 4.5 6.0	10.4	10.0 0.0	0.0
Endowment Assets			
Berkeley County Development Authority 47.9 45.0 16.2 15.0 10.9 12.0 10.1 12.0 4.5 6.0	10.4	10.0 0.0	0.0
Wildlife Fund 47.4 45.0 16.0 15.0 10.8 12.0 9.9 12.0 4.5 6.0	10.3	10.0 1.1	0.0
WV State Parks and Recreation Endowment Fund 47.4 45.0 16.0 15.0 10.8 12.0 10.0 12.0 4.5 6.0	10.3	10.0 1.0	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	0.0 9.8	10.0
Revenue Shortfall Reserve Fund - Part B 18.0 17.5 72.5 72.5 1.8 2.0 1.7 2.0 0.8 1.0	5.2	5.0 0.0	0.0
WV DEP Trust 52.4 50.0 15.9 15.0 9.1 10.0 8.4 10.0 3.8 5.0	10.4	10.0 0.0	0.0
WV DEP Agency 35.7 35.0 39.2 40.0 1.8 2.0 1.7 2.0 0.8 1.0	20.8	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.

Disclaimer

This report contains confidential and proprietary information and is subject to the terms and conditions of the Consulting Agreement. It is being provided for use solely by the customer. The report may not be sold or otherwise provided, in whole or in part, to any other person or entity without written permission from Verus Advisory, Inc., (hereinafter Verus) or as required by law or any regulatory authority. The information presented does not constitute a recommendation by Verus and cannot be used for advertising or sales promotion purposes. This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities or any other financial instruments or products.

The information presented has been prepared using data from third party sources that Verus believes to be reliable. While Verus exercised reasonable professional care in preparing the report, it cannot guarantee the accuracy of the information provided by third party sources. Therefore, Verus makes no representations or warranties as to the accuracy of the information presented. Verus takes no responsibility or liability (including damages) for any error, omission, or inaccuracy in the data supplied by any third party. Nothing contained herein is, or should be relied on as a promise, representation, or guarantee as to future performance or a particular outcome. Even with portfolio diversification, asset allocation, and a long-term approach, investing involves risk of loss that the investor should be prepared to bear.

The information presented may be deemed to contain forward-looking information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, growth prospects, capital structure and other financial terms, (b) statements of plans or objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward looking terminology such as believes, expects, may, will, should, anticipates, or the negative of any of the foregoing or other variations thereon comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause the actual results to differ materially from future results expressed or implied by such forward looking information. The findings, rankings, and opinions expressed herein are the intellectual property of Verus and are subject to change without notice. The information presented does not claim to be all-inclusive, nor does it contain all information that clients may desire for their purposes. The information presented should be read in conjunction with any other material provided by Verus, investment managers, and custodians.

Verus will make every reasonable effort to obtain and include accurate market values. However, if managers or custodians are unable to provide the reporting period's market values prior to the report issuance, Verus may use the last reported market value or make estimates based on the manager's stated or estimated returns and other information available at the time. These estimates may differ materially from the actual value. Hedge fund market values presented in this report are provided by the fund manager or custodian. Market values presented for private equity investments reflect the last reported NAV by the custodian or manager net of capital calls and distributions as of the end of the reporting period. These values are estimates and may differ materially from the investments actual value. Private equity managers report performance using an internal rate of return (IRR), which differs from the time-weighted rate of return (TWRR) calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

Verus receives universe data from InvMetrics, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.





WEST VIRGINIA OFFICES OF THE INSURANCE COMMISSIONER

Allan L. McVey Insurance Commissioner

Insurance Commissioner

September 2024 Report

to

Joint Committee on Government & Finance

Table of Contents:

Introduction	
Definitions	3-5
Monthly Claims Count and Reserve Charts	6-10
Old Fund Cash Statements	11
Coal Workers Pneumoconiosis Fund Cash Statement	12
Self-Insured Guaranty Fund Cash Statement	13
Self-Insured Security Fund Cash Statement	14
Uninsured Employers' Fund Cash Statement	15

Introduction

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 August 2024, there were 6,057 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.

Intermediate Court of Appeals: 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.

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

Coal Workers' Pneumoconiosis Fund (CWP): State managed fund into which FBL premiums previously received are held, and out of which FBL benefits are paid. This fund was closed to future liabilities as of 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.

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

<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.

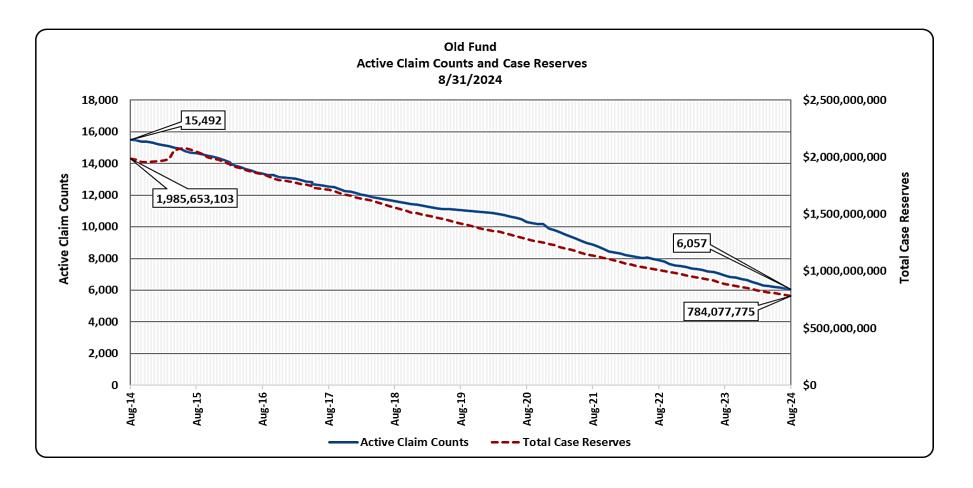
<u>Self-Insured:</u> an employer who has met certain specific guidelines, and who is then permitted to guarantee their own payment and handling of workers' compensation claims to their employees in accordance with WV statutes.

