



# JOINT COMMITTEE ON GOVERNMENT AND FINANCE

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AUGUST 20, 2020

# REPORTS SUMMARY

# 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*

July 24, 2020

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

- West Virginia Lottery as of June 30, 2020:  
Gross profit year to date was \$424 million. Gross profit for fiscal year 2019 was \$527 million.
- West Virginia Unemployment Compensation Fund as of June 30, 2020:  
Total disbursements were \$ 1.2 billion higher than in fiscal year 2019. Overall ending trust fund balance was \$195.5 million lower on June 30, 2020 than on June 30, 2019.
- General Revenue Fund as of June 30, 2020  
The general revenue collections ended the final month of fiscal year 2020 at 96% of the estimate for the year.
- State Road Fund as of June 30, 2020:  
The state road fund collections ended the final month of fiscal year 2020 at 99.8% of the estimate for the year.

# LOTTERY

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: June 20, 2020

Re: Review of West Virginia Lottery Financial Information  
As of June 30, 2020

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for June 30, 2020, 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 \$955.7 million for July - June 2020. Table games accounted for \$27.1 million of this total. Historic Resort Hotel video lottery accounted for \$5.2 million of total gross receipts. Gross lottery revenue has decreased by 16.4% when compared with July - June of fiscal year 2018-2019. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July - June was \$424 million; for July - June of last fiscal year it was \$527 million. Expressed as a percentage, gross profit is 19.6% lower for fiscal year 2020 than for fiscal year 2019.

Lottery continued

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

A total of \$406,397,000.00 has been accrued to the state of West Virginia for fiscal year 2019-2020. 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	\$63,606,000.00
Community and Technical College	\$4,998,000.00
Department of Education	\$18,883,000.00
Library Commission	\$11,514,000.00
Higher Education-Policy Commission	\$7,265,000.00
Tourism	\$6,732,000.00
Department of Natural Resources	\$3,443,000.00
Division of Culture and History	\$4,115,000.00
General Revenue Fund	\$0.00
Economic Development Authority	\$9,994,000.00
School Building Authority	\$18,000,000.00
<b><u>SUBTOTAL BUDGETARY TRANSFERS</u></b>	<b>\$166,845,000.00</b>

Lottery continued

**Excess Lottery Fund**

Economic Development Fund	\$21,021,000.00
Higher Education Improvement Fund	\$15,000,000.00
General Purpose Fund	\$52,322,000.00
Higher Education Improvement Fund	\$23,344,000.00
State Park Improvement Fund	\$1,211,000.00
School Building Authority	\$18,993,000.00
Refundable Credit	\$9,910,000.00
WV Racing Commission	\$1,609,000.00
WV DHHR	\$0.00
Teacher's Retirement Savings	\$0.00
Division of Human Services	\$17,000,000.00
WV Lottery Statutory Transfers	\$49,121,000.00
Economic Development Authority	\$4,395,000.00
General Revenue Fund	\$29,658,000.00
Office of Technology	\$0.00
Excess Lottery Surplus	\$0.00
WV Infrastructure Council Fund	\$38,198,000.00
<b>Total State Excess Lottery Revenue Fund</b>	<b>\$281,782,000.00</b>

Total Budgetary Distributions:	\$448,627,000.00
Veterans Instant Ticket Fund	\$762,000.00
<b>TOTAL TRANSFERS</b>	<b>*\$449,389,000.00</b>

\* CASH BASIS

Lottery continued

Total Accrued last FY 2019:	\$162,718,000.00
Total Cash Distributions FY 2020:	\$449,389,000.00
Applied to FY 2019:	\$162,718,000.00
Applied to FY 2020:	\$286,671,000.00
Accrued for FY 2020 as of June 30:	\$119,726,000.00



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

A handwritten signature in blue ink, appearing to read "John A. Myers", is written over the "FROM:" line of the memorandum.

RE: Monthly Report on Lottery Operations  
Month Ending June 30, 2020

DATE: July 17, 2020

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

Financial statements of the Lottery for the month ending June 30, 2020 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, was \$103,741,270 for the month of June.

Transfers of lottery revenue totaling \$38,455,732 made for the month of June 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 11 on pages 19 and 20 of the attached financial statements.

The number of traditional and limited retailers active as of June 30, 2020 was 1,498 and 1,230 respectively.

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

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

JAM  
Attachment

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

**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**June 30, 2020**

**WEST VIRGINIA LOTTERY**

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

ASSETS	June 30, 2020	June 30, 2019
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 127,527	\$ 190,837
Accounts receivable	156,995	33,581
Inventory	539	641
Other assets	2,167	1,790
Total Current Assets	<u>287,228</u>	<u>226,849</u>
Capital assets	61,552	61,552
Less accumulated depreciation and amortization	<u>(16,844)</u>	<u>(15,179)</u>
Net Capital Assets	<u>44,708</u>	<u>46,373</u>
Total Noncurrent Assets	<u>44,708</u>	<u>46,373</u>
Total Assets	<u>\$ 331,936</u>	<u>\$ 273,222</u>
Deferred outflows of resources	<u>\$ 1,306</u>	<u>\$ 1,306</u>
Total assets and deferred outflows	<u>\$ 333,242</u>	<u>\$ 274,528</u>
<b>Current Liabilities:</b>		
Accrued nonoperating distributions to the State of West Virginia	\$ 119,726	\$ 162,718
Estimated prize claims	123,916	14,918
Accounts payable	2,380	2,260
Other accrued liabilities	30,621	37,345
Total Current Liabilities	<u>276,643</u>	<u>217,241</u>
Deferred inflows	<u>\$ 1,666</u>	<u>1,666</u>
<b>Net Position:</b>		
Net Investment in capital assets	44,708	46,373
Unrestricted	<u>10,225</u>	<u>9,248</u>
Total Net Position	<u>54,933</u>	<u>55,621</u>
Total net position, liabilities, and deferred inflows	<u>\$ 333,242</u>	<u>\$ 274,528</u>

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

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**FOR THE TEN MONTH PERIOD ENDED JUNE 30, 2020**  
(In Thousands)  
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2020	FY 2019	FY 2020	FY 2019
Lottery revenues				
On-line games	\$ 5,168	\$ 5,656	\$ 61,195	\$ 84,501
Instant games	16,251	9,679	145,436	115,596
Racetrack video lottery	38,998	43,097	384,972	506,647
Limited video lottery	40,886	32,112	329,844	392,330
Table games	1,889	2,901	27,144	35,530
Historic resort	495	511	5,229	7,350
Sports Wagering	55	44	1,915	1,193
	<u>103,742</u>	<u>94,000</u>	<u>955,735</u>	<u>1,143,147</u>
Less commissions				
On-line games	364	385	4,288	5,910
Instant games	1,138	677	10,181	8,076
Racetrack video lottery	18,847	20,582	203,211	261,875
Limited video lottery	20,034	15,735	161,623	192,242
Table games	801	1,230	11,513	15,070
Historic resort	283	255	2,735	3,787
	<u>41,467</u>	<u>38,864</u>	<u>393,551</u>	<u>486,960</u>
Less on-line prizes	2,376	2,790	30,136	41,909
Less instant prizes	10,987	6,462	97,717	77,337
Less ticket costs	145	104	1,430	1,447
Less vendor fees and costs	864	776	8,854	8,128
	<u>14,372</u>	<u>10,132</u>	<u>138,137</u>	<u>129,021</u>
Gross profit	<u>47,903</u>	<u>45,004</u>	<u>424,047</u>	<u>527,166</u>
Administrative expenses				
Advertising and promotions	195	289	3,923	4,714
Wages and related benefits	1,441	599	11,242	10,338
Telecommunications	72	95	477	887
Contractual and professional	353	953	5,920	6,798
Rental	29	17	211	203
Depreciation and amortization	138	139	1,665	1,674
Other administrative expenses	260	240	2,416	1,574
	<u>2,488</u>	<u>2,332</u>	<u>25,854</u>	<u>26,188</u>
Other Operating Income	<u>8,629</u>	<u>600</u>	<u>12,810</u>	<u>11,975</u>
Operating Income	<u>54,044</u>	<u>43,272</u>	<u>411,003</u>	<u>512,953</u>
Nonoperating income (expense)				
Investment income	250	475	3,549	3,964
Distributions to municipalities and counties	(801)	(629)	(6,465)	(7,689)
Distributions -capital reinvestment	(593)	(9,545)	(2,378)	(13,664)
Distributions to the State of West Virginia	(53,588)	(33,151)	(406,397)	(495,142)
	<u>(54,732)</u>	<u>(42,850)</u>	<u>(411,691)</u>	<u>(512,531)</u>
Net income	<u>(688)</u>	<u>422</u>	<u>(688)</u>	<u>422</u>
Net position, beginning of period	<u>55,621</u>	<u>55,199</u>	<u>55,621</u>	<u>55,199</u>
Net position, end of period	<u>\$ 54,933</u>	<u>\$ 55,621</u>	<u>\$ 54,933</u>	<u>\$ 55,621</u>

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

**WEST VIRGINIA LOTTERY  
STATEMENTS OF CASH FLOWS  
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2020**

(In Thousands)  
-Unaudited-

	2020	2019
<b>Cash flows from operating activities:</b>		
Cash received from customers and other sources	\$ 845,131	\$ 1,153,476
Cash payments for:		
Personnel costs	(11,083)	(10,350)
Suppliers	(13,225)	(14,217)
Other operating costs	(423,095)	(616,563)
Cash provided by operating activities	<u>397,728</u>	<u>512,346</u>
<b>Cash flows from noncapital financing activities:</b>		
Nonoperating distributions to the State of West Virginia	(449,389)	(453,285)
Distributions to municipalities and counties	(6,293)	(7,672)
Distributions to racetrack from racetrack cap. reinv. fund	(8,606)	(9,878)
Cash used in noncapital financing activities	<u>(464,288)</u>	<u>(470,835)</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Investment earnings received	<u>3,250</u>	<u>3,330</u>
Cash provided by investing activities	<u>3,250</u>	<u>3,330</u>
Increase (decrease) in cash and cash equivalents	(63,310)	44,841
Cash and cash equivalents - beginning of period	<u>190,837</u>	<u>146,661</u>
Cash and cash equivalents - end of period	<u>\$ 127,527</u>	<u>\$ 191,502</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 411,003	\$ 512,716
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,665	1,674
Pension Expense	-	666
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(123,414)	(1,445)
(Increase) decrease in inventory	102	(112)
(Increase) decrease in other assets	(78)	19
(Increase) decrease in deferred outflow of resources		166
Increase (decrease) in estimated prize claims	108,998	(865)
Increase (decrease) in accounts payable	120	679
Increase (decrease) in other accrued liabilities	(668)	(1,234)
Increase (decrease) in deferred inflows	-	82
Cash provided by operating activities	<u>\$ 397,728</u>	<u>\$ 512,346</u>

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

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

**NOTE 1 - LEGISLATIVE ENACTMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**COMPENSATED ABSENCES** – The Lottery has accrued \$813,247 and \$654,712 at June 30, 2020 and 2019, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in another postemployment benefits plan.

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

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

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

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

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At June 30, 2020 the carrying amounts of deposits (overdraft) with financial institutions were \$498 thousand with a bank balance (overdraft) of \$589 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):

	June 30, 2020	June 30, 2019
Deposits with financial institutions	\$ 498	\$ 448
Cash on hand at the Treasurer's Office	15,589	12,689
Investments with BTI reported as cash equivalents	111,440	177,700
	\$ 127,527	\$ 190,837

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

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

**NOTE 4 – CAPITAL ASSETS**

A summary of capital asset activity for the month ended June 30, 2020 is as follows (in thousands):

**Capital Assets:**

	Historical Cost At June 30, 2019	Additions	Deletions	Historical Cost At June 30, 2020
Construction in Progress	\$ 629	\$ -	\$ -	\$ 629
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	10,999	-	-	10,999
	<u>\$ 61,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,552</u>

**Accumulated Depreciation:**

	Historical Cost At June 30, 2019	Additions	Deletions	Historical Cost At June 30, 2020
Buildings	\$ 7,699	\$ 1,233	\$ -	\$ 8,932
Equipment	7,480	432	-	7,912
	<u>\$ 15,179</u>	<u>\$ 1,665</u>	<u>\$ -</u>	<u>\$ 16,844</u>

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

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

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, LOTTO AMERICA®, and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended June 30, 2020 and fiscal year-to-date is as follows:

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

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,432,093	\$ 21,977,553
Lotta America	353,464	4,593,875
Mega Millions	1,398,019	13,446,828
Total	\$ 3,183,576	\$ 40,018,256

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 719,150	\$ 11,035,207
Lotta America	176,733	1,804,924
Mega Millions	699,061	6,724,330
Total	\$ 1,594,944	\$ 19,564,461

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

	<u>PowerBall</u>	<u>Lotto America</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$125,000,000	\$9,000,000	\$45,000,000

At June 30, 2020, the Lotteries share of the prize reserve fund balances were as follows:

<u>Game</u>	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 121,889,347	\$ 1,551,961
Lotto America	4,264,072	317,294
Mega Millions	89,579,474	957,427
Total	\$ 215,732,893	\$ 2,826,682

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

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

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

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$18,113,814 at June 30, 2020, of which the Lottery's share was \$1,414,345.

**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 (57%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (46.5%); other private entities associated with the racing industry (8.7%); and the local county and municipal governments (2%). The remaining revenues (42.8%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 11 titled "Nonoperating Distributions to the State of West Virginia."

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

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

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

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

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

**NOTE 6 - RACETRACK VIDEO LOTTERY (continued)**

The remaining net terminal revenue (51%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 11.

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 June 30, 2020 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2020	2019	2020	2019
Total credits played	\$ 401,074	\$ 466,712	\$ 4,244,096	\$ 5,536,265
Credits (prizes) won	(358,482)	(417,109)	(3,801,989)	(4,957,776)
Promotional credits played	(3,594)	(6,506)	(57,135)	(73,070)
MWAP Contributions	-	-	-	1,228
Gross terminal income	38,998	43,097	384,972	506,647
Administrative costs	(720)	(659)	(12,596)	(14,740)
Net Terminal Income	38,278	42,438	372,376	491,907
Less distribution to agents	(18,847)	(20,582)	(203,211)	(261,875)
Racetrack video lottery revenues	<u>\$ 19,431</u>	<u>\$ 21,856</u>	<u>\$ 169,165</u>	<u>\$ 230,032</u>

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

	June 30, 2020	Year-to-Date
State Lottery Fund	\$ 5,183	\$ 91,892
State Excess Lottery Revenue Fund	13,486	74,882
Capital Reinvestment Fund	762	2,391
Total nonoperating distributions	<u>\$ 19,431</u>	<u>\$ 169,165</u>

**NOTE 7 - LIMITED VIDEO LOTTERY**

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

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

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

stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited 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 June 30, 2020 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2020	2019	2020	2019
Total credits played	\$ 530,292	\$ 411,387	\$ 4,223,766	\$ 4,991,127
Credits (prizes) won	(489,406)	(379,275)	(3,893,922)	(4,598,797)
Gross terminal income	\$ 40,886	\$ 32,112	\$ 329,844	\$ 392,330
Administrative costs	(818)	(642)	(6,597)	(7,847)
Gross Profit	40,068	31,470	323,247	384,483
Commissions	(20,034)	(15,735)	(161,623)	(192,242)
Municipalities and Counties	(801)	(629)	(6,465)	(7,689)
Limited video lottery revenues	<u>\$ 19,233</u>	<u>\$ 15,106</u>	<u>\$ 155,159</u>	<u>\$ 184,552</u>

**NOTE 8 – TABLE GAMES**

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

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

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

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

**NOTE 8 – TABLE GAMES (continued)**

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

The cash transferred to the State Excess Lottery Revenue Fund in the current month is included in Note 11- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended June 30, 2020 were \$5,396,649 and \$77,554,634, 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	
	2020	2019	2020	2019
Table Games Privilege Tax	\$ 1,889	\$ 2,901	\$ 27,144	\$ 35,530
Interest on Table Games Fund	1	5	46	65
Administrative costs	(162)	(249)	(2,327)	(3,045)
Total Available for Distribution	1,728	2,657	24,863	32,550
<u>Less Distributions:</u>				
Racetrack Purse Funds	121	186	1,745	2,284
Thoroughbred & Greyhound Development Funds	97	149	1,396	1,827
Racing Association Pension Plan	48	73	684	896
Municipalities/ Counties	535	822	7,688	10,063
Total Distributions	801	1,230	11,513	15,070
Excess Lottery Fund	\$ 927	\$ 1,427	\$ 13,350	\$ 17,480

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

**NOTE 9 – HISTORIC RESORT HOTEL**

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

Historic Resort Video Lottery

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

A summary of historic resort hotel video lottery revenues for the month ended June 30, 2020 and fiscal year-to-date follows (in thousands):

	2020	2019	2020	2019
Total credits played	\$ 7,947	\$ 6,491	\$ 67,204	\$ 82,927
Credits (prizes) won	(7,449)	(6,029)	(62,110)	(76,698)
Promotional credits played	(79)	(128)	(1,364)	(1,134)
Gross terminal income	419	334	3,730	5,095
Capital reinvestment	(20)	(16)	(175)	(239)
Excess Lottery Fund	(4)	(3)	(34)	(46)
Administrative costs	(23)	(18)	(201)	(275)
Hotel commissions	(177)	(141)	(1,578)	(2,155)
Net terminal income	195	156	1,742	2,380
Historic Resort Hotel Fund	125	100	1,108	1,513
Human Resource Benefit Fund	70	56	634	867

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

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

**Historic Resort Table Games**

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year ended June 30, 2020 were \$216,808 and \$4,281,893, 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	
	2020	2019	2020	2019
Table games privilege tax	\$ 76	\$ 177	\$ 1,499	\$ 2,255
Administrative Costs	(10)	(23)	(193)	(290)
Total Available for Distribution	66	154	1,306	1,965
Historic Resort Hotel Fund	55	129	1,092	1,643
Human Resource Benefit Fund	11	25	214	322

**Historic Resort Hotel Fund**

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

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

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

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 125	\$ 1,108
Historic Resort Table Games	55	1,092
Interest on Historic Resort Hotel Fund	1	9
Historic Resort Hotel Fund Net Income	181	2,209
Municipalities/ Counties	25	309
Excess Lottery Fund	156	1,900
Total Distributions	\$ 181	\$ 2,209

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

**NOTE 10– SPORTS WAGERING**

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

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

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

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

The Sports Wagering adjusted gross wagering receipts for the month and year-to-date periods ended June 30, 2020 were \$550,810 and \$19,146,699, 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	
	2020	2019	2020	2019
Sports Wagering Privilege Tax	\$ 55	\$ 44	\$ 1,915	\$ 1,193
Interest on Sports Waging Fund	-	-	-	-
Administrative Costs	(8)	(7)	(287)	(179)
<b>Total Available for Distribution</b>	<b>47</b>	<b>37</b>	<b>1,628</b>	<b>1,014</b>

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

**NOTE 11- 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, 2020 the State Legislature budgeted \$127,808,000 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000, \$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 \$6,101,112 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 June 30, 2020 the Lottery has accrued additional distributions of \$119,725,560. The Lottery is a non-appropriated state agency and therefore does not have a legally adopted annual budget.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>June 30, 2020</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$	\$ 4,998
Bureau of Senior Services	3,000	63,606
Department of Education		18,883
Library Commission		11,514
Higher Education-Policy Commission		7,265
Tourism		6,732
General Revenue	18,294	18,295
Natural Resources		3,443
Division of Culture & History		4,115
Economic Development Authority		9,994
School Building Authority		18,000
Total State Lottery Fund	\$ 21,294	\$ 166,845

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

**State Excess Lottery Revenue Fund:**

Economic Development Fund	\$	\$	21,021
Higher Education Improvement Fund			15,000
General Purpose Account	5,346		52,322
Higher Education Improvement Fund	2,385		23,344
State Park Improvement Fund	124		1,211
School Building Authority			18,993
Refundable Credit	672		9,910
WV Racing Commission	164		1,609
WV Department of Health and Human Resources			
Teacher's Retirement Savings			
Division of Human Services			17,000
WV Lottery Statutory Transfers	5,019		49,121
Economic Development Authority			4,395
General Revenue Fund			29,658
Office of Technology			
Excess Lottery Surplus			
West Va. Infrastructure Council	3,290		38,198
<b>Total State Excess Lottery Revenue Fund</b>	<b>\$ 17,000</b>	<b>\$</b>	<b>281,782</b>
<b>Total Budgetary distributions:</b>	<b>\$ 38,294</b>	<b>\$</b>	<b>448,627</b>
<b>Veterans Instant Ticket Fund</b>	<b>\$ 161</b>	<b>\$</b>	<b>762</b>
<b>Total nonoperating distributions to the State of West Virginia (cash basis)</b>	<b>\$ 38,455</b>	<b>\$</b>	<b>449,389</b>
<b>Accrued nonoperating distributions, beginning</b>	<b>(104,593)</b>		<b>(162,718)</b>
<b>Accrued nonoperating distributions, end</b>	<b>119,726</b>		<b>119,726</b>
	<b>\$ 53,588</b>	<b>\$</b>	<b>406,397</b>

**NOTE 12 – LEASES**

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the fiscal year-to-date ended June 30, 2020 and June 30, 2019 approximated \$211,270 and \$203,388 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 June 30, 2020 and June 30, 2019 approximated \$1,069,385 and \$1,099,449 respectively.

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

**NOTE 13 – COMMITMENTS**

For the years ended June 30, 2020 and 2019 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2020 and 2019, \$8,073,287 and \$8,535,120, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

**NOTE 14 - RETIREMENT BENEFITS**

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

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

Covered employees 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 13.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending June 30, 2020 and fiscal year-to-date are as follows (in thousands):

	<u>June 30, 2020</u>	<u>Year-to-Date</u>
Employee contributions	\$ 29	\$ 383
Lottery contributions	60	888
Total contributions	<u>\$ 89</u>	<u>\$ 1,271</u>

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

**NOTE 15 - RISK MANAGEMENT**

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

**WORKERS' COMPENSATION INSURANCE**

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

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

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

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

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

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

**SCHEDULE OF REVENUES AND NET REVENUES OF THE  
 LOTTERY FUND AND EXCESS LOTTERY FUND  
 FOR THE ELEVEN MONTH PERIOD ENDED JUNE 30, 2020  
 (In Thousands)**

	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
<b>Gross Revenues</b>				
Instant games	5,168	7,500	145,436	90,000
On-line games	16,251	5,033	61,195	60,400
Racetrack video lottery	38,998	35,348	384,972	444,000
Limited video lottery	40,886	27,921	329,844	349,600
Racetrack table games	1,889	2,259	27,144	29,300
Historic resort	495	318	5,229	4,400
Sports wagering	55	440	1,915	5,293
<b>Total gross revenues</b>	<b>103,742</b>	<b>78,819</b>	<b>955,735</b>	<b>982,993</b>
<b>Net Revenues - Lottery Fund and Excess Lottery Fund</b>				
<b>Lottery Fund</b>				
Instant games	1,866	870	17,901	10,445
On-line games	1,714	1,445	18,915	17,335
Racetrack Video Lottery	5,187	4,529	92,522	95,528
Sports wagering	47	166	1,615	1,997
<b>Total Lottery Fund net revenues</b>	<b>8,814</b>	<b>7,010</b>	<b>130,953</b>	<b>123,308</b>
<b>Excess Lottery Fund</b>				
Racetrack Video Lottery	-	12,466	61,757	101,333
Limited Video Lottery	19,456	13,134	158,639	164,452
Limited Video Lottery Fees	8,023	-	9,288	8,500
Racetrack table games	927	1,108	13,352	14,374
Historic resort	159	114	1,932	1,598
<b>Total Excess Lottery Fund Net Revenues</b>	<b>28,565</b>	<b>26,822</b>	<b>244,968</b>	<b>290,257</b>
<b>Total Net Revenues</b>	<b>37,379</b>	<b>33,832</b>	<b>375,921</b>	<b>413,565</b>

# GENERAL REVENUE

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: July 21, 2020

Re: Status of General Revenue Fund and State Road Fund as of  
June 30, 2020 (FY 20)

We have reviewed the cash flow of the West Virginia general revenue fund as of June 30, 2020 which is the final month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 96% of the estimate for the fiscal year. Total collections were \$198.8 million below the estimate for the fiscal year.

Personal Income Tax collections were \$207 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$3.7 million below the estimate for the year.

Severance Tax was \$93.2 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$15 million above the estimate for the fiscal year.

**State Road Fund**

The state road fund collections were 99.8% of the estimate for the fiscal year. Total collections were \$1.6 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 \$375,041,673.22 as of June 30, 2020.

Balance July 1, 2019	268,964,086.07
Loan-General Revenue Fund 7-1-19	70,000,000.00
Loan Payment 8-31-19	(70,000,000.00)
Fiscal year 19 surplus	18,429,034.70
Earnings	87,648,552.45
Balance June 30, 2020	375,041,673.22

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$482,975,560.82 as of June 30, 2020.

Balance July 1, 2019	454,257,811.92
Earnings	28,717,748.90
Balance June 30, 2020	482,975,560.82

The **Personal Income Tax Reserve** Fund had a \$11 million cash balance as of June 30, 2020.

