



# STATE OF WEST VIRGINIA

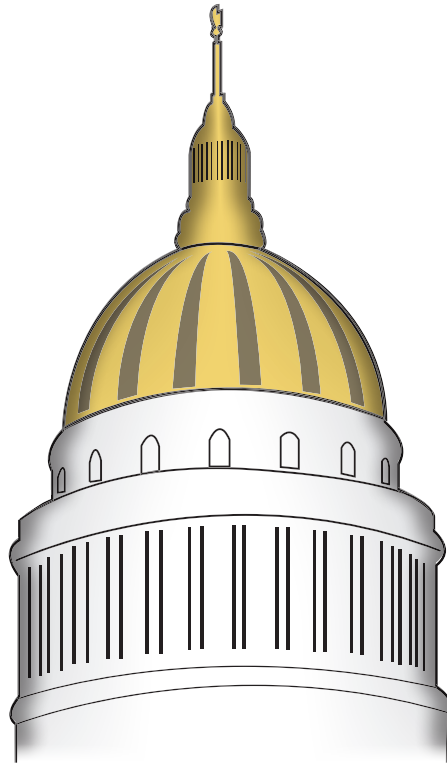
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**EXECUTIVE BUDGET: VOLUME I BUDGET REPORT**  
**FISCAL YEAR 2022**

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**JIM JUSTICE**  
**GOVERNOR**





*Jim Justice*  
*Governor of West Virginia*

February 10, 2021

To the Members of the 85th Legislature of the State of West Virginia:

In accordance with the Constitution of the State of West Virginia, presented herewith is the Executive Budget document for the fiscal year ending June 30, 2022. It details a complete plan for proposed expenditures and estimated revenues for the fiscal year. The document includes statements of the following:

- 1) Bonded Indebtedness of the State of West Virginia;
- 2) Cash and investment balances of all funds of the State of West Virginia;
- 3) Revenues for all funds of the State of West Virginia; and
- 4) Revenues, expenditures, and changes in fund balances for Fiscal Year 2022.

The budget presented is a balanced budget with a maximum spending level for the General Revenue Fund of \$4,569,616,000; for the Lottery Fund of \$125,433,000; for the State Excess Lottery Revenue Fund of \$290,257,000; for the State Road Fund of \$1,426,689,865; for Appropriated Special Revenue funds of \$1,502,095,000; for Appropriated Federal funds of \$6,616,682,000; for Nonappropriated Federal funds of \$1,385,183,000; and for Nonappropriated Special Revenue funds of \$15,401,423,000, for a grand total of \$31,319,536,000

I look forward to working with the 85th Legislature of the State of West Virginia to meet the continuing challenges and opportunities so together we can move West Virginia forward in a rapidly changing international economy.

Yours in service,

A handwritten signature in blue ink, reading "Jim Justice".

Jim Justice  
Governor

State Capitol | 1900 Kanawha Blvd., East, Charleston, WV 25305 | (304) 558-2000

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**State of West Virginia**

For the Fiscal Year Beginning

**July 1, 2020**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of West Virginia for its annual budget for the fiscal year beginning July 1, 2020.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

# State Budget Office Staff

**Dave Hardy**  
Cabinet Secretary  
Department of Revenue

**Mark Muchow**  
Deputy Cabinet Secretary  
Department of Revenue

**Michael T. Cook**  
Director

**Misty Reese**  
Deputy Director  
of Budget and Finance

**Tammy Scruggs**  
Deputy Director of Budget  
HRM/Position Control

**Heather L. Greenfield**  
Budget Analyst II

**Sara Stonestreet**  
Budget Analyst II

**Jeffrey R. Conley**  
Budget Analyst II

**Jerri Rucker**  
Administrative Services Assistant III

**Sharon K. Sommerville**  
Human Resources Generalist II

**Joey Belcher**  
Human Resources Generalist I

State Budget Office  
State of West Virginia  
Building One, Room W-310  
1900 Kanawha Boulevard, East  
Charleston, WV 25305-0171  
304-558-0040 phone / 304-558-1588 fax  
[www.budget.wv.gov](http://www.budget.wv.gov)    [state.budget.office@wv.gov](mailto:state.budget.office@wv.gov)

# Reader's Guide to the Executive Budget

## ***The Executive Budget***

The Governor is mandated by the West Virginia Constitution to submit the upcoming fiscal year's budget to the Legislature and the citizens of the state. The *Executive Budget* presents a complete plan of estimated revenues and proposed expenditures for the upcoming fiscal year, any recommendations the Governor may desire to make as to the important features of the budget, and any suggestions as to methods for reduction or increase of the state's revenues.

In essence, the budget document is the means by which the Governor presents a continuous and timely flow of accurate information relative to the financial condition of the state. In addition, the document features relevant information concerning the needs and operations of the various agencies and departments of the state through narrative and financial detail.

The budget is presented in four separate documents:

The ***Budget Bill*** includes the language required to legally enact the budget or appropriations bill. Upon passage by the Legislature, the Budget Bill becomes the Budget Act and appropriates by spending unit the expenditures necessary for the economical and efficient discharge of the duties and responsibilities of the state and its agencies during the upcoming fiscal year.

***Volume I Budget Report*** contains:

“Financial Statements”—an overview of available revenues, expenditures, bonded indebtedness, and fund balances

“Budget Planning”—items such as:

- \* Long-Range Issues — an overview of how the state is addressing major long-range issues and concerns
- \* Budget Overview — the budget process, including the budget calendar and financial policies
- \* Schedules of budgeted, full-time equivalent permanent positions

“Revenue Sources”—a detailed explanation of major revenue sources and the distribution of funds

“Debt Summary”—information relating to the general, special, and moral obligations of the state, including a summary of general long-term debt and debt service requirements

“Economic Forecast”—a forecast and analysis of the economy as it relates to West Virginia and to the nation

“Appendices”—a glossary of budgetary terms and a list of the commonly used acronyms

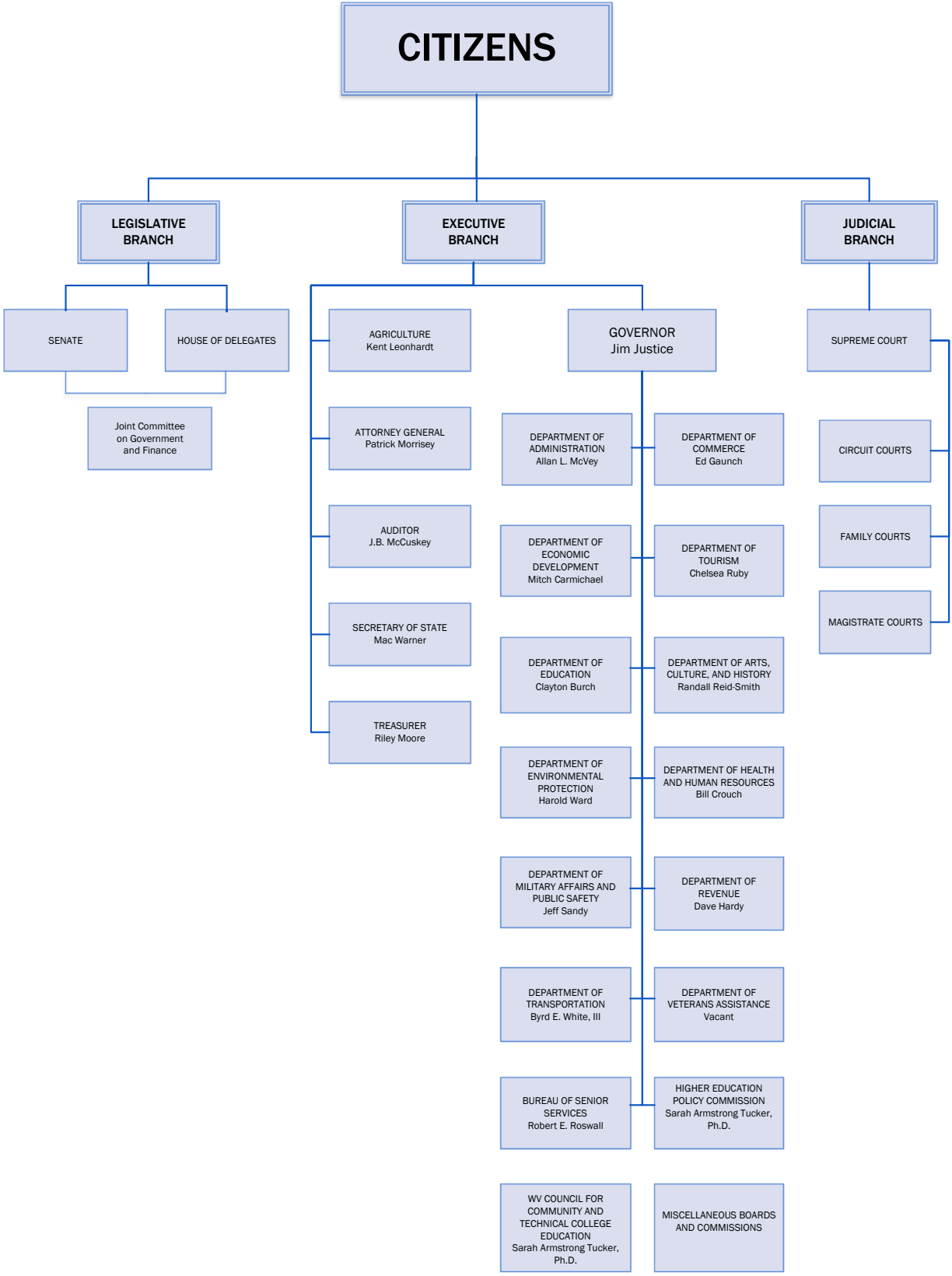
***Volume II Operating Detail*** contains narrative and financial information on all appropriated departments, bureaus, commissions, agencies, divisions, and programs of state government. (It also includes major component agencies [e.g., BRIM, CPRB, etc.] that may not normally have appropriated accounts.) *Volume II Operating Detail* also contains:

“Capital Projects”—projects currently budgeted in FY 2021, recommended for FY 2022, and projected for FY 2023 through FY 2026

“Appendices”—a glossary of commonly used budgetary terms; a glossary of acronyms

The ***Volume III Account Detail*** provides the detailed budgetary information for FY 2020 Actual expenditures, FY 2021 Budgeted expenditures, FY 2022 Current-Level Request, and the Governor's FY 2022 Recommendation for all funds.

# State of West Virginia Organizational Chart





# SUMMARY FINANCIAL STATEMENTS





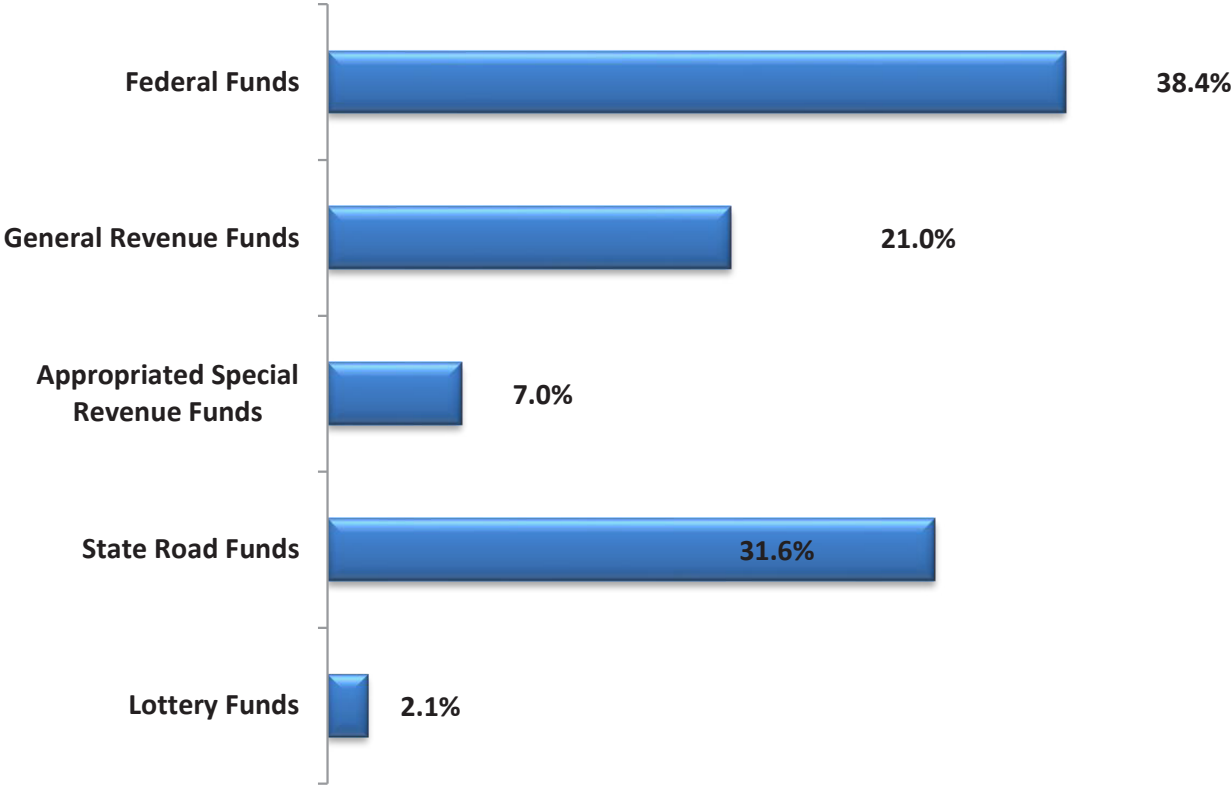
# Financial Statements

The following pages contain financial information and statements related to all funds of the state. Included are:

- Graphics of the Total FY 2022 Budget – Where the State Dollar Comes From and Where the State Dollar Goes
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for All Funds (narrative and statement)
- Cash and Investment Balances of All Funds Fiscal Year Ending June 30, 2020
- Detailed Investments Special Revenue Fiscal Year Ending June 30, 2020
- General Revenue Fund – Statement of Revenues by Source FY 2018 through FY 2026
- General Revenue Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- General Revenue Fund – Overview by Functional Category FY 2020 through FY 2022
- General Revenue Fund – Recommended Surplus Supplemental Appropriations FY 2021
- Lottery Net Profits – Recommended Supplemental Appropriations FY 2021
- Lottery Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- Lottery Fund – Overview by Functional Category FY 2020 through FY 2022
- Excess Lottery Fund – Overview by Functional Category FY 2020 through FY 2022
- Excess Lottery Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- State Road Fund – Statement of Revenues by Source FY 2018 through FY 2026
- State Road Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- Summary of Primary Government Long Term Debt Outstanding as of June 30, 2020
- Major Reserve/Stabilization Accounts

# Where The State Dollar Comes From

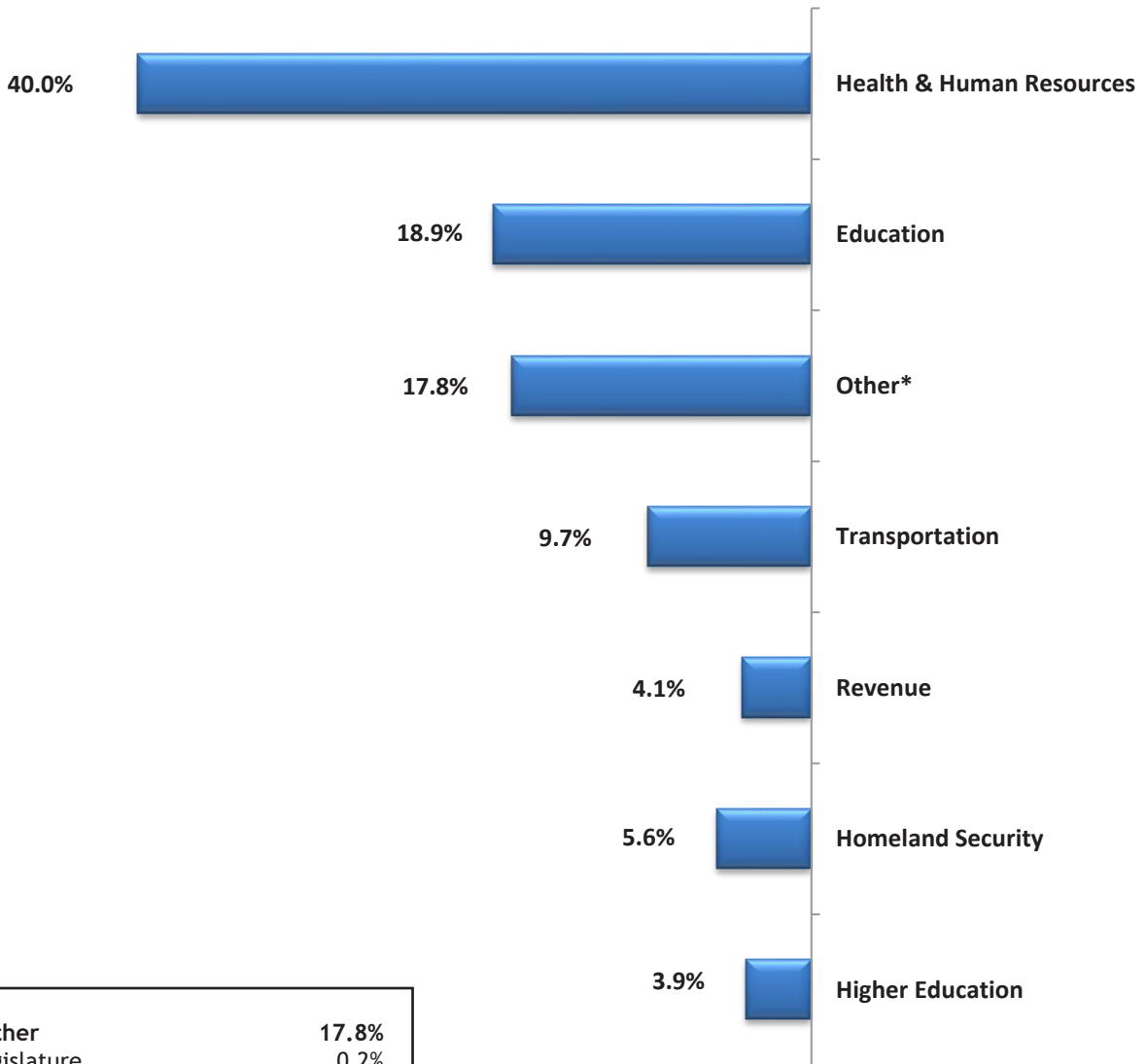
(FY 2022 Estimate)



**TOTAL REVENUE**  
**\$21.8 Billion**  
(Appropriated Funding Sources)

# Where The State Dollar Goes

(Governor's Recommended FY 2022 Budget)



*Other	17.8%
Legislature	0.2%
Judicial	0.9%
Executive	6.7%
Administration	1.8%
Commerce	1.9%
Arts Culture and History	0.2%
Environment	1.7%
Senior Services	0.6%
Veterans Assistance	0.2%
Misc. Boards & Commissions	1.6%
Economic Development	0.1%
Tourism	0.1%

**TOTAL EXPENDITURES**  
**\$15.9 Billion**  
 (Appropriated Funding Sources)

# Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for All Funds

The following Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for All Funds reflects actual, budgeted, and recommended revenues and expenditures for FY 2020, FY 2021, and FY 2022, respectively, for all funds. The revenues and the disbursements are listed at the department/bureau level. See the “Revenue Sources” chapter for a more detailed explanation of each source of funds.

All revenues (Actual, Budgeted, and Recommended) reflect the revenues actually collected or estimated to be collected from July 1 to June 30 of each fiscal year. All expenditures (Actual, Budgeted, and Recommended) reflect the disbursements actually made or estimated to be made during the fiscal year. For appropriations that expire at the end of the fiscal year, expenditures would be included through July 31 (13th month/31-day closeout period). For unexpended amounts that are reappropriated to the next fiscal year, expenditures are included through June 30—there is no 13th month/31-day closeout period for reappropriations. Any unexpended amounts remaining in nonexpiring appropriations are carried forward to the next fiscal year as of July 1.

Each fund on the Statement is made up of multiple accounts from approximately 20 individual appropriations for the State Road Fund to hundreds of individual appropriations for the General Revenue Fund.

The General Revenue Fund and the State Road Fund are true financial funds and must maintain positive fund balances in the respective “bottom lines” in order to process payments for obligations when due. State law requires sufficient funds to be available, both in the individual appropriation and the total fund, before payments may be released. Therefore, the total fund “cash flow” is carefully monitored to ensure funds are available, as required, throughout the fiscal year.

The Federal Funds and the Special Revenue Funds are comprised of hundreds of individual, stand-alone, self-supporting, self-balancing accounts. Each account is part of a larger fund for financial reporting purposes only. Each account must have sufficient funds and an appropriation balance available to pay obligations of that specific account when due and may not expend any funds from the “bottom line” of the total fund.

The Lottery and Excess Lottery funds are separate fund classes. Revenue is collected by the Lottery Commission and appropriated by the Legislature to individual self-balancing agency funds. The Beginning Balance for the Lottery and Excess Lottery funds do not include the balances available in the agency funds.

State law requires funds to be available prior to releasing payments; however, none of the funds are required to maintain a minimum balance. All funds and accounts are closely monitored to ensure adequate cash is available to pay obligations when due.

**FY 2020 Actuals** are the total actual revenues and expenditures for all funds including expenditures from regular, supplemental, surplus appropriations, and reappropriated amounts.

**The FY 2021 Budgeted revenue estimate** the General Revenue Fund and the State Road Fund reflects the Governor’s revised official revenue estimate as submitted to the Legislature the first day of the Legislative Session. The Governor provides the official revenue estimates for the budget and those estimates do not require legislative approval.

**FY 2021 Budgeted expenditures** reflect the amounts budgeted for FY 2021 prior to the beginning of the 2021 Legislative Session and includes a separate line for reappropriations available for expenditure from previous fiscal years.

## *Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for All Funds*

**FY 2022 Recommendations** are the amounts that the Governor is proposing on the first day of Session to the Legislature for appropriation. The recommendations do not include any amounts that will ultimately be available for expenditure as a reappropriated or surplus expenditure.

### ***Why Budgeted Expenditures Appear Significantly Different from Actual and Recommended Expenditures***

While the Actual FY 2020 amounts include reappropriated expenditures along with current year appropriations spent during the fiscal year, the Recommended FY 2022 expenditures do not reflect any anticipated reappropriations being available during FY 2022. Although the FY 2021 Budgeted amounts are available to spend during the fiscal year, the likelihood of expending the entire amount is extremely remote. Generally, a significant amount of the authorized expenditures remains unspent at the end of each fiscal year and is reappropriated to the next ensuing fiscal year. The available reappropriated balance is included as a separate line.

For General Revenue funds, the prior year reappropriated amounts are significant. The General Revenue Fund budgeted FY 2021 expenditures include \$370.1 million. The Lottery Fund includes \$51.1 million and the Excess Lottery Fund includes \$26.4 million. Appropriated Special Revenue Funds include \$3.7 million in reappropriated amounts. Details about the amounts available to each agency can be found in the “Overview by Functional Category” spreadsheets. Although the unexpended/reappropriated amounts cannot be determined in advance of the close of the fiscal year, the actual expenditures for FY 2021 will be less than the total authorized budgeted amounts.

# Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for All Funds (Expressed in Thousands)

	General Fund			State Road Fund		
	Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022	Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022
Beginning Fund Balance	\$517,820	\$454,485	\$21	\$173,591	\$50,083	\$73,320
Net 13th month activity	(79,352)	(\$55,975)	-	-	-	-
Transfer to Rainy Day Fund	(18,429)	(14,040)	-	-	-	-
Transfer from Rainy Day Fund	-	-	-	-	-	-
Transfer from Special Revenue	-	-	-	-	-	-
Prior Year Refunds/Redeposits	159	136	-	-	-	-
Cash Flow/Contingencies	-	-	-	-	-	-
Expirations to General Revenue	-	-	-	-	-	-
Expirations to General Revenue Surplus	47,953	21,997	-	-	-	-
<b>Revenues</b>						
Revenue Collections/Estimate	4,494,857	4,574,514	4,569,616	1,253,353	1,471,928	1,417,700
Legislature	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Executive	-	-	-	-	-	-
Administration	-	-	-	-	-	-
Commerce	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Education	-	-	-	-	-	-
Art, Culture and History	-	-	-	-	-	-
Environment	-	-	-	-	-	-
Health and Human Resources	-	-	-	-	-	-
Department of Homeland Security*	-	-	-	-	-	-
Revenue	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Veterans Assistance	-	-	-	-	-	-
Senior Services	-	-	-	-	-	-
Higher Education	-	-	-	-	-	-
Misc. Boards & Commissions	-	-	-	-	-	-
<b>Total Revenues</b>	<b>4,494,857</b>	<b>4,574,514</b>	<b>4,569,616</b>	<b>1,253,353</b>	<b>1,471,928</b>	<b>1,417,700</b>
<b>Expenditures</b>						
Legislature	22,223	25,994	30,072	-	-	-
Judicial	134,114	135,499	139,369	-	-	-
Executive	76,097	51,695	66,495	-	-	-
Administration	106,845	105,046	105,046	-	-	-
Commerce	78,141	89,774	61,600	-	-	-
Tourism	-	-	14,000	-	-	-
Economic Development	-	-	21,274	-	-	-
Education	2,066,760	2,021,419	1,955,600	-	-	-
Arts, Culture and History	10,488	10,747	10,747	-	-	-
Environment	6,440	6,688	6,688	-	-	-
Health and Human Resources	1,083,997	1,159,927	1,186,093	-	-	-
Department of Homeland Security*	405,191	446,882	428,103	-	-	-
Revenue	32,244	32,472	31,367	-	-	-
Transportation	5,135	8,004	8,004	1,378,665	1,448,691	1,426,689
Veterans Assistance	12,652	12,012	19,012	-	-	-
Senior Services	29,951	30,451	30,451	-	-	-
Higher Education	434,742	437,903	437,903	-	-	-
Misc. Boards & Commissions	-	-	17,792	-	-	-
<b>Total Expenditures</b>	<b>4,505,020</b>	<b>4,574,513</b>	<b>4,569,616</b>	<b>1,378,665</b>	<b>1,448,691</b>	<b>1,426,689</b>
Reappropriations Available	-	370,172	-	-	-	-
Recommended Supplemental	-	-	-	-	-	-
Recommended Surplus Supplemental	-	36,150	-	-	-	-
Mid-Year Budget Adjustments	-	-	-	-	-	-
Adjustments**	3,503	261	-	(1,804)	-	-
<b>Ending Fund Balance</b>	<b>\$454,485</b>	<b>\$21</b>	<b>\$21</b>	<b>\$50,083</b>	<b>\$73,320</b>	<b>\$64,331</b>

\* FY 20 Actuals and budget reflect former Military Affairs & Public Safety.

\*\* Includes OASIS accruals, cash not needed for appropriation, and differences in appropriations available and expended.

\*\*\* Some revenue and expenditures are double counted.