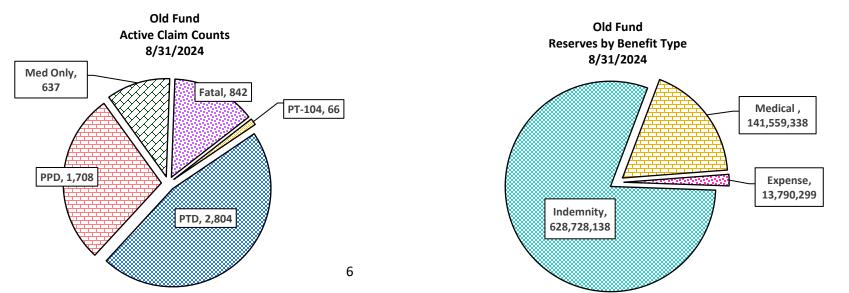
<u>Self-Insured Guaranty Fund:</u> State managed fund consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR §19 (2004) and any future funds collected through continued administration of that exempt legislative rule as administered by the WVOIC and out of which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

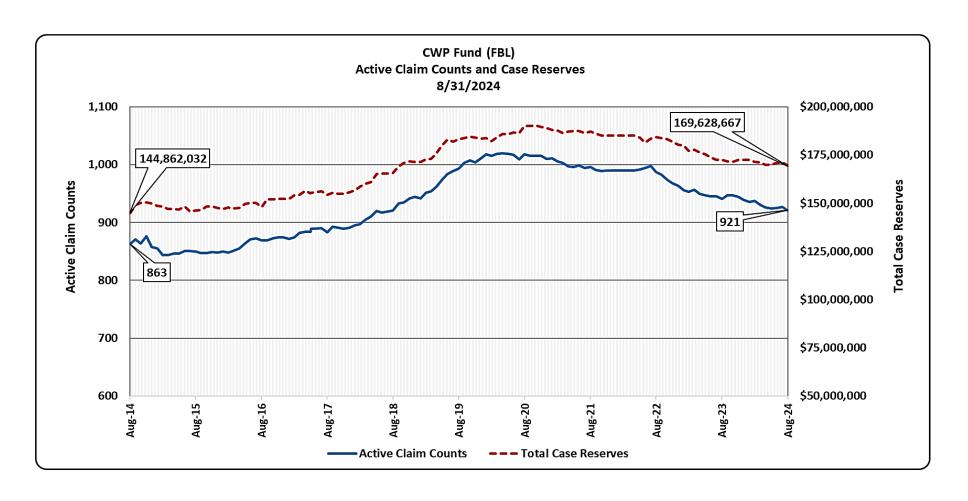
<u>Self-Insured Security Fund:</u> State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury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

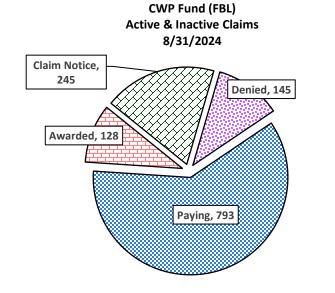
<u>TTD:</u> (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be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

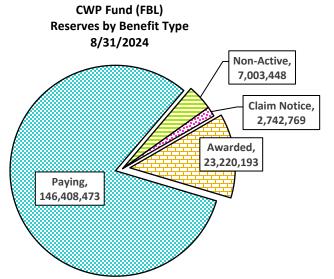
<u>Uninsured Fund:</u> State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006, or later.