Balance July 1, 2019	11,000,000.00
Balance June 30, 2020	11,000,000.00

**STATE OF WEST VIRGINIA  
REVENUE COLLECTIONS  
FISCAL YEAR 2020  
as of June 30, 2020**

**GENERAL REVENUE FUND**

	MONTH ESTIMATES	<b>FINAL</b> ACTUAL MONTH COLLECTIONS	MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	<b>FINAL</b> ACTUAL YTD COLLECTIONS	YTD COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
Personal Income Tax	\$ 209,900,000	\$ 180,386,098	\$ (29,513,902)	\$ 2,154,880,000	\$ 1,947,945,588	\$ (206,934,412)	90%
Consumer Sales Tax & Use Tax	150,760,000	161,087,522	10,327,522	1,390,260,000	1,386,570,806	(3,689,194)	100%
Severance Tax	36,800,000	18,896,583	(17,903,417)	360,240,000	267,048,707	(93,191,293)	74%
Corporate Net Income Tax	23,780,000	10,112,718	(13,667,282)	136,980,000	151,988,009	15,008,009	111%
Insurance Tax	300,000	2,410,360	2,110,360	131,800,000	129,358,483	(2,441,517)	98%
Tobacco Products Tax	15,400,000	15,203,739	(196,262)	177,000,000	168,749,566	(8,250,434)	95%
Business and Occupation	11,200,000	14,691,599	3,491,599	123,000,000	137,346,516	14,346,516	112%
Liquor Profit Transfers	2,800,000	4,634,950	1,834,950	21,000,000	25,727,232	4,727,232	123%
Departmental Collections	1,400,000	1,546,876	146,876	24,000,000	23,483,824	(516,176)	98%
Property Transfer Tax	1,200,000	818,574	(381,426)	12,300,000	12,186,810	(113,190)	99%
Property Tax	230,000	205,180	(24,820)	7,200,000	7,392,105	192,105	103%
Beer Tax and Licenses	1,200,000	861,424	(338,576)	7,600,000	7,336,077	(263,923)	97%
Miscellaneous Transfers	650,000	57,000,000	56,350,000	1,700,000	59,106,385	57,406,385	3477%
Interest Income	2,000,000	4,070,724	2,070,724	30,000,000	39,207,732	9,207,732	131%
Refundable Credit Reimb Liability	-	671,600	671,600	10,000,000	9,909,345	(90,655)	99%
HB 102 - Lottery Transfers	4,786,000	5,346,029	560,029	65,000,000	52,322,624	(12,677,376)	80%
Miscellaneous	1,200,000	5,186,144	3,986,144	11,000,000	23,405,038	12,405,038	213%
Business Franchise Fees	50,000	80,888	30,888	680,000	697,445	17,445	103%
Estate & Inheritance Tax	-	-	-	-	-	-	0%
Liquor License Renewal	5,000,000	22,956,238	17,956,238	29,000,000	44,687,710	15,687,710	154%
Special Revenue Transfers	-	-	-	-	-	-	0%
Charter Tax	-	852	852	-	9,971	9,971	0%
Video Lottery Transfers	-	59,660	59,660	-	377,394	377,394	0%
July-Dec Retro Rev Adj	-	-	-	-	-	-	0%
Cash Flow Transfer	-	-	-	-	-	-	0%
<b>SUBTOTALS</b>	<b>\$ 468,656,000</b>	<b>\$ 506,227,757</b>	<b>\$ 37,571,757</b>	<b>\$ 4,693,640,000</b>	<b>\$ 4,494,857,367</b>	<b>\$ (198,782,633)</b>	
Less: Cash Flow Transfer	-	-	-	-	-	-	
Less: Special Revenue Transfer	-	-	-	-	-	-	
<b>TOTALS</b>	<b>\$ 468,656,000</b>	<b>\$ 506,227,757</b>	<b>\$ 37,571,757</b>	<b>\$ 4,693,640,000</b>	<b>\$ 4,494,857,367</b>	<b>\$ (198,782,633)</b>	

Percent of Estimates

108%

96%

Collections this day

\$ 67,400,491

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

July 01, 2020

**STATE OF WEST VIRGINIA  
COMPARISON OF REVENUE  
June 2019 vs June 2020**

**GENERAL REVENUE FUND**

	Actual Collections June 2019	Actual Collections June 2020	Actual Collections 12 Months July 2018-June 2019	Actual Collections 12 Months July 2019-June 2020	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
<b>Personal Income Tax</b>	\$ 200,481,263	\$ 180,386,098	\$ 2,096,807,291	\$ 1,947,945,588	\$ (148,861,703)	-7%
<b>Consumer Sales Tax &amp; Use Tax</b>	151,251,320	161,087,522	1,370,156,717	1,386,570,806	16,414,089	1%
<b>Severance Tax</b>	51,860,808	18,896,583	462,451,099	267,048,707	(195,402,392)	-42%
<b>Corporate Net Income Tax</b>	36,545,315	10,112,718	198,031,543	151,988,009	(46,043,534)	-23%
<b>Insurance Tax</b>	614,049	2,410,360	129,111,390	129,358,483	247,093	0%
<b>Tobacco Products Tax</b>	12,881,457	15,203,739	171,223,757	168,749,566	(2,474,191)	-1%
<b>Business and Occupation</b>	11,155,323	14,691,599	124,522,937	137,346,516	12,823,579	10%
<b>Liquor Profit Transfers</b>	3,467,375	4,634,950	23,039,469	25,727,232	2,687,763	12%
<b>Departmental Collections</b>	1,276,836	1,546,876	22,756,031	23,483,824	727,793	3%
<b>Property Transfer Tax</b>	1,166,538	818,574	12,852,830	12,186,810	(666,020)	-5%
<b>Property Tax</b>	126,673	205,180	7,038,597	7,392,105	353,508	5%
<b>Beer Tax and Licenses</b>	1,006,527	861,424	7,627,625	7,336,077	(291,548)	-4%
<b>Miscellaneous Transfers</b>	70,915	57,000,000	2,124,236	59,106,385	56,982,149	2682%
<b>Interest Income</b>	4,139,998	4,070,724	27,775,939	39,207,732	11,431,794	41%
<b>Refundable Credit Reimb Liability</b>	1,711,704	671,600	9,456,073	9,909,345	453,272	5%
<b>HB 102 - Lottery Transfers</b>	-	5,346,029	65,000,000	52,322,624	(12,677,376)	-20%
<b>Miscellaneous</b>	133,613	5,186,144	8,096,167	23,405,038	15,308,871	189%
<b>Business Franchise Fees</b>	63,424	80,888	766,943	697,445	(69,499)	-9%
<b>Estate &amp; Inheritance Tax</b>	-	-	-	-	-	0%
<b>Liquor License Renewal</b>	-	22,956,238	-	44,687,710	44,687,710	0%
<b>Special Revenue Transfers</b>	-	-	17,123,327	-	(17,123,327)	-100%
<b>Charter Tax</b>	1,149	852	10,102	9,971	(131)	-1%
<b>Video Lottery Transfers</b>	40,548	59,660	363,780	377,394	13,614	4%
<b>July-Dec Retro Rev Adj</b>	-	-	-	-	-	0%
<b>Cash Flow Transfer</b>	-	-	-	-	-	0%
<b>SUBTOTALS</b>	<b>\$ 477,994,836</b>	<b>\$ 506,227,757</b>	<b>\$ 4,756,335,853</b>	<b>\$ 4,494,857,367</b>	<b>\$ (261,478,486)</b>	
<b>Less: Cash Flow Transfer</b>	-	-	-	-	-	
<b>Less: Special Revenue Transfer</b>	-	-	17,123,327	-	(17,123,327)	
<b>TOTALS</b>	<b>\$ 477,994,836</b>	<b>\$ 506,227,757</b>	<b>\$ 4,739,212,526</b>	<b>\$ 4,494,857,367</b>	<b>\$ (244,355,159)</b>	
<b>Increase/Decrease over Prior Period</b>		<b>\$ 28,232,921</b>		<b>\$ (244,355,159)</b>		
<b>% Increase/Decrease over Prior Period</b>		<b>6%</b>		<b>-5%</b>		

Source: WV OASIS  
Prepared by: Legislative Auditor's Office, Budget Division  
July 21, 2020

**STATE OF WEST VIRGINIA  
REVENUE COLLECTIONS  
FISCAL YEAR 2020  
as of June 30, 2020**

**STATE ROAD FUND**

	MONTH ESTIMATES	<b>FINAL</b> NET MONTH COLLECTIONS	COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	<b>FINAL</b> NET YTD COLLECTIONS	YEARLY COLLECTIONS OVER ESTIMATES	YTD PERCENT COLLECTED
<b>Motor Fuel Tax</b>	\$ 34,400,000	\$ 29,014,700	\$ (5,385,300)	\$ 450,000,000	\$ 427,272,653	\$ (22,727,347)	95%
<b>Sales/Privilege Tax</b>	18,275,000	26,517,639	8,242,639	231,061,000	265,516,334	34,455,334	115%
<b>Licenses &amp; Registration</b>	17,619,000	16,782,728	(836,272)	143,682,000	122,723,736	(20,958,265)	85%
<b>Miscellaneous</b>	1,000,000	9,222,171	8,222,171	28,995,000	33,860,670	4,865,670	117%
<b>Highway Litter Control</b>	206,000	68,183	(137,817)	1,719,000	1,482,854	(236,146)	86%
<b>Less: Industrial Access Rd Trnsfer</b>	(3,000,000)	-	3,000,000	(3,000,000)	-	3,000,000	0%
<b>Federal Reimbursement</b>	37,410,000	16,988,872	(20,421,128)	467,400,000	405,496,082	(61,903,918)	87%
<b>SUBTOTALS</b>	<b>\$ 105,910,000</b>	<b>\$ 98,594,294</b>	<b>\$ (7,315,706)</b>	<b>\$ 1,319,857,000</b>	<b>\$ 1,256,352,328</b>	<b>\$ (63,504,672)</b>	
<b>Less: Federal Reimbursement</b>	37,410,000	16,988,872	(20,421,128)	467,400,000	405,496,082	(61,903,918)	
<b>TOTALS</b>	<b>\$ 68,500,000</b>	<b>\$ 81,605,422</b>	<b>\$ 13,105,422</b>	<b>\$ 852,457,000</b>	<b>\$ 850,856,247</b>	<b>\$ (1,600,753)</b>	

Percent of Estimates

119%

100%

Collections this day

\$ 6,974,183

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of June 30, 2020 : \$ 375,041,673.22

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of June 30, 2020: \$ 482,975,560.82

SPECIAL INCOME TAX REFUND RESERVE FUND as of June 30, 2020: \$ 11,000,000.00

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

July 01, 2020

**STATE OF WEST VIRGINIA  
COMPARISON OF REVENUE  
JUNE 2019 vs JUNE 2020**

**STATE ROAD FUND**

	Actual Collections June 2019	Actual Collections June 2020	Actual Collections 8 Months Jul 2018-June 2019	Actual Collections 8 Months Jul 2019-June 2020	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
<b>Gasoline &amp; Motor Carrier Rd Tax</b>	\$ 25,572,289	\$ 29,014,700	\$ 443,427,743	\$ 427,272,653	\$ (16,155,090)	-4%
<b>Privilege Tax</b>	19,838,982	26,517,639	236,137,401	265,516,334	29,378,933	12%
<b>Licenses &amp; Registration</b>	21,690,796	16,782,728	168,784,961	122,723,736	(46,061,226)	-27%
<b>Miscellaneous</b>	104,844,209	9,222,171	122,671,298	33,860,670	(88,810,628)	-72%
<b>Highway Litter Control</b>	207,020	68,183	1,665,591	1,482,854	(182,737)	-11%
<b>Federal Reimbursement</b>	26,598,416	16,988,872	366,919,938	405,496,082	38,576,144	11%
<b>SUBTOTALS</b>	<u>\$ 198,751,712</u>	<u>\$ 98,594,294</u>	<u>\$ 1,339,606,932</u>	<u>\$ 1,256,352,328</u>	<u>\$ (83,254,603)</u>	
<b>Less: Federal Reimbursement</b>	26,598,416	16,988,872	366,919,938	405,496,082	38,576,144	
<b>TOTALS</b>	<u><b>\$ 172,153,296</b></u>	<u><b>\$ 81,605,422</b></u>	<u><b>\$ 972,686,994</b></u>	<u><b>\$ 850,856,247</b></u>	<u><b>(121,830,747)</b></u>	
 <b>Increase/Decrease over Prior Period</b>		 <b>\$ (90,547,874)</b>		 <b>\$ (121,830,747)</b>		
 <b>% Increase/Decrease over Prior Period</b>		 <b>-52.6%</b>		 <b>-12.5%</b>		

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

July 21, 2020

# UNEMPLOYMENT COMPENSATION

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

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: July 24, 2020

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the June 30, 2020 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of June 30, 2020 of fiscal year 2019-2020, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2019	\$ 205,761,370.82
Receipts July 1, 2019 thru June 30, 2020	\$ 1,266,352,768.23
Disbursements July 1, 2019 thru June 30, 2020	\$ 1,461,866,218.06
Balance June 30, 2020	\$ 10,247,920.99

ITEMS OF NOTE:

Regular benefits paid for July - June 2020 were \$ 462.1 million more than July - June 2019.

Federal emergency benefits totaled approximately -\$20 thousand for July - June 2020. For July - June 2019, federal emergency benefits totaled approximately -\$35 thousand.

Total disbursements were \$ 1.2 billion more in July - June 2020 than the preceding July - June 2019.

Receipts as of July - June 2020, were \$ 1 billion more than in July - June 2019. Overall ending trust fund balance was \$195.5 million lower on June 30, 2020 than on June 30, 2019.

Seasonally adjusted unemployment rates for June 2020 were 10.4 percent for West Virginia and 11.1 percent nationally.

Since June 2019, employment has decreased by 56,300. Employment declines included 6,200 in educational and health services, 18,800 in leisure and hospitality, 9,100 in trade, transportation, and utilities, 3,000 in financial activities, 1,500 in government, 2,100 in other services, 5,800 in professional and business services, 2,100 in mining and logging, 1,400 in manufacturing, 5,400 in construction, and 900 in information.

July 24, 2020

William Spencer  
Budget Division  
Office of the Legislative Auditor  
Building 1, Room 332-West Wing  
1900 Kanawha Boulevard East  
Charleston, WV 25305-0590

RE: Monthly Status Report

Dear Mr. Spencer:

Please find attached, the Monthly Status Report for the Joint Committee on Government and Finance, Unemployment Compensation Trust Fund for the month of June 2020.

If you have any questions or need any additional information, please feel free to contact Jeff Perkins at 304-558-2631 or [Jeff.S.Perkins@wv.gov](mailto:Jeff.S.Perkins@wv.gov).

Sincerely,



Scott Adkins  
Acting Commissioner

SSA/ml

Enclosure

pc: Jim Justice

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1900 Kanawha Blvd. East \* Building 3 Suite 300 \* Charleston, WV 25305

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**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
FOR THREE MONTHS STARTING APRIL 2019 AND APRIL 2020**

	APRIL 2019	MAY 2019	JUNE 2019	APRIL 2020	MAY 2020	JUNE 2020	THREE MONTH TOTAL VARIANCE *
<b>Balance Forward</b>	<b><u>\$142,633,817.90</u></b>	<b><u>\$195,954,840.83</u></b>	<b><u>\$215,722,840.41</u></b>	<b><u>\$134,096,289.47</u></b>	<b><u>\$108,433,437.49</u></b>	<b><u>\$999,484.70</u></b>	<b><u>(\$310,782,287.47)</u></b>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$71,994,976.86	\$34,731,821.41	\$1,210,554.23	\$66,291,784.55	\$28,509,756.88	\$2,090,439.93	(\$11,045,371.14)
3. Federal Emergency Benefits (EUC08)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Federal Additional Compensation - FPUC	\$0.00	\$0.00	\$0.00	\$183,775,650.89	\$320,654,886.70	\$309,318,666.30	\$813,749,203.89
6. Pandemic Unemployment Assistance PUA	\$0.00	\$0.00	\$0.00	\$0.00	\$25,618,530.00	\$28,088,621.00	\$53,667,954.84
7. UCFE (Federal Agencies)	\$75,541.44	\$47,495.34	\$39,196.16	\$60,283.83	\$71,766.42	\$66,413.08	\$75,426.55
8. TSFR From Non-Invstd FUA	\$0.00	\$0.00	\$0.00	\$0.00	\$310,500.00	(\$788,193.50)	(\$477,693.50)
9. EUISAA	\$0.00	\$0.00	\$0.00	\$4,391,023.00	(\$258,965.74)	\$2,251,100.00	\$6,383,157.26
11. Treasury Interest Credits	\$0.00	\$0.00	\$1,153,015.15	\$0.00	\$0.00	\$416,353.60	(\$736,661.55)
12. UCX (Military Agencies)	\$28,293.74	\$27,977.63	\$36,344.45	\$109,833.66	\$104,068.21	\$134,468.39	\$255,754.44
13. Temporary Federal Compensation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$65,711,613.43	\$65,711,613.43
14. WV Senate Bill 558	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Receipts</b>	<b><u>\$72,098,812.04</u></b>	<b><u>\$34,807,294.38</u></b>	<b><u>\$2,439,109.99</u></b>	<b><u>\$254,628,575.93</u></b>	<b><u>\$375,010,542.47</u></b>	<b><u>\$407,289,482.23</u></b>	<b><u>\$927,583,384.22</u></b>
Less Disbursements:							
Debt Bond Repayment	(Retired) \$18,710,901.19	(Retired) \$14,981,435.34	(Retired) \$12,311,044.73	(Retired) \$89,355,305.04	(Retired) \$103,976,385.30	(Retired) \$68,852,905.51	(Retired) \$216,181,214.59
Regular Benefits:	\$0.00	\$0.00	\$0.00	\$0.00	\$4,833,781.90	\$5,850,728.97	\$10,684,510.87
Federal Emergency Compensation - PEUC	\$0.00	\$0.00	\$0.00	\$190,755,385.51	\$346,670,382.17	\$281,257,628.49	\$818,683,396.17
Federal Additional Compensation - FPUC	\$0.00	\$0.00	\$0.00	\$0.00	\$26,728,122.00	\$27,218,875.00	\$53,946,997.00
Pandemic Unemployment Assistance PUA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,195.00)	\$5,138.52
Federal Emergency Benefits (EUC08)	(\$1,602.00)	(\$7,209.52)	(\$1,290.00)	(\$1,645.00)	(\$1,123.00)	(\$0.00)	\$0.00
Emergency Benefits (TEUC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UCFE (Federal Workers) Benefits	\$45,911.93	\$34,247.24	\$42,577.86	\$74,358.83	\$113,033.27	\$70,893.05	\$135,548.12
UCX (Military Workers) Benefits	\$22,577.99	\$30,821.74	\$43,286.47	\$108,023.53	\$123,913.62	\$125,072.41	\$260,323.36
Title IX Funds- Withdrawn (Reed Act/UC Mod Incentive/Special Admin Tr)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,667,137.51	\$14,667,137.51
<b>Total Monthly Disbursements</b>	<b><u>\$18,777,789.11</u></b>	<b><u>\$15,039,294.80</u></b>	<b><u>\$12,395,619.06</u></b>	<b><u>\$280,291,427.91</u></b>	<b><u>\$482,444,495.26</u></b>	<b><u>\$398,041,045.94</u></b>	<b><u>\$1,336,248,318.44</u></b>
<b>Trust Fund Balance</b>	<b><u>\$195,954,840.83</u></b>	<b><u>\$215,722,840.41</u></b>	<b><u>\$205,766,331.34</u></b>	<b><u>\$108,433,437.49</u></b>	<b><u>\$999,484.70</u></b>	<b><u>\$10,247,920.99</u></b>	<b><u>(\$719,447,221.69)</u></b>

\* 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.

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

Borrowed on 3/11/2016	38,000,000.00
Repaid on 5/17/2016	(38,000,000.00)
Borrowed on 12/5/2016	50,000,000.00
Repaid on 5/4/2017	(50,000,000.00)
Outstanding Loan from Revenue Shortfall Reserve Fund	<u>\$0.00</u>

\*\*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.

WORKFORCE WV UNEMPLOYMENT  
COMP TRUST FUND

## UC TRUST FUND PROJECTIONS - 2020

### July 13, 2020

Month	Receipts	Disbursements	Trust Fund Balance
<b>2019</b>			
<b>Balance 1/1/2019</b>			<b>\$ 169,778,480</b>
<b>January</b>	\$ 18,647,223	\$ 18,646,454	\$ 169,779,249
<b>February</b>	\$ 9,889,316	\$ 20,023,154	\$ 159,645,411
<b>March</b>	\$ 2,774,046	\$ 19,785,639	\$ 142,633,818
<b>April</b>	\$ 72,098,812	\$ 18,777,789	\$ 195,954,841
<b>May</b>	\$ 34,807,294	\$ 15,044,255	\$ 215,717,880
<b>June</b>	\$ 2,439,110	\$ 12,395,619	\$ 205,761,371
<b>July</b>	\$ 29,658,539	\$ 14,743,004	\$ 220,676,906
<b>August</b>	\$ 16,306,281	\$ 11,870,943	\$ 225,112,244
<b>September</b>	\$ 2,611,872	\$ 11,826,363	\$ 215,897,753
<b>October</b>	\$ 18,083,785	\$ 14,068,890	\$ 219,912,648
<b>November</b>	\$ 9,137,672	\$ 16,064,310	\$ 212,986,010
<b>December</b>	\$ 2,104,755	\$ 23,288,743	\$ 191,802,022
<b>Totals - 2019</b>	<b>\$ 218,558,705</b>	<b>\$ 196,535,163</b>	<b>\$ 191,802,022</b>

<b>2020</b>			
<b>January</b>	\$ 14,847,151	\$ 26,915,654	\$ 179,733,519
<b>February</b>	\$ 7,317,928	\$ 25,997,514	\$ 161,053,933
<b>March</b>	\$ 2,375,894	\$ 29,333,537	\$ 134,096,290
<b>April</b>	\$ 66,461,903	\$ 89,536,043	\$ 111,022,150
<b>May</b>	\$ 28,685,591	\$ 104,212,209	\$ 35,495,532
<b>June</b>	\$ 1,252,599	\$ 68,886,846	\$ (32,138,715)
<b>July</b>	\$ 14,829,270	\$ 49,582,476	\$ (66,891,921)
<b>August</b>	\$ 8,153,141	\$ 41,548,301	\$ (100,287,081)
<b>September</b>	\$ 1,305,936	\$ 35,479,089	\$ (134,460,234)
<b>October</b>	\$ 12,658,650	\$ 35,172,225	\$ (156,973,809)
<b>November</b>	\$ 6,396,370	\$ 32,128,620	\$ (182,706,059)
<b>December</b>	\$ 1,473,329	\$ 34,933,115	\$ (216,165,845)
<b>Totals - 2020</b>	<b>\$ 165,757,762</b>	<b>\$ 573,725,629</b>	<b>\$ (216,165,845)</b>

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

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BRIM

PEIA

REAL ESTATE REPORT

**Board of Risk and Insurance  
Management (BRIM)**

**July 2020**

**Interim Packet**

**West Virginia Board of Risk and Insurance Management  
Unaudited Statement of Net Position and  
Statement of Revenues, Expenses and Changes in Net Position  
For the Eleven Months Ending May 31, 2020**

**Talking Points for July 2020 Joint Committee on Government and Finance**

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1. **Premium Revenue** thru May reflects the premiums earned for the first eleven months of the fiscal year. Premium revenue has decreased by about \$0.5 million for FY'20 based on the actuarially projected decrease in loss pics for the current year.
2. **Claims Expense** reflects all claims payments made thru May plus reserve increases. Net claims payments for the current fiscal year to date are \$9.3 million less than the prior year. Claims reserves and IBNR provisions have increased claims expense by \$19.9 million for the current year vs. a \$10.1 increase last year. The net result of these changes is claims expense is \$0.5 million higher for the current year.
3. **Investment Income** for fiscal year 2020 reflects net earnings of \$18.6 million for the first eleven months and is \$3.7 million more than last year due to better overall returns on fixed income holdings this fiscal year.
4. BRIM has no un-funded liability and continues to pursue pro-active loss control initiatives.

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Eleven Months Ended May 31st

	<u>2020</u>	<u>2019</u>
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 24,831	\$ 33,242
Advance deposits with insurance company and trustee	252,782	222,498
Receivables	9,210	7,265
Prepaid insurance	576	521
Restricted cash and cash equivalents	20,947	17,053
Premiums due from other entities	1,112	878
Total current assets	<u>309,458</u>	<u>281,456</u>
Noncurrent assets:		
Equity position in internal investments pools	102,098	97,990
Restricted investments	58,961	56,589
Total noncurrent assets	<u>161,059</u>	<u>154,579</u>
Total assets	<u>470,517</u>	<u>436,035</u>
Deferred Outflows of Resources	373	438
Deferred Outflows of Resources - OPEB	65	44
<b>Liabilities</b>		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	62,656	50,453
Unearned premiums	16,276	16,724
Agent commissions payable	1,234	1,224
Claims Payable	143	3
Accrued expenses and other liabilities	3,389	3,504
Total current liabilities	<u>83,698</u>	<u>71,909</u>
Estimated unpaid claims and claims adjustment expense net of current portion	139,775	132,075
Compensated absences	124	122
Net pension liability	249	331
Total noncurrent liabilities	<u>140,148</u>	<u>132,528</u>
Total liabilities	<u>223,846</u>	<u>204,436</u>
Deferred Inflows of Resources	200	330
Deferred Inflows of Resources - OPEB	109	73
Net position:		
Restricted by State code for mine subsidence coverage	72,466	66,866
Unrestricted	157,204	149,745
Net Assets (Deficiency)	17,130	15,068
Net position	<u>\$ 246,800</u>	<u>\$ 231,679</u>

*Unaudited*

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

For the Eleven Months Ended May 31st

	2020	2019
	<i>(In Thousands)</i>	
<b>Operating revenues</b>		
Premiums	\$ 76,238	\$ 76,737
Less coverage/reinsurance programs	(6,340)	(6,106)
Net operating revenues	69,898	70,631
 <b>Operating expenses</b>		
Claims and claims adjustment expense	66,863	66,316
General and administrative	4,512	4,171
Total operating expenses	71,375	70,487
 Operating income (loss)	(1,477)	144
 <b>Nonoperating revenues</b>		
Investment income	18,607	14,924
 Net nonoperating revenues	18,607	14,924
Changes in net position	17,130	15,068
 Total net position, beginning of year	229,670	216,611
 Total net position, end of period	\$ 246,800	\$ 231,679

*Unaudited*

**PEIA**

**July 2020**

**Interim Packet**

## **PEIA July Interim Talking Points**

- **PEIA and RHBT interim financial statements for May 2020 are available for your review.**
- **PEIA year to date statements indicate PEIA is currently ahead of plan by \$43 million. This is due to lower than forecast claim expenses.**
- **RHBT year to date statements indicate RHBT is currently behind plan by \$14 million. This is due to lower than forecast investment income.**
- **The 2020 year-end reserve for the State Fund and non-State Fund is projected to be \$185 and \$59 million respectively.**
- **These reserve levels represent 25% and 40% of the respective funds' expenses. The required reserve for the State Fund is 14% of expenses.**



# Public Employees Insurance Agency

WV Toll-free: 1 (888) 680-7342

Phone: 1 (304) 558-7850

Fax: 1 (304) 558-2470

Website: www.wvpeia.com

July 20, 2020

Joint Committee on Government and Finance  
Senate Finance – 451M  
State Capitol Complex  
Charleston, WV 25305

1. The March 2020 Quarterly Report issued July 17, 2020 page A-1, indicates the June 30, 2020 fund balances will be as follows:

	PEIA		RHBT
	State Fund	Non-State Fund	OPEB Fund
June 30, 2020	\$185,555,310	\$59,824,070	\$1,186,692,715

2. Per §5-16-25 the statutorily required reserve for the purposes of offsetting unanticipated claims losses (current FY costs) is the actuarial recommended reserve.