Appropriated Special Revenue Funds			Appropriated Lottery Fund				Appropriated Excess Lottery Fund		
Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022	Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022	Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022	
\$2,542,146	\$2,506,879	\$2,224,460	\$79,115	\$15,112	\$25	\$83,558	\$23,497	\$26	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	(40,000)	-	-	(36,600)	-	-	
-	-	-	-	-	-	-	-	-	
-	-	2,000	-	-	-	-	-	-	
-	-	-	143,680	128,208	125,833	258,322	340,257	290,257	
1,395	1,377	1,260	-	-	-	-	-	-	
865	1,550	1,450	-	-	-	-	-	-	
41,982	54,335	56,953	-	-	-	-	-	-	
143,433	174,407	179,148	-	-	-	-	-	-	
29,401	34,941	38,521	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	6,044	-	-	-	-	-	-	
1,796	40,929	39,535	-	-	-	-	-	-	
391	3,488	1,744	-	-	-	-	-	-	
38,907	67,473	59,371	-	-	-	-	-	-	
428,740	494,821	533,274	-	-	-	-	-	-	
22,385	40,558	32,453	-	-	-	-	-	-	
406,612	362,927	418,662	-	-	-	-	-	-	
9,799	12,056	11,037	-	-	-	-	-	-	
2,540	2,480	2,541	-	-	-	-	-	-	
11,141	10,509	10,510	-	-	-	-	-	-	
41,906	45,225	45,221	-	-	-	-	-	-	
41,731	55,558	78,909	-	-	-	-	-	-	
<b>1,223,024</b>	<b>1,402,634</b>	<b>1,516,633</b>	<b>143,680</b>	<b>128,208</b>	<b>125,833</b>	<b>258,322</b>	<b>340,257</b>	<b>290,257</b>	
578	2,636	2,637	-	-	-	-	-	-	
818	1,450	1,450	-	-	-	-	-	-	
38,970	66,189	64,991	-	-	-	-	-	-	
176,779	178,449	178,149	10,000	10,000	10,000	-	-	-	
29,282	42,401	36,354	10,176	10,176	3,444	1,505	1,505	1,505	
-	-	-	-	-	6,732	-	-	-	
-	-	4,801	-	-	-	-	-	-	
1,756	44,534	39,535	36,883	36,883	32,357	19,000	19,000	19,000	
595	1,218	1,218	15,629	15,629	15,780	-	-	-	
58,398	123,097	66,002	-	-	-	-	-	-	
432,198	467,302	449,539	-	-	-	16,303	66,303	16,303	
26,509	42,764	41,065	-	-	-	-	-	-	
382,151	567,641	473,593	-	-	-	138,022	138,022	138,022	
14,894	15,420	16,021	-	-	-	-	-	-	
2,009	1,964	1,964	-	-	-	-	-	-	
10,334	10,509	10,509	42,856	42,856	44,856	-	-	-	
40,574	49,579	49,580	12,264	12,264	12,264	44,000	44,000	44,000	
42,513	64,416	64,687	-	-	-	71,427	71,427	71,427	
<b>1,258,358</b>	<b>1,679,569</b>	<b>1,502,095</b>	<b>127,808</b>	<b>127,808</b>	<b>125,433</b>	<b>290,257</b>	<b>340,257</b>	<b>290,257</b>	
-	5,484	-	-	-	-	-	-	-	
-	-	-	39,114	15,099	-	46,549	23,497	-	
-	-	2,000	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
(67)	-	-	761	388	400	(55,023)	(26)	-	
<b>\$2,506,879</b>	<b>\$2,224,460</b>	<b>\$2,238,998</b>	<b>\$15,112</b>	<b>\$25</b>	<b>\$25</b>	<b>\$23,497</b>	<b>\$26</b>	<b>\$26</b>	

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for All Funds (Expressed in Thousands)**

	Appropriated Federal Funds			Total Appropriated Funds		
	Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022	Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022
Beginning Fund Balance	\$61,884	\$77,729	\$262,527	\$3,458,114	\$3,127,785	\$2,560,379
Transfer to Rainy Day Fund	-	-	-	-	-	-
Transfer from Rainy Day Fund	-	-	-	(18,429)	(14,040)	-
Transfer from Special Revenue	-	-	-	-	-	-
Prior Year Refunds/Redeposits	-	-	-	159	136	-
Cash Flow/Contingencies	-	-	-	(76,600)	-	-
Recom. Expirations to General Revenue	-	-	-	-	-	-
Recom. Expirations to General Revenue	-	-	-	47,953	21,997	2,000
<b>Revenues</b>						
Revenue Collections/Estimate	-	-	-	6,150,212	6,514,907	6,403,406
Legislature	982	1,400	1,100	2,377	2,777	2,360
Judicial	2,106	4,000	4,000	2,971	5,550	5,450
Executive	22,422	28,399	27,694	64,404	82,734	84,647
Administration	-	-	-	143,433	174,407	179,148
Commerce	123,369	458,953	146,673	152,770	493,894	185,194
Tourism	-	-	-	-	-	-
Economic Development	-	-	307,365	-	-	313,409
Education	405,886	655,396	959,396	407,682	696,325	998,931
Education and the Arts	7,694	11,623	11,528	8,085	15,111	13,272
Environment	84,393	190,707	185,483	123,300	258,180	244,854
Health and Human Resources	3,963,962	4,684,710	4,759,759	4,392,702	5,179,531	5,293,033
Department of Homeland Security*	66,837	159,827	47,523	89,222	200,385	79,976
Revenue	50	3,000	3,000	406,662	365,927	421,662
Transportation	18,804	42,739	20,540	28,603	54,795	31,577
Veterans Assistance	8,163	7,730	7,800	10,703	10,210	10,341
Senior Services	13,633	16,482	14,582	24,774	26,991	25,092
Higher Education	-	-	-	41,906	45,225	45,221
Misc. Boards & Commissions	3,539	3,518	105,975	45,270	59,076	184,884
<b>Total Revenues</b>	<b>4,721,840</b>	<b>6,268,484</b>	<b>6,602,418</b>	<b>12,095,076</b>	<b>14,186,025</b>	<b>14,522,457</b>
<b>Expenditures</b>						
Legislature	982	1,400	1,100	23,783	30,030	33,809
Judicial	2,106	4,000	4,000	137,038	140,949	144,819
Executive	12,307	40,582	32,740	127,374	158,466	164,226
Administration	-	-	-	293,624	293,495	293,195
Commerce	125,079	457,969	163,555	244,183	601,825	266,458
Tourism	-	-	-	-	-	20,732
Economic Development	-	-	269,534	-	-	295,609
Education	405,816	619,396	959,396	2,530,215	2,741,232	3,005,888
Arts, Culture and History	7,486	10,961	10,960	34,198	38,555	38,705
Environment	84,513	191,889	191,890	149,351	321,674	264,580
Health and Human Resources	3,960,847	4,519,083	4,712,675	5,493,345	6,212,615	6,364,610
Department of Homeland Security*	65,764	57,163	107,163	497,464	546,809	576,331
Revenue	50	3,000	3,000	552,467	741,135	645,982
Transportation	18,312	43,139	32,478	1,417,006	1,515,254	1,483,192
Veterans Assistance	7,050	7,839	7,839	21,711	21,815	28,815
Senior Services	13,615	20,582	14,582	96,756	104,398	100,398
Higher Education	-	-	-	531,580	543,746	543,747
Misc. Boards & Commissions	2,014	106,683	105,770	115,954	242,526	259,676
<b>Total Expenditures</b>	<b>4,705,941</b>	<b>6,083,686</b>	<b>6,616,682</b>	<b>12,266,049</b>	<b>14,254,524</b>	<b>14,530,772</b>
Reappropriations Available	-	-	-	-	404,612	-
Recommended Supplemental	-	-	-	85,663	30,658	-
Recommended Surplus Supplemental	-	-	-	-	36,150	2,000
Mid-Year Budget Reduction	-	-	-	-	-	-
Adjustments**	54	-	-	(52,576)	(28,956)	400
<b>Ending Fund Balance</b>	<b>\$77,729</b>	<b>\$262,527</b>	<b>\$248,263</b>	<b>\$3,207,137</b>	<b>\$2,624,915</b>	<b>\$2,551,664</b>

\* FY 20 Actuals and budget reflect former Military Affairs & Public Safety.

\*\* Includes OASIS accruals, cash not needed for appropriation, and differences in appropriations available and expended.

\*\*\* Some revenue and expenditures are double counted.

Nonappropriated Federal Funds			Nonappropriated Special Revenue Funds			Total All Funds***		
Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022	Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022	Actuals FY 2020	Budgeted FY 2021	Recommended FY 2022
\$101,622	\$1,290,786		\$36,105,705	\$36,144,538	\$39,796,413	\$39,665,441	\$40,563,109	\$42,356,792
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(18,429)	(14,040)	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	159	136	-
-	-	-	-	-	-	(76,600)	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	13,500	47,953	21,997	15,500
-	-	-	-	-	-	6,150,212	6,514,907	6,403,406
-	-	-	-	4	-	2,377	2,781	2,360
-	-	-	1,072	1,860	1,860	4,043	7,410	7,310
1,250,000	900,000	1,266,353	835,409	423,298	515,389	2,149,813	1,406,032	1,866,389
-	-	-	3,073,457	7,648,242	7,766,592	3,216,890	7,822,649	7,945,740
24,891	31,887	32,511	66,859	78,149	57,568	244,520	603,930	275,273
-	-	-	-	-	5,308	-	-	5,308
-	-	-	-	-	31,376	-	-	344,785
-	-	-	20,636	308,950	310,488	428,318	1,005,275	1,309,419
-	-	-	5,640	27,017	16,969	13,725	42,128	30,241
3,492	4,619	10,000	136,621	192,758	175,332	263,413	455,557	430,186
-	-	-	5,030,264	5,869,933	6,013,923	9,422,966	11,049,464	11,306,956
59,230	335,219	316,684	166,572	296,557	263,926	315,024	832,161	660,586
-	-	-	807,754	794,030	767,663	1,214,416	1,159,957	1,189,325
-	61,500	57,500	812,747	1,725,848	143,305	841,350	1,842,143	232,382
-	-	-	1,364	1,650	1,654	12,067	11,860	11,995
-	-	-	2,267	2,300	2,300	27,041	29,291	27,392
61,154	91,286	64,660	1,333,862	1,950,895	1,961,356	1,436,922	2,087,406	2,071,237
-	-	-	154,955	298,263	308,610	200,225	357,339	493,494
<b>1,398,767</b>	<b>1,424,511</b>	<b>1,747,708</b>	<b>12,449,479</b>	<b>19,619,754</b>	<b>18,343,619</b>	<b>25,943,322</b>	<b>35,230,290</b>	<b>34,613,784</b>
-	-	-	(7)	21	8	23,776	30,051	33,817
-	-	-	1,026	1,860	1,860	138,064	142,809	146,679
71,899	900,000	900,000	826,300	518,432	481,432	1,025,573	1,576,898	1,545,658
-	-	-	2,741,518	3,835,731	3,832,472	3,035,142	4,129,226	4,125,668
23,058	31,887	31,887	67,231	126,531	79,429	334,472	760,243	377,774
-	-	-	-	-	10,000	-	-	30,732
-	-	-	-	-	31,899	-	-	327,508
-	-	-	16,895	319,778	306,446	2,547,110	3,061,010	3,312,334
-	-	-	-	17,628	15,191	34,198	56,183	53,896
415	4,619	4,619	134,716	289,332	280,983	284,482	615,625	550,182
-	-	-	5,060,646	5,725,214	6,028,099	10,553,991	11,937,829	12,392,709
57,509	335,218	311,280	160,813	277,435	254,150	715,786	1,159,462	1,141,761
-	-	-	958,385	910,380	689,897	1,510,852	1,651,515	1,335,879
-	-	61,500	486,790	1,668,582	1,167,379	1,903,796	3,183,836	2,712,071
-	-	-	1,336	1,658	1,658	23,047	23,473	30,473
-	-	75,897	2,231	2,300	2,300	98,987	106,698	178,595
56,725	91,286	-	1,329,293	1,980,553	1,943,948	1,917,598	2,615,585	2,487,695
-	-	-	130,948	292,444	274,272	246,902	534,970	533,948
<b>209,606</b>	<b>1,363,010</b>	<b>1,385,183</b>	<b>11,918,121</b>	<b>15,967,879</b>	<b>15,401,423</b>	<b>24,393,776</b>	<b>31,585,413</b>	<b>31,317,379</b>
-	-	-	-	-	-	-	375,656	-
-	-	-	-	-	-	85,663	38,596	-
-	-	-	-	-	13,500	-	36,150	15,500
-	-	-	-	-	-	-	-	-
(3)	-	-	492,525	-	-	439,946	623	400
<b>\$1,290,786</b>	<b>\$1,352,287</b>	<b>\$362,525</b>	<b>\$36,144,538</b>	<b>\$39,796,413</b>	<b>\$42,738,609</b>	<b>\$40,642,461</b>	<b>\$43,765,054</b>	<b>\$45,652,797</b>

# Cash and Investment Balances of All Funds

## Fiscal Year Ending June 30, 2020

(Nearest Dollar)

	<b>Cash Balance</b>	<b>Investments</b>	<b>Total Balance</b>
General Revenue	\$454,485,510	\$0	\$454,485,510
State Road Fund	\$21,021,653	\$29,296,403	\$50,318,055
Lottery Funds	\$69,905,326	\$47,377,903	\$117,283,229
Excess Lottery Funds	\$27,401,948	\$0	\$27,401,948
Appropriated Special Revenue	\$476,120,706	\$2,032,209,184	\$2,508,329,889
Appropriated Federal Funds	\$61,967,165	\$14,835,383	\$76,802,548
Federal Block Grants	\$824,682	\$0	\$824,682
Nonappropriated Federal Funds	\$1,189,019,603	\$101,748,125	\$1,290,767,728
Nonappropriated Special Revenue	\$12,544,757,354	\$23,689,181,553	\$36,233,938,907
<b>Total</b>	<b>\$14,845,503,946</b>	<b>\$25,914,648,550</b>	<b>\$40,760,152,497</b>

# Detailed Investments Special Revenue

## Fiscal Year Ending June 30, 2020

(Nearest Dollar)

Attorney General	\$789,275.47
Auditor's Office	\$12,115,284.90
Board of Risk and Insurance Management	\$203,906,134.55
Budget Office	\$106,506,522.96
Court of Claims	\$5,696,455.06
CPRB	\$1,317,888,100.62
Culture & History	\$916,163.98
Secretary of State	\$38,989.89
Department of Administration	\$1,241,744,736.84
Department of Education	\$1,936,234.41
Division of Financial Institutions	\$115,787.09
Secretary of Revenue	\$787,417,234.04
Department of Transportation	\$1,556,228,792.13
WV Economic Development Authority	\$74,859,997.82
Division of Health & Human Services	\$18,712,476.42
Division of Labor	\$2,224,882.14
Division of Natural Resources	\$17,342,592.82
Department of Environmental Protection	\$495,697,509.04
Division of Forestry	\$1,589,617.68
Insurance Commission	\$1,317,678,103.34
Lottery Commission	\$111,596,499.83
Municipal Bond Commission	\$270,228,456.30
Municipal Pension Oversight Board	\$32,351,418.94
Public Employees Insurance Agency	\$295,127,174.89
Regional Jail Authority	\$13,710,210.36
State Police	\$974,834.18
State Rail Authority	\$7,135,783.86
Treasurer's Office	\$97,932,474.00
Water Development Authority	\$42,862,790.33
<b>Total Detail Special Revenue</b>	<b>\$8,035,324,533.89</b>

# General Revenue Fund

## Statement of Revenues by Source

### FY 2018 Through FY 2026

(Expressed in Thousands)

Source of Revenue	FY 2018 Actual Collections	FY 2019 Actual Collections	FY 2020 Actual Collections	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate
Business and Occupation Tax	\$115,003	\$124,523	\$137,346	\$126,900	\$111,000	\$109,500	\$110,000	\$110,500	\$111,000
Consumers Sales and Use Tax	1,247,031	1,370,157	1,386,571	1,421,800	1,473,800	1,495,000	1,539,600	1,584,000	\$1,630,800
Personal Income Tax	1,919,570	2,096,807	1,947,946	2,155,650	2,041,300	2,098,900	2,240,900	2,351,800	\$2,454,200
Liquor Profit Transfers	21,120	23,039	25,727	23,000	25,100	25,200	25,300	25,400	\$25,500
Beer Tax and Licenses	7,463	7,628	7,336	7,550	7,550	7,500	7,500	7,450	\$7,450
Tobacco Products Tax (Cigarette & Other)	177,839	171,224	168,750	155,400	164,600	161,900	159,600	157,400	\$155,200
Business Franchise Fees	698	767	697	700	700	700	700	700	\$700
Charter Tax	11	10	10	0	0	0	0	0	\$0
Property Transfer Tax	12,036	12,853	12,187	12,300	13,400	12,000	11,000	9,600	\$8,000
Property Tax	7,315	7,039	7,392	7,600	7,600	7,650	7,700	7,850	\$8,000
Insurance Tax	124,230	129,111	129,358	131,300	126,600	126,700	125,800	128,600	\$129,000
Departmental Collections	22,554	22,756	23,484	24,200	23,700	23,900	24,000	24,000	\$24,000
Corporation Net Income Tax	110,068	198,032	151,988	144,500	160,300	131,800	145,000	157,000	\$172,000
Miscellaneous Transfers	2,513	2,124	59,106	2,000	2,000	2,000	2,000	2,000	\$2,000
Interest Income	7,846	27,776	39,208	14,664	5,500	6,000	5,500	6,000	\$7,000
Severance Tax	345,914	462,451	267,049	250,950	319,700	274,900	275,000	270,900	\$274,200
Miscellaneous Receipts <sup>1</sup>	22,195	8,096	23,405	11,000	11,000	11,000	11,000	11,000	\$11,000
HB102 - Lottery Transfers	65,000	65,000	52,323	65,000	65,000	65,000	65,000	65,000	\$65,000
Video Lottery Transfers	457	364	377	0	0	0	0	0	\$0
Liquor License Renewal	0	0	44,688	10,000	766	766	766	766	\$101
Senior Citizen Tax Credit Reimbursement	10,000	9,456	9,909	10,000	10,000	10,000	10,000	10,000	\$10,000
Special Revenue Transfer	26,395	17,123	0	0	0	0	0	0	\$0
<b>Total</b>	<b>\$4,245,257</b>	<b>\$4,756,336</b>	<b>\$4,494,857</b>	<b>\$4,574,514</b>	<b>\$4,569,616</b>	<b>\$4,570,416</b>	<b>\$4,766,366</b>	<b>\$4,929,966</b>	<b>\$5,095,151</b>

<sup>1</sup> Includes \$7.0 million from abandoned and unclaimed property in Fiscal Year 2022 estimate.

# General Revenue Fund

## Statement of Revenues, Expenditures, and Changes in Cash Balance

(Nearest Dollar)

	Actual Beginning Cash Balance July 1, 2020	\$ 454,485,510.46
Less:	31 Day Disbursements (July 1, 2020 - July 31, 2020)	(55,976,092)
Plus:	Prior Year Reimbursements (July 1, 2020 - July 31, 2020)	1,842
Less:	Prior Year Appropriations Forwarded	(370,172,328)
Less:	Cash Balance - Adjustments and Accruals	<u>(259,245)</u>
	Accumulated Surplus from FY 2020 @ July 31, 2020	\$ 28,079,686.78
Less:	Transfer to Revenue Shortfall Reserve Fund (Statutory)	(14,039,843)
Less:	Transfer to FY 2020 Surplus Appropriation in FY 2021 Budget Bill (Milton Flood Wall)	(6,000,000)
Plus:	<b>Recommended</b> FY 2021 Surplus Supplemental Appropriation -	
	Expiration of State Excess Lottery Funds to General Revenue Surplus (2021 Regular Session)	6,497,548
Plus:	<b>Recommended</b> FY 2021 Surplus Supplemental Appropriation -	
	Expiration from Special Revenue funds to General Revenue Surplus	15,500,000
Less:	<b>Recommended</b> FY 2021 Surplus Supplemental Appropriations (2021 Regular Session) (Public Defender)	(20,000,000)
Less:	<b>Recommended</b> FY 2021 Surplus Supplemental Appropriations (2021 Regular Session) (Forestry)	(1,000,000)
Less:	<b>Recommended</b> FY 2021 Surplus Supplemental Appropriations (2021 Regular Session) (Division of Emergency Management)	(650,000)
Less:	<b>Recommended</b> FY 2021 Surplus Supplemental Appropriations (2021 Regular Session) (Veterans' Nursing Home)	(8,500,000)
Plus:	Prior Year Reimbursements and Adjustments (August 1, 2020 - January 31, 2021)	134,487
	Estimated Unappropriated Surplus Balance @ June 30, 2021	<b>\$ 21,878.71</b>
Plus:	<u>*FY 2021 Revenue Estimate as revised</u>	\$ 4,574,514,000.00
Less:	FY 2021 Appropriations (FY 2021 Budget Bill) (2020 Regular Session)	<u>\$ (4,574,513,367)</u>
	Total Estimated Unappropriated Balance @ June 30, 2021	<b>\$ 633.00</b>
Plus:	FY 2022 General Revenue Estimate	4,569,616,000
Less:	FY 2022 Appropriations (FY 2022 Budget Bill)(2021 Regular Session)	(4,569,616,000)
	Estimated Unappropriated Balance from FY 2022 Activity @ June 30, 2022	<u>\$ -</u>
	Total Estimated Unappropriated Balance @ June 30, 2022	<b><u>\$ 22,511.71</u></b>

# General Revenue Fund

## Overview by Functional Category

### FY 2020 through FY 2022

(Nearest Dollar)

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2020	Total Appropriations FY 2021*
<b>LEGISLATURE</b>			
Senate	0165	\$4,764,076	\$5,952,206
House of Delegates	0170	7,441,685	9,404,031
Joint Expenses/Claims against State	0175	9,049,574	10,638,036
<b>Subtotal</b>		<b>21,255,335</b>	<b>25,994,273</b>
<b>JUDICIAL</b>			
Supreme Court	0180	<b>120,619,124</b>	<b>135,499,000</b>
<b>EXECUTIVE</b>			
Office of the Governor	0101	3,471,232	6,312,986
Custodial Fund	0102	487,286	569,451
Civil Contingent Fund	0105	0	14,000,000
State Auditor's Office	0116	2,783,549	2,823,095
State Treasurer's Office	0126	3,052,969	3,635,352
Department of Agriculture	0131	11,261,155	12,500,083
WV Conservation Agency	0132	8,694,736	11,023,235
Meat Inspection	0135	752,451	757,725
Agricultural Awards	0136	36,824	54,250
WV Agricultural Land Protection Auth	0607	99,430	100,497
Attorney General's Office	0150	1,627,016	4,953,457
Secretary of State	0155	875,919	957,594
State Election Commission	0160	888	7,508
<b>Subtotal</b>		<b>33,143,455</b>	<b>57,695,233</b>
<b>ADMINISTRATION</b>			
Office of the Secretary	0186	15,344,317	15,740,252
Public Employees Insurance Agency	0200	21,000,000	21,000,000
Division of Finance	0203	677,671	753,000
General Services Division	0230	6,768,807	27,769,219
Purchasing Division	0210	764,042	1,064,477
Travel Management	0615	994,493	1,260,842
Comm on Uniform State Laws	0214	40,061	45,550
Public Employees Grievance Board	0220	1,102,963	1,124,712
Ethics Commission	0223	663,018	719,844
Public Defender Services	0226	46,819,374	34,485,646
Comm Purchase for Handicapped	0233	140	4,055
WV Prosecuting Attorneys Institute	0557	272,702	246,653
Real Estate Division	0610	738,202	831,866
Office of Technology	0611	0	0
<b>Subtotal</b>		<b>95,185,790</b>	<b>105,046,116</b>



*General Revenue Fund  
Overview by Functional Category  
(Continued)*

Plus: Reappropriated FY 2021	Total Available FY 2021	Total Request FY 2022 **	Governor's Recommendation FY 2022	Percentage of Total
\$316,444	\$6,268,650	\$5,952,206	\$5,952,206	0.13%
257	9,404,288	\$9,404,031	9,404,031	0.21%
651,204	11,289,240	\$11,638,036	14,715,457	0.32%
<b>967,905</b>	<b>26,962,178</b>	<b>26,994,273</b>	<b>30,071,694</b>	<b>0.66%</b>
<b>13,494,628</b>	<b>148,993,628</b>	<b>139,400,000</b>	<b>139,369,000</b>	<b>3.05%</b>
21,820	6,334,806	6,312,986	6,312,986	0.14%
12,333	581,784	569,451	569,451	0.01%
35,945,780	49,945,780	8,000,000	23,000,000	0.50%
1,405	2,824,500	2,823,095	2,823,095	0.06%
29,057	3,664,409	3,435,352	3,435,352	0.08%
633,896	13,133,979	26,700,083	12,500,083	0.27%
1,555,650	12,578,885	11,023,235	11,023,235	0.24%
0	757,725	1,027,725	757,725	0.02%
0	54,250	54,250	54,250	0.00%
0	100,497	100,497	100,497	0.00%
3,512,836	8,466,293	4,953,457	4,953,457	0.11%
1,240,704	2,198,298	957,594	957,594	0.02%
0	7,508	7,508	7,508	0.00%
<b>42,953,481</b>	<b>100,648,714</b>	<b>65,965,233</b>	<b>66,495,233</b>	<b>1.46%</b>
140,806	15,881,058	15,740,252	15,740,252	0.34%
0	21,000,000	21,000,000	21,000,000	0.46%
189,868	942,868	753,000	753,000	0.02%
9,108,615	36,877,834	27,769,219	27,769,219	0.61%
0	1,064,477	1,064,477	1,064,477	0.02%
0	1,260,842	1,260,842	1,260,842	0.03%
0	45,550	45,550	45,550	0.00%
0	1,124,712	1,124,712	1,124,712	0.02%
0	719,844	719,844	719,844	0.02%
2,194,879	36,680,525	34,485,646	34,485,646	0.75%
0	4,055	4,055	4,055	0.00%
25,531	272,184	246,653	246,653	0.01%
0	831,866	831,866	831,866	0.02%
0	0	0	0	0.00%
<b>11,659,699</b>	<b>116,705,815</b>	<b>105,046,116</b>	<b>105,046,116</b>	<b>2.30%</b>

*General Revenue Fund  
Overview by Functional Category  
(Continued)*

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2020	Total Appropriations FY 2021*
<b>COMMERCE</b>			
Office of the Secretary	0606	1,105,966	1,107,461
Tourism Office	0246	4,883,644	14,000,000
Forestry	0250	3,414,598	3,422,658
Geological & Economic Survey	0253	2,209,810	2,917,247
Development Office	0256	9,246,894	15,163,525
Division of Labor	0260	1,428,307	1,843,176
Division of Natural Resources	0265	22,234,485	23,248,350
Miners' Health, Safety & Training	0277	9,770,653	11,525,820
Board of Coal Mine Health & Safety	0280	239,202	355,599
Division of Rehabilitation Services	0310	14,771,814	14,886,464
WorkForce West Virginia	0572	(33,758)	59,363
Division of Energy	0612	979,338	1,244,267
<b>Subtotal</b>		<b>70,250,953</b>	<b>89,773,930</b>
<b>TOURISM</b>			
Department of Tourism	0246	<b>0</b>	<b>0</b>
<b>ECONOMIC DEVELOPMENT</b>			
Office of the Secretary	0256	0	0
Office of Energy	0612	0	0
<b>Subtotal</b>		<b>0</b>	<b>0</b>
<b>EDUCATION</b>			
School Lunch Program	0303	2,463,179	2,466,907
State Department of Education	0313	78,228,744	95,209,981
Aid for Exceptional Children	0314	30,277,968	32,223,599
State Aid to Schools	0317	1,890,404,494	1,839,571,303
State Board of Ed-Vocational Division	0390	34,005,841	37,269,034
WV Schools for the Deaf & the Blind	0320	12,040,857	14,677,888
<b>Subtotal</b>		<b>2,047,421,083</b>	<b>2,021,418,712</b>
<b>ARTS, CULTURE, AND HISTORY</b>			
Culture and History	0293	4,684,550	5,275,381
Library Commission	0296	1,345,234	1,640,790
Educational Broadcasting Authority	0300	3,809,059	3,830,691
<b>Subtotal</b>		<b>9,838,843</b>	<b>10,746,862</b>
<b>ENVIRONMENTAL PROTECTION</b>			
Environmental Quality Board	0270	101,148	113,483
Environmental Protection	0273	6,268,064	6,498,479
Air Quality Board	0550	70,443	76,053
<b>Subtotal</b>		<b>6,439,655</b>	<b>6,688,015</b>

*General Revenue Fund  
Overview by Functional Category  
(Continued)*

Plus: Reappropriated FY 2021	Total Available FY 2021	Total Request FY 2022 **	Governor's Recommendation FY 2022	Percentage of Total
0	1,107,461	1,271,278	1,271,278	0.03%
5,024,094	19,024,094	14,000,000	0	0.00%
0	3,422,658	5,532,658	5,532,658	0.12%
264,835	3,182,082	2,927,247	2,927,247	0.06%
1,557,528	16,721,053	15,029,708	0	0.00%
0	1,843,176	1,843,176	1,843,176	0.04%
1,043,713	24,292,063	23,987,675	23,273,350	0.51%
0	11,525,820	11,450,820	11,450,820	0.25%
0	355,599	355,599	355,599	0.01%
0	14,886,464	14,886,464	14,886,464	0.33%
0	59,363	59,363	59,363	0.00%
0	1,244,267	1,244,267	0	0.00%
<b>7,890,170</b>	<b>97,664,100</b>	<b>92,588,255</b>	<b>61,599,955</b>	<b>1.35%</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>14,000,000</b>	<b>0.31%</b>
0	0	0	20,029,708	0.44%
0	0	0	1,244,267	0.03%
<b>0</b>	<b>0</b>	<b>0</b>	<b>21,273,975</b>	<b>0.47%</b>
0	2,466,907	2,466,907	2,466,907	0.05%
10,788,169	105,998,150	117,898,803	118,491,779	2.59%
1,496,438	33,720,037	32,548,093	32,423,093	0.71%
0	1,839,571,303	1,787,881,936	1,749,961,936	38.30%
6,547,646	43,816,680	37,578,299	37,578,299	0.82%
506,633	15,184,521	14,677,888	14,677,888	0.32%
<b>19,338,886</b>	<b>2,040,757,598</b>	<b>1,993,051,926</b>	<b>1,955,599,902</b>	<b>42.80%</b>
271,870	5,547,251	5,984,049	5,275,381	0.12%
0	1,640,790	1,640,790	1,640,790	0.04%
377,720	4,208,411	4,220,691	3,830,691	0.08%
<b>649,590</b>	<b>11,396,452</b>	<b>11,845,530</b>	<b>10,746,862</b>	<b>0.24%</b>
0	113,483	113,483	113,483	0.00%
0	6,498,479	9,798,479	6,498,479	0.14%
0	76,053	76,053	76,053	0.00%
<b>0</b>	<b>6,688,015</b>	<b>9,988,015</b>	<b>6,688,015</b>	<b>0.15%</b>