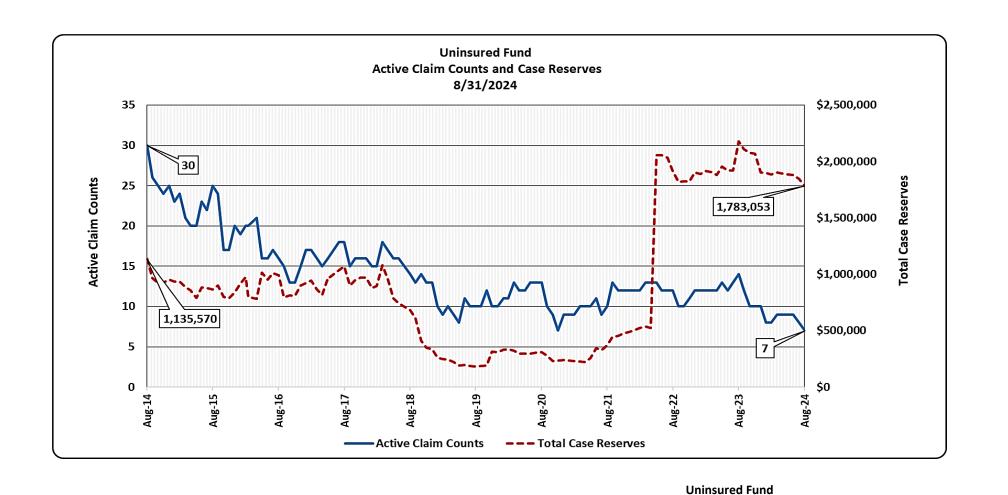




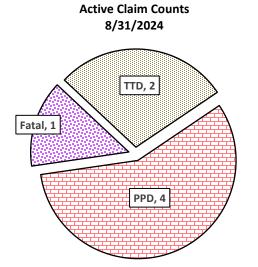




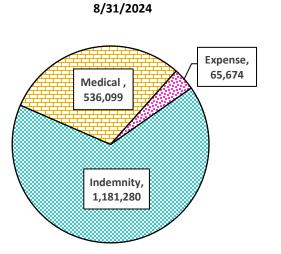




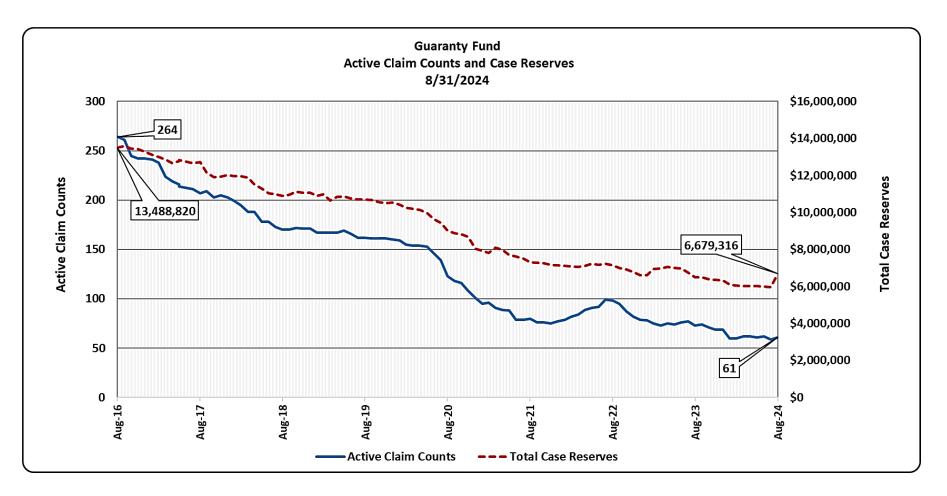
8

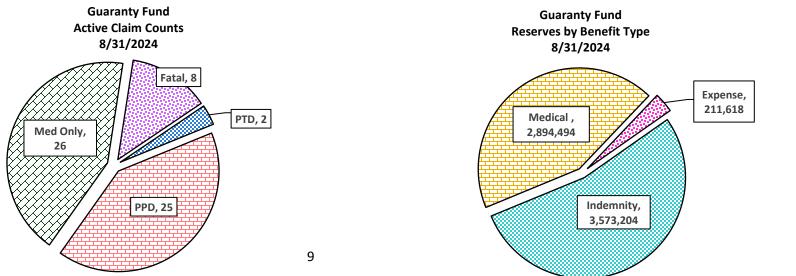


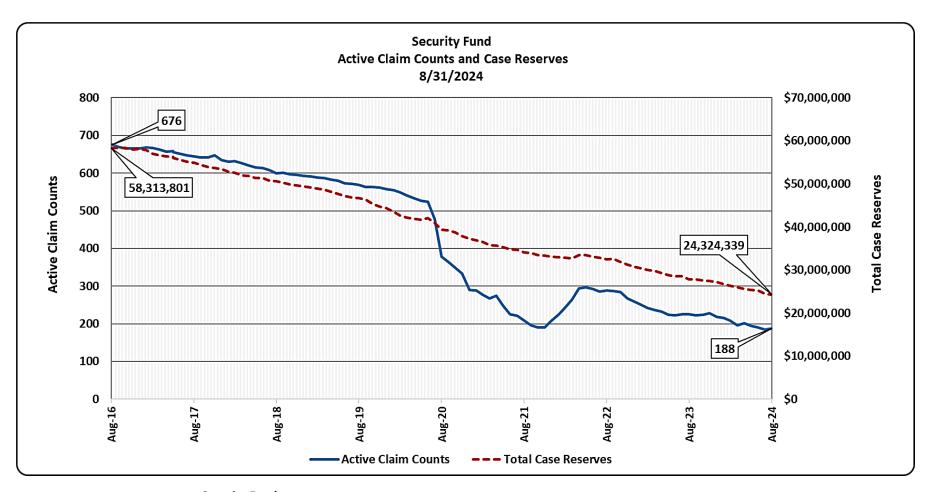
Uninsured Fund

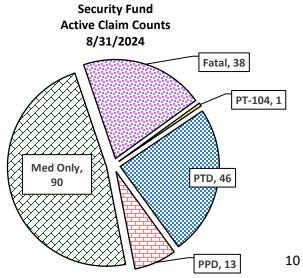


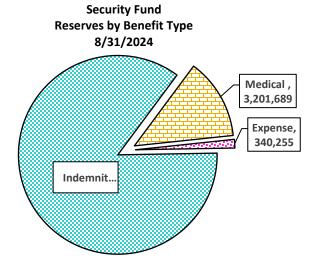
Reserves by Benefit Type











OLD FUND CASH STATEMENT AUGUST 31, 2024

Three Year History for years ended:

Ca	sh Beginning Balances	YTD FY2025 830,202,565	YTD FY2024 834,791,874	Change (4,589,309)	FY2024 834,791,874	FY2023 919,242,416	FY2022 1,080,592,100
Revenues Employer Premium Other Income		9,707	9,586	121	40,195 -	41,326 -	238,786
	Operating Revenues	9,707	9,586	121	40,195	41,326	238,786
Investment / Interest Earnings (Losses	;) _	19,734,721	29,436,100	(9,701,379)	86,594,939	(11,188,287)	(52,668,067)
	Total Revenues	19,744,428	29,445,686	(9,701,258)	86,635,134	(11,146,961)	(52,429,280)
Expenditures Claims Benefits Paid:							
Medical Permanent Total Disability		2,460,331 8,283,570	2,878,750 9,072,175	(418,419) (788,605)	14,966,677 52,493,813	14,732,152 57,045,856	14,588,442 63,031,618
Permanent Partial Disability		15,724	11,945	3,779	82,200	66,107	163,078
Temporary Disability		1,372	, <u>-</u>	1,372	-	-	, <u>-</u>
Fatals		2,830,478	2,654,984	175,494	15,351,375	16,153,932	17,124,757
104 weeks death benefit		430,266	1,037,754	(607,488)	4,272,093	4,611,340	6,011,709
Settlements		-	271,998	(271,998)	505,342	1,249,524	2,382,067
Loss Adjustment Expenses	-	123,769	104,342	19,426	610,318	899,017	1,284,295
Total		14,145,511	16,031,949	(1,886,439)	88,281,817	94,757,927	104,585,967
Less: Formulary Rebates		131,338	139,714	(8,377)	538,673	-	-
Less: Claims credits and overpayment	S _	8,206	58,334	(50,128)	397,531	550,422	454,800
Total Benefits Paid		14,005,968	15,833,901	(1,827,934)	87,345,614	94,207,505	104,131,167
Administrative Expenses		302,015	348,190	(46,176)	3,878,830	4,096,075	4,789,237
- (5.6)	Total Expenditures	14,307,982	16,182,091	(1,874,109)	91,224,443	98,303,580	108,920,405
Excess (Deficiency) of Reven	="	5,436,446	13,263,595	(7,827,149)	(4,589,309)	(109,450,541)	(161,349,685)
	er from Operating Fund	025 020 044	040.055.400	(40,440,450)		25,000,000	040 040 440
	Cash Ending Balances	835,639,011	848,055,469	(12,416,458)	830,202,565	834,791,874	919,242,416

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

COAL WORKERS PNEUMOCONIOSIS FUND AUGUST 31, 2024

Three Year History for years ended:

Cash Beginning Balances	YTD FY2025 200,485,305	YTD FY2024 196,484,406	Change 4,000,899	FY2024 196,484,406	FY2023 215,931,727	FY2022 246,613,162
Revenues	4,755,897	6,932,214	(2.476.240)	20 659 294	(4 EEO 179)	(44 424 222)
Investment Earnings (Losses) Other Income	4,755,697	0,932,214	(2,176,318) -	20,658,281	(1,550,178) -	(11,131,323) -
Total Revenues	4,755,897	6,932,214	(2,176,318)	20,658,281	(1,550,178)	(11,131,323)
Expenditures						
Claims Benefits Paid:						
Medical	472,990	268,283	204,708	2,155,296	2,799,907	6,033,252
PTD and Fatal Indemnity	1,937,924	1,691,164	246,761	10,859,596	10,613,261	9,518,418
Settlements	-	-	-	-	-	1,837
Loss Adjustment Expenses	797,443	615,502	181,942	3,720,334	4,660,713	3,513,844
Total	3,208,358	2,574,948	633,410	16,735,226	18,073,881	19,067,350
Less: Formulary Rebates	25,709	27,349	(1,640)	105,443	-	-
Less: Claims Credits and Overpayments	8,292	330,784	(322,492)	637,167	738,146	387,376
Total Benefits Paid	3,174,357	2,216,815	957,542	15,992,616	17,335,735	18,679,974
Administrative Expenses	113,040	107,980	5,060	664,765	561,407	870,138
Total Expenditures	3,287,397	2,324,795	962,602	16,657,381	17,897,142	19,550,112
Excess (Deficiency) of Revenues over Expenditures	1,468,499	4,607,419	(3,138,920)	4,000,899	(19,447,321)	(30,681,436)
Cash Ending Balances	201,953,805	201,091,825	861,981	200,485,305	196,484,406	215,931,727

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

SELF-INSURED GUARANTY RISK POOL AUGUST 31, 2024

Three Year History for years ended:

Cash Beginning Balances	YTD FY2025 40,026,888	YTD FY2024 36,425,695	Change 3,601,193	FY2024 36,425,695	FY2023 37,187,942	FY2022 39,659,496
Revenues						
Guaranty Risk Pool Assessments	27,169	108,674	(81,506)	213,674	15,000	10,000
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	948,659	1,281,509	(332,850)	3,942,002	(209,276)	(1,884,585)
 Total Revenues	975,828	1,390,183	(414,355)	4,155,676	(194,276)	(1,874,585)
Expenditures						
Claims Benefits Paid:						
Medical	29,290	60,304	(31,013)	257,106	167,151	178,127
Permanent Total Disability	-	4,739	(4,739)	12,316	37,257	63,717
Permanent Partial Disability	-	9,190	(9,190)	52,003	33,839	83,562
Temporary Disability	-	-	-	-	-	-
Fatals	43,457	30,992	12,465	185,950	201,734	206,996
104 Weeks Death Benefit	1,837	5,880	(4,044)	35,280	26,460	-
Settlement Agreements	-	-	-	-	43,500	62,000
Non Awarded Partial Disability	-	-	-	-	-	-
Loss Adjustment Expenses	7,752	5,650	2,101	38,735	63,319	31,743
Total	82,335	116,755	(34,420)	581,389	573,261	626,144
Less: Formulary Rebates	991	1,054	(63)	4,063	-	-
Less: Claims Credits and Overpayments	-	-	-	22,843	409	53,649
Total Benefits Paid	81,345	115,701	(34,356)	554,483	572,851	572,495
Administrative Expenses	-	-	-	-	(4,880)	24,473
Total Expenditures	81,345	115,701	(34,356)	554,483	567,971	596,968
Excess (Deficiency) of Revenues over Expenditures	894,483	1,274,482	(379,999)	3,601,193	(762,247)	(2,471,554)
Cash Ending Balances	40,921,371	37,700,177	3,221,194	40,026,888	36,425,695	37,187,942