The current recommendation is 14% of the fiscal year expenses for PEIA and RHBT. Per the Quarterly Report, the percentage will be as follows at year end:

June 30, 2020	State Fund Reserve	Non-State Fund Reserve	Total
Reserve Balance	\$185,555,310	\$59,824,070	\$245,379,380
Percentage	25.9%	40.3%	28.4%
	reserve/current FY costs		

3. The objective of the OPEB Reserve is to reach a fully funded status of the actuarially accrued liability (AAL). Therefore, the target is 100%. The reserve balance represents 38% of the actuarially required balance:

	RHBT
June 30, 2020	OPEB Reserve
Reserve Balance	\$1,186,692,715
Percentage	37%
	OPEB Reserve/Actuarial Accrued Liability

4. Anticipated events that may significantly reduce or increase the amount of funds:

The primary anticipated reduction events are the ongoing forecast increases in the cost of healthcare. The below chart indicates the actuarial projected increases in costs for the medical and prescription drugs of the plan. These increased costs represent a total increase of \$341 million over the next four years, requiring an average of \$85 million a year in either increased premiums or benefit reductions.

	FY 2021	FY 2022	FY 2023	FY 2024
Medical Trend	8.5%	9.0%	9.5%	10.0%
Rx Trend	12.5%	13.0%	13.5%	14.0%

5. Total amount of benefit payments paid for the month:

	PEIA	RHBT	Total
May 2020	\$47,824,000	\$5,641,000	\$53,465,000

Sincerely,



Jason A. Haight, CPA  
Chief Financial Officer

**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**For Eleven Months Ending Sunday, May 31, 2020**  
**In Thousands**

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			<b>ADDITIONS</b>				
			<b>Employer Premiums:</b>				
\$2,650	\$2,667	\$2,762	Health premiums - Non Par	(\$17)	(1%)	(\$112)	(4%)
12,946	13,386	14,233	Health Premiums - RLC Health, Life	(440)	(3%)	(1,287)	(9%)
129,669	128,333	139,724	Pay Go Premiums	1,336	1%	(10,055)	(7%)
27,500	27,500	27,500	State appropriation - OPEB	-	0%	-	0%
4,583	4,583	4,583	State appropriation - Premium	-	0%	-	0%
<b>177,348</b>	<b>176,469</b>	<b>188,802</b>	<b>Total Employer Premiums</b>	<b>879</b>	<b>0%</b>	<b>(11,454)</b>	<b>(6%)</b>
			<b>Other Additions:</b>				
733	1,100	1,309	Retiree Drug Subsidy	(367)	(33%)	(576)	(44%)
(7,518)	56,207	17,190	Investment Income	(63,725)	(113%)	(24,708)	(144%)
<b>170,563</b>	<b>233,776</b>	<b>207,301</b>	<b>TOTAL ADDITIONS</b>	<b>(63,213)</b>	<b>(27%)</b>	<b>(36,738)</b>	<b>(18%)</b>
			<b>DEDUCTIONS</b>				
72,930	104,473	115,122	Payments to Managed Care Org.	31,543	30%	42,192	37%
23,477	22,825	21,759	Life Insurance Expense	(652)	(3%)	(1,718)	(8%)
49,169	62,331	47,711	Medical Claims Expense	13,162	21%	(1,458)	(3%)
20,048	28,641	25,899	Pharmacy Claims Expense	8,593	30%	5,851	23%
-	-	30	Comparative Effectiveness Research Fee	-	0%	30	100%
1,851	1,567	1,324	Administrative Service Fees (External)	(284)	(18%)	(527)	(40%)
(62,224)	(65,668)	(61,392)	Member Health premiums	(3,444)	5%	832	(1%)
(22,890)	(22,839)	(21,838)	Member Life Insurance Premiums	51	(0%)	1,052	(5%)
2,915	3,534	2,742	Other Operating Expenses	619	18%	(173)	(6%)
<b>85,276</b>	<b>134,864</b>	<b>131,357</b>	<b>TOTAL DEDUCTIONS</b>	<b>49,588</b>	<b>37%</b>	<b>46,081</b>	<b>35%</b>
<b>85,287</b>	<b>98,912</b>	<b>75,944</b>	<b>NET POSITION INCREASE (DECREASE)</b>	<b>(13,625)</b>	<b>(14%)</b>	<b>9,343</b>	<b>12%</b>
			<b>Net Position Restricted for Post Employment Benefits</b>				
1,091,661	1,091,661	963,115	Beginning of Period Total Net Position	-	0%	128,546	13%
1,138,841	1,152,466	1,000,952	End of Period Net Position - Restricted	(13,625)	(1%)	137,889	14%
38,107	38,107	38,107	End of Period Net Position - PSR	-	0%	-	0%
<b>\$1,176,948</b>	<b>\$1,190,573</b>	<b>\$1,039,059</b>	<b>End of Period Total Net Position</b>	<b>(\$13,625)</b>	<b>(1%)</b>	<b>\$137,889</b>	<b>13%</b>

**West Virginia Public Employees Insurance Agency**  
**Statement of Changes in Plan Net Position**  
**For the Eleven Months Ending Sunday, May 31, 2020**  
(Dollars in Thousands)  
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
<b>OPERATING REVENUE</b>							
<b>Premium Revenue</b>							
\$346,460	\$345,349	\$337,801	Health Insurance - State Gov. - Employers	\$1,111	0%	\$8,659	3%
110,434	111,974	112,415	Health Insurance - State Gov. - Employees	(1,540)	(1%)	(1,981)	(2%)
96,961	92,522	91,110	Health Insurance - Local Gov. - All	4,439	5%	5,851	6%
4,395	4,153	4,347	Administrative Fees, Net of Refunds	242	6%	48	1%
1,897	1,412	1,276	Other Premium Revenue	485	34%	621	49%
<b>560,147</b>	<b>555,410</b>	<b>546,949</b>	<b>Total Operating Revenue</b>	<b>4,737</b>	<b>1%</b>	<b>13,198</b>	<b>2%</b>
<b>NON-OPERATING REVENUE</b>							
784	1,282	1,251	Life Insurance	(498)	(39%)	(467)	(37%)
28,417	9,167	28,417	Direct Transfer	19,250	210%	0	0%
484	9,952	6,781	Interest and Investment Income	(9,468)	(95%)	(6,297)	(93%)
129,669	128,333	139,724	WV RHBT Pay Go Premiums	1,336	1%	(10,055)	(7%)
<b>159,354</b>	<b>148,734</b>	<b>176,173</b>	<b>Total Non-Operating Revenue</b>	<b>10,620</b>	<b>7%</b>	<b>(16,819)</b>	<b>(10%)</b>
<b>719,501</b>	<b>704,144</b>	<b>723,122</b>	<b>TOTAL REVENUE</b>	<b>15,357</b>	<b>2%</b>	<b>(3,621)</b>	<b>(1%)</b>
<b>EXPENSES</b>							
377,989	398,143	353,521	Claims Expense - Medical	20,154	5%	(24,468)	(7%)
125,333	140,043	125,822	Claims Expense - Drugs	14,710	11%	489	0%
45,722	45,047	42,779	Payments to Managed Care Org.	(675)	(1%)	(2,943)	(7%)
18,868	12,660	10,717	Administrative Service Fees	(6,208)	(49%)	(8,151)	(76%)
352	1,375	301	Wellness and Disease Management	1,023	74%	(51)	(17%)
4,099	4,983	4,493	Other Operating Expenses	884	18%	394	9%
1,585	1,179	1,125	Life Insurance Expense	(406)	(34%)	(460)	(41%)
0	0	294	ACA Comparative Effectiveness Fee	0	0%	294	100%
129,669	128,333	139,724	WV RHBT Pay Go Premiums	(1,336)	(1%)	10,055	7%
<b>703,617</b>	<b>731,763</b>	<b>678,776</b>	<b>TOTAL EXPENSES</b>	<b>28,146</b>	<b>4%</b>	<b>(24,841)</b>	<b>(4%)</b>
<b>15,884</b>	<b>(27,619)</b>	<b>44,346</b>	<b>YTD Surplus (Deficit)</b>	<b>43,503</b>	<b>(158%)</b>	<b>(28,462)</b>	<b>(64%)</b>
226,389	226,389	194,554	Total Net Position, Beginning of Period	0	0%	31,835	16%
116,542	116,542	116,127	End of Period Net Position, Actuarially Required Reserve	0	0%	415	0%
125,731	82,228	122,773	End of Period Net Position, PEIA PSR	43,503	53%	2,958	2%
<b>\$242,273</b>	<b>\$198,770</b>	<b>\$238,900</b>	<b>Total Net Position, End of Period</b>	<b>\$43,503</b>	<b>22%</b>	<b>\$3,373</b>	<b>1%</b>

**Real Estate Division (RED)**

**July 2020**

**Interim Packet**

**Department of Administration Real Estate Division Leasing Report**  
For the period of January 1 – 31, 2020

**There are 13 leasing changes for this period, and they are as follows:**

- 1 – New Contract of Lease – DOA Owned
- 2 – New Contract of Lease
- 4 – Straight Renewal
- 4 – Renewal with Increase in Rent
- 1 – Renewal with Increase in Square Feet – DOA Owned
- 1 – Cancellation – DOA Owned

**Department of Administration Real Estate Division Leasing Report**  
For the period of January 1, 2020 through January 31, 2020

**NEW CONTRACT OF LEASE – DOA OWNED**

**WEST VIRGINIA OFFICE OF TECHNOLOGY**

**OOT-008** New Contract of Lease for 5 years consisting of 3,296 square feet of office space at the annual per square foot rate of \$9.73, annual cost \$32,070.08, full service, Building #7, 1900 Kanawha Boulevard East, in the City of Charleston, Kanawha County, West Virginia.

**NEW CONTRACT OF LEASE**

**DEPARTMENT OF AGRICULTURE**

**AGR-056** New Contract of Lease for 10 years consisting of 2,962 square feet of office space at the annual per square foot rate of \$19.05, annual cost \$56,426.10, full service less janitorial, voice and data, 270 Mylan Park Lane, in the City of Morgantown, Monongalia County, West Virginia.

**DIVISION OF NATURAL RESOURCES**

**NAT-141** New Contract of Lease for 5 years consisting of 5,600 square feet of aquaculture/lab space at the annual per square foot rate of \$1.50, annual cost \$8,400, 1695 State Route 259 North, in the City of Wardensville, Hardy County, West Virginia.

**STRAIGHT RENEWAL**

**WEST VIRGINIA OFFICE OF TECHNOLOGY**

**OOT-009** Renewal for 3 years consisting of 5,000 square feet of office and data center space at the current annual per square foot rate of \$18.30, annual cost \$91,500, 89 Richard D. Minnick Drive, in the City of Sutton, Braxton County, West Virginia.

**DIVISION OF FORESTRY**

**FOR-089** Renewal for 1 years consisting of 250 square feet of office space at the current monthly rate of \$250.00, annual cost \$3,000.00, full service less janitorial, 300-B Second Avenue, in the City of Marlinton, Pocahontas County, West Virginia.

**GOVERNOR'S EQUAL EMPLOYMENT OPPORTUNITY OFFICE**

**EEO-002** Renewal for 2 years consisting of 1,450 square feet of office space at the current annual per square foot rate of \$12.00, annual cost \$17,400, full service, One Players Club Drive, in the City of Charleston, Kanawha County, West Virginia.

**WEST VIRGINIA OFFICE OF TAX APPEALS**

**OTA-001** Renewal for 3 years consisting of 5,000 square feet of office space at the current annual per square foot rate of \$9.31, annual cost \$46,555.00, full service, 1012 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT**

### **STATE TREASURER'S OFFICE**

**STO-008** Renewal for 3 years consisting of 492 square feet of office space with an increase in the annual per square foot rate from \$14.00 to \$14.42, annual cost \$7,094.64 annual rent, full service, 258 High Street, in the City of Morgantown, Monongalia County, West Virginia.

### **DIVISION OF FORESTRY**

**FOR-049** Renewal for 5 years consisting of tower monitoring space with an increase in the monthly rate from \$218.50 to \$250.00, annual cost \$3,000.00, with coordinates of 39-21-34 north latitude, and 80-38-15 west longitude, near the City of Salem, Harrison County, West Virginia.

**FOR-051** Renewal for 5 years consisting of tower monitoring space with an increase in the monthly rate from \$195.50 to \$225.00, annual cost \$2,700.00, with coordinates of 39-15-25 north latitude, and 81-16-06 west longitude, near the City of Parkersburg, Wood County, West Virginia.

### **DIVISION OF MOTOR VEHICLES**

**DMV-038** Renewal for 10 years consisting of 8,000 square feet of office space with an increase in the annual per square foot rate from \$14.65 to \$15.02 for years 1-5, annual cost \$120,160.00, then to \$15.77 for years 6-10, annual cost \$126,160.00 full service less voice and data, 1525 Deckers Creek Boulevard, in the City of Morgantown, Monongalia County, West Virginia.

## **RENEWAL WITH DECREASE IN SQUARE FEET – DOA Owned**

### **DEPARTMENT OF EDUCATION**

**EDU-002** Renewal for 10 months with a decrease of square feet from 103,274 square feet to 81,945 square feet of office space at the current annual per square foot rate of \$11.00, annual cost \$901,395.00 full service, Capitol Complex Building #6, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

## **CANCELLATION – DOA OWNED**

### **GENERAL SERVICES DIVISION**

**GSD-009** Lease cancellation consisting of 3,296 square feet of office space, at the annual per square foot rate of \$9.73, annual cost \$32,070.08, full service, Capitol Complex Building #7, 1900 Kanawha Boulevard East, in the City of Charleston, Kanawha County, West Virginia.

Real Estate Division  
 Monthly Summary of Lease Activity  
 January 1 - 31, 2020

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	West Virginia Office of Technology	OOT-008	Kanawha	3,296	9.73	32,070	5	160,350
2	Department of Agriculture	AGR-056	Monongalia	2,962	19.05	56,426	10	564,261
3	Division of Natural Resources	NAT-141	Hardy	5,600	1.50	8,400	5	42,000
4	West Virginia Office of Technology	OOT-009	Braxton	5,000	18.30	91,500	3	274,500
5	Division of Forestry	FOR-089	Pocahontas	250	12.00	3,000	1	3,000
6	Governor's Equal Employment Opportunity Office	EEO-002	Kanawha	1,450	12.00	17,400	2	34,800
7	West Virginia Office of Tax Appeals	OTA-001	Kanawha	5,000	9.31	46,550	3	139,650
8	State Treasurer's Office	STO-008	Monongalia	492	14.42	7,095	3	21,284
9	Division of Forestry	FOR-049	Harrison	0	250/mth	3,000	5	15,000
10	Division of Forestry	FOR-051	Wood	0	225/mth	2,700	5	13,500
11	Division of Motor Vehicles	DMV-038	Monongalia	8,000	15.02	120,160	5	600,800 *
	Division of Motor Vehicles	DMV-038	Monongalia	8,000	15.77	126,160	5	630,800 *
12	Department of Education	EDU-002	Kanawha	81,945	11.00	901,395	0.8333	751,159

	138.10
<b>Total Rentable Square Feet</b>	<u>121,995</u>
<b>Average Annual Rental Rate</b>	<u>12.55</u>
<b>Total Annual Rent</b>	<u>1,415,856</u>

\*Indicates the total will be over \$1,000,000.00 during the term of the lease.

**TERMINATIONS**

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	General Services Division	GSD-009	Kanawha	3,296	9.73	32,070

<b>Total Rentable Square Feet</b>	<u>3,296</u>
<b>Total Annual Rent</b>	<u>32,070</u>

**Department of Administration Real Estate Division Leasing Report**  
For the period of February 1 - 29, 2020

**There are 12 leasing changes for this period, and they are as follows:**

- 2 – New Contract of Lease – DOA Owned
- 2 – Straight Renewal – DOA Owned
- 7 – Straight Renewal
- 1 – Renewal with Increase in Rent

**Department of Administration Real Estate Division Leasing Report**  
For the period of February 1, 2020 through February 28, 2019

**NEW CONTRACT OF LEASE – DOA OWNED**

**HORIZON YOUTH SERVICES**

**HYS-001** New Contract of Lease for 11 months consisting of 265 square feet of office space at the annual per square foot rate of \$17.00, annual income \$4,505.00, full service, Building #32, 2699 Park Avenue, in the City of Huntington, Cabell County, West Virginia.

**DIVISION OF PROTECTIVE SERVICES**

**DPS-004** New Contract of Lease for 5 years consisting of suite EB-80 of office space at the monthly rate of \$2,680.44 for year 1, annual cost \$32,165.28, then \$3,080.70 for year 2, annual cost \$36,968.40, then \$3,543.30 for years 3 - 5, annual cost \$42,519.60, full service, Building #1, 1900 Kanawha Avenue, East, in the City of Charleston, Kanawha County, West Virginia.

**STRAIGHT RENEWAL – DOA OWNED**

**WEST VIRGINIA DIVISION OF PERSONNEL**

**DOP-003** Renewal for 1 year consisting of 23,213 square feet of office space at the current annual per square foot rate of \$19.00, annual cost \$441,047.00, full service, Building #3, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF NATURAL RESOURCES**

**NAT-131** Renewal for 1 year consisting of 35,460 square feet of office space at the current annual per square foot rate of \$11.00, annual cost \$390,060.00, Building #74, 318-324 Fourth Avenue, in the City of South Charleston, Kanawha County, West Virginia.

**STRAIGHT RENEWAL**

**DEPARTMENT OF VETERANS ASSISTANCE**

**VET-035** Renewal for 1 year consisting of 720 square feet of office space at the current annual per square foot rate of \$11.67, annual cost \$8,402.40, full service, 21 Veterans Avenue, in the City of Henlawson, Logan County, West Virginia.

**DIVISION OF FORESTRY**

**FOR-084** Renewal for 5 years consisting of 200 square feet of storage space at the current monthly rate of \$85.00, annual cost \$1,020.00, Railroad Street in the City of Farmington, Marion County, West Virginia.

**NORTHERN PANHANDLE WORKFORCE DEVELOPMENT BOARD**

**NPW-001** Renewal for 1 year consisting of 776 square feet of office space at the current annual per square foot rate of \$17.00, annual cost \$13,192.00, full service, 100 Municipal Plaza, Suite 300, in the City of Weirton, Hancock County, West Virginia.

## **STRAIGHT RENEWAL - CONTINUED**

### **DIVISION OF CORRECTIONS AND REHABILITATION**

**COR-030** Renewal for 6 months consisting of 1,532 square feet of office space at the current annual per square foot rate of \$10.94, annual cost \$16,760.08, full service, 1025 Main Street, in the City of Wheeling, Ohio County, West Virginia.

### **DIVISION OF MINERS' HEALTH, SAFETY & TRAINING**

**MHS-029** Renewal for 1 year consisting of 7,125 square feet of office space at the current annual per square foot rate of \$7.08, annual cost \$50,445.00, full service, Lick Creek Professional Building, in the City of Danville, Boone County, West Virginia.

**MHS-037** Renewal for 5 years consisting of 7,650 square feet of office space at the current annual per square foot rate of \$8.00, annual cost \$61,200.00, 830 Virginia Avenue in the City of Welch, McDowell County, West Virginia.

### **DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-180** Renewal for 3 years consisting of 14,703 square feet of office space at the current annual per square foot rate of \$7.75, annual cost \$113,948.25, full service, 3708 Sutton Lane, in the City of Sutton, Braxton County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT**

### **WEST VIRGINIA ETHICS COMMISSION**

**ETH-002** Renewal for 5 years consisting of 3,140 square feet of office space with an increase in the annual per square foot rate from \$13.67 to \$15.00, annual cost \$47,100.00, full service, 210 Brooks Street, in the City of Charleston, Kanawha County, West Virginia.

Real Estate Division  
 Monthly Summary of Lease Activity  
 February 1 - 29, 2020

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Horizon Youth Services	HYS-001	Cabell	265	17.00	4,505	0.9167	4,130
2	Division of Protective Services	DPS-004	Kanawha	9,330	3.45	32,165	1	32,165
	Division of Protective Services	DPS-004	Kanawha	9,330	3.96	36,968	1	36,968
	Division of Protective Services	DPS-004	Kanawha	9,330	4.56	42,520	3	127,559
3	West Virginia Division of Personnel	DOP-003	Kanawha	23,213	19.00	441,047	1	441,047
4	Department of Veterans Assistance	VET-035	Logan	720	11.67	8,402	1	8,402
5	Division of Forestry	FOR-084	Marion	200	5.10	1,020	5	5,100
6	Northern Panhandle Workforce Development Board	NPW-001	Hancock	776	17.00	13,192	1	13,192
7	Division of Corrections and Rehabilitation	COR-030	Ohio	1,532	10.94	16,760	0.5	8,380
8	Division of Miners' Health, Safety and Training	MHS-029	Boone	7,125	7.08	50,445	1	50,445
9	Division of Miners' Health, Safety and Training	MHS-037	McDowell	7,650	8.00	61,200	5	306,000
10	Division of Natural Resources	NAT-131	Kanawha	35,460	11.00	390,060	1	390,060
11	Department of Health and Human Resources	HHR-180	Braxton	14,703	7.75	113,948	3	341,845
12	West Virginia Ethics Commission	ETH-002	Kanawha	3,140	15.00	47,100	5	235,500

	141.51
<b>Total Rentable Square Feet</b>	<u>122,774</u>
<b>Average Annual Rental Rate</b>	<u>10.11</u>
<b>Total Annual Rent</b>	<u>1,259,333</u>

**Department of Administration Real Estate Division Leasing Report**  
For the period of March 1 - 31, 2020

**There are 17 leasing changes for this period, and they are as follows:**

- 1 – New Contract of Lease
- 10 – Straight Renewal
- 2 – Renewal with Increase in Rent
- 1 – Increase in Square Feet and Rent
- 1 – Increase in Square Feet
- 2 - Cancellation

**Department of Administration Real Estate Division Leasing Report**  
**For the period of March 1, 2020 through March 31, 2020**

**NEW CONTRACT OF LEASE**

**WORKFORCE WEST VIRGINIA**

**WWV-046** New Contract of Sublease for 3 years consisting of 794 square feet of public use computer area in lobby at the monthly rate of \$192.00 from February 1, 2020 through June 30, 2020; then the monthly rate of \$80.00 July 1, 2020 through January 31, 2023, 1275 Warwood Avenue, in the City of Wheeling, Ohio County, West Virginia.

**STRAIGHT RENEWAL**

**DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-153** Renewal for 3 years consisting of 3,133 square feet of office space at the current annual per square foot rate of \$13.00, annual cost \$40,728.96, snow and ice removal included, 3734 Sutton Lane, in the City of Sutton, Braxton County, West Virginia.

**HHR-156** Renewal for 3 years consisting of 400 square feet of storage space at the current monthly rate of \$170.00, annual cost \$2,040.00, 4264 Woodrum Lane, in the City of Charleston, Kanawha County, West Virginia.

**HHR-214** Renewal for 3 years consisting of 747 square feet of office space at the current annual per square foot rate of \$18.00, annual cost \$13,446.00, full service, 1000 Elmer Prince Drive, in the City of Morgantown, Monongalia County, West Virginia.

**HHR-241** Renewal for 3 years consisting of 12,486 square feet of office space at the current annual per square foot rate of \$16.03, annual cost \$200,150.64, full service, 231 Capitol Street, in the City of Charleston, Kanawha County, West Virginia.

**DEPARTMENT OF HEALTH AND HUMAN RESOURCES - DEVELOPMENTAL DISABILITIES  
PLANNING COUNCIL**

**DDC-001** Renewal for 3 years consisting of 2,490 square feet of office space at the current annual per square foot rate of \$12.50, annual cost \$31,125.00, full service less janitorial services and supplies, 110 Stockton Street, in the City of Charleston, Kanawha County, West Virginia.

**DEPARTMENT OF EDUCATION**

**EDU-030** Renewal for 3 years consisting of 64 square feet of office space at the current monthly amount \$100.00, annual cost \$1,200, full service, 201 Ritchie County School Road, Site #2, in the City of Ellenboro, Ritchie County, West Virginia.

## **STRAIGHT RENEWAL - CONTINUED**

### **DEPARTMENT OF VETERANS ASSISTANCE**

**VET-004** Renewal for 5 years consisting of 520 square feet of office space at the current annual per square foot rate of \$16.15, annual cost \$8,400.00, full service, 225 North Main Street, in the City of Moorefield, Hardy County, West Virginia.