*General Revenue Fund  
Overview by Functional Category  
(Continued)*

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2020	Total Appropriations FY 2021*
<b>HEALTH AND HUMAN RESOURCES</b>			
Office of the Secretary	0400	390,610	667,244
Division of Health-Central Office	0407	58,138,306	76,053,981
Consolidated Medical Service Fund	0525	202,220,080	224,618,154
WV Drinking Water Treatment	0561	647,500	647,500
Human Rights Commission	0416	1,112,154	1,419,645
Human Services	0403	788,829,571	856,520,920
<b>Subtotal</b>		<b>1,051,338,221</b>	<b>1,159,927,444</b>
<b>DEPARTMENT OF HOMELAND SECURITY***</b>			
Office of the Secretary	0430	1,019,100	3,853,843
Parole Board	0440	1,141,230	1,386,282
Homeland Security Emergency Mgmt	0443	3,571,221	6,149,915
Corrections Central Office	0446	533,223	578,977
Correctional Units	0450	216,243,338	238,721,691
WV State Police	0453	90,023,012	115,035,475
Fire Commission	0436	50,306	64,021
Justice and Community Services	0546	9,288,237	10,466,605
Juvenile Services	0570	39,533,264	45,041,897
Protective Services Division	0585	2,933,631	3,579,704
Administrative Services	0619	1,937,027	2,611,255
<b>Subtotal</b>		<b>366,273,589</b>	<b>427,489,665</b>
<b>REVENUE</b>			
Office of the Secretary	0465	528,576	614,099
Tax Division	0470	25,182,846	30,339,291
State Budget Office	0595	543,087	923,591
Athletic Commission	0523	33,249	36,811
Office of Tax Appeals	0593	531,984	558,045
<b>Subtotal</b>		<b>26,819,742</b>	<b>32,471,837</b>
<b>TRANSPORTATION</b>			
State Rail Authority	0506	1,105,299	4,920,894
Public Transit	0510	1,171,665	2,262,989
Aeronautics Commission	0582	504,536	820,117
<b>Subtotal</b>		<b>2,781,500</b>	<b>8,004,000</b>
<b>VETERANS ASSISTANCE</b>			
Veterans Affairs	0456	10,969,523	10,748,094
Veterans Home	0460	1,119,511	1,263,855
<b>Subtotal</b>		<b>12,089,034</b>	<b>12,011,949</b>
<b>SENIOR SERVICES</b>			
Bureau of Senior Services	0420	29,950,955	30,450,955

*General Revenue Fund  
Overview by Functional Category  
(Continued)*

Plus: Reappropriated FY 2021	Total Available FY 2021	Total Request FY 2022 **	Governor's Recommendation FY 2022	Percentage of Total
43,431	710,675	667,244	667,244	0.01%
9,408,035	85,462,016	78,251,364	73,013,941	1.60%
21,547,480	246,165,634	227,379,042	225,333,154	4.93%
0	647,500	647,500	647,500	0.01%
0	1,419,645	1,419,645	1,419,645	0.03%
1,659,872	858,180,792	1,035,669,355	885,011,249	19.37%
<b>32,658,818</b>	<b>1,192,586,262</b>	<b>1,344,034,150</b>	<b>1,186,092,733</b>	<b>25.96%</b>
289,138	4,142,981	3,853,843	3,853,843	0.08%
0	1,386,282	1,423,922	1,386,282	0.03%
869,284	7,019,199	6,869,437	6,149,915	0.13%
0	578,977	578,977	578,977	0.01%
16,656,054	255,377,745	289,062,816	238,721,691	5.22%
2,202,588	117,238,063	119,830,916	115,648,808	2.53%
0	64,021	64,021	64,021	0.00%
2,613,458	13,080,063	10,466,605	10,466,605	0.23%
762,487	45,804,384	45,041,897	45,041,897	0.99%
114,257	3,693,961	3,667,298	3,579,704	0.08%
0	2,611,255	5,111,255	2,611,255	0.06%
<b>23,507,266</b>	<b>450,996,931</b>	<b>485,970,987</b>	<b>428,102,998</b>	<b>9.37%</b>
10,000	624,099	614,099	614,099	0.01%
5,284,619	35,623,910	29,239,291	29,239,291	0.64%
126,224	1,049,815	923,591	923,591	0.02%
0	36,811	36,811	36,811	0.00%
3,242	561,287	553,445	553,445	0.01%
<b>5,424,085</b>	<b>37,895,922</b>	<b>31,367,237</b>	<b>31,367,237</b>	<b>0.69%</b>
757,363	5,678,257	7,720,894	4,920,894	0.11%
1,280,519	3,543,508	2,262,989	2,262,989	0.05%
315,843	1,135,960	820,117	820,117	0.02%
<b>2,353,725</b>	<b>10,357,725</b>	<b>10,804,000</b>	<b>8,004,000</b>	<b>0.18%</b>
562,529	11,310,623	10,547,354	17,547,354	0.38%
0	1,263,855	3,186,945	1,464,595	0.03%
<b>562,529</b>	<b>12,574,478</b>	<b>13,734,299</b>	<b>19,011,949</b>	<b>0.42%</b>
<b>0</b>	<b>30,450,955</b>	<b>30,450,955</b>	<b>30,450,955</b>	<b>0.67%</b>

*General Revenue Fund  
Overview by Functional Category  
(Continued)*

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2020	Total Appropriations FY 2021*
<b>HIGHER EDUCATION</b>			
HEPC-Administration	0589	73,348,301	74,029,892
WVNET	0551	1,747,826	1,747,826
WVU-School of Medicine	0343	20,943,316	20,946,037
West Virginia University	0344	110,487,160	110,742,558
Marshall University-School of Medicine	0347	12,815,516	13,648,213
Marshall University	0348	47,743,222	49,282,632
WV School of Osteopathic Medicine	0336	9,513,701	9,596,404
Bluefield State College	0354	6,383,221	6,383,221
Concord University	0357	10,476,415	10,476,415
Fairmont State University	0360	18,600,341	18,600,341
Glenville State College	0363	6,446,942	6,446,942
Shepherd University	0366	12,683,829	12,683,829
West Liberty University	0370	9,102,662	9,102,662
West Virginia State University	0373	14,292,704	14,292,704
Council for C&T College Education	0596	9,942,628	15,792,838
Mountwest C&T College	0599	6,489,307	6,489,307
New River C&T College	0600	5,864,886	5,864,886
Pierpont C&T College	0597	7,820,129	7,820,129
Blue Ridge C&T College	0601	7,830,842	7,830,842
WVU at Parkersburg	0351	10,319,284	10,319,284
Southern WV C&T College	0380	8,241,823	8,241,823
WV Northern C&T College	0383	7,285,825	7,285,825
Eastern WV C&T College	0587	2,179,912	2,179,912
BridgeValley C&T College	0618	8,098,811	8,098,811
<b>Subtotal</b>		<b>428,658,603</b>	<b>437,903,333</b>
<b>MISCELLANEOUS BOARDS &amp; COMMISSIONS</b>			
Adjutant General - State Militia	0433	13,333,908	19,234,268
Adjutant General - Military Fund	0605	51,288	157,775
<b>Subtotal</b>		<b>13,385,196</b>	<b>19,392,043</b>
<b>TOTAL GENERAL REVENUE</b>		<b>\$4,335,451,078</b>	<b>\$4,580,513,367</b>

\* Total Appropriations FY 2021 include surplus appropriations of \$6,000,000 for Milton Flood Wall.

\*\* Total Request FY 2022 is Current-Level Request plus General Revenue Improvement Requests.

\*\*\*Cabinet was previously known as Military Affairs & Public Safety.

*General Revenue Fund  
Overview by Functional Category  
(Continued)*

Plus: Reappropriated FY 2021	Total Available FY 2021	Total Request FY 2022 **	Governor's Recommendation FY 2022	Percentage of Total
1,439,646	75,469,538	89,129,892	74,029,892	1.62%
0	1,747,826	1,747,826	1,747,826	0.04%
0	20,946,037	20,946,037	20,946,037	0.46%
0	110,742,558	110,742,558	110,742,558	2.42%
32,415	13,680,628	13,648,213	13,648,213	0.30%
396,113	49,678,745	49,282,632	49,282,632	1.08%
44,331	9,640,735	9,596,404	9,596,404	0.21%
0	6,383,221	6,383,221	6,383,221	0.14%
0	10,476,415	10,476,415	10,476,415	0.23%
0	18,600,341	18,600,341	18,600,341	0.41%
500,000	6,946,942	6,446,942	6,446,942	0.14%
500,000	13,183,829	12,683,829	12,683,829	0.28%
0	9,102,662	9,102,662	9,102,662	0.20%
0	14,292,704	14,292,704	14,292,704	0.31%
1,671,181	17,464,019	19,292,838	15,792,838	0.35%
0	6,489,307	6,489,307	6,489,307	0.14%
0	5,864,886	5,864,886	5,864,886	0.13%
0	7,820,129	7,820,129	7,820,129	0.17%
500,000	8,330,842	7,830,842	7,830,842	0.17%
500,000	10,819,284	10,319,284	10,319,284	0.23%
0	8,241,823	8,241,823	8,241,823	0.18%
0	7,285,825	7,285,825	7,285,825	0.16%
500,000	2,679,912	2,179,912	2,179,912	0.05%
0	8,098,811	8,098,811	8,098,811	0.18%
<b>6,083,686</b>	<b>443,987,019</b>	<b>456,503,333</b>	<b>437,903,333</b>	<b>9.58%</b>
2,024,857	21,259,125	17,634,268	17,634,268	0.39%
0	157,775	157,775	157,775	0.00%
<b>2,024,857</b>	<b>21,416,900</b>	<b>17,792,043</b>	<b>17,792,043</b>	<b>0%</b>
<b>\$169,569,325</b>	<b>4,750,082,692</b>	<b>4,835,536,352</b>	<b>\$4,569,616,000</b>	<b>100%</b>

**General Revenue Fund**  
**Recommended Surplus Supplemental Appropriations**  
**FY 2021**  
**(Nearest Dollar)**

Public Defender Services - Appointed Counsel Fees	\$20,000,000
Division of Forestry	1,000,000
Division of Emergency Management	650,000
Veteran's Home	<u>8,500,000</u>
<b>Recommended General Revenue Surplus Supplementals - Increases - FY 2021</b>	<b><u><u>\$30,150,000</u></u></b>



# Lottery Fund

## Statement of Revenues, Expenditures, and Changes in Cash Balance

(Nearest Dollar)

Balance @ July 1, 2019	\$	79,115,179
Less: Reserve for Cash Flow / Contingencies		(40,000,000)
Plus: FY 2020 Actual Revenue		143,680,232
Less: Veterans Fund - Actual Transfers		(769,702)
Less: FY 2020 Appropriations (FY 2020 Budget Bill) (HB 2020)		(127,808,000)
Less: FY 2020 Surplus Section Appropriation (FY 2020 Budget Bill) (HB 2020)		(17,750,000)
Less: FY 2020 Surplus Appropriation (FY 2019 1st Extraordinary Session HB 151)		(70,000)
Less: FY 2020 Surplus Appropriations (2020 Regular Session SB 572)		(18,294,868)
Less: FY 2020 Surplus Appropriations (2020 Regular Session SB 812)		(3,000,000)
Plus: Cash not needed for FY 2020 Appropriations (Debt Service Actual)		<u>8,850</u>
Unappropriated Balance @ July 1, 2020	\$	15,111,691
Plus: FY 2021 Revenue Estimate	\$	128,208,000.00
Less: Veterans' Fund		<u>(400,000)</u>
Revenue Available for FY 2020 Appropriations	\$	142,919,691
Less: FY 2021 Appropriations (FY 2021 Budget Bill)		(127,808,000)
Less: FY 2021 Surplus Appropriation (FY 2021 Budget Bill) (\$16,750,000 appropriated)		(15,099,101)
		<i>(Surplus insufficient - pro-rated Fund 5405 appropriations 76699 @ \$676,643 and 68199 @ \$14,435,048)</i>
Plus: Cash not needed for FY 2021 Appropriations (Debt Service Actual)		<u>12,350</u>
Estimated Unappropriated Balance @ June 30, 2021	\$	24,940
Plus: FY 2022 Revenue Estimate	\$	125,832,930.00
Less: Veterans Fund		<u>(400,000)</u>
Revenue Available for FY 2022 Appropriations	\$	125,457,870
Less: Recommended FY 2022 Appropriations (FY 2022 Budget Bill)		<u>(125,432,930)</u>
Estimated Unappropriated Balance @ June 30, 2022	<u>\$</u>	<u><u>24,940</u></u>

# Lottery Fund

## Overview by Functional Category

### FY 2020 through FY 2022

(Nearest Dollar)

DEPARTMENT/Agency Description	Fund #	Actual Expenditures FY 2020	Total Appropriations FY 2021 *
<b>ADMINISTRATION</b>			
Education, Arts, Sciences, & Tourism Debt Service Fund	2252	<b>\$9,993,703</b>	<b>\$10,000,000</b>
<b>COMMERCE</b>			
Division of Tourism	3067	4,094,438	6,732,425
Division of Natural Resources	3267	2,644,825	3,443,151
<b>Subtotal</b>		<b>6,739,263</b>	<b>10,175,576</b>
<b>TOURISM</b>			
Department of Tourism	3067	<b>0</b>	<b>0</b>
<b>EDUCATION</b>			
State Department of Education	3951	33,701,081	18,883,375
School Building Authority	3963	18,000,000	18,000,000
<b>Subtotal</b>		<b>51,701,081</b>	<b>36,883,375</b>
<b>EDUCATION AND THE ARTS</b>			
Office of the Secretary	3508	<b>8,195,462</b>	<b>0</b>
<b>ARTS, CULTURE, AND HISTORY</b>			
Culture and History	3534	3,333,576	4,115,157
Library Commission	3559	11,116,635	11,513,700
Educational Broadcasting Authority	3587	0	0
<b>Subtotal</b>		<b>14,450,211</b>	<b>15,628,857</b>
<b>SENIOR SERVICES</b>			
Bureau of Senior Services	5405	<b>58,647,144</b>	<b>57,955,488</b>
<b>HIGHER EDUCATION</b>			
CTC - Capital Improvement Fund	4908	4,997,500	5,000,000
Higher Education Policy Commission	4925	1,932,249	3,018,744
West Virginia University	4185	2,645,190	3,646,625
Marshall-School of Medicine	4896	478,457	598,436
<b>Subtotal</b>		<b>10,053,396</b>	<b>12,263,805</b>
<b>TOTAL LOTTERY</b>		<b>\$159,780,260</b>	<b>\$142,907,101</b>

\*Total Appropriations FY 2021 include surplus appropriations of \$15,099,101.

\*\*Total Request FY 2022 is Current-Level Request plus Improvement Requests.

Plus: Reappropriated FY 2021	Total Available FY 2021	Total Request FY 2022 **	Governor's Recommendation FY 2022	Percentage of Total
\$0	\$19,000,000	\$19,000,000	\$19,000,000	6.55%
0	15,000,000	15,000,000	15,000,000	5.17%
0	19,000,000	19,000,000	19,000,000	6.55%
9,214,613	10,719,613	4,505,000	1,505,000	0.52%
0	2,032,000	2,032,000	2,032,000	0.70%
0	4,395,000	4,395,000	4,395,000	1.51%
0	46,000,000	46,000,000	46,000,000	15.85%
<b>9,214,613</b>	<b>116,146,613</b>	<b>109,932,000</b>	<b>106,932,000</b>	<b>36.84%</b>
0	10,000,000	10,000,000	10,000,000	3.45%
0	65,000,000	65,000,000	65,000,000	22.39%
0	29,000,000	29,000,000	29,000,000	9.99%
0	2,000,000	2,000,000	2,000,000	0.69%
<b>0</b>	<b>106,000,000</b>	<b>106,000,000</b>	<b>106,000,000</b>	<b>36.52%</b>
<b>9,214,613</b>	<b>222,146,613</b>	<b>215,932,000</b>	<b>212,932,000</b>	<b>73.36%</b>
18,425,000	0	0	0	0.00%
80,626	80,626	0	0	0.00%
0	61,022,040	61,022,040	61,022,040	21.02%
887,548	887,548	0	0	0.00%
210,968	210,968	0	0	0.00%
0	83,302,960	16,302,960	16,302,960	5.62%
137,440	137,440	0	0	0.00%
<b>19,741,582</b>	<b>145,641,582</b>	<b>77,325,000</b>	<b>77,325,000</b>	<b>26.64%</b>
<b>\$28,956,195</b>	<b>\$367,788,195</b>	<b>\$293,257,000</b>	<b>\$290,257,000</b>	<b>100.00%</b>

# Excess Lottery Fund

## Overview by Functional Category

### FY 2020 through FY 2022

(Nearest Dollar)

DEPARTMENT/Agency Description	Fund #	Actual Expenditures FY 2020	Total Appropriations FY 2021 *
<b>STATUTORY APPROPRIATIONS:</b>			
<b>DEBT SERVICE AND CAPITAL PROJECTS (State Parks Improvements, Public Education Facilities, and Infrastructure Projects)</b>			
Economic Development Authority	9065	\$18,988,904	\$19,000,000
Higher Education Improvement Fund	4297	15,000,000	15,000,000
School Building Authority	3514	18,988,746	19,000,000
Division of Natural Resources	3277	3,345,857	1,505,000
Cacapon & Beech Fork Debt Service Fund	9067	2,030,805	2,032,000
State Parks Debt Service Fund	9068	0	4,395,000
Infrastructure Council	3390	46,000,000	46,000,000
<b>Subtotal</b>		<b>104,354,312</b>	<b>106,932,000</b>
<b>TRANSFERS</b>			
Refundable Credit	7207	9,456,073	10,000,000
General Revenue	7206	65,000,000	65,000,000
PROMISE Scholarship	4295	29,000,000	29,000,000
Racing Commission-Special Breeders Compensation	7308	2,000,000	2,000,000
<b>Subtotal</b>		<b>105,456,073</b>	<b>106,000,000</b>
<b>TOTAL STATUTORY APPROPRIATIONS:</b>		<b>209,810,385</b>	<b>212,932,000</b>
<b>APPROPRIATIONS ABOVE EXCESS LOTTERY STATUTORY REQUIREMENTS:</b>			
Office of Technology	2532	0	0
Office of the Governor	1046	0	0
Distributions to Statutory Funds and Purposes	7213	50,022,040	61,022,040
WV Development Office	3170	0	0
Division of Corrections-Capital	6283	0	0
Human Services-Medical Services	5365	0	83,302,960
Higher Education-Advanced Technology Centers	4932	114,943	0
<b>TOTAL APPROPRIATIONS ABOVE STATUTORY REQUIREMENTS:</b>		<b>50,136,983</b>	<b>144,325,000</b>
<b>TOTAL EXCESS LOTTERY</b>		<b>\$259,947,368</b>	<b>\$357,257,000</b>

\* Total Appropriations FY 2021 include surplus appropriations of \$17,000,000.

\*\* Total Request FY 2022 is Current-Level Request plus Improvement Requests.

Plus: Reappropriated FY 2021	Total Available FY 2021	Total Request FY 2022 **	Governor's Recommendation FY 2022	Percentage of Total
\$0	\$19,000,000	\$19,000,000	\$19,000,000	6.55%
0	15,000,000	15,000,000	15,000,000	5.17%
0	19,000,000	19,000,000	19,000,000	6.55%
9,214,613	10,719,613	4,505,000	1,505,000	0.52%
0	2,032,000	2,032,000	2,032,000	0.70%
0	4,395,000	4,395,000	4,395,000	1.51%
0	46,000,000	46,000,000	46,000,000	15.85%
<b>9,214,613</b>	<b>116,146,613</b>	<b>109,932,000</b>	<b>106,932,000</b>	<b>36.84%</b>
0	10,000,000	10,000,000	10,000,000	3.45%
0	65,000,000	65,000,000	65,000,000	22.39%
0	29,000,000	29,000,000	29,000,000	9.99%
0	2,000,000	2,000,000	2,000,000	0.69%
<b>0</b>	<b>106,000,000</b>	<b>106,000,000</b>	<b>106,000,000</b>	<b>36.52%</b>
<b>9,214,613</b>	<b>222,146,613</b>	<b>215,932,000</b>	<b>212,932,000</b>	<b>73.36%</b>
18,425,000	0	0	0	0.00%
80,626	80,626	0	0	0.00%
0	61,022,040	61,022,040	61,022,040	21.02%
887,548	887,548	0	0	0.00%
210,968	210,968	0	0	0.00%
0	83,302,960	16,302,960	16,302,960	5.62%
137,440	137,440	0	0	0.00%
<b>19,741,582</b>	<b>145,641,582</b>	<b>77,325,000</b>	<b>77,325,000</b>	<b>26.64%</b>
<b>\$28,956,195</b>	<b>\$367,788,195</b>	<b>\$293,257,000</b>	<b>\$290,257,000</b>	<b>100.00%</b>

# Excess Lottery Fund

## Statement of Revenues, Expenditures, and Changes in Cash Balance

(Nearest Dollar)

	Balance @ July 1, 2019	\$	83,558,010.00
Less:	Reserve for Cash Flow / Contingencies		(6,600,000)
Less:	Catastrophic Event Contingency		(30,000,000)
Plus:	FY 2020 Actual Revenue		258,322,226
Less:	FY 2020 Appropriations (FY 2020 Budget Bill)		(290,257,000)
Less:	FY 2020 Surplus Appropriation (FY 2020 Budget Bill)		(17,000,000)
Less:	FY 2020 Surplus Appropriation (FY 2020 Regular Session SB 571)		(20,000,000)
Less:	FY 2020 Surplus Appropriation (FY 2020 Regular Session SB 778)		(5,158,000)
Less:	FY 2020 Surplus Appropriation (FY 2020 Regular Session SB 779)		(4,500,000)
Plus:	FY 2020 Budget Deficit (COVID-19)		55,023,525
Plus:	Cash not needed for FY 2020 Appropriations (Refundable Credit)		90,655
Plus:	Cash not needed for FY 2020 Appropriations (Debt Service Actual)		18,132
	Unappropriated Balance @ June 30, 2020	\$	23,497,548.00
Plus:	FY 2021 Revenue Estimate		340,257,000
	Available for FY 2021 Appropriations	\$	363,754,548.00
Less:	FY 2021 Appropriations (FY 2021 Budget Bill)		(340,257,000)
Less:	FY 2021 Surplus Appropriation (FY 2021 Budget Bill)		(17,000,000)
Less:	<b>Recommended</b> FY 2021 Supplemental Appropriation to General Revenue Surplus		(6,497,548)
Plus:	Cash not needed for FY 2021 Appropriations		26,583
	Estimated Unappropriated Balance @ June 30, 2021	\$	26,583.00
Plus:	FY 2022 Revenue Estimate		290,257,000
Less:	Recommended FY 2022 Appropriations (2022 Budget Bill)		(290,257,000)
	Estimated Unappropriated Balance @ June 30, 2022	<b>\$</b>	<b>26,583.00</b>

# State Road Fund

## Statement of Revenues by Source

### FY 2018 Through FY 2027

(Expressed in Thousands)

Source of Revenue	FY 2018 Actual Collections	FY 2019 Actual Collections	FY 2020 Actual Collections	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate
Motor Carrier										
Fuel Tax	\$419,645	\$443,428	\$427,273	\$440,000	\$430,000	\$430,000	\$425,000	\$435,000	\$435,000	\$435,000
Registration Fees	148,546	168,785	122,724	169,357	174,000	171,000	172,500	173,000	173,500	175,000
Registration Fee:										
Highway Litter Control	1,480	1,666	1,483	1,671	1,700	1,700	1,800	1,850	1,900	1,900
Sales Tax	227,418	236,137	265,516	276,500	260,000	250,000	250,000	250,000	250,000	250,000
Less Transfer to Industrial Access Road Fund	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Miscellaneous Income	52,471	122,671	33,861	85,000	50,000	40,000	40,000	40,000	40,000	40,000
Federal Reimbursement:	391,058	366,920	405,496	502,400	505,000	500,000	490,000	480,000	480,000	480,000
<b>Total</b>	<b>\$1,237,618</b>	<b>\$1,336,607</b>	<b>\$1,253,353</b>	<b>\$1,471,928</b>	<b>\$1,417,700</b>	<b>\$1,389,700</b>	<b>\$1,376,300</b>	<b>\$1,376,850</b>	<b>\$1,377,400</b>	<b>\$1,378,900</b>

# State Road Fund

## Statement of Revenues, Expenditures, and Changes in Cash Balance

(Nearest Dollar)

	Cash and Investment Balance - July 1, 2020	\$50,082,516
Plus:	Revenue Estimate - FY 2021	<u>\$1,471,928,000</u>
	Total Estimated Receipts and Balance	\$1,522,010,516
Less:	FY 2021 Appropriations (FY 2021 Budget Bill) - Division of Highways	(1,308,582,854)
Less:	FY 2021 Appropriations (FY 2021 Budget Bill) - Division of Motor Vehicles	(46,077,719)
Less:	FY 2021 Appropriations (FY 2021 Budget Bill) - Office of Administrative Hearings	(2,065,530)
Less:	Claims Against the State Road Fund (FY 2021 Budget Bill)	(844,164)
Less:	FY 2021 Supplementary Appropriations (2021 Regular Session) Division of Highways	(85,067,146)
Less:	FY 2021 Supplementary Appropriations (2021 Regular Session) Division of Motor Vehicles	<u>(6,054,000)</u>
	Estimated Unappropriated Balance @ June 30, 2021	<b>\$73,319,103</b>
Plus	Revenue Estimate - FY 2022	1,417,700,000
Less:	Recommended FY 2022 Appropriations (FY 2022 Budget Bill) - Highways	(1,305,650,000)
Less:	Recommended FY 2022 Appropriations (FY 2022 Budget Bill) - Motor Vehicles	(46,077,719)
Less:	Recommended FY 2022 Appropriations (FY 2022 Budget Bill) - Office of Administrative Hearings	(45,000)
Less:	Claims Against the State Road Fund (FY 2022 Budget Bill)	(850,000)
Less:	FY 2022 Supplementary Appropriations Division of Highways (2021 Regular Session)	(74,067,146)
Less:	Estimated Unappropriated Balance @ June 30, 2022	<u><u><b>\$64,329,238</b></u></u>



# Summary of Primary Government Long-Term Debt Outstanding as of June 30, 2020

(Expressed in Thousands)

	Actual 6/30/18*	Actual 6/30/19*	Actual 6/30/20*	Estimated 6/30/21*	Estimated 6/30/22*
<b>General Obligation Debt</b>					
Safe Road Bonds	\$135,175	\$118,390	\$100,830	\$82,460	\$63,240
Roads to Prosperity	800,000.00	782,305	1,364,455	1,345,795	1,326,475
Infrastructure Bonds	156,966	147,020	131,721	113,231	94,696
<b>SUBTOTAL</b>	<b>1,092,141</b>	<b>1,047,715</b>	<b>1,597,006</b>	<b>1,541,486</b>	<b>1,484,411</b>
<b>Revenue Bonds</b>					
School Building Authority	22,265	-	-	-	-
School Building Authority (Lottery)	137,875	129,105	119,965	110,375	100,335
School Building Authority (Excess Lottery)	83,490	77,760	71,800	65,550	59,005
School Building Authority, QSCBs (Excess Lottery)	150,480	150,480	150,480	150,480	150,480
Tobacco Settlement Finance Authority	850,238	851,495	805,067	805,067	805,067
Highways, Commissioner of	219,985	283,485	265,720	246,745	226,815
2010 EAST Fund (Lottery)	141,560	141,560	133,780	129,595	125,200
Economic Development Authority (Excess Lottery)	147,195	190,165	176,850	162,850	146,440
WV Infrastructure and Jobs Development Council	162,795	157,280	151,545	145,560	139,305
<b>SUBTOTAL</b>	<b>1,915,883</b>	<b>1,981,330</b>	<b>1,875,207</b>	<b>1,816,222</b>	<b>1,752,647</b>
<b>Capital Leases &amp; Notes Payable</b>					
Governmental Funds	201,204	186,939	165,064	147,516	129,423
Internal Service**	56,760	55,030	53,255	51,435	49,570
Notes Payable**	18,469	16,211	21,472	12,998	6,580
<b>SUBTOTAL</b>	<b>276,433</b>	<b>258,180</b>	<b>239,791</b>	<b>211,949</b>	<b>185,573</b>
<b>TOTAL</b>	<b>\$3,284,457</b>	<b>\$3,287,225</b>	<b>\$3,712,004</b>	<b>\$3,569,657</b>	<b>\$3,422,631</b>

\*Actual and Estimated balances do not include unamortized discounts/premiums/issuance costs.

\*\*6/30/20 figures are estimated for those items.

# Major Reserve/Stabilization Accounts

## ***Revenue Shortfall Reserve Fund (Rainy Day Fund)***

The state established a Revenue Shortfall Reserve Fund (Rainy Day Fund) that began with surplus funds available at the close of FY 1994. (W.Va. Code §11B-2-20 was passed March 11, 1994 and amended August 5, 2011.) Funds may be used for revenue shortfalls, emergency needs caused by acts of God or natural disasters, or for other fiscal needs.

Current West Virginia Code requires the first 50% of all surplus General Revenue funds accrued during the fiscal year just ended be deposited into the fund until the aggregate amount of the fund is equal to 13% of the total appropriations from the General Revenue Fund for the fiscal year just ended. The first \$100 million in the fund is invested by the West Virginia Board of Treasury Investments and any amounts over \$100 million are invested by the West Virginia Investment Management Board.