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

SELF-INSURED SECURITY RISK POOL AUGUST 31, 2024

Three Year History for years ended:

	YTD FY2025	YTD FY2024	Change	FY2024	FY2023	FY2022
Cash Beginning Balances	50,430,275	47,666,403	2,763,872	47,666,403	50,605,643	55,995,948
Revenues						
Security Risk Pool Assessments	-	-	-	150,000	-	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	1,195,617	1,680,781	(485,164)	5,070,845	(325,785)	(2,592,281)
Total Revenues	1,195,617	1,680,781	(485,164)	5,220,845	(325,785)	(2,592,281)
Expenditures						
Claims Benefits Paid:						
Medical	105,922	127,017	(21,095)	615,450	717,600	585,099
Permanent Total Disability	161,683	178,697	(17,014)	1,031,307	1,086,424	1,177,138
Permanent Partial Disability	-	977	(977)	8,996	8,906	11,540
Temporary Disability	-	-	-	-	-	-
Fatals	116,282	131,112	(14,830)	807,206	849,667	838,483
104 Weeks Death Benefit	1,678	10,271	(8,593)	30,662	35,632	50,458
Settlement Agreements	-	-	-	-	16,000	61,325
Loss Adjustment Expenses	7,275	5,800	1,476	24,558	39,671	36,980
Total	392,839	453,874	(61,035)	2,518,181	2,753,900	2,761,024
Less: Formulary Rebates	4,093	4,354	(261)	16,786	-	-
Less: Claims Credits and Overpayments	12,035	16,511	(4,476)	45,050	117,966	31,348
Total Benefits Paid	376,711	433,009	(56,298)	2,456,345	2,635,934	2,729,676
Administrative Expenses	30	-	30	627	(22,479)	68,348
Total Expenditures	376,741	433,009	(56,268)	2,456,972	2,613,455	2,798,024
Excess (Deficiency) of Revenues over Expenditures	818,876	1,247,772	(428,896)	2,763,872	(2,939,240)	(5,390,305)
Cash Ending Balances	51,249,151	48,914,175	2,334,977	50,430,275	47,666,403	50,605,643

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

UNINSURED EMPLOYERS FUND AUGUST 31, 2024

Three Year History for years ended:

Cash Beginning Balances	YTD FY2025 18,510,591	YTD FY2024 16,468,190	Change 2,042,401	FY2024 16,468,190	FY2023 16,195,294	FY2022 16,844,759
Revenues						
Fines and Penalties	97,768	59,771	37,997	488,794	477,594	341,220
Investment Earnings (Losses)	438,710	578,745	(140,034)	1,798,818	(74,574)	(828,855)
investment Lamings (Losses)	400,710	370,743	(140,004)	1,730,010	(14,514)	(020,000)
Total Revenues	536,478	638,516	(102,037)	2,287,612	403,021	(487,635)
Expenditures						
Claims Benefits Paid:						
Medical	1,330	4,819	(3,490)	192,619	46,236	118,279
Permanent Total Disability	-	-	-	-	-	-
Permanent Partial Disability	7,178	-	7,178	41,300	5,809	6,929
Temporary Disability	-	17,691	(17,691)	34,340	26,145	64,151
Fatals	2,133	3,302	(1,168)	12,067	-	19,201
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	2,000	-	2,000	6,000	54,000	22,000
Loss Adjustment Expenses	7,483	2,015	5,468	38,953	34,594	39,974
Total	20,124	27,828	(7,704)	325,279	166,784	270,534
Less: Employer Reimbursement	5,000	42,044	(37,044)	80,972	40,241	-
Less: Formulary Rebates	276	294	(18)	1,132	-	-
Less: Claims Credits and Overpayments	(79)	-	(79)	79	332	116,115
Total Benefits Paid	14,927	(14,509)	29,436	243,096	126,210	154,419
Administrative Expenses	30	-	30	2,115	3,915	7,410
Total Expenditures _	14,957	(14,509)	29,466	245,211	130,125	161,829
Excess (Deficiency) of Revenues over Expenditures	521,521	653,025	(131,504)	2,042,401	272,895	(649,465)
Cash Ending Balances _	19,032,112	17,121,215	1,910,897	18,510,591	16,468,190	16,195,294

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.

West Virginia Offices of the Insurance Commissioner



Coal Workers' Pneumoconiosis Fund Update

CWP Fund History

- The WV Coal Workers' Pneumoconiosis (CWP) Fund was established in 1973 in response to the passage of the Federal Coal Mine Health and Safety Act of 1969. As WV was monopolistic for state workers' compensation coverage at that time, coal employers had difficulty obtaining private insurance coverage for Federal Black Lung (FBL) liabilities.
- Participation by coal employers in the CWP Fund was always on a voluntary basis and WV was never monopolistic for FBL coverage.
- The coverage provided by the CWP Fund is limited to the federal black lung benefits granted under the Act. The United States Department of Labor (USDOL or federal DOL) administers the FBL claims.