**VET-042** Renewal for 2 years consisting of 759 square feet of office space at the current annual per square foot rate of \$13.75, annual cost \$10,436.25, full service, 216 Market Street, in the City of Spencer, Roane County, West Virginia.

### **DIVISION OF FORESTRY**

**FOR-047** Renewal for 5 years consisting of tower space at the current quarterly rate of \$300.00, annual cost \$1,200.00, electricity, Rt. 15, in the City of Fairmont, Marion County, West Virginia.

### **DIVISION OF NATURAL RESOURCES**

**NAT-085** Renewal for 3 years consisting of 7,000 square feet of office space and 1,980 square feet of storage space at the current annual per square foot rate of \$8.15, annual cost \$73,187.00, full service, 2311 Ohio Avenue, in the City of Parkersburg, Wood County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT**

### **WEST VIRGINIA REAL ESTATE APPRAISER LICENSING AND CERTIFICATION BOARD**

**APR-003** Renewal for 5 years consisting of 1,650 square feet of office space with an increase in the annual per square foot rate from \$15.00 to \$15.50, annual cost \$25,575.00, full service, 405 Capitol Street Suite 906, in the City of Charleston, Kanawha County, West Virginia.

### **GENERAL SERVICES DIVISION**

**GSD-017** Renewal for 6 months consisting of approximately 60 parking spaces with an increase in the monthly rate from \$787.50 to \$945.00, annual cost \$11,340.00, 1124 Smith Street, in the City of Charleston, Kanawha County, West Virginia.

## **INCREASE IN SQUARE FEET**

### **DIVISION OF ADMINISTRATIVE SERVICES**

**DAS-001** Addition of 420 square feet of storage space at the annual per square foot rate of \$6.00, annual cost \$2,520.00, full service, Building #86, 1124 Smith Street, in the City of Charleston, Kanawha County, West Virginia.

## **INCREASE IN SQUARE FEET AND RENT**

### **DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-201** Increase of square feet from 8,876 square feet to 9,761 square feet of office space with an increase in the average annual per square foot rate from \$7.65 to \$7.87, annual cost \$76,790.04, 4710 Chimney Drive, in the City of Charleston, Kanawha County, West Virginia.

## **CANCELLATION**

### **DIVISION OF MINERS' HEALTH, SAFETY AND TRAINING**

**MHS-026** Lease cancellation consisting of 10,640 square feet of office/storage space, at the annual per square foot rate of \$3.45 annual cost \$36,708.00, Industrial Drive, in the City of Oak Hill, Fayette County, West Virginia.

### **DIVISION OF NATURAL RESOURCES**

**NAT-077** Lease cancellation consisting of one boat slip, at the monthly rate of \$69.00, annual cost \$828.00, 418 First Avenue, in the City of St. Albans, Kanawha County, West Virginia.

Real Estate Division  
 Monthly Summary of Lease Activity  
 March 1 - 31, 2020

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	Workforce West Virginia	WWV-046	Ohio	794	2.90	2,304	0.4167	960
	Workforce West Virginia	WWV-046	Ohio	794	1.21	960	2.5833	2,480
2	Department of Health and Human Resources	HHR-153	Braxton	3,133	13.00	40,729	3	122,187
3	Department of Health and Human Resources	HHR-156	Kanawha	400	5.10	2,040	3	6,120
4	Department of Health and Human Resources	HHR-214	Monongalia	747	18.00	13,446	3	40,338
5	Department of Health and Human Resources	HHR-241	Kanawha	12,486	16.03	200,151	3	600,452
6	DHHR - Developmental Disabilities Planning Council	DDC-001	Kanawha	2,490	12.50	31,125	3	93,375
7	Department of Education	EDU-030	Ritchie	64	18.75	1,200	3	3,600
8	Department of Veterans Assistance	VET-004	Hardy	520	16.15	8,400	5	41,999
9	Department of Veterans Assistance	VET-042	Roane	759	13.75	10,436	2	20,873
10	Division of Forestry	FOR-047	Marion	0	300/month	1,200	5	6,000
11	Division of Natural Resources	NAT-085	Wood	8,980	8.15	73,187	3	219,561
12	WV Real Estate Appraiser Licensing & Certification Bd.	APR-003	Kanawha	1,650	15.50	25,575	5	127,875
13	General Services Division	GSD-017	Kanawha	60 spaces	945.00	11,340	0.5	5,670
14	Division of Administrative Services	DAS-001	Kanawha	420	6.00	2,520	2	5,040
15	Department of Health and Human Resources	HHR-201	Kanawha	9,761	7.87	76,790	3.5	268,765

	138.88
<b>Total Rentable Square Feet</b>	<u>42,998</u>
<b>Average Annual Rental Rate</b>	<u>9.26</u>
<b>Total Annual Rent</b>	<u>501,403</u>

**TERMINATIONS**

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Division of Miners' Health, Safety and Training	MHS-026	Fayette	10,640	3.45	36,708
2	Division of Natural Resources	NAT-077	Kanawha	0	69/month	828

<b>Total Rentable Square Feet</b>	<u>10,640</u>
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**Department of Administration Real Estate Division Leasing Report**  
For the period of April 1 – May 31, 2020

**There are 26 leasing changes for this period, and they are as follows:**

- 1 – New Contract of Lease – DOA OWNED
- 4 – New Contract of Lease
- 4 – Straight Renewal – DOA OWNED
- 10 – Straight Renewal
- 3 – Renewal with Increase in Rent
- 1 – Renewal with Decrease in Parking Spaces
- 1 – Cancellation – Parking Spaces
- 2 – Cancellation

**Department of Administration Real Estate Division Leasing Report**  
For the period of April 1, 2020 through May 31, 2020

**NEW CONTRACT OF LEASE – DOA OWNED**

**WEST VIRGINIA OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY**

**EEO-003** New Contract of Lease for 1 year consisting of 926 square feet of office space at the current annual per square foot rate of \$10.93, annual cost \$10,121.18, full service, Building #5, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

**NEW CONTRACT OF LEASE**

**HORIZONS YOUTH CENTER**

**HYS-002 New** Contract of Sublease for 8 months consisting of one cubicle of office space at the monthly rate of \$200.00, annual cost \$2,400.00, full service, 300 Lakeview Center, in the City of Parkersburg, Wood County, West Virginia.

**DIVISION OF EMERGENCY MANAGEMENT**

**DEM-001** New Contract of Lease for 3 years consisting of 16,000 square feet of office/storage space at the annual per square foot rate of \$10.29, annual cost \$164,640.00, 2403 Fairlawn Avenue, in the City of Dunbar, Kanawha County, West Virginia.

**DEPARTMENT OF VETERANS ASSISTANCE**

**VET-049** New Contract of Lease for 10 years consisting of 1,667 square feet of office space at the annual per square foot rate of \$11.00, annual cost \$18,337.00, full service, 1824 Murdoch Avenue, in the City of Parkersburg, Wood County, West Virginia.

**VET-050** New Contract of Lease for 10 years consisting of 2,200 square feet of office space at the annual per square foot rate of \$14.00, annual cost \$30,800.00, for the years 1 - 5, then increase to the annual per square foot rate of \$15.40, annual cost \$33,880.00, for years 6 - 10, 120 Nick Savas Drive, in the City of Logan, Logan County, West Virginia.

**STRAIGHT RENEWAL – DOA OWNED**

**WORKFORCE WEST VIRGINIA**

**WWV-043** Renewal for 1 year consisting of 17,068, usable square feet of office space, 6,145 common, on the third (3) floor, 17,068, usable square feet of office space, 6,145 common, on the fourth (4) floor, 1,044 square feet of storage space, 376 common area square feet, in the basement, for a total of 47,846 rentable square feet at the current annual per square foot rate of \$18.85, annual cost \$901,974.00, full service, Building #3, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

## **STRAIGHT RENEWAL – DOA OWNED - Continued**

### **WEST VIRGINIA TOURISM OFFICE**

**TOR-009** Renewal for 1 year consisting of 6,429 square feet of storage space and 14,926 square feet of office space for a total of 21,358 square feet, at the current annual per square foot rate of \$17.49, annual cost \$373,641.96, full service, Building #3,1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

### **DIVISION OF LABOR**

**LAB-002** Renewal for 1 year consisting of 21,758 square feet of office space at the current annual per square foot rate of \$19.00, annual cost \$413,402.00, full service, Building #3,1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

### **WEST VIRGINIA DEVELOPMENT OFFICE**

**CID-012** Renewal for 1 year consisting of 51,800 square feet of office space at the current annual per square foot rate of \$19.00, annual cost \$ 984,200.00, full service, Building #3,1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

## **STRAIGHT RENEWAL**

### **DIVISION OF FORESTRY**

**FOR-094 Renewal** for 1 year consisting of 156 square feet of office space at the current monthly rate of \$300.00, annual cost \$3,600.00, full service, 89 Richard D. Minnich Drive, in the City of Sutton, Braxton County, West Virginia.

### **GENERAL SERVICES DIVISION**

**GSD-012 Renewal** for 1 year consisting of 80 parking spaces at the current monthly rate of \$1,650.00, annual cost \$19,800.00, 222 Hewes Avenue, in the City of Clarksburg, Harrison County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-085 Renewal** for 2 years consisting of 2,382 square feet of office space at the current annual per square foot rate of \$12.00, annual cost \$28,584.00, full service, 2311 Ohio Avenue, in the City of Parkersburg, Wood County, West Virginia.

**APC-020 Renewal** for 3 years consisting of a monitoring space at the current monthly rate of \$600.00, annual cost \$7,200, electric, 134 Nick Way, in the City of New Cumberland, Hancock County, West Virginia.

### **WEST VIRGINIA BOARD OF OPTOMETRY**

**BOO-002** Renewal for 3 years consisting of 697 square feet of office space at the current annual per square foot rate of \$11.74, annual cost \$8,182.78, full service, 179 Summers Street, in the City of Charleston, Kanawha County, West Virginia.

## **STRAIGHT RENEWAL - Continued**

### **DEPARTMENT OF EDUCATION**

**EDU-029** Renewal for 1 year consisting of 408 square feet of storage space at the current monthly rate of \$144.50, annual cost \$ 1,734.00, Electric only, 82 FFA Drive, in the City of Ripley, Jackson County, West Virginia.

### **DIVISION OF REHABILITATION SERVICES**

**DRS-099** Renewal for 5 years consisting of 4,001 square feet of office space with an increase in the annual per square foot rate from \$12.62 to \$13.20, annual cost \$ 52,813.20, full service, 195 Davis Street, in the City of Princeton, Mercer County, West Virginia.

**DRS-100** Renewal for 5 years consisting of 3,324 square feet of office space with an increase in the annual per square foot rate from \$14.00 to \$14.64, annual cost \$48,663.36, full service, 110 Park Avenue, in the City of Welch, McDowell County, West Virginia.

### **WORKFORCE WEST VIRGINIA**

**WWV-042** Renewal for 5 years consisting of 7,210 square feet of office space at the current annual per square foot rate of \$11.08, annual cost \$79,886.80, 300 Lakeview Center, in the City of Parkersburg, Wood County, West Virginia.

**WWV-045** Sublease renewal for 1 year(s) consisting of one cubicle of office space at the current monthly rate of \$225.00, annual cost \$2,700.00, full service, 204 Old Stone Ridge Road, in the City of Ripley, Jackson County, West Virginia.

## **RENEWAL WITH INCREASE IN RENT**

### **WORKFORCE WEST VIRGINIA**

**WWV-010** Renewal for 3 years consisting of 2,658 square feet of office space with an increase in the annual per square foot rate from \$11.75 to \$12.05, annual cost \$32,028.90, full service, 20 Red Oaks Shopping Center, in the City of Fairlea, Greenbrier County, West Virginia.

### **DIVISION OF NATURAL RESOURCES**

**NAT-124** Renewal for 5 years consisting of one boat slip with an increase in the monthly slip fee from \$200.00 to \$234.00, annual cost \$2,808.00, 418 1<sup>st</sup> Avenue, in the City of St. Albans, Kanawha County, West Virginia.

### **WEST VIRGINIA STATE TAX OFFICE**

**TAX-027** Renewal for 2 years consisting of 2,756 square feet of office space with an increase in the annual per square foot rate from \$11.03 to \$13.50, annual cost \$37,206.00, full service, located at 14<sup>th</sup> and Market Streets, in the City of Wheeling, Ohio County, West Virginia.

## **RENEWAL WITH DECREASE IN PARKING SPACES**

### **GENERAL SERVICES DIVISION**

**GSD-010** Renewal for 1 year with a decrease of spaces from 158 to 152 of parking spaces at the current monthly rate \$3,800.00 (\$25.00 per space), annual cost \$45,600.00, 405 Adams Street (parking garage), in the City of Fairmont, Marion County, West Virginia.

## **CANCELLATION – PARKING SPACES**

### **SPA BLISS**

**SBP-001** Lease cancellation consisting of 50 parking spaces, at the monthly rate of \$1,500.00 monthly, annual cost \$18,000, Building #86, Parking Lot in Rear of 1210, 1214 and 1216 Smith Street, in the City of Charleston, Kanawha County, West Virginia.

## **CANCELLATION**

### **GOVERNOR'S EQUAL EMPLOYMENT OPPORTUNITY OFFICE**

**EEO-002 Lease** cancellation consisting of 1,450 square feet of office space at the current annual per square foot rate of \$12.00, annual cost \$17,4000.00, full service, One Players Club Drive, in the City of Charleston, Kanawha County, West Virginia.

### **DEPARTMENT OF VETERANS ASSISTANCE**

**VET-006 Lease** cancellation consisting of 529 square feet of office space, at the annual per square foot rate of \$5.67, annual cost \$3,000.00, full service, Third and Market Street, in the City of Parkersburg, Wood County, West Virginia.

Real Estate Division  
 Monthly Summary of Lease Activity  
 April 1 - May 31, 2020

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate
1	WV Office of Equal Employment Opportunity	EEO-003	Kanawha	926	10.93	10,121	1	10,121
2	Horizon's Youth Center	HYS-002	Wood	1	200/m	2,400	0.67	1,608
3	Division of Emergency Management	DEM-001	Kanawha	16,000	10.29	164,640	3	493,920
4	Department of Veterans Assistance	VET-049	Wood	1,667	11.00	18,337	10	183,370
5	Department of Veterans Assistance	VET-050	Logan	2,200	14.00	30,800	5	154,000
	Department of Veterans Assistance	VET-050	Logan	2,200	15.40	33,880	5	169,400
6	Workforce West Virginia	WWV-043	Kanawha	47,846	18.85	901,974	1	901,974
7	West Virginia Division of Tourism Office	TOR-009	Kanawha	21,358	17.49	373,642	1	373,642
8	Division of Labor	LAB-002	Kanawha	21,758	19.00	413,402	1	413,402
9	West Virginia Development Office	CID-012	Kanawha	51,800	19.00	984,200	1	984,200
10	Division of Forestry	FOR-094	Braxton	156	23.08	3,600	1	3,600
11	General Services Division	GSD-012	Harrison	80 sp	1,650/m	19,800	1	19,800
12	Department of Environmental Protection	DEP-085	Wood	2,382	12.00	28,584	2	57,168
13	DEP Air Quality Office	APC-020	Hancock	1	600/m	7,200	3	21,600
14	West Virginia Board of Optometry	BOO-002	Kanawha	697	11.74	8,183	3	24,548.34
15	Department of Education	EDU-029	Jackson	408	4.25	1,734	1	1,734
16	Division of Rehabilitation Services	DRS-099	Mercer	4,001	13.20	52,813	5	264,066
17	Division of Rehabilitation Services	DRS-100	McDowell	3,324	14.64	48,663	5	243,317
18	Workforce West Virginia	WWV-042	Wood	7,210	11.08	79,887	5	399,434
19	Workforce West Virginia	WWV-045	Jackson	1	225/m	2,700	1	2,700
20	Workforce West Virginia	WWV-010	Greenbrier	2,658	12.05	32,029	3	96,087
21	Division of Natural Resources	NAT-124	Kanawha	1	234/m	2,808	5	14,040
22	West Virginia State Tax Office	TAX-027	Ohio	2,756	13.50	37,206	2	74,412
23	General Services Division	GSD-010	Marion	152/sp	3,800/m	45,600	1	45,600

	138.88
<b>Total Rentable Square Feet</b>	<u>189,351</u>
<b>Average Annual Rental Rate</b>	<u>7.72</u>
<b>Total Annual Rent</b>	<u><u>3,304,203</u></u>

**TERMINATIONS**

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent
1	Spa Bliss	SBP-001	Kanawha	50/sp	1,500/m	18,000
2	Governor's Equal Employment Opportunity Office	EEO-002	Kanawha	1,450	12.00	17,400
3	Department of Veterans Assistance	VET-006	Wood	529	5.67	3,000

<b>Total Rentable Square Feet</b>	<u>1,979</u>
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# MEDICAID REPORT

**Joint Committee on Government and Finance**

**July 2020**

**Department of Health and Human Resources**

**MEDICAID REPORT  
April 2020 Data**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2020

MONTH OF APRIL 2020

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2019	SFY2020	Current Month Ended 4/30/20	Current Month Ended 4/30/20	Year To-Date Thru 4/30/20	5/1/20 Thru 6/30/20
<b>EXPENDITURES:</b>						
Inpatient Hospital - Reg. Payments	91,526,768	94,511,157	8,162,418	7,875,930	81,637,233	12,873,924
Inpatient Hospital - DSH	52,868,297	53,789,156	-	4,482,430	40,046,616	13,742,540
Inpatient Hospital - Supplemental Payments	-	-	-	-	-	-
Inpatient Hospital - GME Payments	11,267,867	11,659,921	-	971,660	9,094,635	2,565,286
Mental Health Facilities	39,995,477	40,947,315	1,611,651	3,412,276	31,244,374	9,702,941
Mental Health Facilities - DSH Adjustment Payments	18,881,836	19,301,726	-	1,608,477	13,237,359	6,064,367
Nursing Facility Services - Regular Payments <sup>(3)</sup>	710,863,182	730,478,596	62,095,809	60,873,216	617,655,317	112,823,279
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	71,779,446	73,705,078	5,610,582	6,142,090	58,679,258	15,025,819
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	39,178,192	39,386,121	2,578,863	3,282,177	33,320,704	6,065,417
Physicians Services - Supplemental Payments	(3)	-	-	-	-	-
Physician and Surgical Services - Evaluation and Management	(1,520)	-	-	-	-	-
Physician and Surgical Services - Vaccine Codes	-	-	-	-	-	-
Outpatient Hospital Services - Regular Payments	46,637,506	46,133,858	3,899,792	3,844,488	43,562,208	2,571,650
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	686,585,798	715,636,717	59,610,115	59,636,393	610,563,155	105,073,562
Drug Rebate Offset - National Agreement	(462,867,276)	(407,000,000)	(73,807,422)	(33,916,667)	(395,260,015)	(11,739,985)
Drug Rebate Offset - State Sidebar Agreement	(33,942,859)	(27,000,000)	(7,932,004)	(2,250,000)	(39,831,877)	12,831,877
Drug Rebate Offset - MCO National	(17,177,552)	(8,000,000)	(1,561,988)	(666,667)	(10,032,108)	2,032,108
Drug Rebate Offset - MCO State Sidebar Agreement	(86,536)	-	40,462	-	82,615	(82,615)
Dental Services	11,110,378	10,776,073	256,837	898,006	9,166,894	1,609,179
Other Practitioners Services - Regular Payments	5,653,070	5,785,469	362,061	482,122	5,446,793	338,676
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	1,669,249	1,602,016	66,899	133,501	1,427,600	174,416
Lab & Radiological Services	7,822,910	8,036,763	561,676	669,730	7,155,488	881,275
Home Health Services	24,978,914	30,739,710	769,607	2,561,642	20,749,561	9,990,149
Hysterectomies/Sterilizations	26,909	32,002	1,077	2,667	22,314	9,688
Pregnancy Terminations <sup>(2)</sup>	180,599	182,177	2,911	15,181	35,196	146,981
EPSDT Services	1,446,788	1,458,120	56,552	121,510	1,241,526	216,594
Rural Health Clinic Services	4,307,936	4,423,092	205,571	368,591	4,189,554	233,538
Medicare Health Insurance Payments - Part A Premiums	21,237,010	22,825,062	1,807,644	1,902,089	18,708,029	4,117,033
Medicare Health Insurance Payments - Part B Premiums	114,675,105	128,874,761	9,928,555	10,739,563	98,771,228	30,103,533
120% - 134% Of Poverty	9,602,290	9,746,324	729,397	812,194	8,328,917	1,417,407
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	12,769,254	11,469,614	1,039,732	955,801	11,286,045	183,569

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2020

	MONTH OF APRIL 2020					
	ACTUALS SFY2019	TOTAL SFY2020	ACTUALS Current Month Ended 4/30/20	ESTIMATE Current Month Ended 4/30/20	ACTUALS Year To-Date Thru 4/30/20	PROJECTED 5/1/20 Thru 6/30/20
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	1,778,332,174	1,740,935,435	214,691,419	145,077,953	1,463,851,069	277,084,366
Medicaid MCO - Evaluation and Management	-	-	-	-	-	-
Medicaid MCO - Vaccine Codes	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	1,055,998	1,000,000	121,892	83,333	989,582	10,418
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	300,579,674	341,675,466	23,992,953	28,472,956	258,864,930	82,810,536
Home & Community-Based Services (Aged/Disabled)	112,691,026	116,144,871	9,906,187	9,678,739	107,506,303	8,638,568
Home & Community-Based Services (Traumatic Brain Injury)	1,718,562	1,579,343	140,376	131,612	1,527,089	52,255
Home & Community-Based Services (State Plan 1915(j) 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	67,685,073	73,026,473	5,672,450	6,085,539	58,997,803	14,028,670
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	2,439,096	2,431,298	127,709	202,608	2,023,054	408,244
Primary Care Case Management Services	-	-	-	-	-	-
Hospice Benefits	29,207,887	30,890,065	1,574,707	2,574,172	24,047,878	6,842,187
Emergency Services Undocumented Aliens	315,177	282,074	40,940	23,506	465,680	(183,606)
Federally Qualified Health Center	15,932,481	21,868,611	660,629	1,822,384	20,068,949	1,799,662
Non-Emergency Medical Transportation	33,136,732	39,487,747	3,330,364	3,290,646	30,219,137	9,268,610
Physical Therapy	1,026,382	976,273	70,796	81,356	961,258	15,016
Occupational Therapy	534,119	521,176	28,504	43,431	618,420	(97,244)
Services for Speech, Hearing & Language	335,678	349,727	16,567	29,144	366,812	(17,085)
Prosthetic Devices, Dentures, Eyeglasses	994,798	969,459	21,816	80,788	759,667	209,792
Diagnostic Screening & Preventive Services	87,795	87,949	4,559	7,329	77,569	10,380
Nurse Mid-Wife	129,606	115,985	3,432	9,665	119,681	(3,696)
Emergency Hospital Services	-	-	-	-	-	-
Critical Access Hospitals	24,158,625	21,947,539	1,381,532	1,828,962	24,002,032	(2,054,493)
Nurse Practitioner Services	3,194,219	3,009,376	301,575	250,781	3,820,367	(810,991)
School Based Services	63,185,248	19,999,998	203,712	1,666,666	4,584,161	15,415,837
Rehabilitative Services (Non-School Based)	60,423,448	53,482,138	4,680,072	4,456,845	47,725,147	5,756,991
2a) Opioid Treatment Program (OTP) - Methadone services	9,499,059	(4)	880,202	(0)	9,155,007	(9,155,011)
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	1,229,563	-	91,803	-	1,134,256	(1,134,256)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	7,348,525	(37)	433,650	(3)	5,691,775	(5,691,812)
2a) Opioid Treatment Program (OTP) - Other	147,243	(0)	10,268	(0)	98,137	(98,137)
Private Duty Nursing	5,138,732	8,165,864	363,873	680,489	4,417,082	3,748,783
Freestanding Birth Centers	1,092	1,125	-	94	-	1,125
Health Home for Enrollees w Chronic Conditions	1,842,908	1,768,258	127,639	147,355	1,821,724	(53,466)
Other Care Services	22,601,696	19,873,474	2,264,618	1,656,123	26,710,234	(6,836,761)
Less: Recoupments	-	-	(1,800,751)	-	(1,800,751)	1,800,751
<b>NET EXPENDITURES:</b>	<b>4,015,961,652</b>	<b>4,120,090,513</b>	<b>345,440,290</b>	<b>343,340,876</b>	<b>3,379,352,671</b>	<b>740,737,842</b>

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2020

**MONTH OF APRIL 2020**

	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2019	SFY2020	Current Month Ended 4/30/20	Current Month Ended 4/30/20	Year To-Date Thru 4/30/20	5/1/20 Thru 6/30/20
Collections: Third Party Liability (line 9A on CMS-64)	(9,658,789)	-	-	-	(2,864,504)	2,864,504
Collections: Probate (line 9B on CMS-64)	(173,762)	-	-	-	(1,842,637)	1,842,637
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(124,527)	-	-	-	(4,476)	4,476
Collections: Other (line 9D on CMS-64)	(13,956,496)	-	-	-	(13,811,496)	13,811,496
<b>NET EXPENDITURES and CMS-64 ADJUSTMENTS:</b>	<b>3,992,048,078</b>	<b>4,120,090,513</b>	<b>345,440,290</b>	<b>343,340,876</b>	<b>3,360,829,558</b>	<b>759,260,955</b>
Plus: Medicaid Part D Expenditures	41,299,828	41,983,424	3,358,661	3,498,619	32,923,525	9,059,899
Plus: State Only Medicaid Expenditures	211,906	259,738	25,996	21,645	249,539	10,199
Plus: Money Follow the Person Expenditures	1,628,995	1,637,081	75,773	136,423	826,538	810,543
<b>TOTAL MEDICAID EXPENDITURES</b>	<b>\$ 4,035,188,807</b>	<b>\$ 4,163,970,756</b>	<b>\$ 348,900,720</b>	<b>\$ 346,997,563</b>	<b>\$ 3,394,829,161</b>	<b>\$ 769,141,596</b>
Plus: Reimbursables <sup>(1)</sup>	4,918,621	-	534,034	-	4,999,749	(4,999,749)
Plus: NATCEP/PASARR/Eligibility Exams	332,103	344,155	29,000	28,680	354,336	(10,181)
Plus: HIT Incentive Payments	2,219,223	3,000,000	93,500	250,000	128,717	2,871,283
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,042,658,754</b>	<b>\$ 4,167,314,911</b>	<b>\$ 349,557,254</b>	<b>\$ 347,276,243</b>	<b>\$ 3,400,311,962</b>	<b>\$ 767,002,949</b>