Since the fund was created in 1994, \$923.5 million has been deposited into the fund, which includes transfers in and interest, \$225 million has been used for flood (including \$55 million appropriated during the 2016 2nd Legislative Special Session for costs related to the June 2016 flood) and drought victim assistance, infrastructure, snow removal, and other projects. For the first time, in FY 2015, the fund was accessed to help balance the budget, transferring \$100 million to the Medical Services Trust Fund to be used as state matching funds for West Virginia's Medicaid Program. In the FY 2016 Budget Bill, \$14.8 million was appropriated for transfer to the Medical Services Trust Fund. To help close the FY 2016 general revenue shortfall, an additional \$83.8 million was transferred to the General Fund. In the FY 2017 Budget Bill, \$70 million was appropriated for transfer to the Medical Services Trust Fund, \$21.3 million for FY 2017 surplus supplemental appropriations, and \$40.4 million for helping in balancing the FY 2017 budget. The FY 2018, FY 2019, FY 2020, and FY 2021 budget used no Rainy Day funding. The Governor recommends no transfer in his FY 2022 budget from the Rainy Day Fund.

The Governor, by executive order, is allowed to borrow funds (prior to October 31st each year) from the Rainy Day Fund when revenues are inadequate to make timely payments of the state's obligations. The amount borrowed may not exceed 1.5% of the General Revenue Fund estimate for the fiscal year in which the funds are borrowed and shall be repaid to the fund within 90 days of its withdrawal.

Because of an expected cash flow shortfall experienced each year in the first quarter of the fiscal year, the Governor is authorized to borrow from the fund at the beginning of each fiscal year, and since August 1996, has done so in order to pay obligations in a timely manner. All loans were repaid within the 90-day limit allowed by law.

On December 31, 2020, the balance in the Rainy Day Fund was \$389.8 million, 9% of FY 2021 appropriations.

## ***Revenue Shortfall Reserve Fund - Part B (Rainy Day Fund—Part B)***

The state established a Revenue Shortfall Reserve Fund—Part B (Rainy Day Fund—Part B) that began with the cash balance of the West Virginia Tobacco Settlement Medical Trust Fund on June 9, 2006 (W.Va. Code §11B-2-20 amended August 5, 2011). The fund is invested by the West Virginia Investment Management Board.

Expenditures may not be made from the Rainy Day Fund—Part B unless all money in the Rainy Day Fund have been first expended. After June 30, 2025, interest and other return earned on money in the Rainy Day Fund—Part B may be appropriated by the Legislature for continued support of the programs offered by the Public Employees Insurance Agency; funding for expansion of the federal-state Medicaid program; funding for public health program services and agencies; funding for any state-owned or operated health facilities; or in instances of revenue shortfalls or fiscal emergencies of an extraordinary nature.

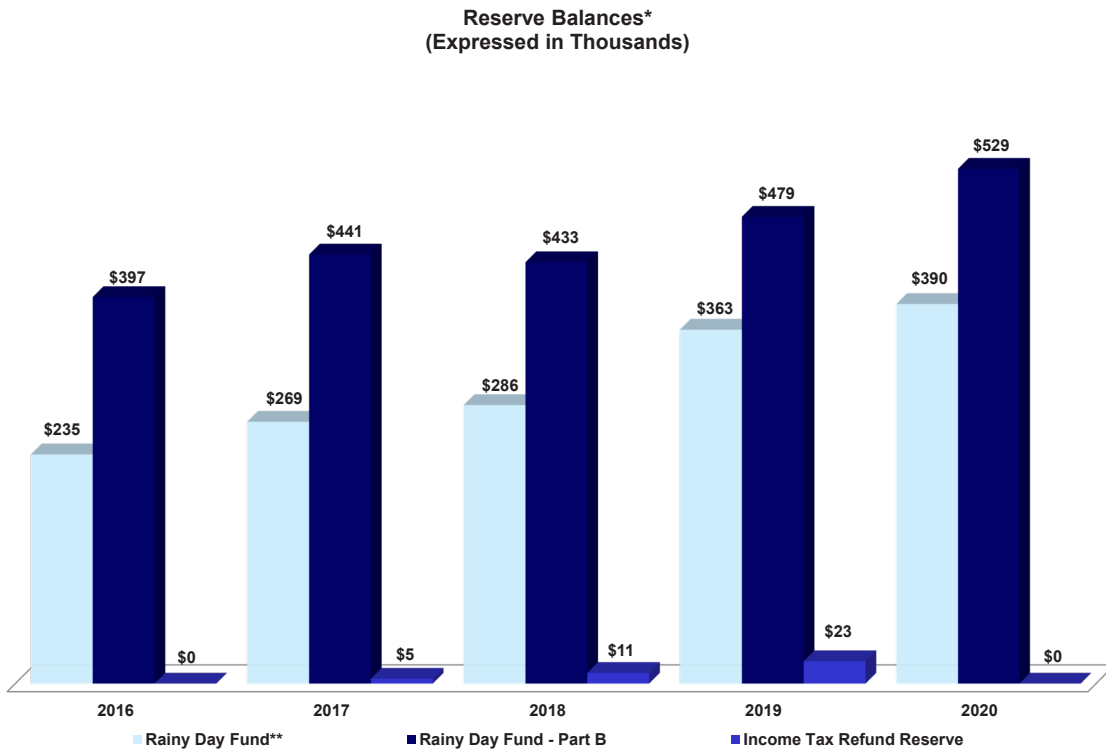
On December 31, 2020, the balance in the Rainy Day Fund—Part B was \$528.6 million, 12% of FY 2021 appropriations.

## Major Reserve/Stabilization Accounts

### *Income Tax Refund Reserve Fund*

An Income Tax Refund Reserve Fund was established during FY 1990 (W.Va. Code §11-21-93) to pay personal income tax refunds, interest, and penalties to taxpayers in a timely manner. It may also be used by the Legislature to make appropriations from the fund to address other items as the Legislature so desires. The state tax commissioner is responsible for determining the balance needed in the fund to ensure timely income tax refunds.

The balance in the Income Tax Refund Reserve Fund at the beginning of FY 2019 was \$5 million. As of December 31, 2020, the balance of the Income Tax Refund Reserve Fund is \$0.

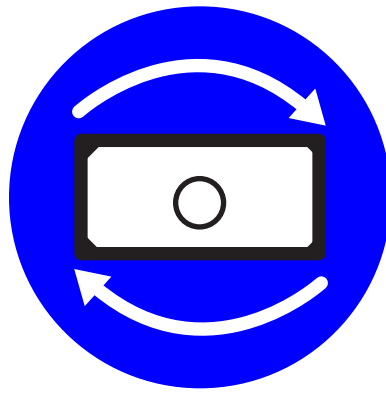


\*Balances of December 31 each year

\*\*2016 balance includes \$50 million on loan to the Unemployment Compensation Trust Fund that was repaid in May 2017.



# BUDGET PLANNING





# Long-Range Issues

## *Infrastructure Projects/Improvements*

### **Highway Infrastructure**

The Department of Transportation uses revenues from the State Road Fund to fund and operate the Division of Highways and Division of Motor Vehicles. The State Road Fund receives its revenue almost entirely from dedicated tax revenues. Those tax revenues decreased between FY 2019 and FY 2020 in total by \$33 million (3.88%). Motor Fuel Excise Tax collections decreased during FY 2020 by \$16.2 million (3.64%). Registration Fee collections decreased in FY 2020 by \$46.1 million (27.3%) from the previous year and Privilege Tax collections showed an increase for FY 2020 of \$29.4 million (12.4%). Highway Litter Fee collections decreased in FY 2020 by \$183,000 (11%).

With the passage of Senate Bill 1006 (2017), the average wholesale price for motor fuel increased, as well as rates of the Motor Vehicle Sales tax and registration fees. This enhanced revenue collections in the short term. After FY 2020, neither the Department of Revenue nor the Department of Transportation projects any substantial growth in revenues through FY 2024. The long-term forecast provided by the Department of Revenue predicts a small decline in motor fuel consumption over time related to fuel efficiency gains. Therefore, any increase in fuel prices would be offset in the long run.

The additional revenues generated because of the passage of SB 1006 will allow the Division of Highways to be able to complete certain activities which have been deferred due to lack of funding. Past revenues were inadequate to permit the Division of Highways to satisfactorily achieve its mission of maintaining a safe and efficient highway system. System preservation needs were not being met and as a result, highways were deteriorating. The cost of replacing all state-maintained bridges that are more than 60 years old is approximately \$3 billion, and highway slips and slides totaling tens of millions of dollars have been identified. The Division's current goal of resurfacing roadways on a 12-year average cycle requires approximately 1,880 miles to be paved annually. Based on an average cost of \$220,000 per mile, nearly \$414 million will need to be committed annually to achieve this goal. In addition, The Division identified over \$15 billion in new construction that could not be undertaken due to a lack of funds. Since it is more important to maintain existing infrastructure than to build new highways, it appeared most of these projects would never be constructed.

On October 7, 2017, the citizens of West Virginia voted to pass a referendum which allows the Division to sell \$1.6 billion dollars in General Obligation bonds as well as the sale of West Virginia Turnpike revenue bonds. All these increased revenue sources and financing options are a result of the "Roads to Prosperity" initiative. Not only will these options allow the Division of Highways to carry out its mission to provide safe and efficient roads, but it will allow the Division to address projects and equipment needs which in years past would not have had adequate funding.

In addition to state revenue and bond proceeds, the FAST Act (2015) provides federal funding for transportation infrastructure. The FAST act, or "Fixing America's Surface Transportation Act" is a five-year surface transportation program authorizing funding for highway and public transportation investments. The FAST Act was the first long-term transportation legislation to pass Congress in 10 years and provides stability to the Department in planning its transportation investments. The FAST Act provides a gradual increase in funding each year to the states and the following apportioned funds to the Department. In Federal Fiscal Year 2016, the apportionment was \$443.3 million. This amount increased each year until it reached \$484.0 million by Federal Fiscal Year 2020. At the end of Federal Fiscal Year 2020, a continuing resolution was signed allowing the federal funding to continue under the current guidelines until the end of FFY 2021 or until another long-term program is enacted.

The FAST Act continues existing programs but also provides policy changes, including an emphasis on freight movement with the creation of the National Highway Freight Program and the Nationally Significant Freight and Highway Projects Program. It includes provisions to help accelerate the delivery of highway improvements through streamlining the environmental review process. The FAST Act also includes provisions to enhance the transparency of the federal investment to the public. The FAST Act, however, does not fully address the long-term revenue needs of the Highway Trust Fund.

## *Long-Range Issues (Continued)*

### **Public Transportation**

Public transportation systems that serve all individuals are critical to the state's citizens who are elderly, ill, economically disadvantaged, or for other reasons cannot or choose not to drive a vehicle. Nearly 4.8 million rides, well over twice the state's population, were provided on West Virginia public transit systems in FY 2020, making public transit an often used, reliable, and safe alternative transportation option.

As the state's population continues to age and remain active, but is limited in its ability to drive, mobility issues loom as a major concern. The U.S. Census Bureau estimates that by the year 2030, 20% of the U.S. population will be 65 or older. A United States Government Accountability Office report (GAO-04-971) on transportation-disadvantaged seniors indicates that state governments must plan for alternatives to driving as seniors age and must work toward accommodating seniors' varied mobility needs.

The future of public transit and maintenance/addition of service areas in West Virginia are heavily dependent upon the investments made by the state and federal government. Public transit funding is provided under the same federal legislation that funds highways. During the MAP-21 and subsequent FAST Act federal transportation legislation implementation, significant changes have occurred in the federal transit programs with programs repealed, consolidated, and streamlined. Flat or reduced federal transit funding remains a possibility.

These federal transit funds require state or local matching dollars. While the local programs have been creative in reducing costs and securing matching funds, increasing costs make reductions rather than expansions of public transit service a continuing possibility. Preserving the state's contribution to this essential service must be a priority.

### **Public Education**

#### **School Building Authority**

The School Building Authority of West Virginia (SBA) was created in 1989 to provide state funds and aid in the construction and maintenance of safe school facilities to meet the educational needs of the citizens of West Virginia in an efficient and economical manner.

Since then, the number of requests for construction has exceeded \$2.5 billion due to the continued rise in construction costs and the deterioration of buildings. The SBA's goal is to provide grants each year for projects which, along with local school district funding, will average approximately a \$100 million investment in our state annually. West Virginia schools have benefitted greatly by having more funding available for improvements; however, there is a tremendous funding gap.

The West Virginia Legislature authorized the SBA to issue additional bonds secured by the net profits of the Regular Lottery and Excess Lottery Funds. However, the goal going forward is to develop sustainability which includes eliminating "Debt Service" to fund school construction. Legislation was passed in FY 2017 which directed the SBA to cease selling bonds for school construction once the bonds matured and use the General Revenue Funds for school construction through the SBA "Pay-As-You-Go" program.

The SBA receives approximately \$59 million annually for school construction, which includes funding for the Needs Grants and 3% Grants. In the past five years, the requests have exceeded this amount by \$100 million annually. Each year the demand for grant funding and cost of construction continues to increase, while the funding does not.

The SBA staff and the Authority have worked on updating the Agency's "Investment Policies" to aggressively maximize the amount of funds available annually for capital improvement projects. In addition, the SBA continues to work with The State Department of Education and local Boards of Education on funding sustainability and funded depreciation. The long-term financial commitment to the economic future of our state must begin with viable solutions to support and maintain the facilities essential to continue providing quality education to the students of the State of West Virginia.



## Long-Range Issues (Continued)

### Health Care

The State of West Virginia faces many challenges and obstacles in health care. Nationally, medical costs are increasing significantly and the prices for prescription drugs are increasing even more. An aging population, new and more-costly medical technologies, and expensive new generation drugs are all contributing factors to rising health care costs.

In addition to these national trends, West Virginia faces other obstacles unique to the Mountain State. According to the most recent report of resident deaths reported to the Centers for Disease Control and Prevention (CDC), National Center for Health Statistics by the West Virginia Health Statistics Center, in 2018 West Virginia had the highest age-adjusted mortality rate per 100,000 people of all states including the District of Columbia for all causes. West Virginia also had the highest age-adjusted mortality rates for all accidental deaths, diabetes, drug overdose deaths (regardless of intent), as well as deaths attributed to chronic lower respiratory diseases. West Virginia also ranked 3rd in mortality from cancer and nephritis, nephrotic syndrome, and nephrosis; 4th in influenza/pneumonia; 7th in accidental motor vehicle accidents; and 8th in heart disease mortality and suicides. Finally, West Virginia ranked 20th in cerebrovascular disease deaths by rate during 2018. Along with known risk factors, age is a factor in many types of death. West Virginia's population has the 4th oldest median age in the nation and the 3rd highest percentage population aged 65 and older.

West Virginia has an ongoing problem with drug overdose deaths. In 2001, there were 212 drug overdose deaths in West Virginia, climbing steadily to a then-record peak of 656 in 2011. There was a drop off in 2012, thought largely due to the closing down of "pill mills." Overdose deaths, first led by heroin and later combined with fentanyl, climbed much higher in 2017, peaking at 1,019. Overdose deaths fell to 907 occurrences in 2018 (preliminary figure).

According to the West Virginia Health Statistics Center, which collects data for the Behavioral Risk Factor Surveillance System (BRFSS) in conjunction with CDC, 2019 data indicates that West Virginia ranks high among all states in the adult prevalence of several chronic diseases and risk factors for disease. West Virginia had the highest prevalence in the nation of arthritis (41.3%), cardiovascular disease (14.8%), chronic obstructive pulmonary disease (12.3%), coronary heart disease (7.6%), depression (28.8%), heart attack (8.3%), high cholesterol (39.5%), and hypertension (43.8). West Virginia had the second highest prevalence in the nation of fair or poor health (26.6%), obesity (39.7%), overweight or obese (72.0%), current smoking (23.8%), smokeless tobacco use (8.2%), diabetes (15.7%), stroke (5.1%), and kidney disease (4.2%). The prevalence of asthma (11.5%) was 3rd highest. The prevalence of cancer (12.1%) was the highest, and the prevalence of physical inactivity (31.2%) was 8th highest in the nation. On a positive note, the state's heavy drinking prevalence was 5.2%, the 5th lowest in the nation; and the prevalence of binge drinking was 12.4%, the 2nd lowest in the nation.

For 2019, approximately 19.0% of West Virginia adults reported poor physical health for at least 14 days in the past 30 days, and 20.6% reported poor mental health at least 14 days in the past 30 days. Additionally, the prevalence of reporting poor physical health in the past 14 days was significantly higher in West Virginia (19.0%) than the U.S. (12.5%) and was the 2nd highest among all 53 BRFSS participants. The prevalence of reporting poor mental health in the past 14 days was significantly higher in West Virginia (20.6%) than the national prevalence (13.6%) and was the highest among all 53 BRFSS participants. West Virginia also had the highest prevalence of hearing impairment (13.2%) and cognitive impairment (19.3%) in the nation as well as the 4th highest prevalence of vision impairment (8.2%).

In terms of prevalence of chronic diseases and disabilities, the median age of the population must also be considered. The older a person, the more likely that they will or have developed coronary heart disease, arthritis, another type of chronic disease, or some physical impairment. West Virginia's generally older population contributes to these higher percentages of chronic diseases and impairments, when compared to other states, but it is not the sole factor.

Focusing on two particularly problematic areas in West Virginia's poor population health statistics, smoking rates and obesity significantly impair our citizens' quality of life and cost West Virginians billions of dollars each year. In 2019, approximately 332,000 West Virginians smoked cigarettes. BPH estimates that obesity and our extraordinarily high smoking rates cost West Virginia more than \$1 billion each year. The West Virginia Department of Health and Human Resources, through the leadership of the Bureau for Public Health in partnership with a broad array of stakeholders, has set goals to mitigate these problems. If successful, West Virginians could save millions of dollars annually.

## *Long-Range Issues (Continued)*

### **Medicaid**

The West Virginia Medicaid Program provides insurance coverage to approximately 550,000 West Virginians over the course of a year and approximately 505,000 at any point in time. Children comprise 34% of the Medicaid population, while 15% are categorized as blind and disabled, 42% as adults, and the remaining 9% defined as elderly. Effective January 1, 2014, the West Virginia Medicaid Program expanded coverage under the Affordable Care Act. In FY 2020, there were approximately 163,000 members due to expansion (included in the total above). The expansion population consists of individuals aged 19 to 64, representing the working poor, who earn up to 138% of the Federal Poverty Level (FPL). The Federal Medical Assistance Percentages (FMAP) for the expansion population gradually decreased from 100% to 90% during calendar years 2017 through 2020.

To the state's poorest and most disabled citizens, Medicaid offers a benefit package that includes access to prescription drug coverage, long-term care options including community-based care, mental health services, primary care services, nonemergency medical transportation, as well as other benefits that are not traditionally offered through private insurance plans. A new adult dental benefit of \$1,000 per member per year will be implemented on January 1, 2021; the dental benefit will provide diagnostic, preventative, and restorative dental coverage to adults 21 and over.

Financial support for this program comes from federal and state revenue. Most of the Medicaid program is financed at an approximate 25% state and 75% federal match, meaning that every dollar the state invests is matched with approximately three (3) federal dollars. The non-expansion FMAP readjusts annually based on economic indicators in the state relative to other states.

State Medicaid funding is dependent primarily on four funding sources: General Revenue, Lottery, Medical Services Trust Fund, and the Provider Tax. State Medicaid appropriated funding will be approximately \$1,079 million in FY 2022.

The cost of the Medicaid program is determined by the number of eligible individuals, how often they use health care services, and the cost of those services; therefore, the state must budget for all program costs that are incurred by the clients. The Medicaid program has been able to operate below national health care inflationary trends and has been able to control cost much more successfully than other payers in West Virginia. DHHR will continue these aggressive cost containment strategies. Program benefits, provider reimbursement, and utilization parameters continue to be judiciously managed for state dollar savings.

It is currently estimated that without any program changes, the cost for the Medicaid program will increase at a rate of approximately 2% per year. A few noteworthy long-term budgetary risks to the Medicaid program relate to inflationary health care costs, scenarios where increased utilization of services is unavoidable (pandemic flu), increased prescription drug costs, continued deterioration of the West Virginia economy resulting in more impoverished West Virginians, additional unfunded mandates by the judicial system, a projected decrease in the FMAP for FY 2022 of -0.31% and changes in federal regulations that become unfunded mandates. Assuming that the Provider Tax, trust fund, and lottery sources of state match remain relatively constant, the General Revenue fund will have to supply the additional funds to cover future increases in cost. Any future increase or decrease in non-General Revenue funding sources will impact the amount of General Revenue required to cover the total state match cost. DHHR leadership will maintain vigilance to ensure fiscal integrity and optimization of member benefits.

### **West Virginia Children's Health Insurance Program (WVCHIP)**

WVCHIP provides full-range health insurance coverage to children of working families with incomes up to 300% of the FPL. Starting July 1, 2019, WVCHIP also provides coverage to pregnant women over age 19 up to 300% of the FPL. As of September 30, 2020, 21,278 children and 184 pregnant women were enrolled. Average monthly enrollment increased 5.2% in FY 2020 compared to FY 2019. The WVCHIP Premium group that includes children in households with incomes between 211% and 300% FPL increased 17% in enrollment and is now 31% of the total enrolled population. The West Virginia Children's Health Insurance Board oversees WVCHIP's benefit plan and finances to ensure funding is sufficient to support the services covered by the insurance program. COVID-19 was the greatest impact to enrollment, as WVCHIP delayed program eligibility renewals to address the pandemic.

## *Long-Range Issues (Continued)*

On January 22, 2018, Congress passed a Continuing Resolution (CR) that included the Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable (HEALTHY KIDS) Act which funded CHIP for six years through 2023. On February 8, 2018, Congress passed another CR that included the Advancing Chronic Care, Extenders, and Social Services (ACCESS) Act that funded CHIP an additional four years through 2027. The 23% “bump” to FMAP remained in place through Federal Fiscal Year (FFY) 2019 and was reduced to an 11.5% “bump” in FFY 2020. In FFY 2021, the CHIP FMAP returns to its normal enhanced level, around 82%.

On March 18, 2020, the President signed H.R. 6021 into law, the “Families First Coronavirus Response Act” (FFCRA). Section 6008 of the FFCRA provides a 6.2% increase in FMAP to each qualifying state and territory. This increase was effective retroactively to January 1, 2020 and extends through the end of the quarter in which the COVID-19 public health emergency ends. This 6.2% increase in FMAP indirectly increased the CHIP FMAP to 98.3% through September 30, 2020. Beginning October 1, 2020, the CHIP FMAP is 85% and is expected to return to normal levels of 82.49% on January 1, 2021, or when the public health emergency ends.

WVCHIP estimates it will need \$5.6 million in state matching funds for FY 2021 that the program can fund using its current appropriation and reserve balance. The projected state share increases to around \$11.5 million in FY 2022 that the program can fund at the current level of state appropriation and reserve balance. WVCHIP plans to transition to managed care on January 1, 2021.

In addition, CHIP funding is used to cover expenses for certain children on Medicaid. State funds for this population is estimated to be \$1.5 million in FY 2020 and \$4.9 million in FY 2021.

### **Public Employees Insurance Agency**

The Public Employees’ Insurance Agency (PEIA) was established by the Legislature in 1971 to provide a program of health, life, and prescription drug insurance for its member agencies. In accordance with W.Va. Code §5-16, PEIA provides coverage for all state employers, including institutions of higher education and county boards of education. In addition, political subdivisions in the state and certain other charitable and public service organizations may request to be covered by PEIA.

In 1991, a Finance Board was created by the Legislature to bring fiscal stability through the development of an annual financial plan designed to meet the agency’s estimated total financial requirements. The annual financial plan considers all projected revenues and apportion costs equitably among participating employers, active and retired employees, and providers of health care services.

The Finance Board must submit a prospective financial plan encompassing five fiscal years. The finance board must develop annual financial plans that generate revenues sufficient to fund a reserve of at least 10% of projected total plan costs. The financial plan must be submitted to the Governor and the Legislature by January 1st of the preceding year with an effective date for the financial plan of July 1st of each plan year.

PEIA and its Finance Board continue to manage the plan amid the rising costs of health care. Increasing health care costs continue in all aspects of health care, most significantly in the specialty drug classification. However, the most recent trend report indicates positive results warranting a reduction to the medical trend assumptions by 3%. The upcoming financial plan assumes health care costs to increase annually by the following rates:

	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Medical</b>	<b>5.0%</b>	<b>6.0%</b>	<b>7.0%</b>	<b>7.5%</b>	<b>8.0%</b>
<b>Drug</b>	<b>13.0%</b>	<b>13.5%</b>	<b>14.0%</b>	<b>14.5%</b>	<b>15.0%</b>

These trend assumptions, in conjunction with benefit changes, will result in the following increases/(decreases) in claims expenses:

## Long-Range Issues (Continued)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Medical	\$20 million	\$14 million	\$30 million	\$35 million	\$40 million
Drug	\$27 million	\$15 million	\$17 million	\$20 million	\$23 million

These assumed increases will require the board to raise premiums, modify benefits, or use prior year gains to fulfill plan obligations and maintain the required minimum reserves. The current financial plan assumes premium increases, benefit changes or prior year gain utilization to offset these increases, resulting in the following reserve levels that do meet the required levels:

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Reserve	\$228 million	\$185 million	\$142 million	\$152 million	\$165 million

PEIA continues to pursue the development of effective, cost-efficient programs to give its members the most benefits for their premiums. Benefit design, provider reimbursement, wellness, and disease management programs are continuously reviewed and modified in this pursuit. Although health care cost trends persist, PEIA will be vigilant in maintaining affordable, quality health care insurance.

### Retiree Health Benefits Trust Fund

The Legislature passed House Bill 4654 during the 2006 session. This bill created the West Virginia Retiree Health Benefits Trust Fund (Trust) and charged PEIA with its administration. The fund was created to account for the West Virginia Other Postemployment Benefits (OPEB) and otherwise comply with GASB Statements 74 and 75.

Rising drug and health care costs, state budget constraints, plan funding, and the OPEB liability reporting requirement are all issues the PEIA Finance Board must consider in preparing the agency's five-year financial plan.

The retiree plan must be subsidized by the active policy premiums. The rate of subsidization estimated for FY 2022 is approximately 62%. Continuing the current solution to the West Virginia OPEB Plan's unfunded liability is of utmost importance. The PEIA Finance Board took steps in December 2011 to control the state's share contributed to retiree premium subsidies, allowing increases in subsidies of no more than 3% per year. Additionally, the 2012 regular session of the West Virginia Legislature passed Senate Bill 469 to provide supplemental funding to the OPEB liability. These changes resulted in a reduction in the unfunded liability by approximately \$4 billion.

Not including the annual required contribution to fully fund OPEB, the current financial plan projects net asset growth through FY 2025. The trust completed FY 2020 with total net assets of \$1.2 billion, total claims expense of \$78 million, and capitations of \$52 million. Current claim expense trend assumptions for FY 2021 through FY 2025 go from 5.0% for medical and 13.0% for drugs to 8% for medical and 15% for drugs. These trend assumptions result in increases of \$64 million in expenses for the trust over the next four fiscal years. Fiscal year results remain positive, however, as the board anticipates interest revenue, benefit changes, and premium increases to offset these increases. The trust is forecast to have an ending reserve of \$1.7 billion by fiscal year end 2025. This represents a 55% funded status of the OPEB Accrued Actuarial Liability (AAL).

## Pensions

### State Retirement Systems

The Consolidated Public Retirement Board (CPRB) was created by legislation passed in 1990 and effective July 1, 1991, to administer all of the state's public retirement plans. In 1992, CPRB completed actuarial studies on the various retirement systems of the state of West Virginia to determine the amount of the systems' unfunded liabilities. At the time, the Public Employees Retirement System (PERS) was found to be well-funded, but the Teachers' Retirement System (TRS), Judges' Retirement System (JRS), and Public Safety Retirement System (Plan A) were found to have

## *Long-Range Issues (Continued)*

unfunded liabilities of \$2.89 billion, \$23.16 million, and \$107.25 million, respectively. As of July 1, 1993, PERS was found to have a relatively small unfunded liability of \$180 million. In 1994, Plan A was closed to new entrants and all new state troopers are members of the State Police Retirement System (Plan B).

During the 2020 Legislative Session, the West Virginia Legislature passed the West Virginia Natural Resources Police Officers Retirement System Act. The Act creates a new Natural Resources Police Officer Retirement System (NRRS) for the Division of Natural Resources (DNR) Police Officers effective January 2, 2021. Currently, the DNR Police Officers are members in the West Virginia Public Employees Retirement System (PERS). Per the Act, NRRS must have at least 100 members on July 1, 2022 or the memberships in the NRRS will be merged into PERS. The Act sets the contribution rate, as a percentage of covered payroll, for the NRRS as 9.5% from NRRS members and 12% from the employer.