CWP Fund History

- The CWP Fund closed to new subscribers on December 31, 2005. All claims payment obligations, including indemnity benefits, medical benefits, administrative, and all other expenses necessary for the administration and defense of awarded claims, where the date of last exposure (DLE) is on or before December 31, 2005, without regard to when the claim is filed, shall be an obligation of the Coal Workers' Pneumonoconiosis Fund. While the CWP fund no longer accepts new subscribers, if a claim is filed today with a DLE on or before December 31, 2005, then the CWP may be required to pay benefits in an awarded FBL claim.
- When the fund was closed to new subscribers, the CWP Fund had \$254,278,000 in net assets.
- An award made to a miner who was employed by a CWP covered employer with a Date of Last Exposure prior to January 1, 2006 can still be charged to the CWP Fund by the federal DOL.
- When claims for FBL benefits are filed, the federal DOL will determine who the potentially liable operator / "Responsible Operator" (RO) is.



Potentially Liable Operators

- Pursuant to §725.494 of the Act, there is a rebuttable presumption that a miner's disability or death arose during employment with the most recent employer who employed the miner for a cumulative period of one year.
- In the event that the most recent employer (or their insurance company) is not able to assume the liability (generally due to bankruptcy or insolvency), then the USDOL may name a successor operator to assume the claim.
- There is no limitation on the look back period to designate a potentially liable operator if the miner's employment included at least one working day after December 31, 1969.
- The Federal Black Lung Trust Fund only pays the claim if no other party exists to assume the liability.



Potentially Liable Operators

USDOL receives claim application from miner and authorizes a medical evaluation to determine pulmonary function or impairment.

If the medical evaluation determines the evidence supports an award of benefits:

- USDOL identifies one or more coal mine operators as the responsible operator (RO) and issues a Notice of Claim to the coal mine operator with 30 days to respond to the notice.
- If the USDOL cannot determine a responsible operator with black lung coverage, the claim is assigned to the Federal Trust Fund for benefit payments.

If the USDOL determines the WV CWP fund is the responsible operator, then the CWP Fund is mandated to pay all benefits.



Byrd Amendments

- H.R.3590 Patient Protection and Affordable Care Act was passed by Congress on March 23, 2010.
- The Act included amendments to the Black Lung Benefits Act. The amendments were commonly called the "Byrd Amendments".
- The Act restored two provisions that had been eliminated in 1981:
 - presumption of total disability or death due to pneumoconiosis where the miner had at least 15 years of underground (or comparable surface) coal mine employment and a totally disabling respiratory impairment
 - automatic entitlement to benefits for eligible survivors of miners who were awarded benefits based on lifetime claims.



Byrd Amendments

Byrd Amendments Implementation

Division of Coal Mine Workers' Compensation (DCMWC)

The Division of Coal Mine Workers' Compensation has issued a Final Rule implementing amendments to the Black Lung Benefits Act passed by Congress in 2010. Commonly called the Byrd Amendments after their sponsor, the late Senator Robert Byrd, the amendments restored two provisions that had been eliminated by the 1981 Amendments to the Act: 30 U.S.C. 92I(c)(4), which provides a presumption of total disability or death due to pneumoconiosis where the miner had at least 15 years of underground (or comparable surface) coal mine employment and a totally disabling respiratory impairment, and 30 U.S.C. 932(1), which provides automatic entitlement to benefits for eligible survivors of miners who were awarded benefits based on lifetime claims. The amendments are contained in Section 1556 of the Patient Protection and Affordable Care Act.

The Final Rule was published on September 25, 2013. The new regulations address

- automatic entitlement of certain survivors, including those whose claims were previously denied under the law in effect prior to the Byrd Amendments; and
- invocation and rebuttal standards for the reinstated 15-year presumption as it applies to both miners' and survivors' claims.

In addition, the regulations include several changes to obsolete or unnecessary rules, in accordance with Executive Order 13563.

The new regulations were effective October 25, 2013.



CWP Fund Assets

- The assets of the CWP Fund consist exclusively of premiums paid by coal employers and the investment earnings earned on those premiums.
- The assets of the CWP Fund have been invested with the WV Investment Management Board since the WVIMB was created.
- The investment earnings for the CWP Fund have been consistently positive over the years. The CWP Fund had investment earnings of \$20,658,281 in FY2024.
- As of June 30, 2024, the CWP Fund had \$200,485,305 in cash and invested assets.



FY2024 CWP Fund Cash Statement

				Three Year I	Three Year History for years ended:						
	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021					
Cash Beginning Balances	196,484,406	215,931,727	(19,447,321)	215,931,727	246,613,162	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					
s (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					



FY2023 Financial Statements

West Virginia Offices of the Insurance Commissioner
Schedule of Revenues, Expenses, and Change in Fund Net Position (Deficit) - Workers' Compensation
Information