(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 \$20,931,560.89 is the amount paid to State Facilities year to date.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 MEDICAID CASH REPORT  
 SFY2020

10 Months Actuals      2 Months Remaining

MONTH OF APRIL 2020	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2019	Current Month Ended 4/30/20	Year-To-Date Thru 4/30/20	5/1/2020 Thru 6/30/20	SFY2020
<b>REVENUE SOURCES</b>					
Beg. Bal. (5084/1020 prior mth)	121,710,366	107,013,353	\$54,359,368		\$54,359,368
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	408,894,155	37,644,111	343,359,917	21,122,519	364,482,436
MRDD Waiver (0403/466)	88,753,483	9,762,883	70,727,717	18,025,766	88,753,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	2,163,333	432,667	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	5,296,667	1,059,333	6,356,000
Traumatic Brain Injury (0403/835)	800,000	88,000	624,000	176,000	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	1,495,298	10,603,023	2,990,597	13,593,620
Medical Services Surplus (0403/633)	-	1,719,334	20,148,369	(1,719,334)	18,429,035
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	4,015,503	1,003,875	4,015,503	-	4,015,503
Lottery Waiver (0420/539)	29,950,955	7,487,741	29,950,955	-	29,950,955
Lottery Transfer (5405/871)	14,502,312	4,100,016	16,400,070	-	16,400,070
Excess Lottery (5365/189)	-	17,000,000	17,000,000	27,505,920	44,505,920
Lottery Surplus (5405/68199)	6,000,000	16,000,000	16,000,000	-	16,000,000
Lottery Surplus (5365/68100)	-	-	-	25,000,000	25,000,000
Trust Fund Appropriation (5185/189)	11,395,066	-	-	132,172,171	132,172,171
Provider Tax (5090/189)	193,537,029	-	207,524,251	73,785,785	281,310,035
NSGO UPL (5084/6717)	-	-	-	1,241,403	1,241,403
Certified Match	23,334,733	368,219	7,240,620	2,591,280	9,831,900
Reimbursables - Amount Reimbursed	2,371,126	96,205	4,592,142	(4,592,142)	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	704,455	7,530	563,175	336,825	900,000
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	274,842	-	700,052	(700,052)	-
<b>TOTAL MATCHING FUNDS</b>	\$ 928,789,645	\$ 204,532,565	\$ 811,269,160	\$ 299,428,740	\$ 1,110,697,899
<b>FEDERAL FUNDS</b>	3,164,785,003	257,455,151	2,699,296,249	567,085,047	3,266,381,296
<b>TOTAL REVENUE SOURCES</b>	\$ 4,093,574,648	\$ 461,987,717	\$ 3,510,565,409	\$ 866,513,787	\$ 4,377,079,196
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	\$ 4,042,658,754	\$ 349,557,254	\$ 3,400,311,962	\$ 767,002,949	\$ 4,167,314,911
<b>TOTAL</b>	\$ 50,915,894	\$ 112,430,462	\$ 110,253,447		\$ 209,764,284

Note: FMAP (74.34% applicable Oct. 2018 - Sep. 2019) (74.94% applicable Oct. 2019 - Jun. 2020)

**Joint Committee on Government and Finance**

**July 2020**

**Department of Health and Human Resources**

**MEDICAID WAIVER REPORT**

**April 2020 Data**

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

Aged & Disabled Waiver Reported April 30, 2020	FY 2019	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	FY2020 YTD
<b>Slots Approved By CMS (1)</b>	6,192	7,026	7,026	7,026	7,026	7,026	7,026	7,026	7,026	7,026	7,026	7,026	7,026	7,026
-Slots Available for Traditional (ADW-WV) enrollees	6,102	6,950	6,950	6,950	6,950	6,950	6,950	6,950	6,950	6,950	6,950			6,950
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	90	76	76	76	76	76	76	76	76	76	76			76
-Slots reserved for Money Follows the Person (MFP-WV) enrollees														
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count	6,651	5,886	5,911	6,072	6,379	6,501	6,598	6,715	6,802	6,924	6,938			6,938
Applicants determined eligible this month and added to MEL (3)	1,364	180	165	126	141	142	140	145	139	187	139			1,504
Applicants determined ineligible	74	4	3	4	9	2	11	8	5	12	8			66
<b>ACTIVE MEMBERS</b>														
Active Traditional Members at the end of the month	5,828	5,784	5,765	5,865	6,097	6,173	6,199	6,219	6,252	6,258	6,232			6,232
Active Take Me Home Members at the end of the month	69	69	69	69	70	65	59	63	65	64	36			36
Active Money Follows the Person Members at the end of the month														
Total Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count	5,897	5,853	5,834	5,934	6,167	6,249	6,258	6,282	6,317	6,318	6,268			6,268
<b>Active members enrolled during the calendar month</b>	1,348	43	49	203	323	161	119	138	107	112	21			1,276
-Total Active Traditional members enrolled during the calendar month	1,297	40	46	199	318	161	116	131	104	106	17			1,238
-Total Active TMH-WV members enrolled during the calendar month	51	3	3	4	5	0	3	7	3	6	4			38
-Total Active MFP-WV members enrolled during the calendar month														
Members discharged during the calendar month	1,112	87	68	94	101	79	110	114	72	111	71			907
ADW Members whose case was closed by reason														
Member is deceased	578	40	32	40	51	32	65	70	39	63	46			478
Other (4)	534	47	36	54	50	47	45	44	33	48	25			429
<b>MANAGED ENROLLMENT LIST (MEL)</b>														
# Eligible applicants closed during the calendar month (removed from MEL)	1,046	83	250	362	203	13	179	38	259	69	20			1,476
ADW Applicants removed from the MEL														
Applicant offered a slot (Traditional + MFP)	696	67	235	348	184	2	153	7	152	2	3			1,153
Applicant became deceased	136	7	8	6	13	8	12	16	12	3	13			98
Other (5)	214	9	7	8	6	3	14	15	95	64	4			225
Applicants on the MEL who are in a nursing facility YTD Column reflects average # members in setting	2	28	19	26	9	10	14	16	8	17	23			17
Applicants on the MEL receiving Personal Care YTD Column reflects average # members in setting	12	75	65	64	5	17	25	41	15	25	35			37
Applicants on the MEL at the end of the month	348	445	360	124	62	191	152	259	139	257	376			376
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days	108	237	169	199	230	260	425	456	282	313	343			291
Days -Longest time spent on the MEL to date Minus MFP Applicants (7)							21	52	23	54	84			47
Days -Average time spent on the MEL to date Minus MFP Applicants							13	25	11	29	43			24

YTD Column Reflects average number of days minus MFP Applicants

(1) Of the 7,026 slots approved by CMS, 76 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant. When it is identified that slots cannot be used for MFP transitions, these slots are made available for traditional (non-MFP) enrollees.

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

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

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

(7) Excludes MFP members on MEL not ready for discharge from facility and MFP Applicants, added beginning Dec 2019

**NOTE:** All data reported by Utilization Management Contractor is effective as of the transpire date in the web-based system. Data is point-in-time.

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

<b>Intellectual/Developmental Disabilities Waiver Reported April 30 2020</b>		<b>SFY 2019</b>	<b>Jul 19</b>	<b>Aug 19</b>	<b>Sep 19</b>	<b>Oct 19</b>	<b>Nov 19</b>	<b>Dec 19</b>	<b>Jan 20</b>	<b>Feb 20</b>	<b>Mar 20</b>	<b>Apr 20</b>	<b>May 20</b>	<b>Jun 20</b>	<b>YTD 2020</b>
Slots approved by CMS		4,896	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964			5,964
Total number of members served YTD (unduplicated slots used) (1)		4,880	4,821	4,827	4,837	4,851	4,863	4,879	4,886	4,886	4,887	4,886			4,886
Total number of members served YTD in Traditional Slots		4,868	4,816	4,818	4,827	4,841	4,853	4,870	4,877	4,877	4,878	4,878			4,878
Total number of members served YTD in Adult Ben H. slots (Active)		6	2	5	6	6	6	6	6	6	6	6			6
Total number of members served YTD in Children Ben H. slots (Active)		1	3	4	4	4	4	3	3	3	3	3			3
Applicants determined eligible (2)		206	13	30	6	31	16	14	28	26	32	14			210
Applicants determined ineligible (3)		221	17	26	23	33	24	13	29	23	32	17			237
<b>ACTIVE MEMBERS</b>															
# of active members at the end of the month (unduplicated slots active) (1)		4,759	4,814	4,813	4,811	4,816	4,823	4,831	4,824	4,812	4,806	4,795			4,795
Discharged members at the end of the calendar month		137	9	10	14	11	6	9	14	13	7	11			104
Discharged members who were discharged by reason	Deceased	55	4	2	10	4	2	6	9	6	4	6			53
	Left program to enter a facility	20	2	0	1	3	1	1	3	4	1	1			17
	a. Hospital	0	0	0	0	0	0	0	0	0	0	0			0
	b. ICF/IID	7	0	4	0	1	1	1	1	2	1	1			12
	c. Nursing Facility	14	2	2	1	2	0	0	2	2	0	0			11
	d. Psychiatric Facility	0	0	0	0	0	0	0	0	0	0	0			0
	e. Rehabilitation Facility	0	0	0	0	0	0	0	0	0	0	0			0
	f. Other Facility	1	0	0	0	0	0	0	0	0	0	0			0
Other (6)	59	3	2	3	4	3	2	2	3	2	3			27	
<b>MANAGED ENROLLMENT LIST (MEL)</b>															
Total number of applicants on the MEL at the end of the month		1,118	1,058	1,077	1,071	1,084	1,084	1,071	1,069	1,084	1,099	1,085			1,085
Number of applicants added to the MEL (4)		206	13	30	6	31	16	14	28	26	32	14			210
Applicants enrolled (removed from the MEL)		360	64	9	12	16	13	17	7	1	1	0			140
Applicants removed from the MEL due to Death (5)		5	0	0	0	0	0	3	4	1	2	1			11
Applicants removed from the MEL due to Other (6)		66	9	2	0	2	3	7	19	9	14	27			92
Applicants on the MEL who are in a Nursing Facility (9)		2	4	3	3	5	3	3	3	3	1	1			1
Applicants on the MEL who are in an ICF/IID Group Home (9)		111	99	107	98	106	106	100	94	64	55	55			55
Applicants on the MEL receiving Personal Care Services each month (8) (9)		76	69	74	77	73	72	73	73	74	38	40			40
Longest on the MEL to date (7)		1592	1,623	1,601	1,624	1,634	1,664	1,695	1,726	1,755	974	574			574

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

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

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

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

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

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

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

<b>Traumatic Brain Injury Waiver Reported April 30, 2020</b>	<b>FY 2019</b>	<b>Jul 19</b>	<b>Aug 19</b>	<b>Sep- 19</b>	<b>Oct 19</b>	<b>Nov 19</b>	<b>Dec 19</b>	<b>Jan 20</b>	<b>Feb 20</b>	<b>Mar 20</b>	<b>Apr 20</b>	<b>May 20</b>	<b>Jun 20</b>	<b>FY2020 YTD</b>
Slots Approved By CMS (1)	82	90	90	90	90	90	90	90	90	90	90	90	90	90
-Slots Available for Traditional (non TMH-WV) enrollees	82	86	86	86	86	86	86	86	86	88	88	88	88	88
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	0	4	4	4	4	4	4	4	4	2	2	2	2	2
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count	82	75	74	74	74	73	78	80	82	86	88			88
Applicants determined eligible this month and added to MEL (3)	9	1	0	0	2	1	1	0	0	4	1			10
Applicants determined ineligible	2	0	0	0	0	0	0	0	0	0	0			0
<b>ACTIVE MEMBERS</b>														
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count	75	74	73	72	70	69	74	75	76	79	79			79
Active members enrolled during the calendar month	12	0	0	0	0	0	5	2	2	4	2			15
-Total Active Traditional members enrolled during the calendar month	12	0	0	0	0	0	5	2	2	4	1			14
-Total Active TMH-WV members enrolled during the calendar month	0	0	0	0	0	0	0	0	0	0	1			1
Members discharged during the calendar month	8	1	1	1	2	1	0	1	1	1	2			11
TBIW Members whose case was closed by reason	Member is deceased	2	1	0	0	1	0	0	1	0	1	2		6
	Other (4)	6	0	1	1	1	1	0	0	1	0	0		5
<b>MANAGED ENROLLMENT LIST (MEL)</b>														
# Eligible applicants closed during the calendar month (removed from MEL)	4	0	0	1	0	10	0	0	0	0	0			11
TBIW Applicants removed from the MEL	Applicant offered a slot	4	0	0	1	0	10	0	0	0	0			11
	Applicant became deceased	0	0	0	0	0	0	0	0	0	0			0
	Other (5)	0	0	0	0	0	0	0	0	0	0			0
Applicants on the MEL who are in a nursing facility	0	0	0	0	1	0	0	1	0	0	0			2
Applicants on the MEL receiving Personal Care	0	2	0	0	0	0	0	0	0	0	0			2
Applicants on the MEL at the end of the month	8	9	9	8	10	1	1	1	1	1	1			1
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days	121	256	287	317	348	0	0	0	0	0	8			122

(1) Of the 90 slots approved by CMS, 4 are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2020-2021. Two (2) TMH Slots were released in March of 2020 for traditional applicants. 2 slots are reserved for the TMH/MFP.

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

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

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

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

CHIP

Joint Committee on  
Government and Finance  
Report

*JULY 2020*

Department of Health and Human Resources

State Children's Health Insurance Program  
UPDATE



**West Virginia Children's Health Insurance Program**  
**Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual**  
**For the Eight Months Ending March 31, 2020 and March 31, 2019**

	Annual Budget 2019	Budget Year-to-Date	Actual		Actual Variance		Budget Variance	
			March 31, 2020	March 31, 2019	\$	%	\$	%
<b>Beginning Operating Fund Balance</b>			<b>\$5,262,949</b>	<b>\$5,541,320</b>	<b>(\$278,371)</b>	<b>-5%</b>		
<b>Revenues</b>								
Federal Grants			\$40,594,786	\$37,540,308	\$3,054,478	8%		
State Appropriations					\$0	0%		
Premium Revenues	\$1,529,958	\$1,147,469	\$1,026,315	\$1,183,127	(\$156,812)	-13%	(\$121,154)	-11%
Investment Earnings (Interest)			\$158,748	\$115,914	\$42,834	37%		
<b>Total Operating Fund Revenues</b>			<b>\$41,779,848</b>	<b>\$38,839,349</b>	<b>\$2,940,499</b>	<b>8%</b>		
<b>Expenditures:</b>								
<b>Claims Expenses:</b>								
Physicians & Surgical			\$10,918,385	\$10,560,347	\$358,038	3%		
Prescribed Drugs			\$8,468,980	\$6,920,011	\$1,548,969	22%		
Outpatient Services			\$7,166,777	\$6,107,261	\$1,059,516	17%		
Dental			\$5,910,782	\$5,569,440	\$341,342	6%		
Inpatient Hospital Services			\$2,849,781	\$2,656,821	\$192,960	7%		
Other Services			\$2,504,678	\$2,267,089	\$237,589	10%		
Therapy			\$1,646,346	\$1,441,804	\$204,542	14%		
Vision			\$491,052	\$519,596	(\$28,544)	-5%		
Inpatient Mental Health			\$453,703	\$456,016	(\$2,313)	-1%		
Outpatient Mental Health			\$362,557	\$273,756	\$88,801	32%		
Medical Transportation			\$330,630	\$327,012	\$3,618	1%		
Durable & Disposable Med. Equip.			\$307,166	\$316,717	(\$9,551)	-3%		
Less: Other Collections**			(\$69,127)	(\$130,842)	\$61,715	-47%		
Drug Rebates	(\$2,168,732)	(\$1,626,549)	(\$2,421,110)	(\$1,299,749)	(\$1,121,361)	86%	\$863,687	-53%
<b>Total Claims Expenses</b>	<b>\$50,481,331</b>	<b>\$37,860,998</b>	<b>\$38,920,601</b>	<b>\$35,985,279</b>	<b>\$2,935,322</b>	<b>8%</b>	<b>\$1,059,603</b>	<b>3%</b>
<b>Administrative Expenses:</b>								
Salaries and Benefits			\$16,211	\$640	\$15,571			
Program Administration	\$5,679,624	\$4,259,718	\$2,028,252	\$1,603,066	\$425,186	27%	(\$2,231,466)	-52%
Eligibility			\$0	\$1,598	(\$1,598)	100%		
Outreach & Health Promotion	\$100,000	\$75,000	\$0	\$320	(\$320)	-100%	(\$75,000)	-100%
Current	\$350,000	\$262,500	\$147,490	\$67,439	\$80,051	119%	(\$115,010)	-44%
<b>Total Administrative Expenses in Operating Fund</b>	<b>\$6,129,624</b>	<b>\$4,597,218</b>	<b>\$2,191,953</b>	<b>\$1,673,063</b>	<b>\$518,890</b>	<b>31%</b>	<b>(\$2,405,265)</b>	<b>-52%</b>
<b>Total Operating Fund Expenditures</b>	<b>\$56,610,955</b>	<b>\$42,458,216</b>	<b>\$41,112,554</b>	<b>\$37,658,343</b>	<b>\$3,454,212</b>	<b>9%</b>	<b>(\$1,345,662)</b>	<b>-3%</b>
<b>Adjustments</b>			<b>\$92,290</b>	<b>(\$28,681)</b>				
<b>Ending Operating Fund Balance</b>			<b>\$5,837,953</b>	<b>\$6,751,008</b>	<b>(\$913,055)</b>	<b>-14%</b>		
Money Market			\$1,010,042	\$1,052,665				
Bond Pool			\$3,613,934	\$4,480,034				
Cash on Deposit			\$1,213,977	\$1,218,309				
<b>Unrealized Gain/Loss on Investment</b>			<b>(\$37,923)</b>	<b>\$49,971</b>	<b>(\$87,894)</b>	<b>-176%</b>		
<b>Ending Fund Balance (Accrued Basis)</b>			<b>\$5,800,029</b>	<b>\$6,701,037</b>	<b>(\$901,007)</b>	<b>-13%</b>		
<b>Revenues Outside of Operating Funds:</b>								
Federal Grants			\$392,210	\$414,174				
<b>Total WVCHIP Revenues</b>			<b>\$42,172,058</b>	<b>\$39,253,523</b>				
<b>Program Expenses outside of Operating Funds:</b>								
Salaries and Benefits	\$702,625	\$526,969	\$431,591	\$414,174	\$17,417	4%	(\$79,166)	-15%
Eligibility	\$350,000	\$262,500	\$828,415	\$31,588	\$796,828	2523%	\$565,915	216%
<b>Total Administrative Expenses</b>	<b>\$7,182,249</b>	<b>\$5,386,687</b>	<b>\$3,451,960</b>	<b>\$2,118,825</b>	<b>\$1,333,135</b>	<b>63%</b>	<b>(\$1,934,727)</b>	<b>-36%</b>
<b>Total WVCHIP Expenditures</b>	<b>\$57,663,580</b>	<b>\$43,247,685</b>	<b>\$42,372,561</b>	<b>\$38,104,104</b>	<b>\$4,268,457</b>	<b>11%</b>	<b>(\$875,124)</b>	<b>-2%</b>

**Footnotes:**

- 1) Statement is on cash basis
- 2) Estimate of Incurred but Not Reported (IBNR) claims on March 31, 2020 is \$ 4,820,000. The March 31, 2019 estimate was \$4,780,000
- 3) Administrative Accounts Payable balance on March 31, 2020 \$ 792,027. The March 31, 2019 balance was \$ 326,721
- 4) 2020 and 2019 adjustments to fund balance represent timing issues between the payment of expense and the draw-down of federal revenues
- 5) Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) was 93.96% starting 10/01/2019 and 100% 07/01/2019 thru 09/30/2019. FMAP was 100% in SFY2019
- 6) Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).
- 7) Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- 8) Other Services include home health, chiropractors, psychologists, podiatrists, and nurse practitioners

Unaudited - For Management Purposes Only  
**PRELIMINARY STATEMENT**

# WVCHIP Enrollment Report

ATTACHMENT 1

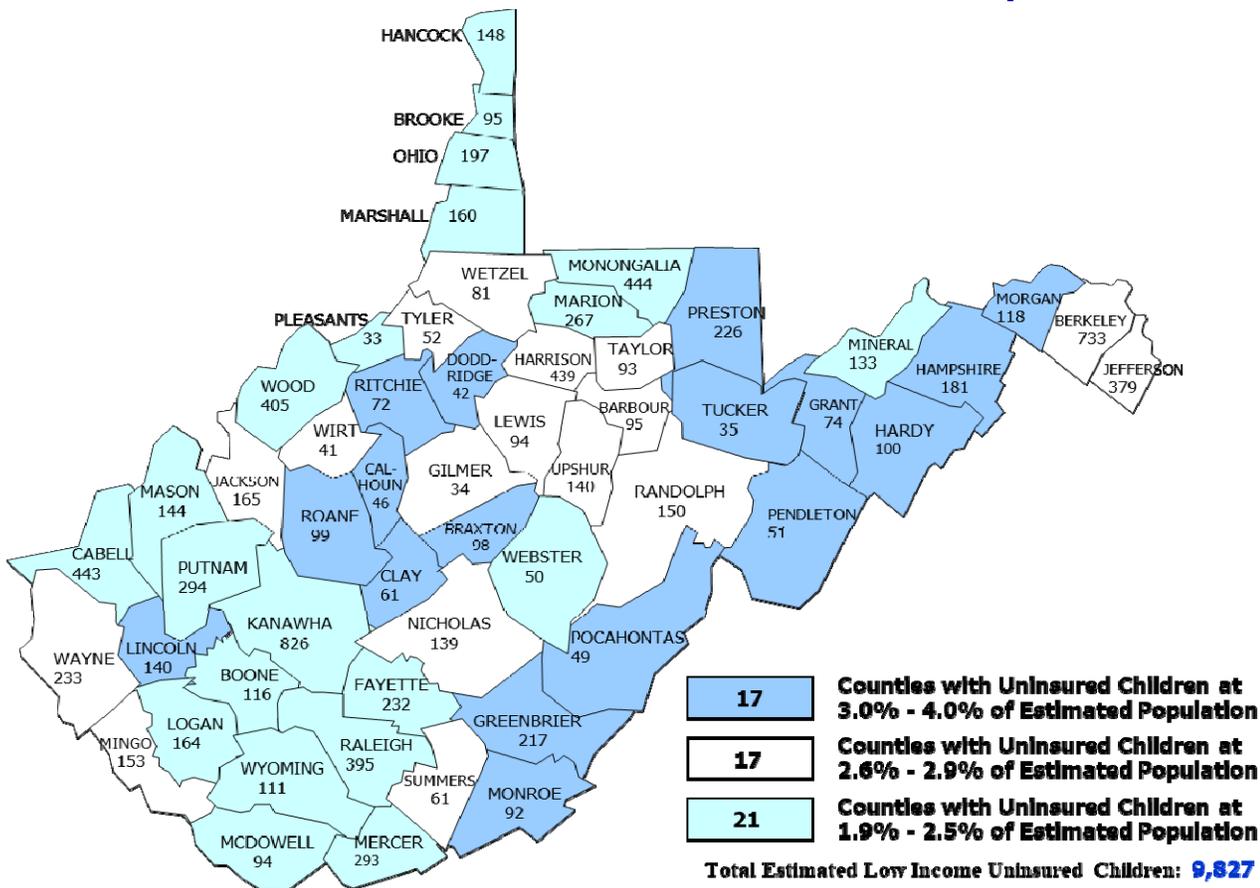
JUNE 2020

County	County Pop. 2017 Est. (0-18 Yrs)	Total CHIP Enrollment Jun-20	Total Medicaid Enrollment Jun-20	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2017 SAHIE Uninsured Est.	2017 SAHIE % Uninsured
Barbour	3,313	259	1,839	2,098	63.3%	95	2.9%
Berkeley	27,850	1,970	12,148	14,118	50.7%	733	2.6%
Boone	4,870	247	2,951	3,198	65.7%	116	2.4%
Braxton	2,922	149	1,544	1,693	57.9%	98	3.4%
Brooke	4,112	1	59	60	1.5%	95	2.3%
Cabell	19,229	955	9,437	10,392	54.0%	443	2.3%
Calhoun	1,388	99	878	977	70.4%	46	3.3%
Clay	2,031	113	1,345	1,458	71.8%	61	3.0%
Doddridge	1,394	95	771	866	62.1%	42	3.0%
Fayette	9,190	742	5,190	5,932	64.5%	232	2.5%
Gilmer	1,159	90	562	652	56.3%	34	2.9%
Grant	2,381	109	1,239	1,348	56.6%	74	3.1%
Greenbrier	7,002	629	3,760	4,389	62.7%	217	3.1%
Hampshire	4,576	298	2,416	2,714	59.3%	181	4.0%
Hancock	5,835	539	4,184	4,723	80.9%	148	2.5%
Hardy	2,833	230	1,569	1,799	63.5%	100	3.5%
Harrison	15,044	994	6,570	7,564	50.3%	439	2.9%
Jackson	6,419	312	3,032	3,344	52.1%	165	2.6%
Jefferson	13,314	739	3,824	4,563	34.3%	379	2.8%
Kanawha	37,910	2,282	19,787	22,069	58.2%	826	2.2%
Lewis	3,522	227	2,078	2,305	65.4%	94	2.7%
Lincoln	4,737	307	2,969	3,276	69.2%	140	3.0%
Logan	6,850	425	4,466	4,891	71.4%	164	2.4%
Marion	11,604	710	5,387	6,097	52.5%	267	2.3%
Marshall	6,263	311	2,604	2,915	46.5%	160	2.6%
Mason	5,782	281	2,834	3,115	53.9%	144	2.5%
McDowell	3,790	196	2,887	3,083	81.3%	94	2.5%
Mercer	12,553	990	8,138	9,128	72.7%	293	2.3%
Mineral	5,593	301	2,268	2,569	45.9%	133	2.4%
Mingo	5,446	256	4,016	4,272	78.4%	153	2.8%
Monongalia	17,800	997	5,621	6,618	37.2%	444	2.5%
Monroe	2,750	275	1,234	1,509	54.9%	92	3.3%
Morgan	3,319	250	1,519	1,769	53.3%	118	3.6%
Nicholas	5,218	365	3,010	3,375	64.7%	139	2.7%
Ohio	8,251	432	3,944	4,376	53.0%	197	2.4%
Pendleton	1,264	106	575	681	53.9%	51	4.0%
Pleasants	1,491	71	648	719	48.2%	33	2.2%
Pocahontas	1,509	123	811	934	61.9%	49	3.2%
Preston	6,566	464	2,994	3,458	52.7%	226	3.4%
Putnam	13,491	737	4,670	5,407	40.1%	294	2.2%
Raleigh	15,997	1,193	9,270	10,463	65.4%	395	2.5%
Randolph	5,463	472	3,092	3,564	65.2%	150	2.7%
Ritchie	1,974	87	1,081	1,168	59.2%	72	3.6%
Roane	3,035	282	1,774	2,056	67.7%	99	3.3%
Summers	2,212	178	1,496	1,674	75.7%	61	2.8%
Taylor	3,526	206	1,668	1,874	53.1%	93	2.6%
Tucker	1,171	124	531	655	55.9%	35	3.0%
Tyler	1,808	93	814	907	50.2%	52	2.9%

# WVCHIP Enrollment Report

JUNE 2020

County	County Pop. 2017 Est. (0-18 Yrs)	Total CHIP Enrollment Jun-20	Total Medicaid Enrollment Jun-20	Total CHIP/Medicaid Enrollment	CHIP/Medicaid % of Population	2017 SAHIE Uninsured Est.	2017 SAHIE % Uninsured
Upshur	5,112	403	2,962	3,365	65.8%	140	2.7%
Wayne	8,517	462	4,876	5,338	62.7%	233	2.7%
Webster	1,711	133	1,244	1,377	80.5%	50	2.9%
Wetzel	3,164	165	1,858	2,023	63.9%	81	2.6%
Wirt	1,257	62	713	775	61.7%	41	3.3%
Wood	18,379	1,097	8,981	10,078	54.8%	405	2.2%
Wyoming	4,477	312	2,726	3,038	67.9%	111	2.5%
<b>Totals</b>	<b>378,374</b>	<b>23,945</b>	<b>188,864</b>		<b>0.0%</b>	<b>9,827</b>	<b>2.6%</b>



The above map shows the most recent 2017 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 2.6%, 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.