The State has committed to a plan to increase the funding of the underfunded plans. Contributions to the various retirement plans are made in such a manner as to satisfy the unfunded liabilities as follows:

- Public Employees Retirement System—Instituted a 30-year payment plan to be completed by June 30, 2035. Legislation passed in 2005 prohibited any increases to benefits for active members if the most recent actuarial valuation shows the Actuarial Accrued Liability of the plan to not be at least 85% funded, required any increase in active member benefits to be amortized over no more than 10 years, limited any benefit increases for retirees to be less than 1% of the Actuarial Accrued Liability as of the most recent valuation, and required any increase in retiree benefits to be amortized over no more than 6 years.
- Teachers' Retirement System—Instituted a 40-year payment plan to be completed by June 30, 2034. The payment plan was revised in 1999 to provide that all improvements be funded over seven years from the improvement date. Legislation passed in 2005 further prohibited any increases to benefits for active members and required any increases for retirees to be less than 1% of the Actuarial Accrued Liability as of the most recent valuation, to be amortized over no more than 6 years. Those restrictions expire on July 1, 2034.
- Judges' Retirement System—Instituted a 30-year payment plan to be completed by June 30, 2018. The 30-year payment plan was completed July 1, 2007, 11 years ahead of schedule. The plan again developed a small unfunded liability as of July 1, 2009, but had again fully funded its actuarial accrued liability on July 1, 2010 and has remained "fully funded" since that date. Legislation passed in 2005 further prohibited any increases to benefits for active members, and required any increases for retirees to be less than 1% of the Actuarial Accrued Liability as of the most recent valuation, to be amortized over no more than 6 years. Those restrictions expired on July 1, 2019.
- Public Safety Retirement System (Plan A)—Instituted a 30-year payment plan to be completed by June 30, 2025. Legislation passed in 2005 further prohibited any increases to benefits for active members and required any increases for retirees to be less than 1% of the Actuarial Accrued Liability as of the most recent valuation, and to be amortized over no more than 6 years. Those restrictions will expire on July 1, 2025.
- State Police Retirement System (Plan B)—Instituted a 30-year payment plan to be completed by June 30, 2030. The 30-year payment plan was completed July 1, 2014, 16 years ahead of schedule. The plan again developed an unfunded liability as of July 1, 2016, to be amortized over a period of 10 years. The plan was fully funded as of July 1, 2018 but is estimated to have an unfunded liability as of July 1, 2019, to be amortized over a 10-year period. Legislation passed in 2005 acted to prohibit any increases to benefits for active members if the most recent actuarial valuation shows the Actuarial Accrued Liability of the plan to not be at least 85% funded, required any increase in active member benefits to be amortized over no more than 10 years, limited any benefit increases for retirees to be less than 1% of the Actuarial Accrued Liability as of the most recent valuation, and required any increase in retiree benefits to be amortized over no more than 6 years.

## Long-Range Issues (Continued)

The unfunded actuarial liability for each plan is as follows:

	July 1, 2019, Actuarial Valuation Unfunded Actuarial Liability		July 1, 2020, Actuarial Valuation Unfunded Actuarial Liability (Estimated)	
PERS	\$445,105,000	(93.9% funded) <sup>1</sup>	\$444,283,000	(94.1% funded)
TRS	\$3,163,020,000	(71.1% funded) <sup>1</sup>	\$3,078,581,000	(72.5% funded)
JRS	\$(102,177,000)	(192.5% funded) <sup>1</sup>	\$(84,395,000)	(165.3% funded)
Public Safety—Plan A	\$77,298,000	(89.9% funded) <sup>1</sup>	\$104,975,000	(86.4% funded)
State Police—Plan B	\$18,528,000	(91.8% funded) <sup>1</sup>	\$31,138,000	(87.5% funded)



# Budget Overview

## ***The Executive Budget Process Policy***

The budget process begins approximately one year prior to the beginning of the fiscal year for which appropriations are being made. The state fiscal year begins July 1 and ends on June 30 (W.Va. Code §2-2-4).

The Secretary of Revenue, along with the Governor's Office and the State Budget Office, develops guidelines to be used by the various spending units when submitting their appropriation (budget) requests that are due each year (W.Va. Code §11B-2-3) on September 1. These guidelines establish a "current level" or base budget for each department/bureau/commission/division. The FY 2022 budget requests were submitted electronically using the state's accounting system wvOASIS.

For all appropriated accounts, the "current level" is defined as the same amount of funds the department/bureau/commission/division has for the current fiscal year (FY 2021) less any onetime appropriations. For the FY 2022 budget request, the department/bureau/commission/division is permitted to move funds between appropriations, programs, or agencies within the department. However, there can be no increase in the total request over the current year's appropriation with the exception of the legislative and judicial budgets and statutory increases (such as for the Department of Education). The "current level" request allows department/bureau/commission/division heads to redirect their limited resources to the highest priority areas without an increase in their total budget. Consistent with our commitment to provide a balanced budget and long-term fiscal stability, we as a state must take measures to minimize the overall FY 2022 expenditure growth, and position the state to structurally balance budgets in the years that follow. For the FY 2022 budget, the Governor has recommended most agencies be funded at the FY 2021 base funding level. In addition to these adjustments, some accounts are recommended at higher funding levels to help improve economic development programs, social services, and building maintenance projects.

All appropriation requests that are above the FY 2021 "current level" must be submitted as a separate "improvement package" stating the purpose, benefits, and needs of the additional funding. Each improvement above the "current level" is considered individually. For FY 2022, agencies were asked that any requests for improvements or requests for FY 2021 supplemental appropriations be submitted only after careful review. Due to funding constraints, only in rare cases were improvement requests included in the Governor's FY 2022 budget.

Appropriation requests are reviewed by the Secretary of Revenue, the State Budget Office, and the Governor's Office. Budget hearings are generally held with the departments/bureaus/commissions/divisions to discuss their requests. During these budget hearings, the departments/bureaus/commissions/divisions have the opportunity to provide the Governor's Office and the Department of Revenue with additional information to support their requests, answer questions, and bring to the forefront any specific needs such as legislative and federal mandates or court-ordered funding.

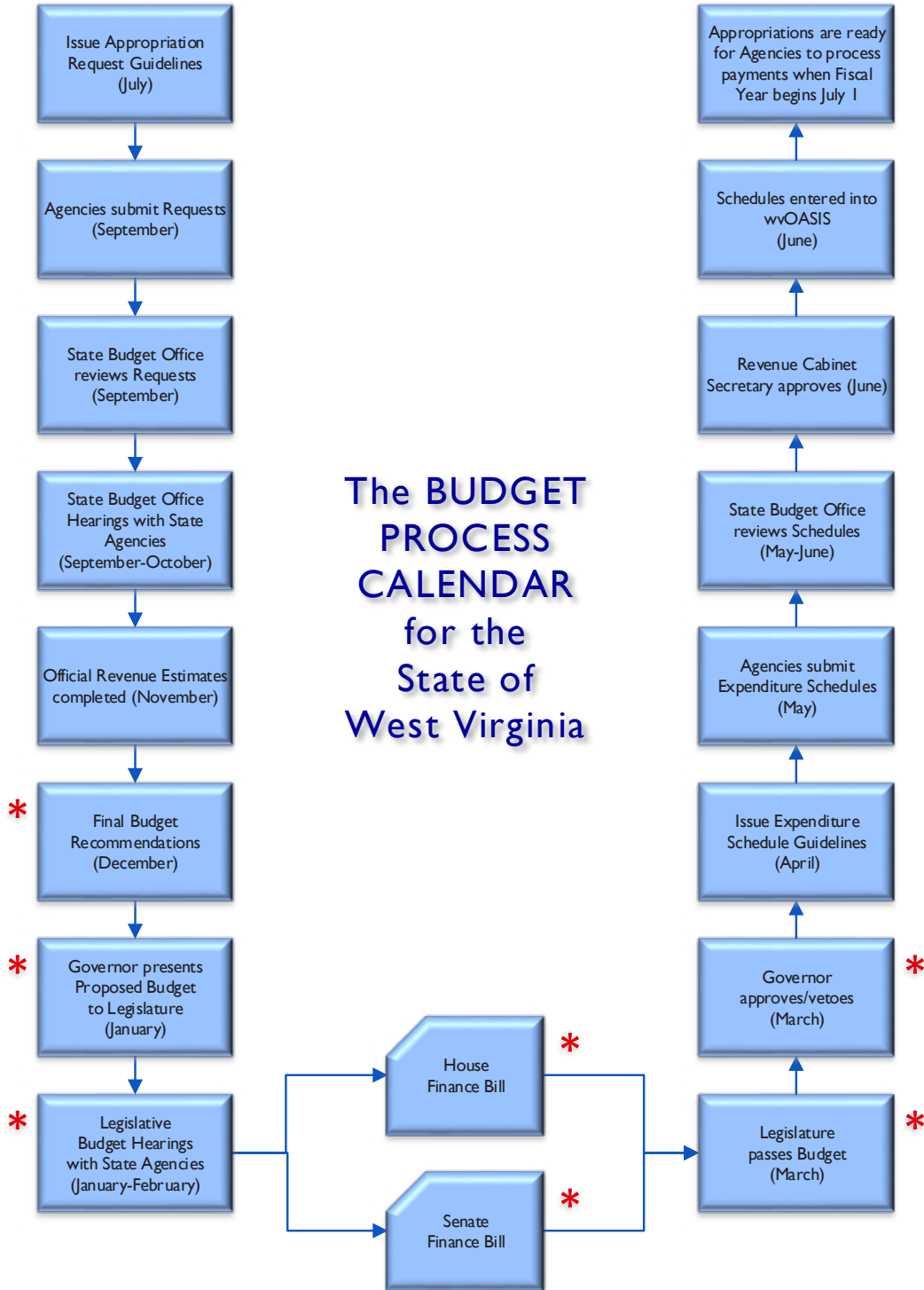
The budget hearings also provide the time to discuss, in general terms, any future capital projects and funding options. All the departments/bureaus/commissions/divisions are required to submit capital expenditure plans with their appropriation requests. These plans summarize projects budgeted for the current fiscal year, requested for the next fiscal year, and estimated for future years. This allows the state to apply sound financial planning for future capital needs.

## **Balanced Budget**

After the budget hearings, the official revenue estimates for the upcoming FY 2022 budget are finalized. The Governor then makes budget recommendations based upon program priorities, requirements, court orders, and the availability of funds. The Governor, under the authority of the Constitution of West Virginia, has the sole responsibility to establish the official revenue estimates of the state. The budget is developed on a cash basis, including only revenues and expenditures expected to be realized during the fiscal year plus any surplus balance from the previous fiscal year available for appropriation. The Governor is not legally required to submit a balanced budget; however, as a matter of practice, the Governor submits a budget that is balanced. A "balanced budget" recommends and appropriates only those revenues recognized in the "official revenue estimates" as provided by the Governor, and may also include any unappropriated surplus balances available from the prior year.

## Budget Overview (Continued)

The Constitution of West Virginia requires the Governor to submit a proposed budget to the Legislature on the second Wednesday of January of each year, except the year following a regular gubernatorial election, at which time the budget is to be submitted on the second Wednesday of February.



\* Following a regular gubernatorial election, these steps in the budget process are delayed by one month.



## *Budget Overview (Continued)*

The budget is presented in four separate documents. The Budget Report contains the executive message; financial statements that include the official revenue estimates for the state along with available fund balances, actual prior year expenditures, current year budgeted amounts, and the Governor's recommendations for the next fiscal year; an economic forecast; and the budget plan. The Operating Detail contains organizational charts; descriptive narrative information for every department/bureau/commission, division, and program; summarized financial information related to actual expenditures, current budget, and requested appropriations by program and by fund; and capital projects. The Budget Bill includes the language required to legally enact the budget or appropriations bill. The Account Detail provides the detailed budgetary information for FY 2020 Actual Expenditures, FY 2021 Budgeted Expenditures, FY 2022 Current-Level Request, and the Governor's FY 2022 Recommendation for all funds.

### ***The Legislative Budget Process Policy***

After the Executive Budget is presented by the Governor to the Legislature, it is referred to the House of Delegates and Senate Finance Committees for review and consideration. Each finance committee holds budget hearings with the departments/bureaus/commissions/divisions to determine their recommended level of funding for the upcoming fiscal year. The House and Senate Finance Committees will each pass a Budget Bill and present it to their respective legislative bodies for full approval. Once the House and Senate have passed their individual bills, they are compared with each other and the differences are noted. The Budget Bills are then referred to the Budget Conference Committee which is made up of members appointed from the House and Senate Finance Committees. The Conference Committee works out any differences, agrees to a single budget and, once again, presents it to their respective legislative bodies for full approval.

The Legislature is legally required to pass a balanced budget, meaning that estimated revenues and unappropriated fund balances must be equal to or greater than the appropriations.

If the budget has not been passed by the Legislature three days before the expiration of its regular 60-day session, the Governor shall issue a proclamation extending the session for such further period as may, in his or her judgment, be necessary for the passage of the Budget Bill. The extended session begins immediately following the expiration of the regular 60-day session. During the extended session, no bills or matters other than the budget may be considered, except a bill to provide for the cost of the extended session.

The Budget Bill must be passed by a majority of the members of each legislative body and presented to the Governor. The Governor may veto the bill or disapprove or reduce items or parts of items. If approved, it becomes law. Items or parts disapproved or reduced by the Governor are returned, stating the objections, to each house of the Legislature.

Any Budget Act items, or parts thereof, that have been vetoed by the Governor may be restored by two-thirds vote of each house of the Legislature. A bill, item, or part thereof, that is not returned by the Governor within five days (Sundays excepted) after the bill has been presented to him shall become a law in like manner as if he had signed the bill, unless the Legislature, by adjournment, prevents such return, in which case it shall be filed in the office of the Secretary of State, within five days after such adjournment, and shall become a law; or it shall be so filed within such five days with the objections of the Governor, in which case it shall become law to the extent not disapproved by the Governor. Should the Governor fail to approve or disapprove it within the allotted five-day period, the Budget Act will become law as if the Governor had signed it.

Upon passage by the Legislature, the Budget Bill becomes the Budget Act and appropriates, by spending unit, the funds required to operate state government for the next fiscal year.

## *Budget Overview (Continued)*

### **Budget Amendment Policy**

#### **Supplemental Appropriation Bills**

The Budget Act may be amended at a later date by the Legislature by the introduction of a supplementary appropriation bill. Each supplementary appropriation bill must be for a single purpose or object and shall provide the source of revenue necessary to pay the appropriation, unless there is sufficient revenue currently available.

A supplementary appropriation bill will generally be introduced in either the House or Senate Finance Committees by a member or members of the committee. The Governor may also request a member of the Legislature to introduce a supplementary appropriation bill "By Request of the Executive." A supplementary appropriation bill may increase or decrease the current appropriation, create a new appropriation, or otherwise amend the Budget Act by changing or correcting language that directs the expenditure of appropriations. A supplementary appropriation bill must follow the same procedures and requirements necessary to adopt the original budget.

#### **Budget Act Specific Transfer Language**

The Budget Act contains specific language allowing:

- Department secretaries the authority to transfer not more than 5% of any General Revenue appropriation between various agencies within the department or bureau.
- Any spending unit to transfer "personal services and employee benefits" to other appropriations (not unclassified) within the same account.
- Any spending unit in any fund to transfer between "current expenses," "repairs and alterations," "buildings," "land," "equipment," and "other assets."
- The Budget Bill also requires the payment for the Board of Risk and Insurance Management (BRIM) premiums and payments for employee benefits to be paid or transferred from various sources should the appropriations be insufficient.

The director of Public Defender Services has specific authority to transfer funds from the Public Defender Corporations to Appointed Counsel Fees.

The commissioner of the Division of Corrections and Rehabilitation has specific authority to transfer funds between the individual correctional facilities and from the correctional units to make payments to Federal, County, and/or Regional Jails or for Inmate Medical Expenses. The commissioner also has specific authority to transfer funds between individual juvenile centers and from the individual juvenile centers to make payments for Resident Medical Expenses.

The Adjutant General has specific authority to transfer funds between items of appropriation.

The cabinet secretary of the Department of Health and Human Resources may also transfer up to 5% of funds appropriated to one item to another item(s) within the Division of Human Services, provided, however, that funding for "Personal Services" (salaries) may not be increased.

#### **Legislative and Judicial Amendments**

The Legislative and Judicial branches of government may make budget transfers as adopted in the joint rules of the Legislature and the rules of the Supreme Court.

#### **Governor's Increased Spending Authority Authorization**

Appropriated Special Revenue accounts and Federal Fund accounts may be increased by the Governor as authorized by the West Virginia Code.

## *Budget Overview (Continued)*

### *Special Revenue*

W.Va. Code §11B-2-18 authorizes the Governor to increase the spending authority for accounts that are funded “from collections” (Special Revenue) provided the amount actually collected exceeds the amount authorized for expenditure by the Legislature.

The spending officer must submit a plan of expenditure showing the purpose for which the funds are to be expended and a justification statement showing the reasons why the additional expenditure is necessary and appropriate.

If the Governor approves the plan of expenditure and justification statement and is satisfied the expenditure is required to defray the additional cost of the service or activity of the spending unit, the Governor may authorize the use of the additional funds. If the Governor intends to authorize the additional spending, notification of the intent is provided to the President of the Senate, the Speaker of the House, and the Chairmen of the Senate and the House Finance committees, providing them a three-week opportunity for review and concurrence. If there are any questions or issues regarding the need for additional spending authority, all parties work together to reach a mutual agreement on the issue. If the agreement is to proceed with the authorization, notices of such authorization are sent to the State Auditor, the State Treasurer, and the Legislative Auditor.

### *Federal Revenue*

W.Va. Code §4-11-5 authorizes the Governor to increase the spending authority for federal accounts.

If additional Federal Funds become available to the spending unit while the Legislature is not in session and the availability of such funds could not reasonably have been anticipated and included in the budget approved by the Legislature, the Governor may authorize, in writing, the expenditure of such funds in the same manner as Special Revenue funds described above. However, the Governor may not authorize the expenditure of such funds received for the creation of a new program or for a significant alteration of an existing program. A mere new source of funding of federal money for a program that has been approved by legislation is not considered a new program or a significant alteration of an existing program, and the Governor may authorize the expenditure of such funds.

The Governor submits to the Legislative Auditor two copies of a statement describing the proposed expenditure of such funds in the same manner as it would be described in the state budget and explains why the availability of such Federal Funds and the necessity of their expenditure could not have been anticipated in time for such expenditures to have been approved as part of the adopted budget.

## ***Financial Related Policies***

### **Accounting and Auditing Procedures**

The financial activities of the state are accounted for in individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, along with all related liabilities and residual equities or balances, and changes therein. For financial reporting purposes, the reporting entity is divided into the primary government and the discretely presented component units.

The ‘modified cash’ basis of accounting is the budgetary basis of accounting used for the General Revenue Fund. The major modification from the cash basis is that a 31-day carry-over period is provided at the end of each fiscal year to pay obligations incurred in that year. All balances of the General Revenue Fund appropriations for each fiscal year expire on the last day of that fiscal year and revert to the unappropriated surplus of the fund from which the appropriations were made, except for: expenditures encumbered before the end of the fiscal year may be paid up to 31 days after the fiscal year ends; and appropriations for buildings, land, and capital outlays remain in effect until three years after the passage of the act by which the appropriations were made. The State Auditor reviews all transactions of all funds to ensure that an appropriation for expenditures has been made, there is a balance in the appropriation sufficient to cover the expenditure, and evidence of services rendered or materials received that supports the claim against the state.

## *Budget Overview (Continued)*

West Virginia Code requires an annual audit by independent certified public accountants. In addition to meeting the requirements set forth in West Virginia Code, the audit is also designed to meet the requirements of the Federal Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, as amended. Auditors use Generally Accepted Auditing Standards set forth in the General Accounting Office's Governmental Auditing Standards to conduct the audit.

The **Legislative Auditor** compiles fiscal information for the Legislature; makes a continuous audit and analysis of the state budget, revenues, and expenditures; makes periodic postaudits of the revenues and expenditures of state government spending units; reports any misapplication of state funds or erroneous, extravagant, or unlawful expenditures by any spending unit; and makes recommendations to the Legislature concerning the postaudit findings, the revenues, and expenditures of the state and the organization and functions of the state and its spending units. A copy of each audit report, when completed and certified by the Legislative Auditor, is filed with the Department of Administration as a public record and with the Attorney General for any action they may deem necessary.

### **Basis for Budgeting All Funds**

The state's annual budget is prepared on a cash basis, a statutory basis of accounting not in conformity with Generally Accepted Accounting Principles (GAAP), modified only at year-end to allow for a 31-day period for the payment of obligations incurred in that fiscal year. The cash basis means that all revenue is recognized when actually received and that expenditures are recognized when paid.

Budgeted general government activities are summarized into the following budgetary funds: General Revenue Fund, State Road Fund, Federal Funds, and Special Revenue Funds. As required by W.Va. Code §11B-2-4, the budget for each department/bureau/commission/division shall show all funds including those from regular and supplementary appropriations, federal funds, private contributions, transfers, allotments from an emergency or contingency fund, and any other expenditure made by or for the spending unit.

Because all funds available to a department/bureau/commission/division are included and presented as part of their total budgets, enterprise funds and other transfers may be "double-counted" in the budgets of several different spending units. Since the budgetary basis differs from GAAP, this causes the budgetary figures to exceed the amounts contained in the state's Comprehensive Annual Financial Report (CAFR).

The Governor's Executive Budget documents do not include quasigovernmental entities (e.g., West Virginia Parkways, Economic Development, and Tourism Authority; West Virginia Investment Management Board; West Virginia Housing Development Fund) along with certain other financial information that would be included in the West Virginia CAFR for reporting purposes but not directly appropriated by the Legislature.

The state's CAFR presents the state's finances in conformity with GAAP for governments. GAAP requires that the state's Proprietary Funds apply GAAP in a similar manner as applied to business activities in the private sector. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental and financial accounting.

### **Cash Management and Investment Procedures**

The State Treasurer's Office is the bank of state government. The office maintains modern and efficient systems for the collection and disbursement of state money. These services include paper and electronic lockboxes, electronic funds transfer, and credit card collections through web-based systems and points-of-sale.

The State Treasurer's Office manages the state's banking relationships including the establishment of approved depositories, ensuring that all bank accounts are properly collateralized, and general safekeeping through the use of a custodian. A reverse positive pay system is used to manage the state's disbursement account and to assist in the establishment of daily liquidity.

## *Budget Overview (Continued)*

The West Virginia Constitution was amended during a special election held on September 27, 1997 to authorize investment of state and public funds in equities. Legislation specifies various restrictions and limitations on the investments and places the authority for long-term investment trusts with the West Virginia Investment Management Board.

The West Virginia Board of Treasury Investments (BTI) is responsible for investing the operating funds (short-term funds) of the state referred to as the Consolidated Fund. The State Treasurer is chairperson of the five-member board. The BTI maintains nine investment pools and accounts. Three main pools are utilized for investing excess state cash and local government money. The West Virginia Money Market Pool and the West Virginia Government Money Market Pool are both rated AAAM by Standard and Poor's. The West Virginia Short-Term Bond Pool is a bond mutual fund used for investments that have a perceived longer investment horizon.

The board contracts with professional investment advisors to manage portfolios within the board approved investment policy guidelines. The BTI staff is responsible for investment accounting and reporting as well as estimating the daily amount available to invest. The board also employs an internal auditor and contracts with a custodian and an investment consultant who provide performance reporting, policy guidance, due diligence assistance, and manager searches.

### **Evaluation and Monitoring Procedures**

In addition to the evaluation undertaken as part of the budgetary process, the State Budget Office conducts special analyses of state agency operations. There are also reviews undertaken by the Legislative Auditor, who is appointed by the Legislature, and by internal programs within departments that monitor the achievement of budget objectives.

The budget is predicated on revenue source estimates which are evaluated on a monthly basis. Subsequent to the passage of the Budget Act, the Department of Revenue monitors and forecasts revenues to evaluate their flow and the accuracy of the estimates. The State Budget Office issues monthly revenue reports that reflect collections compared to the estimate and to the prior fiscal year. Various monitoring techniques, such as daily cash flow review, are used to ensure the revenue collections are sufficient to support the appropriations made by the Legislature. If the Governor believes the revenues may fall short of estimates, he may direct the State Budget Office to reduce all General Revenue appropriations to the degree necessary to prevent a deficit, or he may convene the Legislature to request a supplementary appropriation from the Revenue Shortfall Reserve Fund. In addition, the Governor can, by executive action, institute certain other selective spending reduction measures as may be necessary to prevent a deficit.

Upon final approval of the budget, state agencies prepare expenditure schedules that must be filed with the State Budget Office and Legislative Auditor's Office. The expenditure schedules provide detailed expenditure planning and include a request for quarterly releases of funds to meet such plans. Several large appropriations, such as the State Aid to Schools and Human Services, are controlled on a monthly or daily basis for cash flow and control purposes. After review and approval, the schedules become the basis for expenditures by each agency during the upcoming fiscal year. The State Budget Office is responsible during the year for evaluating all proposed payroll changes, encumbering all planned expenditures, and preventing expenditures from exceeding appropriations for each agency. The State Auditor and State Treasurer are prohibited by law from issuing a state check that exceeds the amount appropriated for any particular account. They also maintain accounts of the revenue collected and expenditures made pursuant to appropriation and reconcile their accounts on a monthly basis. Because of these records, the State Budget Office's encumbrance control is extended to cash control by the Auditor and Treasurer.

### **Risk Management**

The State of West Virginia is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to and illnesses of employees; and natural disasters.

## *Budget Overview (Continued)*

### *Workers Compensation*

The state has obtained coverage for job-related injuries of employees by its participation in the private insurance market. In exchange for the payment of premiums, the state has transferred its risk related to job-related injuries for employees. The state retains a specific portion of its worker's compensation risk, as it has a high-deductible arrangement with the insurance carrier.

### *Public Employees Health Insurance*

The state has obtained health coverage for its employees through its participation in West Virginia Public Employees Insurance Agency (PEIA) which provides the following basic employee benefit coverage to all participants: hospital, surgical, group major medical, basic group life, accidental death, and prescription drug coverage for active and retired employees of the State of West Virginia and various related state and non-state agencies. In exchange for the payment of premiums, the state has transferred its risk-related health coverage for employees.

### *Casualty Insurance*

The state participates in the West Virginia Board of Risk and Insurance Management (BRIM) to obtain casualty insurance coverage for all state agencies. This includes protection from lawsuits and other liability claims resulting from incidents due to automobile accidents, employment practices, property, flood, general liability, and medical professional liability at the respective teaching institutions. Coverage is offered in exchange for an annual premium.

### **Asset Inventory Management**

Agencies are responsible for all property under its jurisdiction, regardless of its state (removable or fixed), origin, or acquisition cost. Agencies are responsible for maintaining equipment from date of purchase to date of retirement, ensuring that equipment is secure, entering asset information into the wvOASIS Fixed Assets Module, conducting physical inventories, submitting annual certification, and retiring assets properly.

Removable property is defined as equipment, machinery, furniture, and fixtures that are not attached to the land, building, or improvements and are capable of being removed. Fixed property is defined as fixtures attached to land, buildings, or improvements in such a way that removal alters the intended use of the facility or site.

Reportable property has been established at a capitalization figure of \$1,000 and useful life of one year or more. Assets such as firearms (any cost) and computers (greater than \$500) also must be entered in the wvOASIS Fixed Assets Module.

All agencies are required to take a physical inventory once every three years and shall have completed such physical inventory by June 30.

### **Compensated Absences**

Accumulated leave is recorded as an expense and a liability as the benefits accrue to employees. State employees earn sick leave benefits that accumulate, but do not vest. When separated from employment with the state, an employee's sick leave benefits are considered ended, and no reimbursement is provided. At the time of retirement, however, any employee enrolled in the West Virginia Public Employees Retirement System prior to June 30, 2001, may convert any unused or accumulated sick leave to pay a portion of that employee's post-employment health care insurance premiums. If this option is not selected, the leave amount may be applied toward an increase in that employee's retirement benefits, with such sick leave counting as additional credited service in computation of such benefits. Any employee enrolled in the West Virginia Public Employees Retirement System after June 30, 2001 may not apply accumulated sick leave toward the cost of premiums for extended insurance coverage.

### **Performance Measurement in the Budget Process**

State agencies are required to submit division-level performance measures as part of the appropriation request process. Performance measures are a tool used by all levels of management, as well as the public, to determine whether a program is accomplishing its mission efficiently and effectively. Although every effort is made to provide services at the lowest possible unit, it is most important to ensure that an agency provides a measurable benefit to the citizens it is designed to serve.



## *Budget Overview (Continued)*

The focus for the FY 2022 performance measures is to show the agency's performance for the most current fiscal year (FY 2020) and the performance-level objectives the program is trying to achieve in FY 2021 and FY 2022 based on current level funding.

Although the performance measure data is generally expressed in terms of the state fiscal year (July 1 through June 30), occasionally the data is in either calendar year (January 1 through December 31), school or academic year, federal fiscal year (October 1 through September 30), or federal program year (depending upon the established guidelines for the program).

During the appropriation request process, the intent of performance measurement is to encourage cabinet secretaries/ agency heads to internally review their programs and make their recommendations to the State Budget Office and the Governor regarding the best use of limited funds. The performance measurement process is not intended to provide information to a central organization (i.e., the State Budget Office or the Governor's Office) for the purpose of making recommendations on behalf of the agency.