For the Fiscal Year Ended June 30, 2023 (In Thousands)

ne 30, 2023	WC Old Fund Debt Reduction	Coal Workers' Pneumoconiosis	Uninsured Fund	Self-Insured Funds	Total
Operating Revenues					
Assessments	\$ -	\$ -	\$ 455	\$ 119	\$ 574
Employer Surcharge	96	-	-	-	96
Premium Revenue, Net	4	-	-	-	4
Other Operating Revenue	37				37
Total Operating Revenue	137		455	119	711
Operating Expenses and Claims Provision					
Claims and Claim Adjustment Provision					
(See Note 6)	(5,288)	32,308	(74)	(296)	26,650
General and Administration	3,999	626	5	(15)	4,615
Total Operating Expenses					
and Claims Provision	(1,289)	32,934	(69)	(311)	31,265
Operating (Loss) Income	1,426	(32,934)	524	430	(30,554)
Nonoperating Revenues					
Investment Earnings	42,183	10,567	862	4,455	58,067
Severance Tax, Net	14				14
Total Nonoperating Revenues	42,197	10,567	862_	4,455	58,081_
Change in Net Position (Deficit) before Transfers	43,623	(22,367)	1,386	4,885	27,527
Interfund Transfers	25,000				25,000
Change in Net Position (Deficit)	68,623	(22,367)	1,386	4,885	52,527
Total Net Position (Deficit) - Beginning of Year	(61,178)	61,748	13,369_	48,696	62,635
Total Net Position (Deficit) - End of Year	\$ 7,445	\$ 39,381	\$ 14,755	\$ 53,581	\$ 115,162



USDOL Black Lung Statistics

Black Lung PDO Claim Decisions at the District Director Level FY 2006-2023

Year	Total Approvals TF	Total Approvals RO	Total Approvals ¹	Merit Denials ^{2,4}	Non- merit Denials TF ^{3, 4}	Non- merit Denials RO ^{3, 4}	Total Denials	Part C TF Survivor Entitlements	Part C RO Survivor Entitlements	Part B Survivor Entitlements	Total Decisions	Approval Rate ⁵
FY 2006	118	521	639	4,109			4,109				4,748	13.46%
FY 2007	146	462	608	3,739			3,739				4,347	13.99%
FY 2008	114	446	560	2,186	473	1,197	3,856				4,416	20.39%
FY 2009	95	397	492	2,086	113	910	3,109				3,601	19.08%
FY 2010	77	432	509	2,096	126	978	3,200				3,709	19.54%
FY 2011	110	645	755	3,298	167	1,961	5,426				6,181	18.63%
FY 2012	97	632	729	2,565	229	1,780	4,574				5,303	22.13%
FY 2013	87	566	653	2,361	184	1,573	4,118				4,771	21.67%
FY 2014	92	518	610	2,664	224	1,719	4,607				5,217	18.63%
FY 2015	157	728	885	2,222	240	2,037	4,499				5,384	28.48%
FY 2016	249	877	1,126	2,706	364	2,150	5,220				6,346	29.38%
FY 2017	343	915	1,258	3,153	594	2,054	5,801				7,059	28.52%
FY 2018	285	1,113	1,398	2,761	542	1,975	5,278				6,676	33.61%
FY 2019	181	1,014	1,195	2,458	460	2,126	5,044				6,239	32.71%
FY 2020 ⁶	225	793	1,018	2,241	517	1,860	4,618	89	335	54	6,114	31.24%
FY 2021	204	684	888	1,879	515	1,723	4,117	172	352	30	5,559	32.09%
FY 2022	231	654	885	1,877	624	2,205	4,706	190	333	19	6,133	32.04%
FY 2023	169	638	807	1,696	496	1,855	4,047	148	341	27	5,370	32.24%

TF - Black Lung Disability Trust Fund liability

RO - Responsible coal mine operator liability

⁶ Beginning in FY2020 Survivor Entitlements are now reported.



Approvals do not include conversions of miner to survivor benefits under 422(I) of the Act.

² Merit denials: claims that received a Proposed Decision & Order (PDO) after all evidence is considered.

³ Non-merit denials: claims that are abandoned or withdrawn prior to a PDO.

⁴ Merit/non-merit categories were not quantified until FY 2008.

² Approval rate calculated using approved and denied claims and does not include withdrawn and abandoned claims (non-merit decisions) or survivor entitlements.

CWP Demographics

Living Miner						
Age Range	Claim Count	Total Reserves				
55 - 64	39	\$6,481,930				
65 - 74	363	\$71,716,136				
75 - 84	283	\$36,565,786				
85 - 94	50	\$3,914,428				
95 +	0	\$ 0				
Total	735	\$118,678,279				
Widow and/or Dependent Benefits						
All ages	540	\$61,017,845				

Total CWP Claims					
Total	1,275	\$179,696,124			

Data from FY2024 Sedgwick Year End Claims Template

Claim Count includes all claim statuses - Awarded, Paying, Denied, Notice of Claim

Total Reserves includes indemnity, medical and expense but not IBNR



CWP Claim Assignments

The OIC assigns FBL claims to a third-party administrator for processing if the OIC receives notice from the USDOL that the CWP Fund is being considered as a potentially liable operator. In FY2023, there were 336 assignments; in FY2024, there were 286 assignments.

Not all of the claims assigned to the TPA will be awarded and charged to the CWP Fund, however, it is necessary to engage a TPA and in most all cases, legal defense counsel, for all claim assignments.

The Federal Department of Labor does not permit the settlement of FBL claims. Accordingly, when a claim is awarded, it must be paid out as an annuity over the life of the claimant or their dependent.



Future Financial Issues

- Included annually in the Budget Request Future Financial Issues section: "The Coal Workers' Pneumoconiosis (CWP) Fund is more challenging and is being carefully monitored. As of June 30, 2024, the CWP Fund remains solvent although the increased claims costs and the resulting adverse actuarial development in the CWP Fund's estimated liabilities have eroded a portion of the Fund's net surplus."
- As of June 30, 2023, the CWP Fund had net assets of \$39,381,000.
- No additional funding for the CWP Fund is being sought or is recommended, as the CWP Fund is solvent.
- If the USDOL approval rate continues to increase, along with increased numbers of awards chargeable to the CWP Fund, a 3% 5% annual cost of living increase to benefits paid, and a 7% medical inflation increase in claim costs, it is possible that the current surplus may be depleted before all outstanding liabilities are paid. If this occurs, the State should consider requesting that the Federal Black Lung Trust Fund assume any future liabilities just as they would for any other insurer or self-insured employer that has become insolvent.



WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting October 31, 2024

Board of Treasury Investments

315 70th 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

OPERATING REPORT

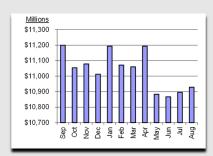
AUGUST 2024

Total Net Assets Under Management

\$10,928,779,000

Last Month \$10,895,176,000

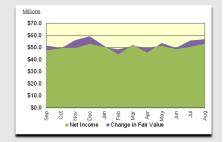
Beginning of Fiscal Year \$10,866,862,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year \$112,604,000



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

Money Market Pools

As of August 31, 2024

<u>Pool</u>	30-Day Avg. Yield *	<u>W.A.M.</u> **	Net Assets
WV Money Market	5.4058%	38 Days	\$9.6 Billion
WV Gov't Money Market	5.2508%	39 Days	\$506.4 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.

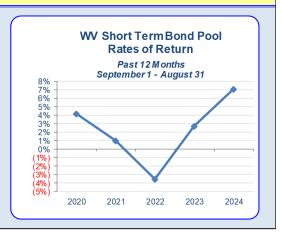
West Virginia Board of Treasury Investments Financial Highlights as of August 31, 2024

WV Short Term Bond Pool

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

September 1 - August 31	<u>Return</u>	Net Assets At Aug 31 <u>(In Millions)</u>		
2024	7.1%	\$ 696.1		
2023	2.7%	\$ 709.0		
2022	(3.6%)	\$ 693.0		
2021	1.0%	\$ 820.1		
2020	4.2%	\$ 814.7		

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	Aug Net Income (Loss)	Fiscal YTD Net Income (Loss)	
WV Money Market	\$ 9,648,586	\$ 47,404	\$	92,480
WV Gov't Money Market	506,414	2,513		4,756
WV Short Term Bond	696,083	6,620		14,817
Loans	35,829	100		205
Participant Accounts	41,867	181		346
	\$ 10,928,779	\$56,818	\$	112,604



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



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED AUGUST 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	\$ 9,626,909	\$ 510,794	\$ -	\$ 35,631	\$ 40,667	\$ 10,214,001
At fair value	-	-	692,207	-	1,022	693,229
Other assets	22,453	592	7,209	199 35,830	179	30,632
Total assets	9,649,362	511,386	699,416	35,830	41,868	10,937,862
Liabilities Accrued expenses, dividends payable &						
payables for investments purchased	776 776	4,972	3,333	1	1	9,083
Total liabilities	//6	4,972	3,333	1	1	9,083
Net Position Held in trust for investment pool participants Held in trust for individual investment	9,648,586	506,414	696,083	-	-	10,851,083
account holders				35,829	41,867	77,696
Total net position	\$ 9,648,586	\$ 506,414	\$ 696,083	\$ 35,829	\$ 41,867	\$ 10,928,779
Additions Investment income:						
Interest and dividends	\$ 22,209	\$ 1,192	\$ 2,767	\$ 100	\$ 181	\$ 26,449
Net (amortization) accretion	25,591	1,343	252	-	-	27,186
Provision for uncollectible loans	- 47.800	2.525	2.010	- 100	- 101	- 52 625
Total investment income	47,800	2,535	3,019	100	181	53,635
Investment expenses: Investment advisor, custodian bank &	205					
administrative fees Total investment expenses	396 396	22	43			461
Total investibilit expenses						
Net investment income	47,404	2,513	2,976	100	181	53,174
Net realized gain (loss) from investments Net increase (decrease) in fair value of	-	-	269	-	-	269
investments	-	-	3,375	-	-	3,375
Net increase (decrease) in net position	47.404	2.512	6.620	100	101	56 919
from operations	47,404	2,513	6,620	100	181	56,818
Participant transaction additions: Purchase of pool units by participants Reinvestment of pool distributions	1,269,040 47,404	22,030 2,513	- 2,789	- -	- -	1,291,070 52,706
Contributions to individual investment accounts	_	_	_	_	160	160
Total participant transaction additions	1,316,444	24,543	2,789		160	1,343,936
Total additions	1,363,848	27,056	9,409	100	341	1,400,754
Deductions						
Distributions to pool participants:						
Net investment income	47,404	2,513	2,977	-	-	52,894
Net realized gain (loss) from investments	47.404	2,513	269			53,163
Total distributions to pool participants	47,404	2,313	3,246	-	-	33,103
Participant transaction deductions: Redemption of pool units by participants Withdrawals from individual investment	1,271,798	41,924	-	-	-	1,313,722
accounts				106	160	266
Total participant transaction deductions	1,271,798	41,924		106	160	1,313,988
Total deductions	1,319,202	44,437	3,246	106	160	1,367,151
Net increase (decrease) in net position from operations	44,646	(17,381)	6,163	(6)	181	33,603
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	44,646 9,603,940 \$ 9,648,586	(17,381) 523,795 \$ 506,414	6,163 689,920 \$ 696,083	(6) 35,835 \$ 35,829	181 41,686 \$ 41,867	33,603 10,895,176 \$ 10,928,779
1	÷ -,0,500	. 500,.11	0,000	- 55,027	- 11,007	÷,- 20,777