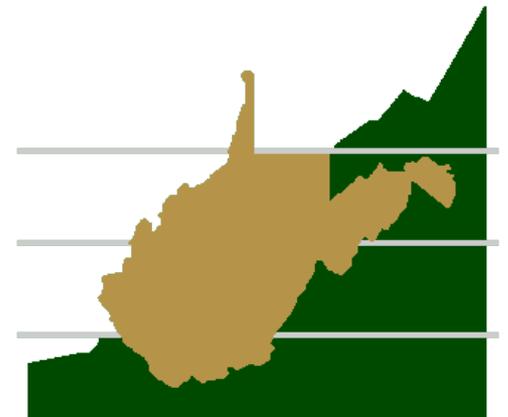
INVESTMENT MANAGEMENT  
BOARD

# WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

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Participant Plan Performance Report

May 31, 2020



# Participant Plans Allocation & Performance Net of Fees

Period Ending: May 31, 2020

	6/30/2019		5/31/2020		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
<b>WVIMB Fund Assets</b>	<b>19,986,151</b>	<b>100.0</b>	<b>19,270,150</b>	<b>100.0</b>								
<b>Pension Assets</b>	<b>16,174,170</b>	<b>80.9</b>	<b>15,532,316</b>	<b>80.6</b>								
Public Employees' Retirement System	6,895,387	34.5	6,663,524	34.6	1.7	(1.5)	(0.5)	3.9	5.4	5.8	8.4	6.5
Teachers' Retirement System	7,836,784	39.1	7,469,496	38.8	1.6	(1.5)	(0.5)	3.9	5.3	5.8	8.4	6.4
EMS Retirement System	84,650	0.4	85,015	0.4	1.7	(1.4)	(0.3)	4.0	5.4	5.9	8.4	
Public Safety Retirement System	689,820	3.5	642,750	3.3	1.6	(1.5)	(0.4)	3.9	5.3	5.8	8.4	6.6
Judges' Retirement System	212,655	1.1	208,185	1.1	1.7	(1.4)	(0.4)	4.0	5.4	5.9	8.4	6.5
State Police Retirement System	207,101	1.0	211,967	1.1	1.7	(1.4)	(0.3)	4.0	5.4	5.9	8.4	6.6
Deputy Sheriffs' Retirement System	232,576	1.2	230,442	1.2	1.7	(1.5)	(0.4)	4.0	5.4	5.9	8.4	6.6
Municipal Police & Firefighter Retirement System	11,090	0.1	13,715	0.1	1.8	(1.2)	(0.1)	4.1	5.4	5.8	6.5	
Municipal Model A	2,925	0.0	2,888	0.0	1.7	(1.5)	(0.5)	3.9	5.5	5.9		
Municipal Model C	1,182	0.0	1,184	0.0	2.4	(1.2)	0.2	4.2				
Municipal Model D	0	0.0	1,611	0.0	3.5	(1.0)						
Municipal Model F	0	0.0	1,539	0.0	3.2	(0.9)	0.8					
<b>Insurance Assets</b>	<b>2,829,801</b>	<b>14.2</b>	<b>2,711,320</b>	<b>14.2</b>								
Workers' Compensation Old Fund	1,105,721	5.5	999,341	5.2	2.5	(0.8)	1.8	4.6	3.9	4.0	4.9	
Workers' Comp. Self-Insured Guaranty Risk Pool	34,207	0.2	33,415	0.2	2.4	(1.0)	1.4	4.1	3.8	3.7	4.7	
Workers' Comp. Self-Insured Security Risk Pool	52,220	0.3	49,530	0.3	2.4	(1.1)	1.4	4.1	3.8	3.7		
Workers' Comp. Uninsured Employers' Fund	13,468	0.1	13,637	0.1	2.3	(1.0)	1.3	4.0	3.7	3.5	4.4	
Pneumoconiosis	238,605	1.2	216,582	1.1	2.5	(1.1)	1.4	4.1	3.7	3.7	5.2	5.5
Board of Risk & Insurance Management	158,696	0.8	161,059	0.8	2.4	(1.0)	1.5	4.2	3.8	3.7	5.2	
Public Employees' Insurance Agency	225,314	1.1	204,925	1.1	2.3	(0.9)	2.1	4.6	4.0	3.8	5.2	
WV Retiree Health Benefit Trust Fund	1,001,570	5.0	1,032,831	5.4	1.8	(1.2)	(0.1)	4.3	5.5	5.9	7.8	
<b>Endowment Assets</b>	<b>982,180</b>	<b>4.9</b>	<b>1,026,514</b>	<b>5.2</b>								
Berkeley County Development Authority	6,177	0.0	6,150	0.0	1.7	(1.5)	(0.4)	3.9	5.3			
Wildlife Fund	65,000	0.3	60,405	0.3	1.6	(1.5)	(0.5)	3.9	5.4	5.9	8.4	7.0
Revenue Shortfall Reserve Fund	197,342	1.0	272,016	1.4	1.2	0.5	5.7	7.0	4.3	3.5	3.7	
Revenue Shortfall Reserve Fund - Part B	465,189	2.4	482,976	2.5	2.1	(0.1)	3.8	6.3	4.5	4.4	5.5	
WV DEP Trust	9,258	0.0	9,119	0.0	3.5	(1.8)	(1.5)	2.9	3.6	4.2		
WV DEP Agency	204,701	1.0	195,848	1.0	2.9	(1.3)	0.4	3.7	3.7	3.9		

Composite Asset Allocation & Performance Net of Fees

Period Ending: May 31, 2020

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
Investment Pools Composite	19,275,947	100.00								
Total Equity Composite	9,225,897	47.86	4.29	(1.72)	(3.19)	3.00	3.63	4.95	9.29	6.00
+/- Total Equity Base Index (b)			(0.12)	(1.82)	(2.61)	(2.98)	(1.87)	(0.73)	0.19	0.70
Domestic Equity Composite	4,775,739	24.78	5.50	2.40	3.26	10.41	8.72	8.39	12.77	7.12
+/- Russell 3000 Index			0.15	(0.49)	(0.89)	(1.05)	(0.82)	(0.78)	(0.03)	0.94
International Equity Composite	4,450,158	23.08	3.02	(5.82)	(9.36)	(4.03)	(1.24)	1.52	5.74	5.24
+/- MSCI AC World ex US IMI Index (c)			(0.66)	(1.15)	(1.00)	(1.03)	(1.34)	0.19	0.81	1.36
Fixed Income Composite	3,074,201	15.95	1.98	(0.32)	4.87	6.48	4.52	4.11	4.44	5.74
+/- Bloomberg Barclays Capital Universal (d)			1.05	(1.26)	(2.12)	(2.02)	(0.31)	0.09	0.25	0.38
Core Fixed Income Composite	915,636	4.75	0.95	0.90	7.68	8.97	5.18	4.18	4.42	
+/- Bloomberg Barclays Capital Aggregate			0.48	(0.75)	(0.38)	(0.45)	0.11	0.24	0.50	
Total Return Fixed Income Composite (k)	2,158,565	11.20	2.42	(0.91)	3.59	5.34	4.21	4.05	4.43	6.09
+/- Bloomberg Barclays Capital Universal			1.49	(1.85)	(3.40)	(3.16)	(0.62)	0.03	0.24	0.68
TIPS Composite	428,064	2.22	0.32	1.33	7.21	8.13	4.41	3.36		
+/- Bloomberg Barclays Capital U.S. TIPS			0.02	0.05	0.13	0.13	0.08	0.04		
Cash Composite	85,671	0.44	(0.01)	0.10	1.30	1.49	1.64	1.11	0.62	1.74
+/- Citigroup 90 Day T-Bill (e)			(0.05)	(0.15)	(0.25)	(0.26)	(0.11)	(0.04)	(0.04)	(0.03)
Private Equity Composite	1,948,934	10.11	(4.88)	0.09	4.02	10.34	16.56	15.21	14.80	
+/- Russell 3000 + 3% (f, g)								3.04	(1.64)	
Real Estate Composite	1,959,478	10.17	(1.07)	(1.28)	1.14	2.87	6.69	7.82	9.16	
+/- NCREIF + 1% (f)								(1.03)	(2.01)	
Hedge Fund Composite	1,911,998	9.92	1.87	(3.80)	(1.81)	(0.77)	2.21	1.39	3.96	
+/- HFRI FOF + 1% (h)			(0.75)	(2.06)	(1.52)	(2.10)	(0.46)	(0.55)	0.59	
Opportunistic Income Composite	641,704	3.33	(3.76)	(2.40)	0.15	2.02	4.75			
+/- CS Leveraged Loan + 2% (i)			(7.73)	2.34	1.88	3.37	1.09			

# Participant Plans Allocation vs. Strategy

Period Ending: May 31, 2020

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

## Pension Assets

Public Employees' Retirement System	51.1	55.0	11.7	15.0	11.8	10.0	11.8	10.0	9.6	10.0	3.9	0.0	0.1	0.0
Teachers' Retirement System	51.0	55.0	11.5	15.0	11.8	10.0	11.9	10.0	9.6	10.0	3.9	0.0	0.3	0.0
EMS Retirement System	51.3	55.0	12.0	15.0	11.5	10.0	11.5	10.0	9.6	10.0	3.8	0.0	0.3	0.0
Public Safety Retirement System	51.1	55.0	11.3	15.0	12.0	10.0	12.1	10.0	9.5	10.0	4.0	0.0	0.0	0.0
Judges' Retirement System	51.3	55.0	11.8	15.0	11.7	10.0	11.7	10.0	9.6	10.0	3.8	0.0	0.1	0.0
State Police Retirement System	51.3	55.0	12.3	15.0	11.3	10.0	11.4	10.0	9.6	10.0	3.7	0.0	0.4	0.0
Deputy Sheriffs' Retirement System	51.3	55.0	12.0	15.0	11.6	10.0	11.6	10.0	9.6	10.0	3.8	0.0	0.1	0.0
Municipal Police & Firefighter Retirement System	50.5	55.0	12.5	15.0	10.4	10.0	10.5	10.0	9.3	10.0	3.4	0.0	3.4	0.0
Municipal Model A	51.4	55.0	11.8	15.0	11.4	10.0	11.5	10.0	9.2	10.0	3.7	0.0	1.0	0.0
Municipal Model C	49.4	50.0	26.3	30.0	5.6	5.0	5.7	5.0	9.5	10.0	1.9	0.0	1.6	0.0
Municipal Model D	66.4	65.0	32.2	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.0
Municipal Model F	54.2	55.0	40.9	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.9	0.0

## Insurance Assets

Workers' Compensation Old Fund	31.4	30.0	50.7	50.0	0.0	0.0	0.0	0.0	14.7	15.0	0.0	0.0	3.2	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	31.2	30.0	45.1	45.0	0.0	0.0	0.0	0.0	19.5	20.0	0.0	0.0	4.2	5.0
Workers' Comp. Self-Insured Security Risk Pool	31.2	30.0	45.3	45.0	0.0	0.0	0.0	0.0	19.5	20.0	0.0	0.0	4.0	5.0
Workers' Comp. Uninsured Employers Fund	31.3	30.0	39.9	40.0	0.0	0.0	0.0	0.0	19.5	20.0	0.0	0.0	9.3	10.0
Pneumoconiosis	32.4	30.0	46.3	45.0	0.0	0.0	0.0	0.0	19.7	20.0	0.0	0.0	1.6	5.0
Board of Risk & Insurance Mgmt.	31.1	30.0	44.8	45.0	0.0	0.0	0.0	0.0	19.4	20.0	0.0	0.0	4.7	5.0
Public Employees' Insurance Agency	25.6	25.0	54.9	55.0	0.0	0.0	0.0	0.0	19.5	20.0	0.0	0.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	52.6	55.0	13.2	15.0	10.5	10.0	10.6	10.0	9.6	10.0	3.5	0.0	0.0	0.0

## Endowment Assets

Berkeley County Development Authority	51.3	55.0	12.2	15.0	11.5	10.0	11.6	10.0	9.6	10.0	3.8	0.0	0.0	0.0
Wildlife Fund	50.9	55.0	11.9	15.0	11.8	10.0	11.9	10.0	9.5	10.0	3.9	0.0	0.1	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	22.8	22.5	77.2	77.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WV DEP Trust	67.1	65.0	15.0	15.0	0.0	0.0	0.0	0.0	17.9	20.0	0.0	0.0	0.0	0.0
WV DEP Agency	40.9	40.0	40.1	40.0	0.0	0.0	0.0	0.0	19.0	20.0	0.0	0.0	0.0	0.0

- (a) As of January 2019, the PERS Base is 60% MSCI ACWI Gross and 40% Bloomberg Barclays Capital Universal. From January 2014 to December 2018, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (IMI), and 40% Bloomberg Barclays Capital Universal. From April 2008 to December 2013, the PERS Base was 30% Russell 3000, 30% MSCI ACWI ex USA (Standard), and 40% Bloomberg Barclays Capital Universal. Prior periods were 42% Russell 3000, 18% MSCI ACWI ex USA, and 40% Bloomberg Barclays Capital Aggregate.
- (b) As of January 2019, the Total Equity Base Index is 100% MSCI ACWI Gross. From January 2014 to December 2018, the Total Equity Base Index was 50% Russell 3000 and 50% MSCI ACWI ex USA (IMI). From April 2008 to December 2013, the Total Equity Base Index was 50% Russell 3000 and 50% MSCI ACWI ex USA (Standard). Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACWI ex USA.
- (c) Prior to January 2014, the index was the MSCI ACW ex USA (Standard).
- (d) Prior to April 2008, the index was Bloomberg Barclays Capital Aggregate.
- (e) Prior to January 2014, the index was Citigroup 90 Day T-Bill plus 15 basis points.
- (f) The Private Equity Composite and Real Estate Composite are long-term programs whose benchmarks are only reported for 5 years and beyond.
- (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) As of July 2019, the Franklin Benchmark is 50% JPM EMBI Global Diversified ex GCC and 50% JPM GBI EM Diversified. Prior periods were 50% JPM EMBI Global Diversified and 50% JPM GBI EM Diversified.
- (j) Prior to April 2008, the index was a custom index.
- (k) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (l) Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.

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

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# WORKERS' COMPENSATION



**WEST VIRGINIA OFFICES *OF THE* INSURANCE COMMISSIONER**

*James A. Dodrill*  
*Insurance Commissioner*

**Status Report:**  
**Workers' Compensation**

*Joint Committee on Government & Finance*

*July 2020*

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## Introduction

With the passage of S.B. 1004 in January 2005, significant changes were made to workers' compensation insurance in West Virginia. The State administered monopolistic fund effectively ended when a new domestic mutual insurance company, "BrickStreet"<sup>1</sup>, was formed to issue workers' compensation insurance on a going forward basis. BrickStreet began writing new workers' compensation insurance liabilities effective January 2006. (They also retained the workers' compensation insurance premium and incurred liability starting in July 2005.) The West Virginia workers' compensation insurance market was later opened to competition beginning in July 2008.

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

At January 2008, there were 47,961 active Old Fund workers' compensation insurance claims. At June 2020, there were 10,597 active claims. The first Workers' Compensation Status Report to the Joint Committee on Government and Finance was issued in June 2008. The following pages update the status of the various workers' compensation funds and the activities associated with the administration of the workers' compensation responsibilities transitioned to the Offices of the Insurance Commissioner.

## Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

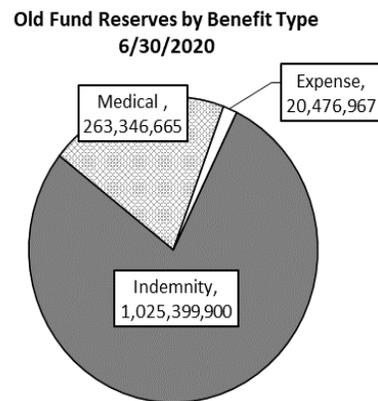
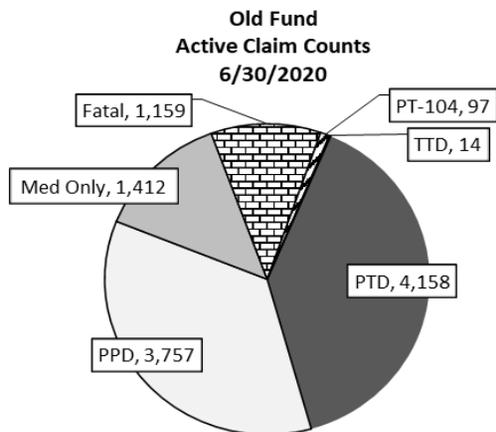
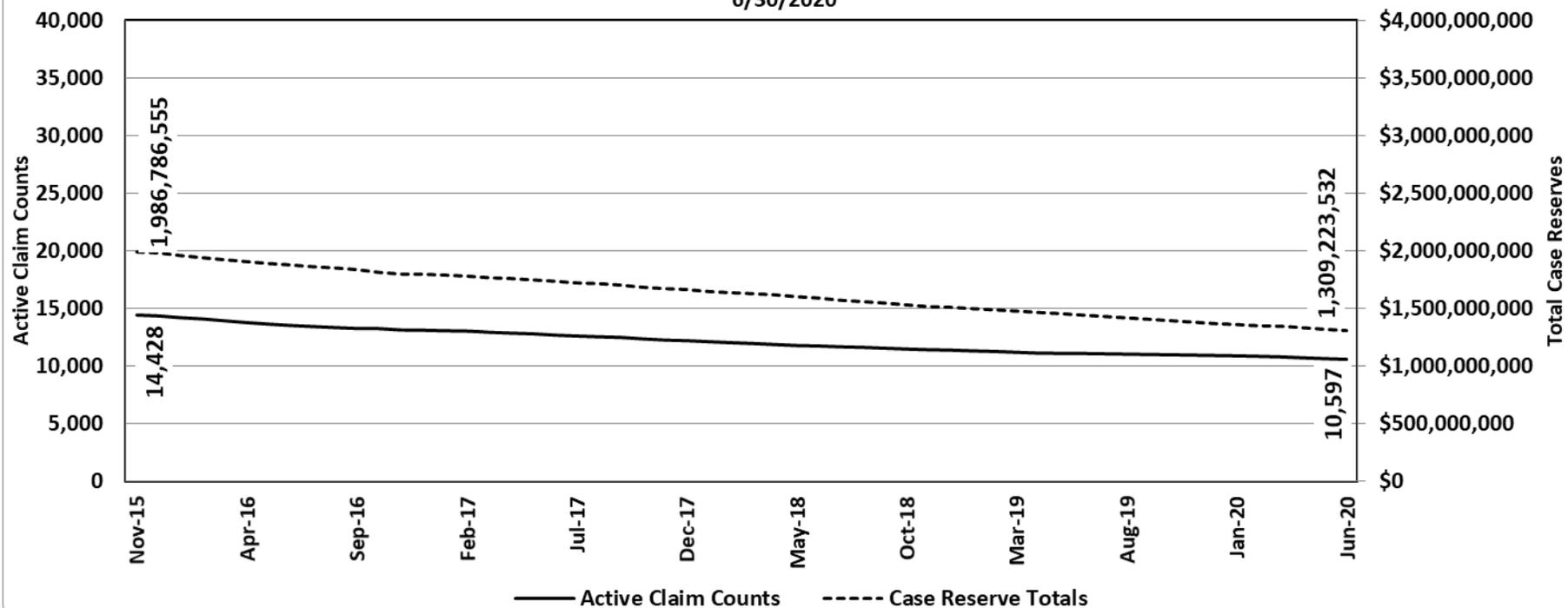
**Self-Insured Security Fund:** State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or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

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

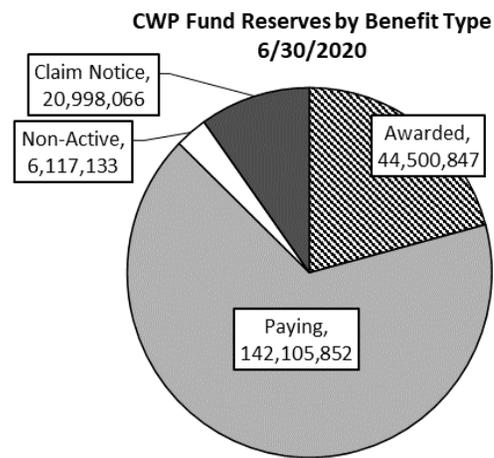
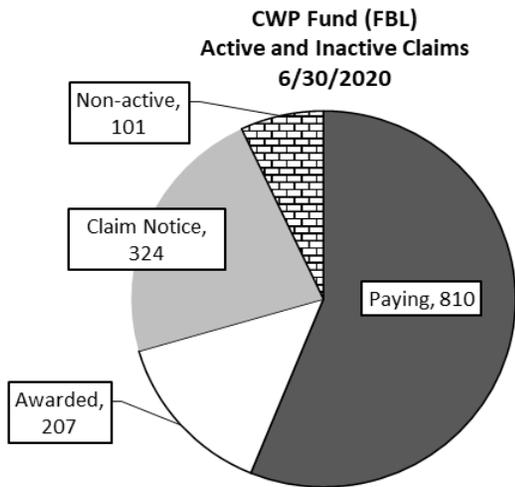
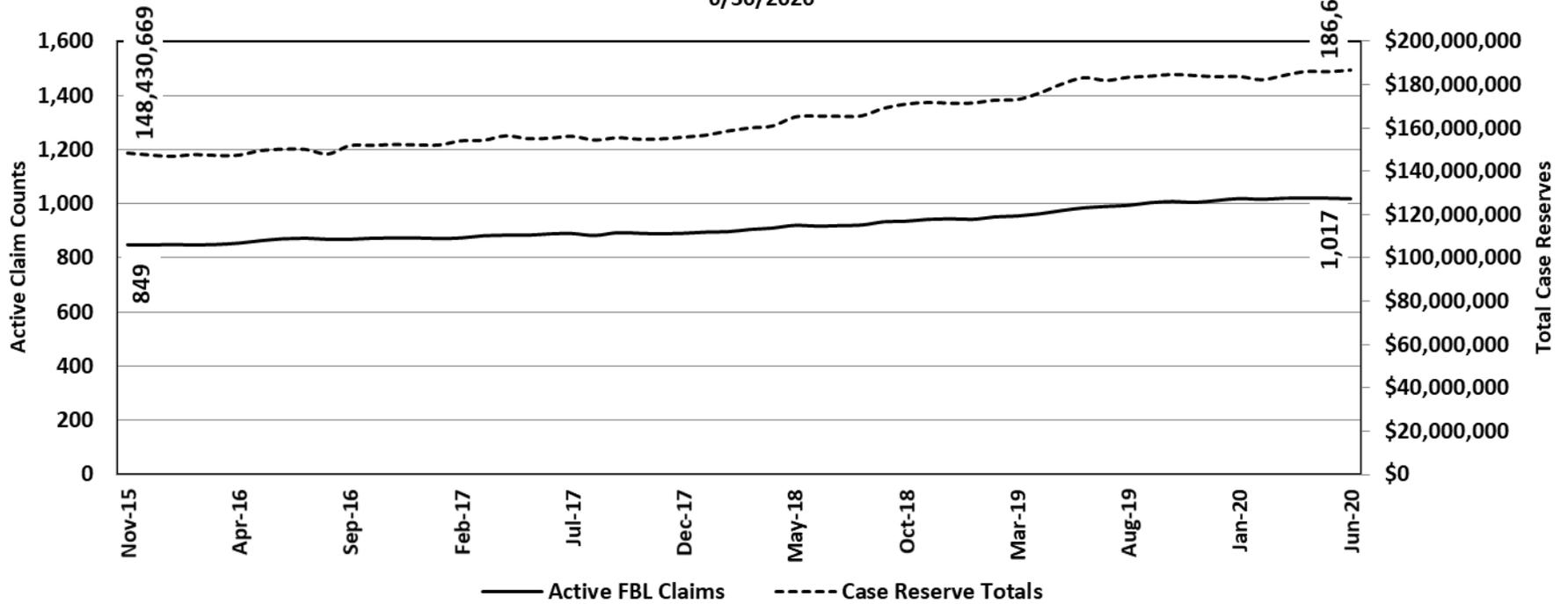
**TTD:** (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified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