Many grants, federal revenue, and other sources currently require the use of performance measures as a condition to receive grant funds.

### **Legislative Performance Review**

The Legislature's Performance Evaluation and Research Division (PERD), within the Office of the Legislative Auditor, operates under the authority of W.Va. Code §4-2-5, which gives the Legislative Auditor discretionary authority to examine the performance of every spending unit of the state. PERD also conducts performance reviews under the authority of the West Virginia Performance Review Act, W.Va. Code §4-10-1. In addition to performance evaluations of state agencies, PERD also conducts legislative research at the request of the Legislative Auditor or legislative leadership. PERD follows Generally Accepted Government Auditing Standards (GAGAS) in its evaluation of state agencies. PERD's reports are generally reported to the Joint Committee on Government Operations, the Joint Committee on Government Organization, and other legislative committees at their request.

The schedule of departments to be reviewed by PERD and the year in which they are to be conducted is mandated in statute by the Legislature (§4-10-8 and §4-10-10). There are three basic types of reviews under the Performance Review Act: 1) agency reviews 2) compliance reviews and 3) regulatory board reviews.

**Agency reviews** are conducted on the agencies or divisions within specific departments. PERD uses discretion and prioritization to determine which agencies within departments will be reviewed. Agency reviews of departments are required by law to be conducted at least once every seven years. PERD may address several areas of performance such as:

- Does the agency effectively and efficiently carry out its statutory duties?
- Does the agency's performance measures reflect good performance?
- Does the agency have adequate internal control?
- Do activities of the agency duplicate or overlap those of other agencies?
- Is there a continued need for the agency?

**Regulatory board reviews** are conducted on regulatory boards established under Chapter 30 of the West Virginia Code that regulates certain professions. A regulatory board must be reviewed at least once every 12 years. PERD's review makes several determinations including the following:

- Does the board comply with general provisions of Chapter 30 of the West Virginia Code and other applicable laws, such as financial self-sufficiency, having proper disciplinary procedures, and requiring continuing education?
- Does the board comply with state purchasing requirements?
- Is there a continued need for the regulatory board?

## *Budget Overview (Continued)*

**Compliance reviews** determine the progress an agency has made in responding to recommendations made in previous reviews. By statute (W.Va. Code §4-10-11), compliance reviews must be requested in writing by the Joint Standing Committee on Government Operations explaining the reasons for the compliance review and its expected completion date.

Upon receiving the evaluation report from PERD, the Joint Committee on Government Operations expects the agency to respond to the findings of the report and indicate what corrective action, if necessary, will be taken. Depending on the findings of a review, the Joint Committee on Government Operations may request a compliance review be conducted.

Departments subject to performance reviews in upcoming years are listed below.

- \* 2019, Department of Health and Human Resources
- \* 2019, Bureau of Senior Services
- \* 2020, Department of Transportation
- \* 2021, Department of Administration
- \* 2022, Department of Education
- \* 2022, Higher Education Policy Commission
- \* 2022, West Virginia Council for Community and Technical College Education
- \* 2023, Department of Veterans' Assistance
- \* 2023, Department of Arts, Culture and History

Regulatory boards subject to review in upcoming years are listed below.

- \* 2019, Board of Examiners in Counseling
- \* 2020, Board of Hearing Aid Dealers
- \* 2020, Board of Licensed Dietitians
- \* 2020, Nursing Home Administrators Board
- \* 2021, Board of Dental Examiners
- \* 2021, Board of Medicine
- \* 2021, Board of Pharmacy
- \* 2022, Board of Chiropractic Examiners
- \* 2022, Board of Osteopathy
- \* 2022, Board of Physical Therapy
- \* 2023, Board of Occupational Therapy
- \* 2023, Board of Examiners for Speech-Language Pathology and Audiology
- \* 2023, Medical Imaging and Radiation Therapy Board of Examiners
- \* 2024, Board of Professional Surveyors
- \* 2024, Board of Registration for Foresters
- \* 2024, Board of Registration for Professional Engineers
- \* 2025, Board of Examiners for Licensed Practical Nurses
- \* 2025, Board of Examiners for Registered Professional Nurses
- \* 2025, Massage Therapy Licensure Board
- \* 2026, Board of Architects
- \* 2026, Board of Embalmers and Funeral Directors
- \* 2026, Board of Landscape Architects
- \* 2027, Board of Registration for Sanitarians
- \* 2027, Real Estate Appraiser Licensure and Certification Board
- \* 2027, Real Estate Commission



# Human Resources

As of November 30, 2020, the state had approximately 36,565 filled, permanent, full-time equivalent employees, including approximately 10,833 employed by the Higher Education Policy Commission and approximately 1,233 employed by the Council for Community and Technical College Education.

Public school teachers and school service personnel for grades K-12 are not included in these totals, as they are considered county school board employees.

Changes in FTEs for 4-year and 2-year institutions related to faculty and staffing levels due to changes in enrollment.

## ***Notable position changes in FY 2021***

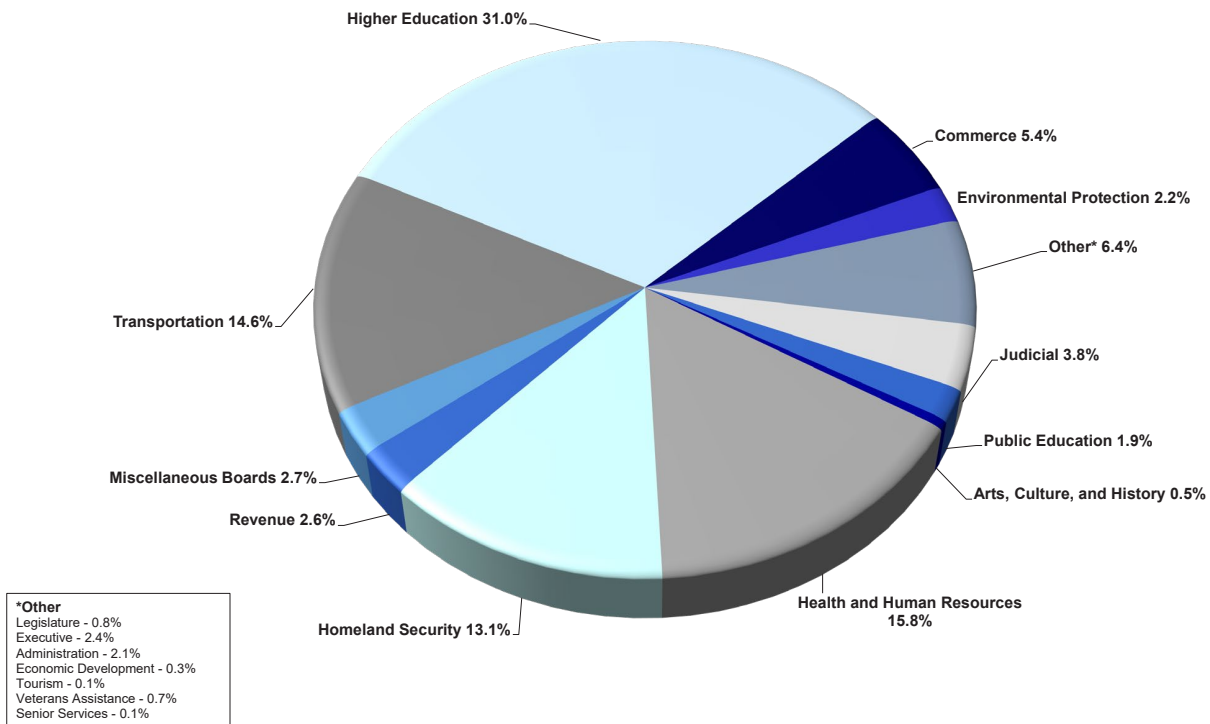
- The Department of Agriculture added 4 positions for the Hemp Program.
- The Secretary of State inactivated 5 vacant positions absorbing those job duties within current active positions.
- The Division of Information Services and Communication transferred in 2 positions from the Division of Labor and added 4 positions for customer support.
- The Development Office continues to build up staff for the Disaster Recovery program required by the Action Plan submitted to the U.S. Department of Housing and Urban Development.
- The Division of Rehabilitation Services, the Disability Services Section was approved by the Social Security Administration to hire additional federal funded positions.
- The Division of Health added and reactivated positions to Welch Community Hospital, to William R. Sharpe Jr. Hospital at Weston, for Epidemiology services, and other positions, some related to COVID.
- The Division of Human Services added 43 positions for Child Protective Service (CPS) workers; 34 positions for Child Protective Case Coordinators; 5 positions for CPS Supervisors; 1 position for Social Service Coordinator; 4 positions for Adoption Workers; 7 positions for the Office of the Inspector General; and 6 for Adult Protective Service workers.
- The Cabinet Secretary of Homeland Security added 12 positions for the Fusion Center.
- The WV Parole Board was transferred to the Division of Corrections and Rehabilitation through HB 4509.
- The Division of Homeland Security and Emergency Management, through SB 586, was redesignated as the Division of Emergency Management; positions paid under Military Authority by the Adjutant General are being moved back to the Division of Emergency Management.
- The Division of Highways reduced vacant positions and completed a large restructuring of positions, titles, and career plans.
- The Adjutant General was removed from the Department of Homeland Security (previously the Department of Military Affairs and Public Safety); added 55 positions to expand the Mountaineer Challenge Academy; and, positions paid under Military Authority by the Adjutant General are being moved back to the Division of Emergency Management.

## ***Recommended position changes FY 2022***

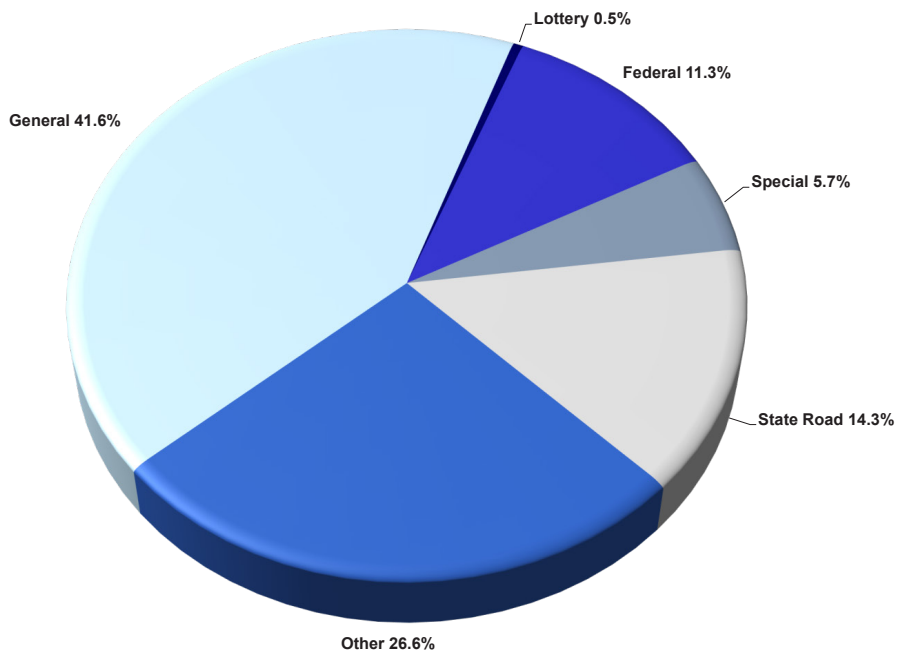
- Add 10 FTEs under General Revenue funding to Joint Expenses for the new Division of Regulatory and Fiscal Affairs.
- Move 46 FTEs from the Office of Tourism to the Department of Tourism, Office of the Secretary.
- Move 113 FTEs from the Development Office to the Department of Economic Development, Office of the Secretary.
- Move 4 FTEs from the Department of Commerce, Office of Energy to the Department of Economic Development, Office of Energy.
- Add 1 FTE to the Department of Economic Development, Office of the Secretary for Cabinet Secretary.
- Add 4 FTEs (2.6 FTEs under General Revenue funding and 1.4 FTEs under Federal Revenue funding) to the Division of Human Services for supervisor positions within the Bureau for Children and Families, Adoption and Homefinding.
- Move 2 FTEs from Veterans' Affairs to Veterans' Home.
- Move 16.72 FTEs under the Department of Education from Lottery Revenue funding to General Revenue funding.

# Schedule of Recommended Budgeted Full-Time Equivalents (FTE) Permanent Positions FY 2022

## By Department



## By Fund



# Schedule of Budgeted Full-Time Equivalents All Funds Permanent Positions FY 2020 through FY 2022

Department/Agency	FY 2020 11-30-2019	FY 2021 11-30-2020	FY 2022 Recommended
<b>TOTAL BUDGETED FTE PERMANENT POSITIONS</b>	<b>40,449.60</b>	<b>40,663.46</b>	<b>40,462.87</b>
<b>LEGISLATURE</b>			
Senate	58.66	58.66	58.66
House of Delegates	108.47	108.47	107.51
Joint Expenses	132.49	134.49	144.49
<b>TOTAL - LEGISLATURE</b>	<b>299.62</b>	<b>301.62</b>	<b>310.66</b>
<b>TOTAL - JUDICIAL</b>	<b>1,506.00</b>	<b>1,522.00</b>	<b>1,520.00</b>
<b>EXECUTIVE</b>			
Governor's Office	43.25	45.25	45.25
State Auditor's Office	181.00	181.00	181.00
Treasurer's Office	138.80	135.80	138.80
Agriculture, Department of	354.00	355.00	357.01
Attorney General's Office	196.60	195.60	195.60
Secretary of State	57.00	52.00	52.00
<b>TOTAL - EXECUTIVE</b>	<b>970.65</b>	<b>964.65</b>	<b>969.66</b>
<b>DEPARTMENT OF ADMINISTRATION</b>			
Office of the Secretary	7.50	7.50	7.50
Consolidated Public Retirement Board	100.00	100.00	100.00
Finance, Division of	36.00	36.00	36.00
Information Services & Communications, Division of	260.50	266.50	266.50
General Services, Division of	116.00	116.00	116.00
Purchasing, Division of	38.00	41.00	41.00
Surplus Property	13.00	13.00	13.00
Travel Management	9.00	9.00	9.00
Fleet Management Division	8.00	9.00	9.00
Board of Risk and Insurance Management	26.00	28.00	28.00
Education & State Employees' Grievance Board	12.00	12.00	12.00
Ethics Commission	7.00	7.00	7.00
Public Defender Services	29.00	31.00	31.00
Personnel, Division of	69.00	68.50	68.50
Public Employees Insurance Agency	54.70	55.70	54.70
Prosecuting Attorneys Institute	4.00	5.00	5.00
Office of Technology	4.00	4.00	4.00
Retiree Health Benefits Trust Fund	2.00	3.00	2.00
Real Estate Division	21.00	21.00	21.00
<b>TOTAL - ADMINISTRATION</b>	<b>816.70</b>	<b>833.20</b>	<b>831.20</b>

*FTE Schedule of All Funds (Continued)*

<b>Department/Agency</b>	<b>FY 2020 11-30-2019</b>	<b>FY 2021 11-30-2020</b>	<b>FY 2022 Recommended</b>
<b>DEPARTMENT OF COMMERCE</b>			
Office of the Secretary	28.00	29.00	29.00
Tourism, Office of	47.00	46.00	0.00
Forestry, Division of	92.75	92.75	92.75
Geological and Economic Survey	34.00	34.00	34.00
Development Office	112.00	117.00	0.00
Labor, Division of	91.00	89.00	89.00
Natural Resources, Division of	805.00	806.00	805.00
Miners' Health, Safety and Training, Division of	134.00	135.00	135.00
Board of Coal Mine Health and Safety	2.00	2.00	2.00
WorkForce West Virginia	425.20	457.20	466.20
Energy, Office of	4.00	4.00	0.00
Rehabilitation Services, Division of	538.50	551.50	550.50
<b>TOTAL - COMMERCE</b>	<b>2,313.45</b>	<b>2,363.45</b>	<b>2,203.45</b>
<b>DEPARTMENT OF TOURISM</b>			
Office of the Secretary	0.00	0.00	46.00
<b>TOTAL - TOURISM</b>	<b>0.00</b>	<b>0.00</b>	<b>46.00</b>
<b>DEPARTMENT OF ECONOMIC DEVELOPMENT</b>			
Office of the Secretary	0.00	0.00	114.00
Office of Energy	0.00	0.00	4.00
<b>TOTAL - ECONOMIC DEVELOPMENT</b>	<b>0.00</b>	<b>0.00</b>	<b>118.00</b>
<b>DEPARTMENT OF EDUCATION</b>			
Education, State Department of	577.00	578.00	583.80
WV Schools for the Deaf & the Blind	183.65	183.87	183.88
School Building Authority	11.00	13.00	14.00
<b>TOTAL - EDUCATION</b>	<b>771.65</b>	<b>774.87</b>	<b>781.68</b>
<b>DEPARTMENT OF ARTS, CULTURE, AND HISTORY</b>			
Culture and History, Division of	116.00	118.00	116.00
Library Commission	29.00	29.00	29.00
Educational Broadcasting Authority	63.00	60.00	60.00
<b>TOTAL - ARTS, CULTURE, AND HISTORY</b>	<b>208.00</b>	<b>207.00</b>	<b>205.00</b>
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			
Environmental Protection, Division of	889.70	888.45	888.45
Environmental Quality Board	2.00	2.00	2.00
Solid Waste Management Board	10.00	10.00	10.00
Oil and Gas Conservation Commission	1.00	1.00	1.00
<b>TOTAL - ENVIRONMENTAL PROTECTION</b>	<b>902.70</b>	<b>901.45</b>	<b>901.45</b>

*FTE Schedule of All Funds (Continued)*

<b>Department/Agency</b>	<b>FY 2020 11-30-2019</b>	<b>FY 2021 11-30-2020</b>	<b>FY 2022 Recommended</b>
<b>DEPARTMENT OF HEALTH AND HUMAN RESOURCES</b>			
Office of the Secretary	5.00	5.00	5.00
Health, Division of	2,575.79	2,624.26	2,585.79
Health Care Authority	9.00	9.00	9.00
Human Rights Commission	27.00	27.00	27.00
Human Services, Division of	3,646.40	3,752.53	3,754.74
<b>TOTAL - HEALTH AND HUMAN RESOURCES</b>	<b>6,263.19</b>	<b>6,417.79</b>	<b>6,381.53</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Office of the Secretary	15.00	27.00	27.00
WV Board of Parole	10.00	0.00	0.00
Emergency Management, Division of	31.50	76.50	76.50
Corrections and Rehabilitation, Division of	3,963.00	3,974.00	3,964.00
WV State Police	1,085.50	1,087.50	1,088.50
Fire Commission	59.00	58.00	58.00
Protective Services, Division of	55.00	56.00	56.00
Administrative Services, Division of	41.00	42.00	42.00
<b>TOTAL - DEPARTMENT OF HOMELAND SECURITY</b>	<b>5,260.00</b>	<b>5,321.00</b>	<b>5,312.00</b>
<b>DEPARTMENT OF REVENUE</b>			
Office of the Secretary	8.00	8.00	8.00
Tax Division	428.00	426.00	431.00
State Budget Office	8.00	8.00	8.00
Insurance Commissioner	250.00	248.00	248.00
Lottery Commission	194.00	194.00	194.00
Racing Commission	36.00	36.00	36.00
Alcohol Beverage Control Administration	81.00	82.00	82.00
Office of Tax Appeals	6.00	6.00	6.00
Municipal Bond Commission	4.00	4.00	4.00
Financial Institutions, Division of	32.00	30.00	30.00
<b>TOTAL - REVENUE</b>	<b>1,047.00</b>	<b>1,042.00</b>	<b>1,047.00</b>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Motor Vehicles, Division of	639.00	639.00	639.00
Highways, Division of	5,432.00	5,393.00	5,200.00
State Rail Authority	17.00	17.00	17.00
Public Transit, Division of	11.00	11.00	11.00
Public Port Authority	0.00	0.00	0.00
Aeronautics Commission	3.00	3.00	3.00
Office of Administrative Hearings	27.00	27.00	27.00
<b>TOTAL - TRANSPORTATION</b>	<b>6,129.00</b>	<b>6,090.00</b>	<b>5,897.00</b>
<b>DEPARTMENT OF VETERANS ASSISTANCE</b>			
Veterans Affairs	219.89	219.89	217.89
Veterans Home	47.00	47.00	49.00
<b>TOTAL - VETERANS ASSISTANCE</b>	<b>266.89</b>	<b>266.89</b>	<b>266.89</b>

*FTE Schedule of All Funds (Continued)*

Department/Agency	FY 2020 11-30-2019	FY 2021 11-30-2020	FY 2022 Recommended
<b>TOTAL - BUREAU OF SENIOR SERVICES</b>	<b>33.00</b>	<b>34.00</b>	<b>34.00</b>
<b>HIGHER EDUCATION POLICY COMMISSION</b>			
HEPC - Administration	72.80	71.60	70.80
West Virginia University	6,826.68	6,765.64	6,854.46
Marshall University	1,795.70	1,745.56	1,774.11
Osteopathic School of Medicine	309.00	317.00	304.00
Bluefield State College	170.64	191.27	191.27
Concord University	261.41	266.58	266.58
Fairmont State University	437.30	441.23	428.60
Glennville State College	217.59	206.00	220.67
Shepherd University	426.24	433.32	408.33
West Liberty University	317.50	312.50	312.50
West Virginia State University	335.00	337.53	337.53
WVNET	56.00	56.00	55.00
<b>TOTAL - HIGHER EDUCATION POLICY COMMISSION</b>	<b>11,225.86</b>	<b>11,144.23</b>	<b>11,223.85</b>
<b>COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION</b>			
Council - Administration	12.00	14.00	14.00
Mountwest Community and Technical College	119.00	109.00	111.00
New River Community and Technical College	136.00	145.00	143.58
Pierpont Community and Technical College	132.00	127.00	127.00
Blue Ridge Community and Technical College	179.92	195.92	177.00
West Virginia University at Parkersburg	218.55	204.12	212.12
Southern West Virginia Community and Technical College	173.00	173.00	173.01
West Virginia Northern Community and Technical College	142.02	141.02	143.02
West Virginia Eastern Community and Technical College	41.40	38.00	37.10
BridgeValley Community and Technical College	183.75	184.75	184.75
<b>TOTAL - COUNCIL FOR C&amp;T COLLEGE EDUCATION</b>	<b>1,337.64</b>	<b>1,331.81</b>	<b>1,322.58</b>
<b>MISCELLANEOUS BOARDS AND COMMISSIONS</b>			
Barbers and Cosmetologists, Board of	8.00	8.00	8.00
Adjutant General	650.50	701.50	646.92
Board of Medicine	16.00	16.00	16.00
Courthouse Facilities Improvement Authority	1.00	1.00	1.00
Hospital Finance Authority	1.00	1.00	1.00
Licensed Practical Nurses	5.00	5.00	5.00
Public Service Commission	269.30	268.30	266.30
Real Estate Commission	6.00	6.00	6.00
Registered Nurses	17.00	17.00	17.00
Water Development Authority	19.00	18.00	18.00
West Virginia Economic Development Authority	10.00	10.00	10.00
Enterprise Resource Planning Board	38.00	38.00	38.00
Other Boards	57.45	57.70	57.70
<b>TOTAL - MISC. BOARDS AND COMMISSIONS</b>	<b>1,098.25</b>	<b>1,147.50</b>	<b>1,090.92</b>

*FTE Schedule of All Funds (Continued)*

By Department/Funding Source	FY 2020 11-30-2019	FY 2021 11-30-2020	FY 2022 Recommended
<b>ALL DEPARTMENTS/AGENCIES</b>			
General	16,753.47	16,819.73	16,826.80
Federal	4,455.70	4,616.20	4,563.67
Lottery	210.46	213.80	192.60
Special	2,359.18	2,299.64	2,323.41
State Road Fund	6,018.00	5,989.00	5,795.00
Nonappropriated Special	10,652.79	10,725.09	10,761.39
<b>TOTAL</b>	<b>40,449.60</b>	<b>40,663.46</b>	<b>40,462.87</b>
<b>LEGISLATURE</b>			
General	294.62	296.62	305.66
Federal	0.00	0.00	0.00
Lottery	0.00	0.00	0.00
Special	5.00	5.00	5.00
Nonappropriated Special	0.00	0.00	0.00
<b>TOTAL</b>	<b>299.62</b>	<b>301.62</b>	<b>310.66</b>
<b>JUDICIAL</b>			
General	1506.00	1,522.00	1,520.00
Federal	0.00	0.00	0.00
Lottery	0.00	0.00	0.00
Special	0.00	0.00	0.00
Nonappropriated Special	0.00	0.00	0.00
<b>TOTAL</b>	<b>1,506.00</b>	<b>1,522.00</b>	<b>1,520.00</b>
<b>EXECUTIVE</b>			
General	471.38	481.16	478.29
Federal	49.89	57.89	51.94
Lottery	0.00	0.00	0.00
Special	269.67	253.07	264.32
Nonappropriated Special	179.70	172.52	175.11
<b>TOTAL</b>	<b>970.65</b>	<b>964.65</b>	<b>969.66</b>
<b>DEPARTMENT OF ADMINISTRATION</b>			
General	146.05	148.05	148.05
Federal	0.00	0.00	0.00
Lottery	0.00	0.00	0.00
Special	371.94	382.44	382.43
Nonappropriated Special	298.72	302.72	300.72
<b>TOTAL</b>	<b>816.70</b>	<b>833.20</b>	<b>831.20</b>
<b>DEPARTMENT OF COMMERCE</b>			
General	894.69	906.00	815.29
Federal	908.75	970.09	958.10
Lottery	100.00	99.00	53.00
Special	240.47	224.51	215.71
Nonappropriated Special	169.54	163.85	161.35
<b>TOTAL</b>	<b>2,313.45</b>	<b>2,363.45</b>	<b>2,203.45</b>

# Schedule of Budgeted Full-Time Equivalents By Source of Funds

## Permanent Positions FY 2020 through FY 2022

By Department/Funding Source	FY 2020 11-30-2019	FY 2021 11-30-2020	FY 2022 Recommended
<b>DEPARTMENT OF TOURISM</b>			
General	0.00	0.00	0.00
Federal	0.00	0.00	0.00
Lottery	0.00	0.00	46.00
Special	0.00	0.00	0.00
Nonappropriated Special	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>46.00</b>
<b>DEPARTMENT OF ECONOMIC DEVELOPMENT</b>			
General	0.00	0.00	85.90
Federal	0.00	0.00	19.60
Lottery	0.00	0.00	0.00
Special	0.00	0.00	10.00
Nonappropriated Special	0.00	0.00	2.50
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>118.00</b>
<b>DEPARTMENT OF EDUCATION</b>			
General	565.45	572.21	591.74
Federal	97.30	94.30	95.80
Lottery	68.67	71.67	54.45
Special	11.00	13.00	14.00
Nonappropriated Special	29.23	23.69	25.69
<b>TOTAL</b>	<b>771.65</b>	<b>774.87</b>	<b>781.68</b>
<b>DEPARTMENT OF ARTS, CULTURE, AND HISTORY</b>			
General	138.22	135.22	135.22
Federal	25.20	25.45	25.20
Lottery	3.75	5.50	3.75
Special	4.08	4.08	4.08
Nonappropriated Special	36.75	36.75	36.75
<b>TOTAL</b>	<b>208.00</b>	<b>207.00</b>	<b>205.00</b>
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			
General	78.22	77.22	77.22
Federal	344.65	341.05	337.73
Lottery	0.00	0.00	0.00
Special	248.70	241.93	249.26
Nonappropriated Special	231.13	241.25	237.24
<b>TOTAL</b>	<b>902.70</b>	<b>901.45</b>	<b>901.45</b>
<b>DEPARTMENT OF HEALTH AND HUMAN RESOURCES</b>			
General	3,700.83	3,805.82	3,787.05
Federal	2,278.44	2,328.44	2,310.95
Lottery	0.00	0.00	0.00
Special	86.54	83.92	83.92
Nonappropriated Special	197.38	199.61	199.61
<b>TOTAL</b>	<b>6,263.19</b>	<b>6,417.79</b>	<b>6,381.53</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
General	4,086.87	3,992.02	3,987.18
Federal	501.71	37.50	37.50
Lottery	0.00	0.00	0.00
Special	141.75	131.91	131.94
Nonappropriated Special	1,180.17	1,159.57	1,155.38
<b>TOTAL</b>	<b>5,910.50</b>	<b>5,321.00</b>	<b>5,312.00</b>

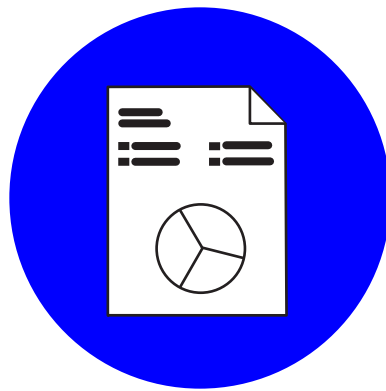


*FTE Schedule by Source of Funds (Continued)*

By Department/Funding Source	FY 2020 11-30-2019	FY 2021 11-30-2020	FY 2022 Recommended
<b>DEPARTMENT OF REVENUE</b>			
General	373.10	371.10	376.10
Federal	0.00	0.00	0.00
Lottery	0.00	0.00	0.00
Special	426.85	422.85	422.85
Nonappropriated Special	247.05	248.05	248.05
<b>TOTAL</b>	<b>1,047.00</b>	<b>1,042.00</b>	<b>1,047.00</b>
<b>DEPARTMENT OF TRANSPORTATION</b>			
General	7.00	7.00	7.00
Federal	11.00	11.00	11.00
Lottery	0.00	0.00	0.00
Special	76.00	66.00	67.00
State Road Fund	6,018.00	5,989.00	5,795.00
Nonappropriated Special	17.00	17.00	17.00
<b>TOTAL</b>	<b>6,129.00</b>	<b>6,090.00</b>	<b>5,897.00</b>
<b>DEPARTMENT OF VETERANS ASSISTANCE</b>			
General	192.92	192.92	192.92
Federal	73.97	73.97	73.97
Lottery	0.00	0.00	0.00
Special	0.00	0.00	0.00
Nonappropriated Special	0.00	0.00	0.00
<b>TOTAL</b>	<b>266.89</b>	<b>266.89</b>	<b>266.89</b>
<b>BUREAU OF SENIOR SERVICES</b>			
General	0.00	0.00	0.00
Federal	9.64	10.14	10.14
Lottery	3.27	3.47	3.47
Special	2.10	2.40	2.40
Nonappropriated Special	17.99	17.99	17.99
<b>TOTAL</b>	<b>33.00</b>	<b>34.00</b>	<b>34.00</b>
<b>HIGHER EDUCATION POLICY COMMISSION</b>			
General	3,380.65	3,230.58	3,249.34
Federal	118.70	134.67	127.94
Lottery	34.77	34.16	31.93
Special	141.83	129.18	135.50
Nonappropriated Special	7,549.91	7,615.65	7,679.14
<b>TOTAL</b>	<b>11,225.86</b>	<b>11,144.23</b>	<b>11,223.85</b>
<b>COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION</b>			
General	917.47	929.07	934.34
Federal	6.05	10.48	6.48
Lottery	0.00	0.00	0.00
Special	0.00	0.00	0.00
Nonappropriated Special	414.13	392.27	381.76
<b>TOTAL</b>	<b>1,337.64</b>	<b>1,331.81</b>	<b>1,322.58</b>
<b>MISCELLANEOUS BOARDS AND COMMISSIONS</b>			
General	0.00	152.75	135.50
Federal	30.40	521.22	497.32
Lottery	0.00	0.00	0.00
Special	333.25	339.35	335.00
Nonappropriated Special	84.10	134.18	123.10
<b>TOTAL</b>	<b>447.75</b>	<b>1,147.50</b>	<b>1,090.92</b>



# REVENUE SOURCES





# Revenue Sources

The revenues necessary to finance State government are collected from a variety of sources. All sources are dedicated to a specific fund or account and may only be appropriated or used as prescribed by law. Some of the funds of the State of West Virginia are subject to direct appropriation by the Legislature and are specifically included in the Budget Bill submitted by the Governor to the Legislature for consideration and final passage of a budget.

All funds of the State of West Virginia fall into one of five categories and are subject to Legislative review and oversight. Other than the exceptions mentioned in this section, these funds are subject to appropriation by the Legislature:

- General Revenue Fund
- State Road Fund
- Lottery and Excess Lottery Funds
- Federal Funds
- Special Revenue Funds

**The General Revenue Fund** consists of taxes, fees, and licenses that are dedicated to the state fund or are not specifically directed to special or other dedicated purposes.

The General Revenue Fund (or General Fund) consists primarily of the major tax revenue of the state such as Consumer Sales Tax and Use Tax, Personal Income Tax, Business and Occupation Tax, Corporation Net Income Tax, Tobacco Products Tax, and Severance Tax. For FY 2022, these taxes comprise approximately 93.5% of the General Revenue Fund. The remaining 6.5% of the General Revenue Fund is a combination of lesser taxes along with fees such as Liquor Profit Transfers and transfers from lottery revenues.

All General Revenue Fund expenditures, except refunds or overpayments, must be specifically appropriated by the Legislature and may be appropriated for any purpose the Legislature desires. The appropriations from the General Revenue Fund expire at the end of the state's fiscal year on June 30, with a few exceptions. Obligations may be paid through July 31 for goods and services that were incurred on or before June 30 of the expiring fiscal year. The Legislature may reappropriate any General Revenue Fund account by adding language in the Budget Act that allows any unexpended balances to be carried forward and expended in the following fiscal year. For capital outlay appropriations, W.Va. Code §12-3-12 states, in part, that "appropriations for buildings and land or capital outlay shall remain in effect, and shall not be deemed to have expired until the end of three years . . ."

**The State Road Fund** consists of revenues from gasoline and other motor fuel excise and license taxes, Sales Tax, Motor Vehicle Registration and License tax, and all other revenue derived from motor vehicles or motor fuel that are solely dedicated to this fund. The State Road Fund is appropriated by the Legislature and used solely for construction, reconstruction, repair, and maintenance of public highways, the payment of the interest and principal on all road bonds, and the administrative expenses of the Division of Highways, Office of Administrative Hearings, and the Division of Motor Vehicles.

All federal funds received for road construction, reconstruction, and maintenance are also deposited into and become part of the State Road Fund.

**Lottery funds** consist of revenue derived from the sale of lottery tickets or games, limited video lottery, and table games. House Bill 102 passed in 2001 provided for changes in the Lottery Act and Racetrack Video Lottery Act as well as the creation of the Limited Video Lottery Act. In addition, House Bill 102 created an Excess Lottery Fund and stipulates to which fund lottery profits are to be directed: the Lottery Fund or the Excess Lottery Fund. Also, during the 2007 Regular Legislative Session, HB 2718 was passed which allows for table games at West Virginia racetracks, if approved by local option election.

The Lottery Fund may be used to support the operation of the West Virginia Lottery, including expenses and prizes. The net revenue from the Lottery must be appropriated by the Legislature. Currently, the Lottery Fund may only be expended for education, senior citizens, and tourism.

## Revenue Sources

The Excess Lottery Fund may be used for a variety of purposes including but not limited to PROMISE scholarships, senior citizen tax credits, the School Building Debt Service Fund, the West Virginia Infrastructure Fund, the Economic Development Project Fund, the Higher Education Improvement Fund, the State Park Improvement Fund, and the General Purpose Account.

The Table Games Fund may be used to enable the aged and disabled citizens of West Virginia to stay in their homes through the provision of home and community-based services received from annual license fees. Table Game revenues can also be used for the purpose of accelerating the reduction of existing unfunded liabilities and existing bond indebtedness of the State.

**Federal funds** are received directly from the federal government and may only be used for the specific purpose for which they are intended. Federal funds consist of any financial assistance made directly to any state department/bureau/commission/division by the United States government, whether a loan, grant, subsidy, augmentation, reimbursement, or any other form of such assistance, including federal matching funds.

Federal Funds have become a substantial part of the operation of state government, either as part of ongoing programs or structured to institute state action. In all cases, federal funds are a significant feature of state services and the budget process.

Federal funds must be included in the Budget Act and appropriated by the Legislature (as required by W.Va. Code §4-11-6), with the following exceptions:

- Federal funds received by state institutions of higher education, by students, or by faculty members of such institutions for instructional or research purposes as well as federal funds received for student scholarships or grants-in-aid.
- Federal nondiscretionary pass-through funds earmarked in specified amounts or appropriations for transmittal to local political subdivisions or to designated classes of organizations and individuals who do not require state-matching funds and do not permit discretion in their distribution by the receiving state spending unit.
- Federal funds made available to the state for costs and damages resulting from natural disasters, civil disobedience, or an occurrence declared by the Governor as a state of emergency.
- Federal funds received by the West Virginia Division of Highways or the West Virginia Commissioner of Highways.

**Special Revenue funds** consist of individual accounts created for a specific purpose and the revenues may be expended only for that specific purpose unless otherwise directed by the Legislature. These accounts generate revenue derived from permits, licenses, and established rates or fees for services provided either to the public, other state agencies, or non-state governmental entities. These accounts are generally “from collections” and the spending is limited to the amount collected or the amount appropriated by the Legislature, whichever is less. Proprietary funds and trust funds are included in the budget as Special Revenue funds.

Certain Special Revenue funds are specifically appropriated by the Legislature and included in the Budget Act. Other Special Revenue funds, generally referred to as “nonappropriated,” are not specifically appropriated by line item in the Budget Act. These nonappropriated Special Revenue funds derive their authority to expend funds from general law and language contained in the Budget Act for that particular fiscal year.

Special Revenue funds that are specifically appropriated in the Budget Act expire on June 30, and obligations may be paid through July 31 in the same manner as General Revenue Funds. Appropriated Special Revenue funds may also be reappropriated into the next fiscal year in the same manner as General Revenue accounts. Nonappropriated Special Revenue funds do not expire but continue forward with the next fiscal year, provided the requirements of general law are met.

## *Revenue Sources*

### ***Revenue Estimates***

Under the guidance of the Deputy Secretary of the Department of Revenue, the Tax Research Division develops revenue estimates for the state. The estimates are derived from economic forecasts provided by IHS Markit, the West Virginia University Bureau of Business and Economic Research, and the U.S. Department of Energy. Revenue forecast simulations include changes due to economic factors and tax law changes. The forecast incorporates the results of economic modeling, trend analysis, time series modeling, and expert judgment.

The final forecast for an upcoming fiscal year is derived from the November economic forecasts approximately seven months prior to the beginning of a fiscal year. The forecast is adjusted at the conclusion of each regular legislative session to incorporate any fiscal changes associated with tax law modifications. Even though numerous economic events and other changes occur seven to 19 months after the development of the final fiscal year forecast, the official revenue estimates seldom change. However, staff monitor actual revenue collections on a daily and monthly basis. If the revenue estimates ever appear to be too optimistic given tax collection trends and economic conditions, such determinations are immediately forwarded to policymakers. Projected revenue shortfalls do result in midyear budget reductions, as was the case for FY 2010, FY 2013, FY 2014, FY 2015, FY 2016, and FY 2017. Based on results over the past two decades, the probability of a revenue shortfall issue in any given year is less than 40%.

### ***Economic Development Tax Expenditure Budget - FY 2022***

In addition to expenditures authorized by the State Legislature through annual budgetary appropriations, additional expenditures are authorized pursuant to various tax preferences within the State Tax Code. These additional expenditures are commonly called “tax expenditures.” This section includes budgetary information on specific business-related economic development tax expenditures and similarly structured individual tax preferences for FY 2022.

### ***Overview of Tax Expenditures***

Tax expenditures are like regular budgetary appropriations. Instead of a direct government grant to an individual or group, a government benefit may be provided by means of a reduction in tax liability for that individual or group. The reduction in tax liability represents the tax expenditure. Tax expenditures can also represent deviations from a normal, non-preferential tax structure.

Although there are gray lines, it is important to distinguish between a normal feature of the Tax Code and tax expenditures. For example, there are various broad-based exemptions from the Consumer Sales and Service Tax for purchases of tangible personal property and services “directly used in specified businesses” and for purchases for resale. There is general agreement that such exemptions are part of a normal retail sales tax structure, intended to impose the tax on the final consumer. Such utilitarian exemptions are not considered special tax expenditures. However, sales tax exemptions for items such as food, clothing, and public utility services provided to end consumers would be tax expenditures.

Except for tax credit programs, all Consumer Sales Tax and Personal Income Tax expenditures are excluded from the economic development tax expenditure budget section because such expenditures may be better classified as individual tax preferences.

Notwithstanding the similar, ultimate effect on the state’s financial position, there is a profound difference between an appropriation of funds and the equivalent tax expenditure to consider. The biggest difference is the loss of control over the timing and use of a tax expenditure compared to a direct appropriation. The timing of the tax expenditure largely lies with the individual behavior of the taxpayer and not with the government entity providing the benefit.

## Revenue Sources

The use of the tax expenditure is heavily dependent on the taxpayer's tax attributes. For example, if the tax expenditure applies against income taxes, its use depends heavily upon the taxable income of the taxpayer (unless the tax expenditure is in the form of a refundable grant.)

Some tax expenditures offer carryover provisions if a taxpayer is not able to fully receive the benefit within a single year. A couple tax expenditures include a policy of "transferrable tax credits," where a taxpayer can "sell" excess tax credit for some discounted amount (e.g., 90 cents on the dollar). The taxpayer receives a benefit of 90 cents, but the state incurs a tax expenditure of one full dollar when the credit is ultimately taken by the credit purchaser. The timing lag for transferable programs is even longer than the normal lag associated with many tax expenditures. Tax expenditure timing is also affected by differences in tax year versus budget year. In most cases, a taxpayer's tax year corresponds with a calendar year as opposed to the state's fiscal year that runs from July 1st to June 30th. Finally, the filing of tax returns documenting the actual use of tax expenditures generally occurs long after the expiration of both the fiscal year of the tax expenditure grant and the calendar year of claim for the taxpayer. Both the uncertainty of taxpayer behavior and the timing of tax return filings related to tax expenditure claims pose significant forecasting challenges.

In many cases, the full cost of a tax expenditure program may stretch out over several fiscal years. Therefore, prospective policy changes to eliminate such a program may only gradually decrease the expenditure or gradually increase revenue freed up for other expenditure programs. For example, legislation terminated the Strategic Research and Development Tax Credit Program effective December 31, 2013. However, due to credit carryover provisions, the FY 2022 budget still contains an allowance for this program more than eight years after its expiration.

For purposes of the FY 2022 budget, economic development tax expenditure programs were grouped in the following four categories:

- Tax Credits (Programs offering a direct deduction from tax liability)
- Tax Increment Financing (Programs allocating revenue increases)
- Miscellaneous Tax Preferences (Tax Exclusions or Tax Rate Preferences)
- Previously Terminated Programs with Carryover Costs

There is no bright-line separation of business economic development programs from other programs with similar characteristics. Therefore, other similar tax expenditures are listed to give some perspective of the relative size of various individual tax preferences in relationship to the highlighted business tax preferences. Readers need to be cognizant of the fact that the economic incidence of taxes rests with individuals. Economic development programs are in bold.

### **Tax Credits**

For purposes of the tax expenditure budget, there are 28 active tax credit programs in the State Tax Code with a total FY 2022 value of \$99.0 million. Programs classified as economic development-related account for \$55.1 million in value, an amount equal to roughly 56% of the total value of all tax credits. Some of the remaining tax credits may be classified as low-income relief programs with a combined value of \$38.2 million.

The largest single tax credit in terms of cost (24% of the total) is the Industrial Expansion and Revitalization Tax Credit for electric power producers. This tax credit is largely tied to pollution abatement investment at coal-fired generating plants in the state. Tax credit benefits for each year of investment are prorated for use over a 10-year period beginning with the year of investment. West Virginia uniquely taxes electric power generation rather than final sales to consumers. Public utilities pass on their costs to final consumers in a rate-regulated environment. Therefore, final consumers are the principal beneficiaries of the Industrial Expansion and Revitalization Tax Credit.

The following is a list of active tax credits in Chapter 11 or Chapter 5B of the West Virginia Code. Programs in bold are tax credits that likely fit the definition of an economic development program. Several other listed programs may also be viewed by some as economic development related.



## Revenue Sources

Article	Tax Credit	Description	FY 2022 Estimate (in millions)
5B-2E	Tourism Development	25% of Approved Costs Over 10 Years	\$2.0
11-13D	Industrial Expansion/ Revitalization	10% Investment Credit - Electric Power Producers	\$24.0
11-13E	Coal-Loading Facilities	10% Investment Credit - Coal Loading Facilities	\$0.8
11-13F	Low-Income Electric, Gas & Water	Reimburses Utility for Low-Income Resident Discount	\$6.7
11-13G	Low-Income Telephone	Reimburses Utility for Low-Income Resident Discount	\$0.0
11-13J	Neighborhood Investment Program	50% Credit for Charitable Contributions	\$3.0
11-13K	Agricultural Equipment	25% up to \$2,500 - Environmental Equipment	Minimal
11-13L	Natural Gas Jobs Retention	\$1,000/Job - Natural Gas Storage Tax	Minimal
11-13Q	Economic Opportunity	Investment Credit - New Jobs & Select Industries	\$4.0
11-13S	Manufacturing Investment	5% Investment Credit - Manufacturing	\$4.0
11-13W	Apprenticeship Training	\$2/hour or \$2,000/year - Training Tax Credit	\$0.3
11-13Y	Manufacturing Property Adjustment	Manufacturing Inventory Tax Credit	\$4.0
11-13BB	Mine Safety Technology	50% Investment Credit - Mine Safety Equipment	Minimal
11-13CC	Energy Intensive Industrial Consumer	Up to \$20 million - Coal Severance Tax	\$0.0
11-13DD	Farm to Food Bank Tax Credit Coal Severance Tax Rebate	10% value of donated, edible agriculture products up to \$2,500/year	Minimal
11-13EE	Car Donation Tax Credit	35% of Qualified Investment-80% of Additional Tax	\$3.0
11-13FF	Downstream Gas Manufacturing Credit	Lesser of 50% of value or \$2,000 Investment Credit - New Jobs & Select Industries	\$0.3 \$0.0
11-13GG	Natural Gas Liquids Property Tax Credit		
11-13HH	High-Wage Growth Business Tax Credit	Tangible Personal Property Tax Credit	\$0.5
11-13II		Up to 10% of Salary Paid	\$5.0
11-21-8a	Rehabilitated Buildings	25% of Qualified Costs	\$7.5
11-21-8g	Residential Rehabilitated Buildings	5% of Qualified Costs	\$0.3
11-21-10a	Nonfamily Adoption	\$2,000 per Qualified Adoption	\$2.0
11-21-21	Senior Citizen Homestead Credit	Local Tax paid on First \$20,000 of Taxable Valuation	\$10.0
11-21-22	Low-Income Family Tax Credit	Up to 100% of Pre-Credit Income Tax	\$19.0
11-21-23	Excess Property Tax Credit	Excess Over 4% of Gross Income Up to \$1,000	\$2.5
11-21-42 & 11-24-12	Military Incentive Gun Safety Training Credit	30% of first \$5,000 of Wages Paid One-time credit of up to \$50	Minimal \$0.1
61-7-4(r)		<i>Subtotal:</i>	\$99.0

## Revenue Sources

### Tax Increment Financing

There are two active tax increment financing programs in West Virginia: Property Tax Increment Financing (TIF) and Sales Tax Increment Financing (STIF). Under these programs, increases in tax revenue above a baseline are rededicated to a specific development project.

Nearly all states utilize TIF for economic development. Property taxes are generally imposed by counties, school boards, and municipalities in the state. The total value of TIF is roughly \$21.0 million in FY 2022 with more than half of the cost absorbed by local governments and less than half absorbed by the state, mainly through the state School Aid to Local Education Formula. The cost to local governments would be larger if not for the exclusion of excess levies from the calculated TIF under state law.

The STIF Program is similar in cost to the TIF Program with a shift of an estimated \$21.0 million of state sales tax from the state General Revenue Fund to local retail development projects.

The following is a list of active tax increment financing programs (state property tax costs include calculated impact of state School Aid formula):

Article	Tax Increment Diversion Programs	Description	FY 2022 Estimate (in millions)
7-11B	Property Tax Increment Financing Economic Development District	Property Increment-State portion of \$21.0 mil total	\$9.7
7-22	Sales Tax Increment Financing	6% State sales tax re-designated as local tax	\$21.0
		<i>Subtotal:</i>	\$30.7

### Miscellaneous Tax Preferences

Most of the major miscellaneous tax preference programs involve exclusions, special valuation provisions, or tax rate preferences involving the local property tax. These property tax preferences account for roughly 65% of the value of tax expenditures in this section.

In terms of value, the largest tax expenditures in West Virginia relate to residential property taxes. The combined value of the Homestead Exemption and 50% tax rate preferences for owner-occupied residential and farm real property is \$583 million and the state share of this combined value, mainly reflected in the State School Aid Formula, is \$162.8 million.

Several other types of mostly tangible personal property qualify for reduced “salvage” valuation at a combined value of \$116.8 million in property tax reductions with \$33.1 million of that value allocated to the state budget.

No accurate estimate is available for county-imposed Payment in Lieu of Tax (PILOT) arrangements. Based on available PILOT payment data, however, the net PILOT tax expenditure is likely similar in magnitude to the value associated with certified capital additions.

The largest non-property tax rate preference program offered in West Virginia is the Thin-Seam Coal Rates Program. Lower regular severance tax rates apply to most underground coal mines with average seam thickness of no more than 45 inches. This \$55 million tax preference is largely tied to metallurgical coal production in southern West Virginia. Thin-seam mines tend to employ more workers per unit of output than other mining operations.

The following is a brief list of some major miscellaneous tax preferences in Chapter 11 possibly tied to an economic development objective. Programs not in bold are provisions that may not necessarily fit the definition of an economic development program. State property tax costs include calculated impact of the State School Aid Formula:

## Revenue Sources

Article	Tax Preference	Description	FY 2022 Estimate (in millions)
11-3-9	<b>PILOT-County</b>	Payment in Lieu of Tax - New Facilities	Unknown
11-1C	<b>Managed Timberland</b>	Constitutional Preference - State portion of \$12.0 million	\$3.3
11-6A	Pollution Control Salvage Value	State portion of \$72.0 million	\$19.9
11-6B	Homestead Exemption & Tax Rate	Over 65/Disabled - State Portion of \$103 million	\$29.0
11-6E	<b>Manufacturing Production Property</b>	Salvage Value - State Portion of \$2.0 million	\$0.6
11-6F	<b>Certified Capital Additions</b>	Salvage Value-Existing Mfg. - State Portion of \$40.5 million	\$12.0
11-6H	<b>Special Aircraft Property</b>	Salvage Value - State Portion of \$1.7 million	\$0.5
11-6J	<b>High-Technology Business Property</b>	Salvage Value - State Portion of minimal \$0.1 million	\$0.0
11-6L	<b>Wireless Technology</b>	Salvage value - State Portion of \$0.5 million	\$0.1
11-8-6b	Residential/Farm Preference	50% Tax Rate Preference - State Portion of \$480 million	\$133.8
11-13A-3(f)	<b>Thin-Seam Coal Rates</b>	Reduced Tax Rates on Thin-Seam Coal [60%-80%]	\$55.0
11-13A-3a(a)	<b>Natural Gas/Oil Exclusions</b>	Low-Volume/Shut-In Well Gross Receipt Exclusions	\$3.0
11-13A-3(b)			
11-15-9s	<b>Steam Coal Rates</b>	Reduced Tax Rates on Steam Coal [40%]	\$45.0
	Sales Tax Holiday	Back to School Sales Tax Holiday	\$2.4
		<i>Subtotal:</i>	\$304.6

### **Previously Terminated Programs with Carryover Costs**

Expired tax expenditure provisions with at least some cost in FY 2022 include costs associated with the Alternative-Fuel Motor Vehicles Tax Credit and the Strategic Research and Development Tax Credit. The following is a list of inactive tax credits in either Chapter 11 of the West Virginia Code that were generally repealed, are now inactive, or are set to sunset prior to the beginning of FY 2022 with grandfathering provisions for credit claims attributable to periods prior to termination.

Article	Tax Credit	Description	FY 2022 Estimate (in millions)
11-6D	Alternative-Fuel Motor Vehicles	35% Vehicles & 20% to 62.5% Infrastructure	Minimal
11-13R	Strategic Research and Development	3% or 10% of Excess R & D Credit	Minimal
		<i>Subtotal:</i>	Minimal

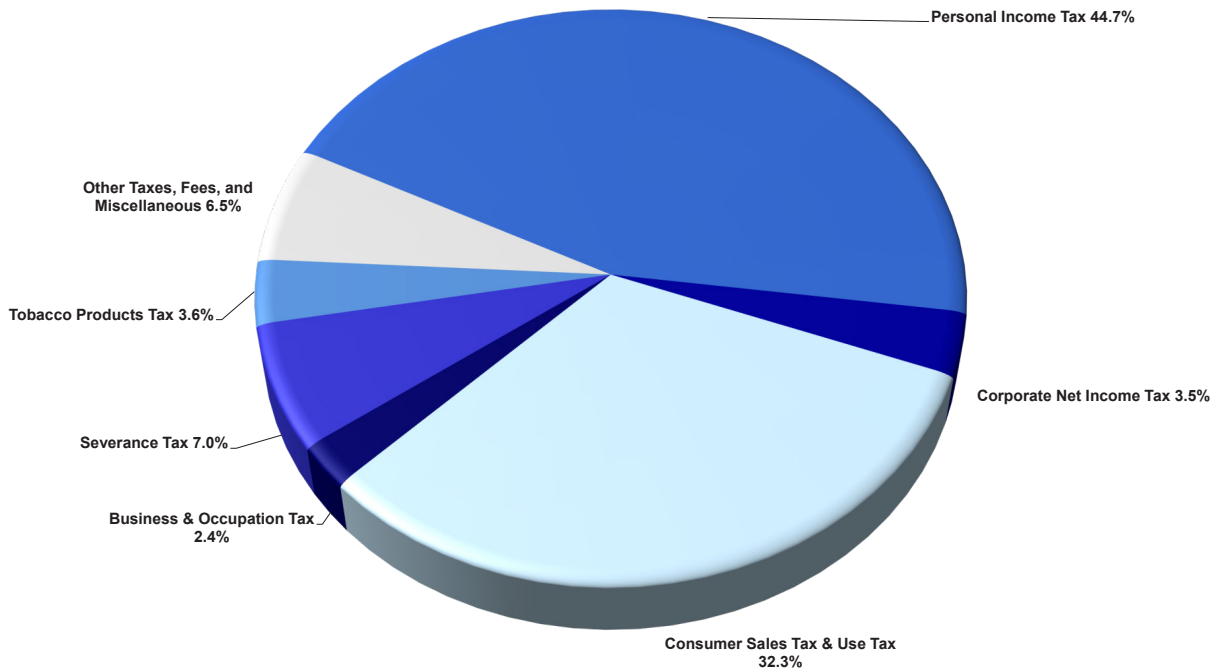
The total sum value of all tax expenditures listed above is \$434.3 million, including \$184.3 million in bolded economic development tax expenditures and \$250.0 million in various other tax expenditures.

### **Additional Revenue Information**

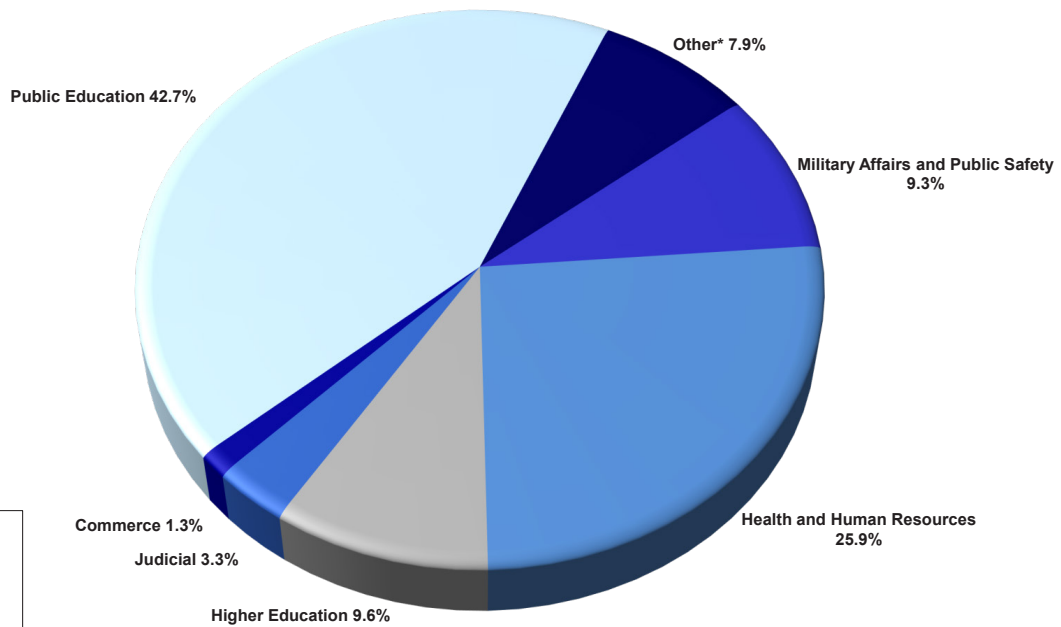
The following pages contain graphs and explanations of the sources of estimated revenues and areas of expenditure for General, State Road, Lottery, and Federal Funds. Due to the multiple sources of revenue, only the area of estimated expenditures is depicted for Special Revenue Funds. The Medicaid State Share Fund is included in the Special Revenue Funds section, but since it is a substantial revenue source, a separate page providing actual and estimated revenues is included. For a graphic presentation of total state revenues by source and expenditures by function, refer to “Where the State Dollar Comes From” and “Where the State Dollar Goes” in the “Summary Financial Statements” chapter.