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

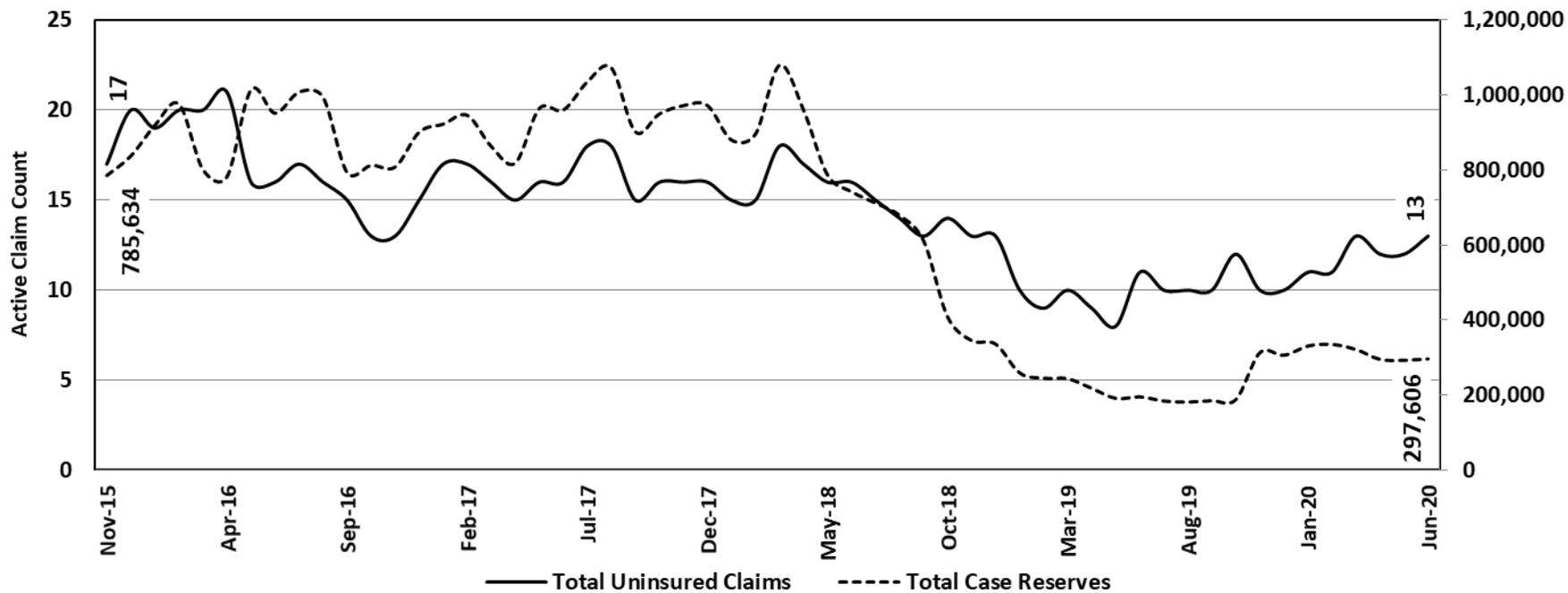
**Old Fund  
Active Claim Counts and Case Reserves  
6/30/2020**



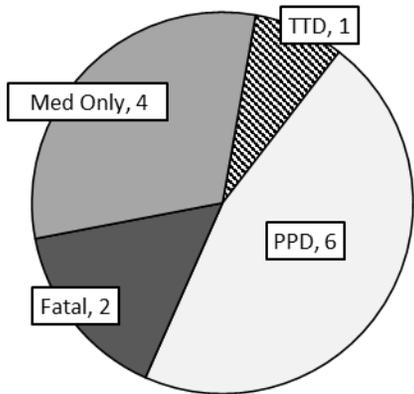
**CWP Fund (FBL)**  
**Active Claim Counts and Case Reserves**  
**6/30/2020**



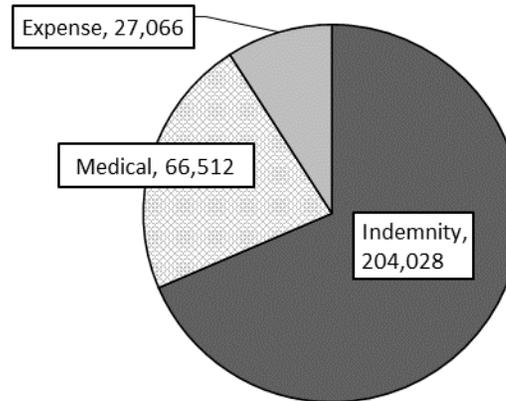
**Uninsured Fund  
Active Claim Counts and Case Reserves  
6/30/2020**



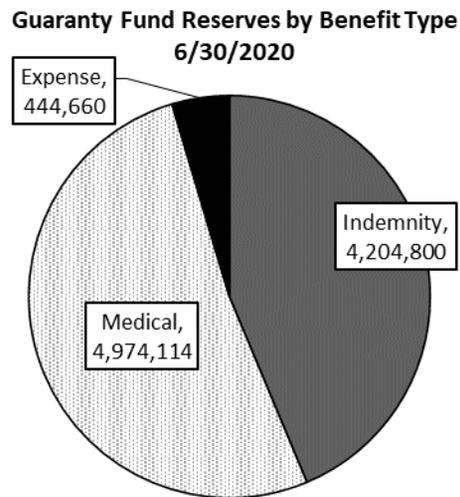
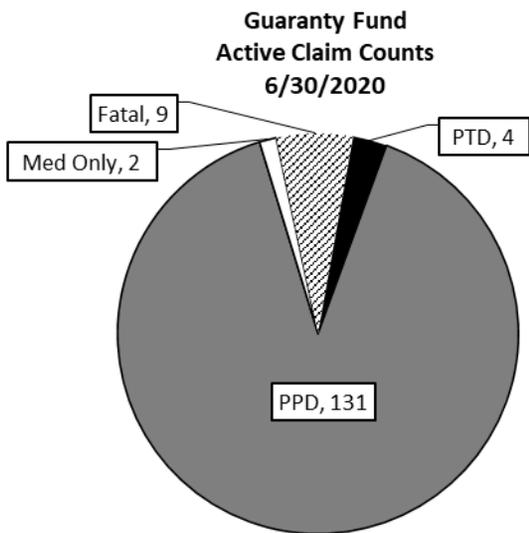
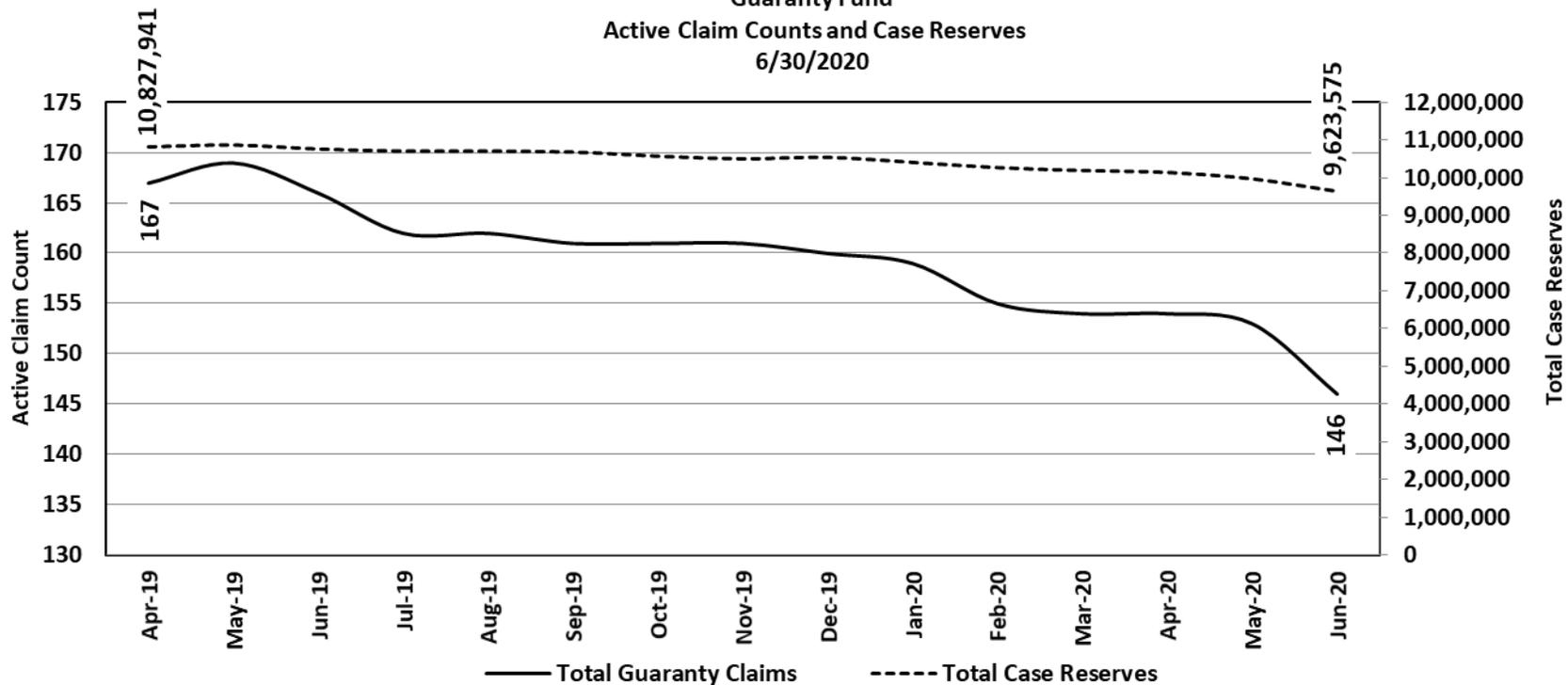
**Uninsured Fund  
Active Claim Counts  
6/30/2020**



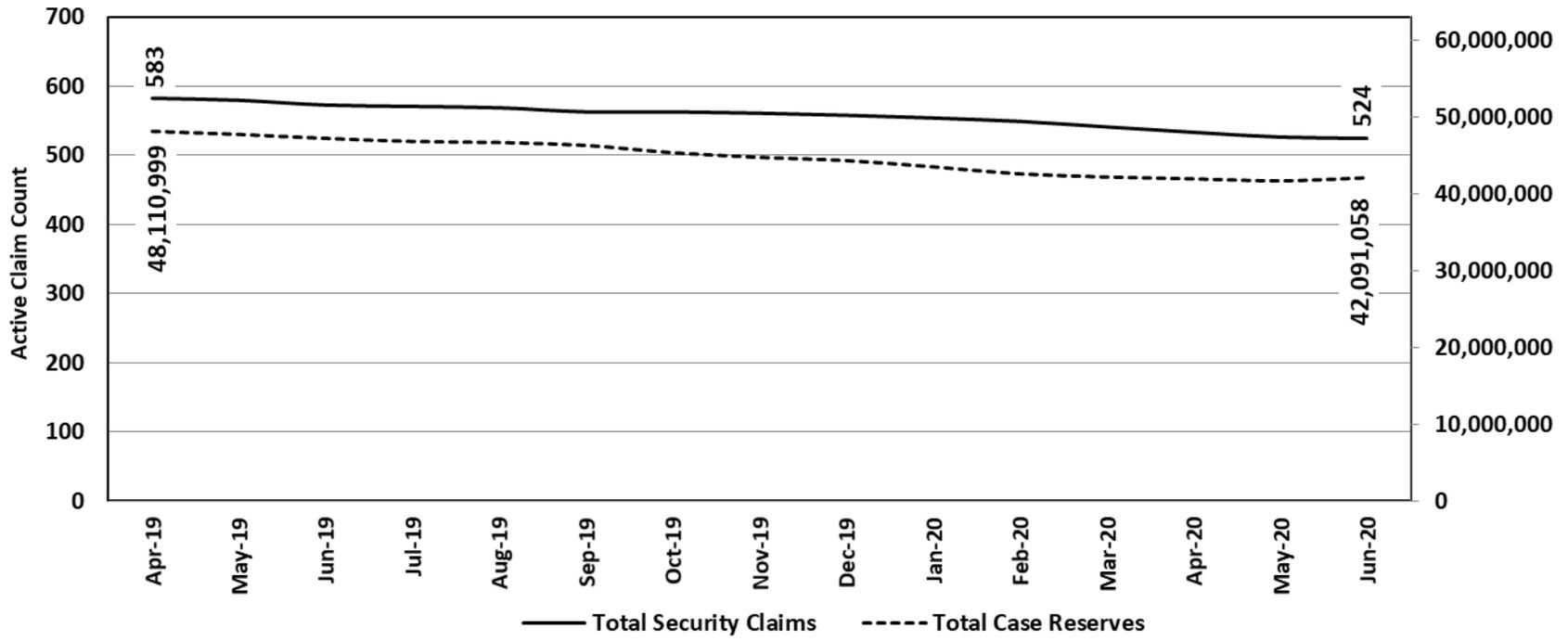
**Uninsured Fund Reserves by Benefit Type  
6/30/2020**



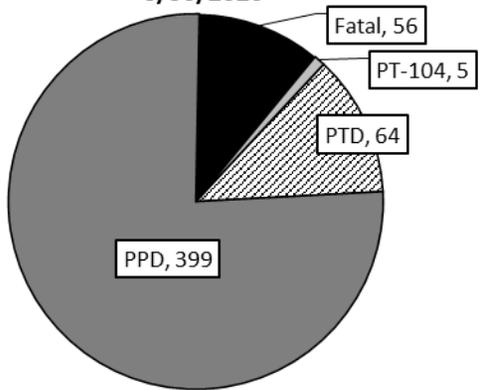
**Guaranty Fund  
Active Claim Counts and Case Reserves  
6/30/2020**



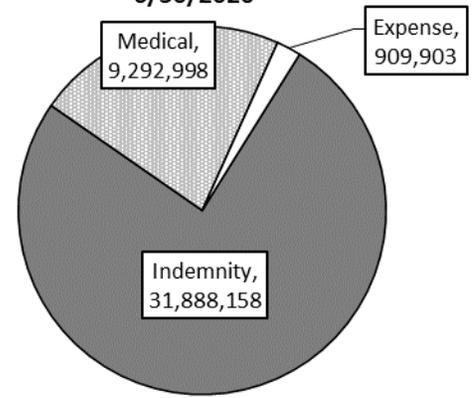
**Security Fund  
Active Claim Counts and Case Reserves  
6/30/2020**



**Security Fund  
Active Claim Counts  
6/30/2020**



**Security Fund Reserves by Benefit Type  
6/30/2020**



OLD FUND CASH STATEMENT  
JUNE 30, 2020

Three Year History for years ended:

	YTD FY2020	YTD FY2019	Change	FY2019	FY2018	FY2017
<b>Cash Beginning Balances</b>	<b>1,077,104,966</b>	<b>1,190,163,510</b>	<b>(113,058,544)</b>	<b>1,190,163,510</b>	<b>1,263,372,448</b>	<b>1,280,647,632</b>
<b>Revenues</b>						
Personal Income Tax	-	-	-	-	-	-
Severance Tax	-	812,164	(812,164)	812,164	-	13,887,551
Debt Reduction Surcharge	-	4,078,894	(4,078,894)	4,078,894	6,668,291	12,336,645
Self-Insured Debt Reduction Surcharge	-	1,628,881	(1,628,881)	1,628,881	2,130,127	4,346,111
Video Lottery	-	-	-	-	2,750,000	5,500,000
Employer Premium	138,119	70,302	67,817	70,302	513,387	62,806
Other Income - Return of Unclaimed Property	-	-	-	-	273,871	354,423
<b>Operating Revenues</b>	<b>138,119</b>	<b>6,590,241</b>	<b>(6,452,122)</b>	<b>6,590,241</b>	<b>12,335,675</b>	<b>36,487,535</b>
Investment / Interest Earnings (Losses)	48,614,936	17,915,993	30,698,943	17,915,993	67,551,779	112,116,554
<b>Total Revenues</b>	<b>48,753,055</b>	<b>24,506,234</b>	<b>24,246,821</b>	<b>24,506,234</b>	<b>79,887,454</b>	<b>148,604,089</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	21,141,087	21,861,357	(720,270)	21,861,068	25,531,399	27,437,375
Permanent Total Disability	75,312,850	81,018,639	(5,705,789)	81,018,639	86,779,468	92,140,733
Permanent Partial Disability	70,989	120,930	(49,941)	120,930	301,824	336,015
Temporary Disability	(486)	49,001	(49,488)	49,001	18,268	-
Fatals	19,297,908	20,440,045	(1,142,137)	20,440,045	21,608,332	22,990,499
104 weeks death benefit	5,474,959	4,630,636	844,322	4,630,636	5,182,930	5,825,439
Settlements	4,452,419	3,688,819	763,600	3,688,819	7,058,622	11,716,131
Loss Adjustment Expenses	1,603,551	1,400,225	203,326	1,400,225	1,324,887	1,446,808
<b>Total</b>	<b>127,353,276</b>	<b>133,209,653</b>	<b>(5,856,377)</b>	<b>133,209,364</b>	<b>147,805,732</b>	<b>161,893,000</b>
Less: Claims credits and overpayments	982,782	2,443,869	(1,461,087)	2,443,869	2,877,784	5,080,389
<b>Total Benefits Paid</b>	<b>126,370,494</b>	<b>130,765,784</b>	<b>(4,395,290)</b>	<b>130,765,495</b>	<b>144,927,948</b>	<b>156,812,611</b>
Administrative Expenses	5,826,303	6,260,677	(434,374)	6,799,283	8,168,444	9,066,663
<b>Total Expenditures</b>	<b>132,196,797</b>	<b>137,026,461</b>	<b>(4,829,664)</b>	<b>137,564,778</b>	<b>153,096,392</b>	<b>165,879,274</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(83,443,742)</b>	<b>(112,520,227)</b>	<b>29,076,485</b>	<b>(113,058,544)</b>	<b>(73,208,938)</b>	<b>(17,275,184)</b>
<b>Cash Ending Balances</b>	<b>993,661,224</b>	<b>1,077,643,283</b>	<b>(83,982,058)</b>	<b>1,077,104,966</b>	<b>1,190,163,510</b>	<b>1,263,372,448</b>

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

COAL WORKERS PNEUMOCONIOSIS FUND  
JUNE 30, 2020

Three Year History for years ended:

	YTD FY2020	YTD FY2019	Change	FY2019	FY2018	FY2017
<b>Cash Beginning Balances</b>	<b>232,485,887</b>	<b>246,768,365</b>	<b>(14,282,479)</b>	<b>246,768,365</b>	<b>251,313,328</b>	<b>245,945,240</b>
<b>Revenues</b>						
Investment Earnings (Losses)	9,366,126	3,546,660	5,819,466	3,546,660	13,912,317	22,100,417
Other Income - Return of Unclaimed Property	-	-	-	-	645	8,353
<b>Total Revenues</b>	<b>9,366,126</b>	<b>3,546,660</b>	<b>5,819,466</b>	<b>3,546,660</b>	<b>13,912,961</b>	<b>22,108,770</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	7,541,269	4,623,840	2,917,429	4,623,840	6,709,112	4,032,649
PTD and Fatal Indemnity	8,899,722	8,683,360	216,363	8,683,360	7,945,389	8,174,289
Loss Adjustment Expenses	3,933,266	3,620,512	312,754	3,620,512	3,165,542	3,783,923
Total	20,374,258	16,927,711	3,446,546	16,927,711	17,820,043	15,990,861
Less: Claims Credits and Overpayments	360,474	85,884	274,589	85,884	268,646	125,895
Total Benefits Paid	20,013,784	16,841,827	3,171,957	16,841,827	17,551,397	15,864,966
Administrative Expenses	923,707	987,312	(63,605)	987,312	906,527	875,715
<b>Total Expenditures</b>	<b>20,937,491</b>	<b>17,829,139</b>	<b>3,108,352</b>	<b>17,829,139</b>	<b>18,457,924</b>	<b>16,740,681</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(11,571,365)</b>	<b>(14,282,479)</b>	<b>2,711,113</b>	<b>(14,282,479)</b>	<b>(4,544,963)</b>	<b>5,368,089</b>
<b>Cash Ending Balances</b>	<b>220,914,521</b>	<b>232,485,887</b>	<b>(11,571,364)</b>	<b>232,485,887</b>	<b>246,768,365</b>	<b>251,313,328</b>

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  
JUNE 30, 2020

Three Year History for years ended:

	YTD FY2020	YTD FY2019	Change	FY2019	FY2018	FY2017
<b>Cash Beginning Balances</b>	<b>33,373,873</b>	<b>34,042,831</b>	<b>(668,958)</b>	<b>34,042,831</b>	<b>33,836,322</b>	<b>33,462,454</b>
<b>Revenues</b>						
Guaranty Risk Pool Assessments	-	(354)	354	(354)	-	-
Collateral Proceeds	-	252,925	(252,925)	252,925	-	-
Investment Earnings (Losses)	1,367,274	523,349	843,925	523,349	1,873,190	3,012,508
<b>Total Revenues</b>	<b>1,367,274</b>	<b>775,921</b>	<b>591,353</b>	<b>775,921</b>	<b>1,873,190</b>	<b>3,012,508</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	346,473	496,368	(149,896)	496,368	239,490	503,912
Permanent Total Disability	102,389	102,389	-	102,389	181,821	63,717
Permanent Partial Disability	225,842	260,557	(34,715)	260,557	522,798	972,712
Temporary Disability	-	13,148	(13,148)	13,148	56,649	375,328
Fatals	223,506	226,808	(3,302)	226,808	253,055	277,011
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	10,000	125,000	(115,000)	125,000	170,000	3,800
Non Awarded Partial Disability	-	-	-	-	10,904	4,407
Loss Adjustment Expenses	76,110	112,306	(36,196)	112,306	123,706	255,219
<b>Total</b>	<b>984,319</b>	<b>1,336,576</b>	<b>(352,256)</b>	<b>1,336,576</b>	<b>1,558,423</b>	<b>2,456,105</b>
Less: Claims Credits and Overpayments	45,480	205	45,275	205	12,868	2,723
<b>Total Benefits Paid</b>	<b>938,840</b>	<b>1,336,371</b>	<b>(397,531)</b>	<b>1,336,371</b>	<b>1,545,555</b>	<b>2,453,382</b>
Administrative Expenses	77,951	100,176	(22,225)	108,508	121,127	185,258
<b>Total Expenditures</b>	<b>1,016,791</b>	<b>1,436,547</b>	<b>(419,756)</b>	<b>1,444,879</b>	<b>1,666,682</b>	<b>2,638,640</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>350,483</b>	<b>(660,626)</b>	<b>1,011,109</b>	<b>(668,958)</b>	<b>206,509</b>	<b>373,868</b>
<b>Cash Ending Balances</b>	<b>33,724,356</b>	<b>33,382,205</b>	<b>342,151</b>	<b>33,373,873</b>	<b>34,042,831</b>	<b>33,836,322</b>

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  
JUNE 30, 2020

Three Year History for years ended:

	YTD FY2020	YTD FY2019	Change	FY2019	FY2018	FY2017
<b>Cash Beginning Balances</b>	50,905,481	53,404,259	(2,498,778)	53,404,259	54,448,203	53,859,338
<b>Revenues</b>						
Security Risk Pool Assessments	-	-	-	-	-	-
Collateral Proceeds	-	243,007	(243,007)	243,007	-	-
Investment Earnings (Losses)	2,087,341	770,092	1,317,249	770,092	3,015,368	4,914,238
<b>Total Revenues</b>	<b>2,087,341</b>	<b>1,013,099</b>	<b>1,074,242</b>	<b>1,013,099</b>	<b>3,015,368</b>	<b>4,914,238</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	549,908	527,648	22,260	527,648	802,935	778,632
Permanent Total Disability	1,379,159	1,519,062	(139,903)	1,519,062	1,603,037	1,576,942
Permanent Partial Disability	(60)	5,702	(5,762)	5,702	-	-
Temporary Disability	-	-	-	-	-	-
Fatals	979,631	1,090,855	(111,224)	1,090,855	1,230,799	1,333,911
104 Weeks Death Benefit	78,073	8,932	69,141	8,932	37,804	134,935
Settlement Agreements	162,665	19,065	143,600	19,065	207,565	14,165
Loss Adjustment Expenses	118,818	96,587	22,231	96,587	88,371	151,558
Total	3,268,194	3,267,851	343	3,267,851	3,970,511	3,990,143
Less: Claims Credits and Overpayments	102,299	54,962	47,337	54,962	223,585	38,143
Total Benefits Paid	3,165,895	3,212,889	(46,994)	3,212,889	3,746,926	3,952,000
Administrative Expenses	258,413	274,162	(15,749)	298,987	312,386	373,374
<b>Total Expenditures</b>	<b>3,424,308</b>	<b>3,487,051</b>	<b>(62,743)</b>	<b>3,511,876</b>	<b>4,059,312</b>	<b>4,325,374</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(1,336,967)</b>	<b>(2,473,953)</b>	<b>1,136,985</b>	<b>(2,498,778)</b>	<b>(1,043,944)</b>	<b>588,865</b>
<b>Cash Ending Balances</b>	<b>49,568,514</b>	<b>50,930,306</b>	<b>(1,361,792)</b>	<b>50,905,481</b>	<b>53,404,259</b>	<b>54,448,203</b>

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  
JUNE 30, 2020

Three Year History for years ended:

	YTD FY2020	YTD FY2019	Change	FY2019	FY2018	FY2017
<b>Cash Beginning Balances</b>	<b>13,211,915</b>	<b>12,989,971</b>	<b>221,944</b>	<b>12,989,971</b>	<b>12,760,544</b>	<b>11,864,792</b>
<b>Revenues</b>						
Fines and Penalties	385,577	588,767	(203,190)	588,767	436,728	595,742
Investment Earnings (Losses)	517,439	179,479	337,960	179,479	660,537	962,646
<b>Total Revenues</b>	<b>903,016</b>	<b>768,246</b>	<b>134,771</b>	<b>768,246</b>	<b>1,097,265</b>	<b>1,558,387</b>
<b>Expenditures</b>						
Claims Benefits Paid:						
Medical	7,169	129,612	(122,442)	129,612	164,187	30,783
Permanent Total Disability	-	-	-	-	-	-
Permanent Partial Disability	15,617	30,633	(15,016)	30,633	33,025	51,760
Temporary Disability	22,059	35,751	(13,692)	35,751	104,582	25,414
Fatals	37,816	50,030	(12,215)	50,030	50,030	50,030
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	82,000	106,000	(24,000)	106,000	344,000	255,715
Loss Adjustment Expenses	46,867	52,714	(5,847)	52,714	5,846	6,969
Total	211,528	404,740	(193,212)	404,740	701,671	420,672
Less: Claims Credits and Overpayments	7,535	50,676	(43,141)	50,676	47,333	33,341
Total Benefits Paid	203,993	354,064	(150,071)	354,064	654,338	387,331
Administrative Expenses	92,174	191,149	(98,975)	192,238	213,501	275,304
<b>Total Expenditures</b>	<b>296,167</b>	<b>545,213</b>	<b>(249,046)</b>	<b>546,302</b>	<b>867,839</b>	<b>662,635</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>606,849</b>	<b>223,033</b>	<b>383,817</b>	<b>221,944</b>	<b>229,426</b>	<b>895,753</b>
<b>Cash Ending Balances</b>	<b>13,818,764</b>	<b>13,213,004</b>	<b>605,760</b>	<b>13,211,915</b>	<b>12,989,971</b>	<b>12,760,544</b>

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

BOARD OF TREASURY  
INVESTMENTS

# BOARD OF TREASURY INVESTMENTS

**CALENDAR NOTE**

Board Meeting  
August 13, 2020

## OPERATING REPORT

### JUNE 2020

**Board of Treasury Investments**

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

**Board of Directors**

John D. Perdue,  
State Treasurer,  
Chairman

James C. Justice II,  
Governor

John B. McCuskey,  
State Auditor

Glenda Probst,  
Appointed by the  
Governor

Michael L. Glasser,  
Esq. Attorney  
Appointed by the  
Governor

**Executive Staff**

Executive  
Director

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

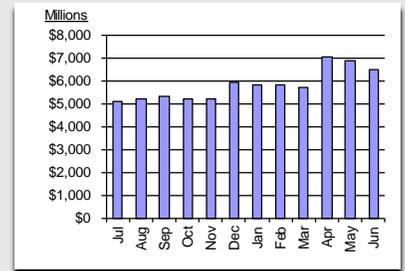
Chief Financial  
Officer  
Karl Shanholtzer,  
CFA, CPA, CIA

### Total Net Assets Under Management

**\$6,467,527,000**

Last Month  
**\$6,877,257,000**

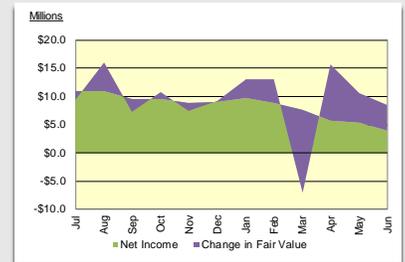
Beginning of Fiscal Year  
**\$5,169,224,000**



**Net Assets for the Past 12 Months**

### Total Net Income & Changes in Fair Value

Fiscal Year  
**\$114,449,000**



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

### Money Market Pools

As of June 30, 2020

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	0.4984%	44 Days	\$5.1 Billion
WV Gov't Money Market	0.3198%	50 Days	\$262.7 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

### JUNE 2020

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#### Access Liquidity

##### Market Results

Risk assets added to recent gains as economies around the world relaxed restrictions and central banks and governments continued to provide extraordinary stimulus to offset the weak economic backdrop. Despite a pandemic and a recession, investors embraced risk in their search for yield amid significant central bank intervention and low rates. As a result, global equities posted strong returns following the correction at the end of the first quarter. US equities, as measured by the S&P 500 Index, increased 2.0% in June for a 20.5% return during the quarter. This marked the largest quarterly gain for the index since 1998. In addition, US small caps outperformed large caps with the Russell 2000 increasing 3.5% for the month and 25.4% for the quarter.

Non-US equities also benefitted from the risk-on sentiment and recent weakness in the dollar. The MSCI EAFE Index gained 3.4%, while the euro appreciated 1.0% relative to the dollar in June. Emerging markets outperformed during the month, rising 7.4%, as broad currency appreciation supported returns; the MSCI Emerging Market Currency Index appreciated 1.2% last month.

In fixed income, global rates were mostly unchanged in June, resulting in relatively flat returns for Treasury-based indexes. However, the US 10-year breakeven inflation figure increased 19 basis points, underscoring a rise in inflation expectations. In credit, spreads continued to tighten, reflecting Fed intervention in fixed-income markets. The option-adjusted spreads of the Barclays US Investment Grade and Barclays US High Yield indexes declined 24 and 11 basis points, respectively.

In real assets, spot WTI crude oil bolstered recent gains, up 10.4% for the month. The recent increase pushed quarter-to-date returns to 91.5% as demand has begun to recover with economies reopening and continued production cuts from OPEC+. In addition, spot gold prices rose 3% last month, with investors likely looking to the asset class as a portfolio hedge.

##### Market Outlook

While the recent performance of risk assets has been encouraging, we remind investors of the significant headwinds still surrounding the global economy, especially as positive COVID-19 cases trend higher across the United States. In the face of such uncertainty, we expect heightened volatility to continue across capital markets, given the wide range of possible economic outcomes. To that end, we encourage investors to be disciplined and mindful of market liquidity. We recommend investors maintain at least one quarter of spending needs in cash as potential market dislocations can trigger bouts of illiquidity across publicly-traded markets.

# West Virginia Board of Treasury Investments

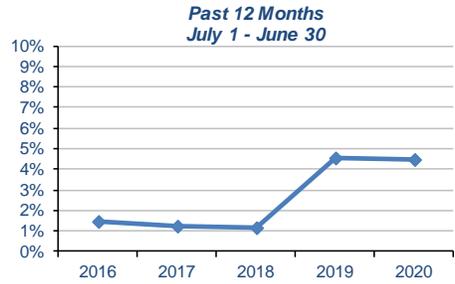
## Financial Highlights as of June 30, 2020

### WV Short Term Bond Pool

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

<u>July 1 - Jun 30</u>	<u>Return</u>	<u>Net Assets At June 30 (In Millions)</u>
2020	4.5%	\$ 813.1
2019	4.5%	\$ 737.8
2018	1.1%	\$ 709.5
2017	1.3%	\$ 753.7
2016	1.5%	\$ 791.1

#### WV Short Term Bond Pool Rates of Return

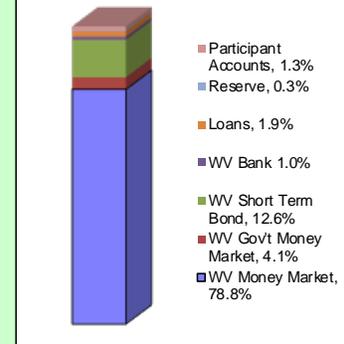


*Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool*

### Summary of Value and Earnings *(In Thousands)*

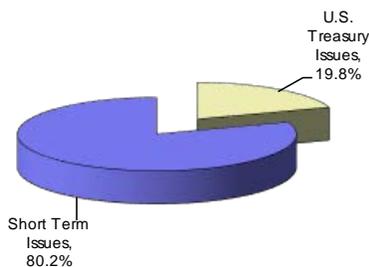
<u>Pool</u>	<u>Net Asset Value</u>	<u>June Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 5,099,974	\$ 2,183	\$ 69,756
WV Gov't Money Market	262,678	69	3,832
WV Short Term Bond	813,119	5,973	35,462
WV Bank	67,909	60	1,434
Loans	120,569	151	2,877
Reserve	19,906	4	319
Participant Accounts	83,372	83	769
	<u>\$ 6,467,527</u>	<u>\$ 8,523</u>	<u>\$ 114,449</u>

#### Percent of Total Net Asset Value

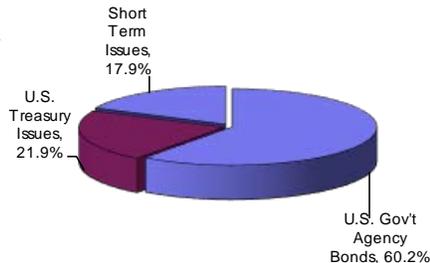


### Securities by Type for Operating Pools *(Percentage of Asset Value)*

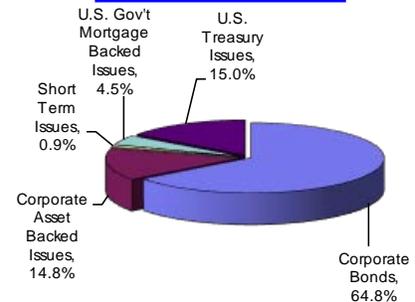
#### WV Money Market



#### WV Gov't Money Market



#### WV Short Term Bond



**WEST VIRGINIA BOARD OF TREASURY INVESTMENTS**  
**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED**

**JUNE 30, 2020**

(IN THOUSANDS)

	<u>WV Money Market Pool</u>	<u>WV Government Money Market Pool</u>	<u>WV Short Term Bond Pool</u>	<u>WV Bank Pool</u>	<u>Other Pools</u>	<u>Participant Directed Accounts</u>	<u>Total</u>
<b>Assets</b>							
<b>Investments:</b>							
At amortized cost	\$ 5,149,351	\$ 264,558	\$ -	\$ 67,671	\$ 140,230	\$ -	\$ 5,621,810
At fair value	-	-	810,077	-	-	83,166	893,243
Other assets	1,266	165	31,872	242	251	206	34,002
Total assets	<u>5,150,617</u>	<u>264,723</u>	<u>841,949</u>	<u>67,913</u>	<u>140,481</u>	<u>83,372</u>	<u>6,549,055</u>
<b>Liabilities</b>							
<b>Accrued expenses, dividends payable &amp; payables for investments purchased</b>							
	50,643	2,045	28,830	4	6	-	81,528
Total liabilities	<u>50,643</u>	<u>2,045</u>	<u>28,830</u>	<u>4</u>	<u>6</u>	<u>-</u>	<u>81,528</u>
<b>Net Position</b>							
Held in trust for investment pool participants	5,099,974	262,678	813,119	67,909	140,475	-	6,384,155
Held in trust for individual investment account holders	-	-	-	-	-	83,372	83,372
Total net position	<u>\$ 5,099,974</u>	<u>\$ 262,678</u>	<u>\$ 813,119</u>	<u>\$ 67,909</u>	<u>\$ 140,475</u>	<u>\$ 83,372</u>	<u>\$ 6,467,527</u>
<b>Additions</b>							
<b>Investment income:</b>							
Interest and dividends	\$ 731	\$ 56	\$ 1,690	\$ 61	\$ 246	\$ 90	\$ 2,874
Net (amortization) accretion	1,676	26	(163)	-	-	(1)	1,538
Provision for uncollectible loans	-	-	-	-	(89)	-	(89)
Total investment income	<u>2,407</u>	<u>82</u>	<u>1,527</u>	<u>61</u>	<u>157</u>	<u>89</u>	<u>4,323</u>
<b>Investment expenses:</b>							
Investment advisor, custodian bank & administrative fees	226	13	56	1	2	-	298
Total investment expenses	<u>226</u>	<u>13</u>	<u>56</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>298</u>
Net investment income	2,181	69	1,471	60	155	89	4,025
Net realized gain (loss) from investments	2	-	1,452	-	-	-	1,454
Net increase (decrease) in fair value of investments	-	-	3,050	-	-	(6)	3,044
Net increase (decrease) in net position from operations	2,183	69	5,973	60	155	83	8,523
<b>Participant transaction additions:</b>							
Purchase of pool units by participants	917,225	16,734	-	82	6	-	934,047
Reinvestment of pool distributions	2,183	69	2,468	60	155	-	4,935
Contributions to individual investment accounts	-	-	-	-	-	1	1
Total participant transaction additions	<u>919,408</u>	<u>16,803</u>	<u>2,468</u>	<u>142</u>	<u>161</u>	<u>1</u>	<u>938,983</u>
Total additions	921,591	16,872	8,441	202	316	84	947,506
<b>Deductions</b>							
<b>Distributions to pool participants:</b>							
Net investment income	2,181	69	1,471	60	155	-	3,936
Net realized gain (loss) from investments	2	-	1,452	-	-	-	1,454
Total distributions to pool participants	<u>2,183</u>	<u>69</u>	<u>2,923</u>	<u>60</u>	<u>155</u>	<u>-</u>	<u>5,390</u>
<b>Participant transaction deductions:</b>							
Redemption of pool units by participants	1,341,292	5,592	1,721	82	3,159	-	1,351,846
Withdrawals from individual investment accounts	-	-	-	-	-	-	-
Total participant transaction deductions	<u>1,341,292</u>	<u>5,592</u>	<u>1,721</u>	<u>82</u>	<u>3,159</u>	<u>-</u>	<u>1,351,846</u>
Total deductions	<u>1,343,475</u>	<u>5,661</u>	<u>4,644</u>	<u>142</u>	<u>3,314</u>	<u>-</u>	<u>1,357,236</u>
Net increase (decrease) in net position from operations	(421,884)	11,211	3,797	60	(2,998)	84	(409,730)
Inter-pool transfers in	5,000	-	-	-	-	-	5,000
Inter-pool transfers out	-	-	-	(5,000)	-	-	(5,000)
Net inter-pool transfers in (out)	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(416,884)	11,211	3,797	(4,940)	(2,998)	84	(409,730)
Net position at beginning of period	5,516,858	251,467	809,322	72,849	143,473	83,288	6,877,257
Net position at end of period	<u>\$ 5,099,974</u>	<u>\$ 262,678</u>	<u>\$ 813,119</u>	<u>\$ 67,909</u>	<u>\$ 140,475</u>	<u>\$ 83,372</u>	<u>\$ 6,467,527</u>

# DOH SALARY SCHEDULE PLAN

**WEST VIRGINIA LEGISLATURE**  
*Administration Division*

**Building 1, Room E-132  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305  
(304) 347-4742**



**Shannon L. Riley  
Director**

July 21, 2020

Byrd E. White, III, Secretary  
WV Department of Transportation  
Building 5  
1900 Kanawha Blvd E  
Charleston, WV 25305

Dear Secretary White:

In July 2019, the Joint Committee on Government and Finance requested information on the Division of Highways' salary schedule plan as well as an update on the pay raise grievance. On behalf of the committee, I am requesting a written update on both of these issues. Please provide this information to me via email, at [shannon.riley@wvlegislature.gov](mailto:shannon.riley@wvlegislature.gov) by Wednesday, July 29, 2020. If you have any questions regarding this request, please contact me at (304)347-4800.

Sincerely,  
  
Shannon Riley



**WEST VIRGINIA DEPARTMENT OF TRANSPORTATION**

**Division of Highways**

1900 Kanawha Boulevard East • Building Five • Room 110  
Charleston, West Virginia 25305-0430 • (304) 558-3505

**Byrd E. White, III**  
Secretary of Transportation/  
Commissioner of Highways

July 29, 2020

**Jimmy Wriston, P. E.**  
Deputy Secretary/  
Deputy Commissioner

**Ms. Shannon Riley**  
West Virginia Legislature  
Joint Committee on Government and Finance  
Building 1, Room 132  
Charleston, West Virginia 25305

**ELECTRONICALLY SUBMITTED**

Dear Ms. Riley:

Thank you for your letter dated July 21, 2020 requesting information to West Virginia Division of Highways' (DOH) salary schedule plan and an update on the pay raise grievance request.

Please review the attached DOH 's Salary Schedule Plan document with a complete description of the "History", "Current State of Improved Comprehensive Classification and Compensation System" and "Timeline of Significant Events".

In reference to the "Mass" grievance, DOH has received notification this week on the Grievance Board schedule to hear Level 3 Grievance on August 20, 2020. Please review the attached DOH Mass Grievance Information document.

Should the Joint Committee on Government and Finance have additional questions or concerns, please feel free to contact my office.

Sincerely,

A handwritten signature in blue ink that reads "Byrd E. White III".

**Byrd E. White III**  
Secretary of Transportation  
Commissioner of Highways

**BEW:WDh**

**Attachments**

## **Division of Highway's Pay Plan Policy Overview**

### **I. History**

The West Virginia Legislature commissioned a performance audit to assess and improve the effectiveness and efficiency of the core operations of the Division of Highways. The Division of Highways has long had difficulty filling positions which are essential to constructing and maintaining the state's highways and bridges. The Legislature found that the hiring and retention processes of the division must be streamlined to effectively and efficiently meet personnel needs while still affording applicants and employees the due process protections of classified service.

During the Second Extraordinary Session of the West Virginia Legislature in 2017 the legislature passed W.Va. Code §17-2A-24 entitled "Special employment procedures for Division of Highways personnel" to "allow the Division of Highways to employ qualified applicants to vacant and new personnel positions in the division in a timely manner and to ensure that the Division of Highways has an adequate workforce sufficient to maintain safe roadways for the citizens of West Virginia." W.Va. Code §17-2A-24(a)(2).

To effectively carry out the purpose of W.Va. Code §17-2A-24, the legislature removed the authority of the Division of Personnel over DOH's employee hiring, classification, and pay matters. The statute expressly provided that DOH "is not required to comply with Division of Personnel procedures for seeking applications and making appointments to classified service positions[.]" W.Va. Code §17-2A-24(d). However, the legislature did not remove oversight by the State Personnel Board (SPB).

The legislature expressed their concern as follows: "The Division of Highways has long had difficulty filling positions which are essential to constructing and maintaining the state's highways and bridges. The Legislature finds that the hiring and retention processes of the division must be streamlined to effectively and efficiently meet personnel needs while still affording applicants and employees the due process protections of classified service." W.Va. Code §17-2A-24(a)(1).

The DOH submitted a proposal to implement a salary adjustment within the Bridge Safety Inspector classifications as a result of recruitment and retention issues at the December 21, 2017 SPB meeting. The salary adjustment was found to be necessary for the following reasons: "The implementation of this proposed salary adjustment, based upon the West Virginia Division of Highways Bridge Safety Inspector (BRSFIN) Program, will establish a mechanism for addressing the salary compression and imminent salary inversion that will occur in several BRSFIN Classifications. By increasing the salaries, current employees will, thus, be afforded the opportunity to be compensated at a similar rate of pay their colleagues who have been hired and progressed through the BRSFIN Program are earning or will earn."

The DOH also submitted a proposal to implement a salary adjustment for maintenance classifications at the December 21, 2017 SPB meeting. The maintenance classification adjustment was deemed necessary for the following reasons: "The implementation of this proposed salary adjustment, based upon the West Virginia Division of Highways Transportation Worker (TW) Apprenticeship Program, will establish a mechanism for addressing the salary inversion currently being experienced in several Maintenance Classifications. By increasing the salaries, current employees will, thus, be afforded the opportunity to be compensated at the same rate of pay their colleagues who have been promoted or reallocated from the TW Apprenticeship Program are earning."

On December 21, 2017, the SPB required the DOH to provide a comprehensive pay plan structure for all DOH employees within 90 days. It has been litigated that SPB and the DOH have the authority to approve pay differentials to address class-wide recruitment and retention problems for reasonably defined groups of employees. DOH complied with SPB's December directive at the April SPB meeting held on April 19, 2018; SPB approved DOH's proposal to establish its Salary Pay Plan, Hourly Pay Plan, Pay Plan Policy and Salary Pay Plan Implementation.

DOH implemented its comprehensive pay plan structure on August 1, 2018.

## II. Current State of Improved Comprehensive Classification and Compensation System

On June 8, 2020, the DOH submitted to the West Virginia State Board of Personnel (SPB) a proposal for a 750-page comprehensive Classification and Compensation system.

The proposal includes revised classifications and fundamental elements of compensation which will provide equitable and competitive compensation for DOH state employees.

The DOH's focus is on promoting a comprehensive compensation strategy that supports the recruitment and retention of a quality State workforce. This translates into a plan that is competitive with the labor market, provides modern career paths, and recognizes the contributions of State employees who perform above and beyond.

Since the implementation of West Virginia Statute §17-2A-24, the DOH has conducted a review of all classifications utilized by the Division of Highways, the best equitable pay structure, as well as the current pay plan policy. The focus of the DOH is to promote a comprehensive compensation and classification strategy that supports the recruitment and retention of a quality State transportation workforce. This translates into a strategy that is competitive with the labor market, provides modern career paths, and recognizes the contributions of State employees who perform above expectations.

It is for the purpose of enacting this necessary strategy of creating a fair and properly structured classification and competitive compensation system that aids the overall mission that the DOH presented the proposal.

On June 25, 2020, the SPB tabled the approval of the proposed pay plan citing unease approving the plan not knowing the credentials of employees working on the project and whether DOH had the ability and fortitude to implement such a plan in good faith. The SPB requested the Division of Personnel (DOP) undertake a detailed review and provide a report to the SPB regarding the Department of Transportation-Division of Highways (DOH) proposal for a comprehensive Classification and Compensation system presented to the Board at the regular July 23, 2020 meeting.

The DOH met with representatives of the DOP and submitted two rounds of questions to facilitate the DOP in its review. On July 23, 2020, the proposal was tabled again, citing a need for more time to review.

## III. Timeline of Significant Events

<b>October 2017</b>	During the Second Extraordinary Session of the West Virginia Legislature in 2017 the legislature passed W.Va. Code §17-2A-24 entitled "Special employment procedures for Division of Highways personnel".
<b>November 2017</b>	Human Resources Director position is vacated.
<b>December 2017</b>	The DOH submitted a proposal to implement a salary adjustment within the Bridge Safety Inspector classifications as a result of recruitment and retention issues.  The DOH also submitted a proposal to implement a salary adjustment for maintenance classifications.  The SPB required the DOH to provide a comprehensive pay plan/structure for all DOH employees within 90 days.

	Drema Smith is named Acting Human Resources Director.
<b>April 2018</b>	SPB approved DOH's proposal to establish its Salary Pay Plan, Hourly Pay Plan, Pay Plan Policy and Salary Pay Plan Implementation.
<b>August 2018</b>	DOH implemented its comprehensive pay plan.
<b>January 2019</b>	H. Julian Woods is appointed new Human Resources Director.
<b>March 2019</b>	Tom Smith vacates Secretary of Transportation position.
<b>May 2019</b>	Chief Human Resources Officer position is vacated.
<b>July 2019</b>	H. Julian Woods is appointed Executive Director of Human Resources.
<b>June 2020</b>	<p>DOH submitted to the West Virginia State Board of Personnel (SPB) a proposal for a 750-page comprehensive Classification and Compensation system.</p> <p>SPB requested the Division of Personnel undertake a detailed review and provide a report to the SPB regarding the Department of Transportation-Division of Highways proposal for a comprehensive Classification and Compensation system presented to the Board at the regular June 25, 2020 meeting.</p>
<b>July 2020</b>	DOH proposal tabled for further review.

## **Mass Grievance Information**

The "Mass" grievance is still before the Grievance Board. It is currently at Level 3. Prior to that, DOH Legal Division Director, Jill Dunn attended the Level 2 Mediation. At the time of the Mediation, DOH presented that it had previously submitted a Pay Plan Policy to the DOP Review Board. That Pay Plan Policy was approved by the Board without further obligation by DOH.

The DOH defense has been and remains that DOH followed all the Pay Plan Policy requirements as approved by the Board. In addition, at the Mediation DOH Human Resources Director, Julian Woods and Ms. Dunn told the Mediator who advised the Grievants that although not required, DOH was going above the requirements by working on a new Pay Plan Policy to present to the Board. The Grievants were told that the new Plan would not grant every DOH employee a raise, but that if approved by the Board, the new Plan might result in some employees receiving additional money if they qualified. The new Pay Plan Policy has been presented to the Board. The Board had questions about the new Plan and DOH sent the Board all the answers.

DOH has done more than is required by the Board. At this point, we are waiting for the Grievance Board to meet on August 20, 2020 for the Level 3 hearing. Rebecca McDonald is the DOH Legal Division attorney assigned to that hearing. We are also waiting for the final determination about the new Pay Plan Policy from the Board.

DOH has nothing else to do but wait for other agencies to act.