# General Revenue Fund

**Sources of Revenue  
Fiscal Year 2022  
\$4.569 Billion  
(Estimated)**



**Recommended Expenditures  
Fiscal Year 2022  
\$4.570 Billion**



*Other	
Legislature	- 0.7%
Executive	- 1.4%
Administration	- 2.3%
Arts, Culture & Hist.	- 0.2%
Environment	- 0.1%
Revenue	- 0.7%
Veterans Assistance	- 0.4%
Transportation	- 0.2%
Senior Services	- 0.7%
Misc. Boards	- 0.4%
Tourism	- 0.3%

## General Revenue Fund

# Personal Income Tax

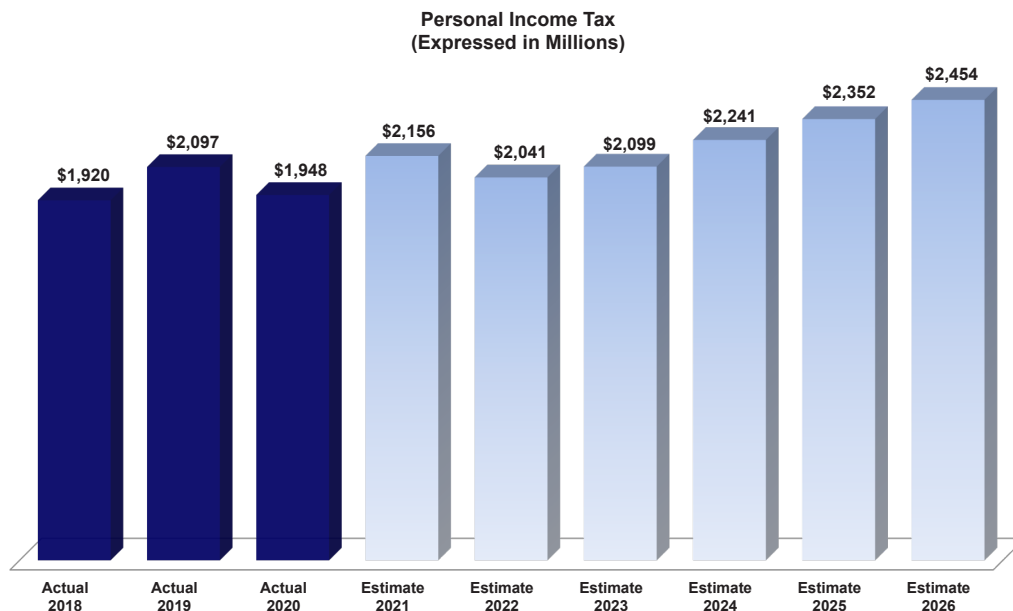
Personal income tax collection trends depend upon changes in population, employment, personal income, inflation rates, interest rates, and federal tax law. Employee withholding taxes account for roughly 70% of all personal income tax receipts. Income tax revenue growth improved from 6.0% in FY 2018 to 9.9% in FY 2019 due to gains in employment and wages, especially in the construction sector. Wage and employment growth subsequently slowed during the first half of FY 2020 in response to a slowdown in the energy sector and the loss of pipeline construction employment. Activity improved during the third quarter of FY 2020 before the onset of the COVID-19 Pandemic (Pandemic) with significant related employment losses. Payroll employment fell by more than 10% in the second quarter of CY 2020 with heavy losses concentrated in leisure and hospitality and retail trade due to partial economic shutdown during early stages of the Pandemic. Absent the deferral of roughly \$144 million in tax receipts to July of FY 2021, income tax collections fell by 1.9% in FY 2020 and by 3.5% during the first half of FY 2021. Following the sharp second quarter decline, payroll employment numbers partially rebounded with growth in excess of 5% in the third quarter of CY 2020 with a continuing gradual rebound expected over the next year or more.

According to the most recent forecasts from IHS Markit, payroll employment is expected to grow by roughly 2.8% in 2021, and by 0.9% in 2022. Employment growth is expected to slow to an average of less than 0.3% per year between 2022 and 2026. West Virginia personal income rose by roughly 8% in CY 2020 with growth attributable to a 32% surge in transfer payments. IHS Markit projects West Virginia personal income less transfer payments to increase by 2.6% in 2021, by 2.1% in 2022, and by an annual average of 3.8% between 2022 and 2026. Income tax collections are projected to rise by an average annual rate of roughly 2.8% during the FY 2020 to FY 2026 forecast period.

These estimates incorporate the recent legislation to phase-in an exemption for taxable social security benefits over three years from state income tax for lower income households beginning in tax year 2020.

### Tax on West Virginia taxable income:

- 3.0% on the first \$10,000 of taxable income.
- 4.0% on taxable income between \$10,000 and \$25,000.
- 4.5% on taxable income between \$25,000 and \$40,000.
- 6.0% on taxable income between \$40,000 and \$60,000.
- 6.5% on taxable income in excess of \$60,000.
- Accounts for roughly 45% of total General Revenue Fund.



## General Revenue Fund

# Consumer Sales Tax and Use Tax

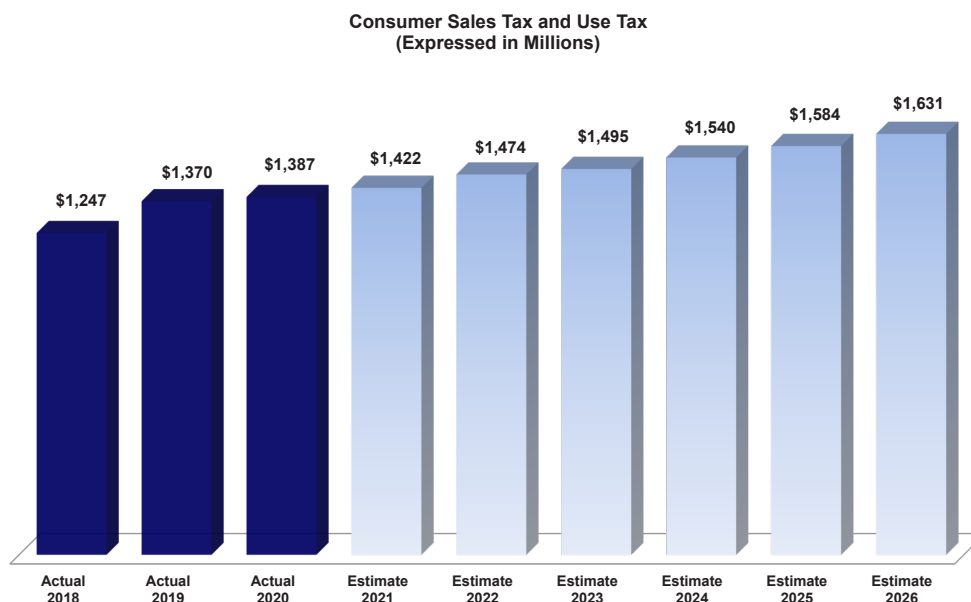
Consumer Sales and Use Tax collections depend heavily upon retail sales and taxable services activities. The tax base includes most retail sales, but some exclusions include sales of automobiles (taxed under alternative 6% Vehicle Sales Tax), gasoline (taxed under alternative 5% Wholesale Sales Tax), prescription drugs, and food for home consumption. Food for home consumption does not include sales, purchases, and uses of prepared food by consumers, food sold through vending machines, or soft drinks.

Fluctuations in retail sales are affected by several factors, including changes to population, consumer confidence and debt, inflation and interest rates, and disposable personal income. The West Virginia population has been in decline since 2012, falling an estimated 3.5% between 2012 and 2019. West Virginia disposable personal income was largely unchanged between 2015 and 2016 as compared with national average growth of 2.6%. However, disposable personal income growth rebounded to an average annual increase of more than 3.8% between 2016 and 2019. Due to significant federal fiscal stimulus payments in response to the COVID-19 Pandemic, disposable personal income jumped by an estimated 8.9% in 2020. The jump in disposable personal income was a significant factor in the above-average 5.2% growth rate in General Revenue Fund Sales Tax collections through the first seven months of FY 2021. IHS Markit forecasts West Virginia disposable personal income will fall by more than 4.0% in 2021 as federal stimulus payments fade over time before growing by 3.5% per year on average from 2021 through 2025.

After edging slightly higher in FY 2017, overall sales tax collection growth accelerated to 2.7% in FY 2018 with most of the growth coming in the later part of the year. In FY 2019, collections were 9.9% higher than FY 2018. The implementation of federal tax reform in CY 2018 provided some spending stimulus. In addition, economic activity associated with an employment gain of roughly 1.5%, higher overall wages, and significant investment in natural gas pipeline infrastructure all contributed to the strong gains in sales tax collections. Collection growth slowed significantly to just 1.2% in FY 2020 in response to the impact of an energy sector slowdown, the loss of employment in pipeline construction and the onset of a sharp recession associated with the COVID-19 Pandemic. After the first seven months of FY 2021, cumulative collections were up 5.2% over the same period in the previous year. Collections are expected to grow by an annual average of nearly 2.8% between FY 2021 and FY 2026.

In addition to the General Revenue Fund, some Consumer Sales Tax collections currently go into special revenue accounts for the benefit of Sales Tax Increment Financing Districts, school construction, and E-911 funded programs.

- 6% Sales and Use Tax on most goods and services.
- Accounts for roughly 32% of total General Revenue Fund.



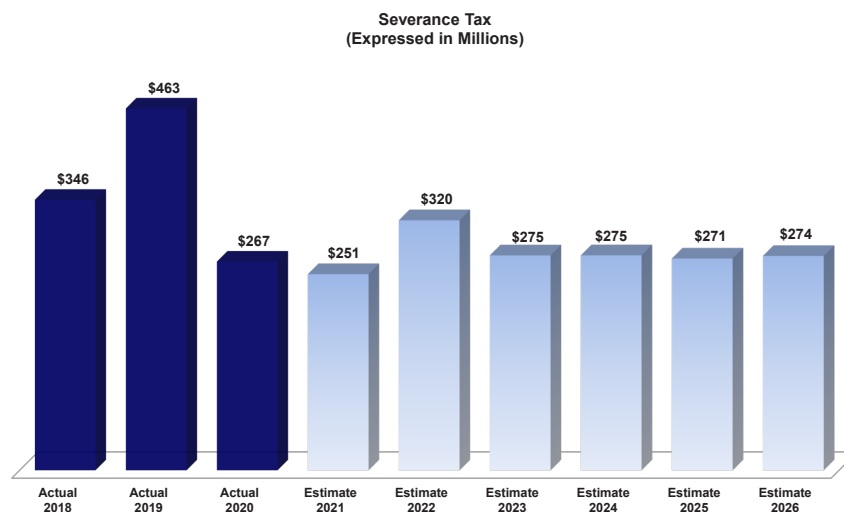
## General Revenue Fund Severance Tax

Severance tax collections are attributable to coal production, natural gas production, and the production of various other natural resource products. Other natural resources products include oil, coal-bed methane, natural gas liquids, gravel, sand, and gob (coal refuse). During FY 2020, regular severance tax receipts were deposited in the State General Revenue Fund (77.8%), the State Infrastructure Fund (6.4%), and local government funds (15.6%). Under current law, some proceeds from the severance tax fund debt service in the Infrastructure Bond Fund of up to a maximum annual amount of roughly \$22.2 million.

Severance tax collection growth depends upon changes in coal and natural gas production and their respective prices. Recent technological advancements led to a ten-fold increase in natural gas production in West Virginia over the past decade along with significantly lower natural gas prices. Natural gas has become very competitive with coal as a fuel source in the generation of electric power. After falling by nearly 34% between CY 2012 and CY 2016, coal production partially rebounded with growth of roughly 16% and 3% in CY 2017 and CY 2018, respectively. Coal production declined by more than 2% in 2019 and by nearly 25% in 2020 due to declining domestic demand and sluggish exports. Average coal prices also declined by more than 10% in 2020 with the value of non-manufacturing exports decreasing by roughly 35% over the past year.

After rising by more than 20% per year in both 2019 and 2020, natural gas production is forecast to generally level out over the forecast period with average growth of 2.6% per year between 2021 and 2026. The expectation of slower future production growth is partially tied to low natural gas prices and some lack of infrastructure to move large volumes to market. Average West Virginia natural gas prices fell by roughly 30% from last year, partially due to rising production, sluggish demand and a slowdown in pipeline construction. As a result, tax collections through the first six months of this fiscal year were down by more nearly 50%. The U.S. Energy Department of Energy forecasts a rebound in natural gas prices of roughly 50% in 2021 associated with rising demand and falling national supply. Higher natural gas prices should result in higher steam coal production and domestic steam coal sales in the short-term as coal becomes more cost competitive with natural gas. After falling by nearly 46% in CY 2020, overall severance tax collections are anticipated to rise by more than 50% from current levels through the end of FY 2022. Collection patterns will continue to be highly volatile in future years beyond 2022 with significant downside risk to the steam coal market offset by some potential gains in metallurgical coal and natural gas liquid markets.

- Privilege tax on gross receipts with a base rate of 5.0%. (Reduced rates for underground thin seam coal, waste coal, and timber.)
- Applies to natural resources (coal, gas, oil, other) production.
- Effective July 1, 2019 the Severance Tax on limestone and sandstone was eliminated.
- The Severance Tax on steam coal was reduced to 4.3% on July 1, 2019 and to 3.7% on July 1, 2020. The tax rate will further decline to 3.0% effective July 1, 2021.
- Currently accounts for between 5% and 7% of total General Revenue Fund.





## General Revenue Fund

# Corporation Net Income Tax

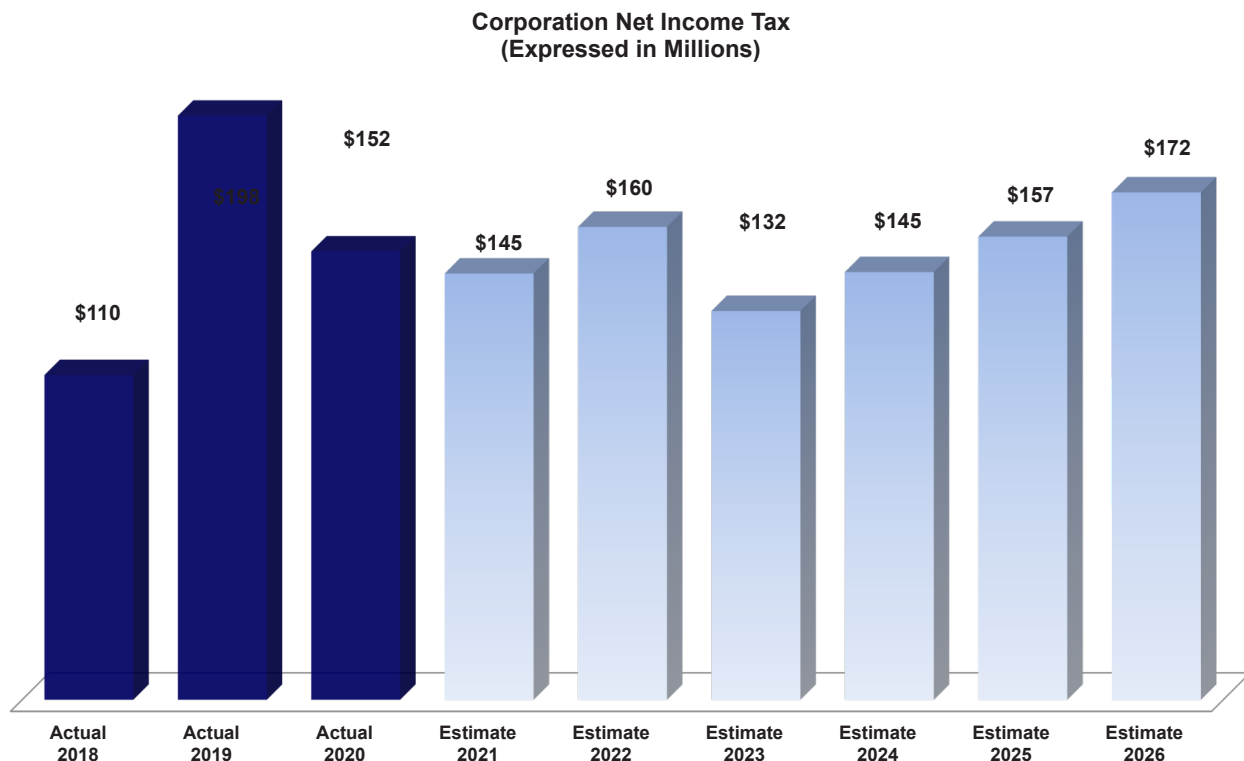
The Corporation Net Income Tax is a tax on net profits of incorporated entities doing business in West Virginia.

U.S. domestic corporate profits grew by 1.8% in 2017, 8.0% in 2019 and 1.8% in 2019. According to IHS Markit, domestic corporate profits are likely to decline by more than 4% in 2020 and by nearly 17% in 2021 due to losses associated with the COVID-19 Pandemic. IHS Markit is also forecasting average annual growth in domestic corporate profits of nearly 9% over the longer term between 2021 and 2026. Remittances of the Corporation Net Income Tax may lag the associated period of economic activity by up to 18 months.

Corporation Net Income Tax collections rose nearly 80% in FY 2019 partly due to federal tax policy law changes that first became effective in 2018. Collections subsequently fell by 23.3% in FY 2020 due to the deferment of roughly \$56 million in collections to July of FY 2021. Absent the deferred collections, cumulative Corporation Net Income Tax collections are up nearly 6.0% through the first seven months of FY 2021. Collections are anticipated to decline in both FY 2022 and FY 2023 before rebounding beginning in FY 2024. The anticipated decline in collections over the next two years relates to both declines in corporate profits due to the recent recession and tax policy changes to help support business recovery.

Collection patterns tend to be very volatile because most of Corporation Net Income Tax receipts are attributable to a small number of taxpayers. A change in the financial status of just a few taxpayers can have a dramatic impact upon tax collection trends. Most large taxpayers have multistate operations.

- Corporation Net Income Tax applies to C corporations.
- The tax base is the modified federal taxable income apportioned to West Virginia with a tax rate of 6.5%.
- Accounts for roughly 3% to 4% of total General Revenue Fund.





## General Revenue Fund

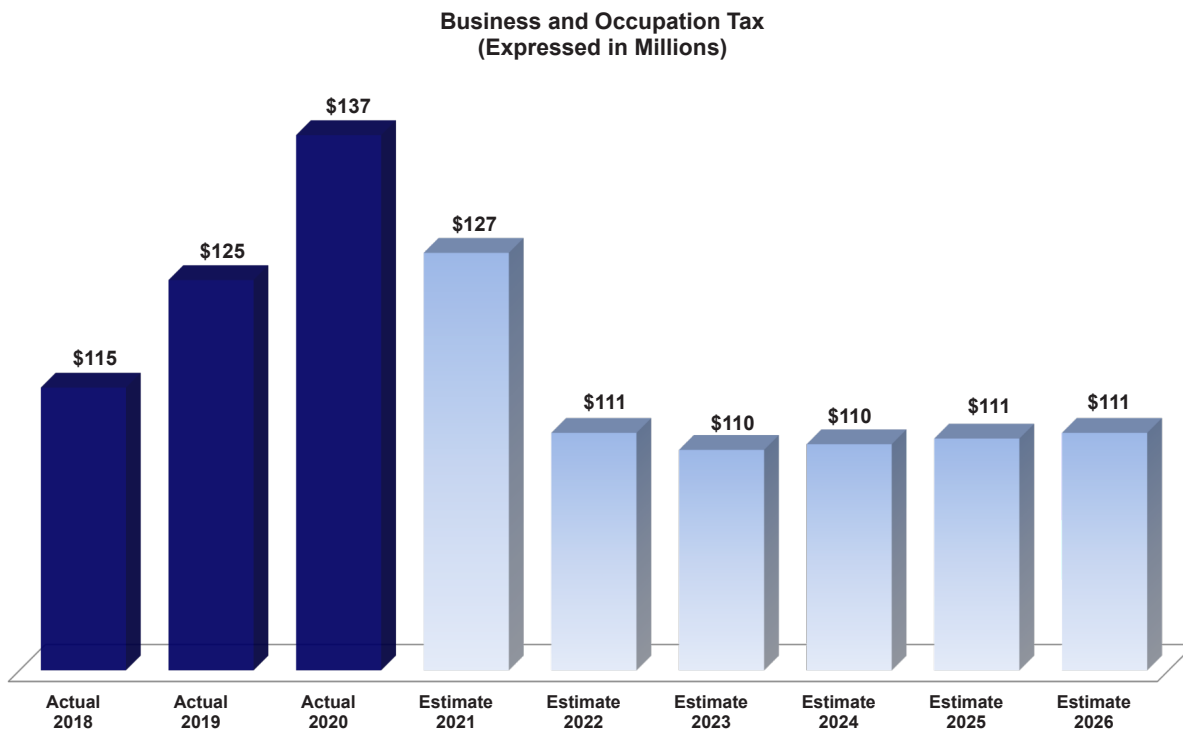
# Business and Occupation Tax

The Business and Occupation Tax (B&O Tax) consists of three distinct components: a capacity or unit-based tax on electric power generation and distribution, a gross receipts tax on nonelectric public utilities, and a per unit tax on gas storage operators.

For electric power producers, the general tax rate is \$22.78 per kilowatt of taxable capacity. Plants with flue gas desulfurization systems are subject to a lower tax rate of \$20.70 per kilowatt. An increase in investment tax credits due to environmentally-required capital investments for the installation of flue gas desulfurization systems and other pollution abatement controls, along with the retirement of older power plants, collectively resulted in a reduction in total B&O Tax collections of roughly 40% from FY 2006 to FY 2017. Collections improved in recent years mainly due to the gradual expiration of those investment tax credits. The tax on natural gas receipts applies only to public utility sales. Exempt non-utility sales represent more than 40% of natural gas sales in West Virginia. In addition to the tax on public utilities, West Virginia imposes a tax on natural gas storage activities. Revenue from this source should remain stable during the forecast period.

After rising by 8.3% in FY 2019 and 10.3% in FY 2020, collections through the seven months of FY 2021 were down 13.9% from prior year receipts. FY 2022 collections are expected to fall roughly 19% below actual FY 2020 collections due to recently enacted tax changes. These changes included legislation to exempt a merchant coal-fired power company without regulated utility customers from the capacity tax effective January 1, 2020 and reduction in maximum taxable capacity for all other coal-fired generation plants to 45% as of July 1, 2021.

- Privilege tax on units of activity or gross receipts.
- Applies to public utilities, electric power generators, and natural gas storage.
- Tax rates and base vary.
- Accounts for 2.4% of total General Revenue Fund.

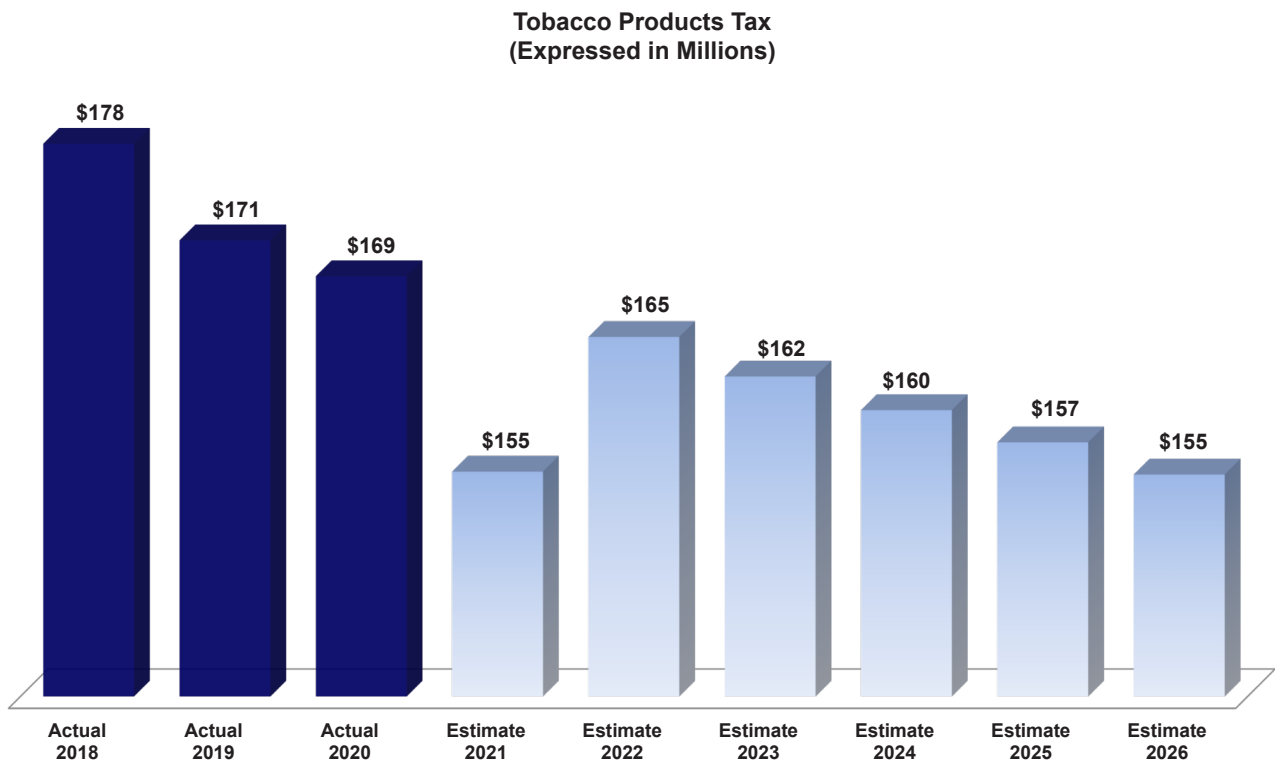


## General Revenue Fund

# Tobacco Products Tax

The Tobacco Products Tax consists of a unit excise tax per pack on cigarettes, a percentage tax on the wholesale price of other tobacco products, and a unit excise tax on e-cigarette liquid. An aging population and continuing efforts to discourage tobacco products consumption tend to create negative revenue growth for this tax over time. However, an increase in the cigarette and other tobacco products taxes and the creation of the tax on e-cigarette liquids during the 2016 special legislative session provided a temporary 94% surge in Tobacco Product Tax collections in FY 2017. FY 2018 saw a sharp decline in Tobacco Products Tax collections of 8.6% from the prior year with a further 3.7% decline in FY 2019. Changes in consumer behavior associated with the COVID-19 Pandemic has significantly affected Tobacco Products Tax collections. The recent increase in collections is likely due in part to individuals experiencing increased stress and additional time away from their traditional work environments. Through the first six months of FY 2020, cumulative collections were down nearly 4.0% from the prior year. During the second half of FY 2020 collections were up more than 1.3% from the prior year. Through the first seven months of FY 2021, cumulative collections are up 1.7% from the prior year. Collections are forecast to decrease by an average annual rate of approximately 2.0% between FY 2021 and FY 2026.

- Tax on cigarettes is currently \$1.20 per pack of 20.
- Tax on other tobacco products is currently 12% of the wholesale price.
- Tax on e-cigarette liquids is currently \$0.075 per milliliter.
- Accounts for 3.6% of total General Revenue Fund.

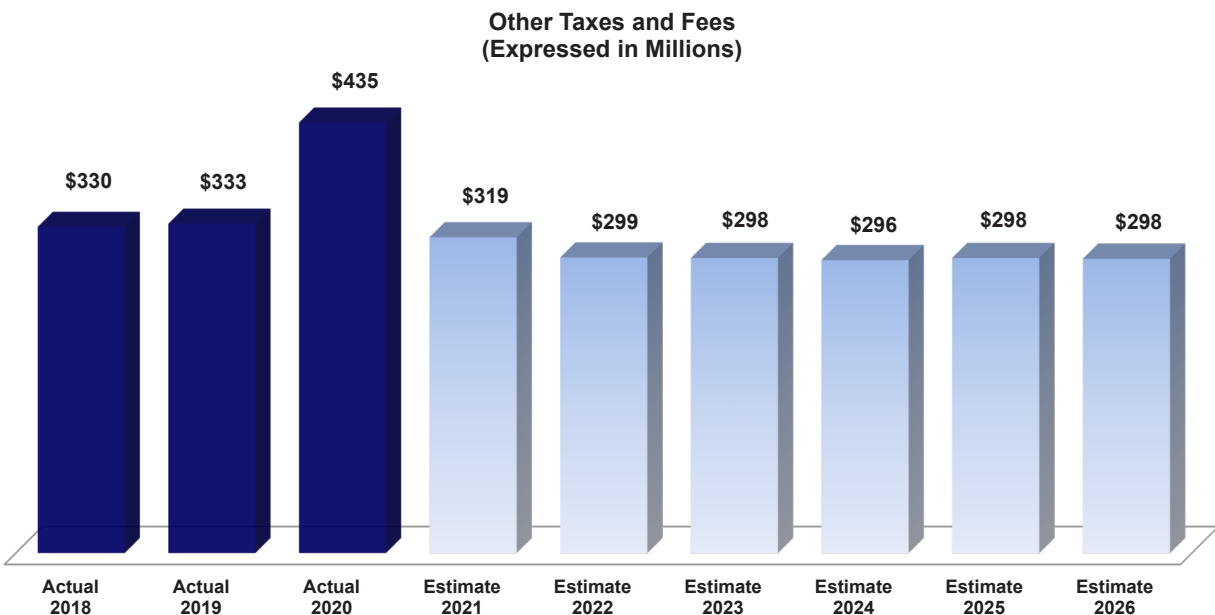


## General Revenue Fund

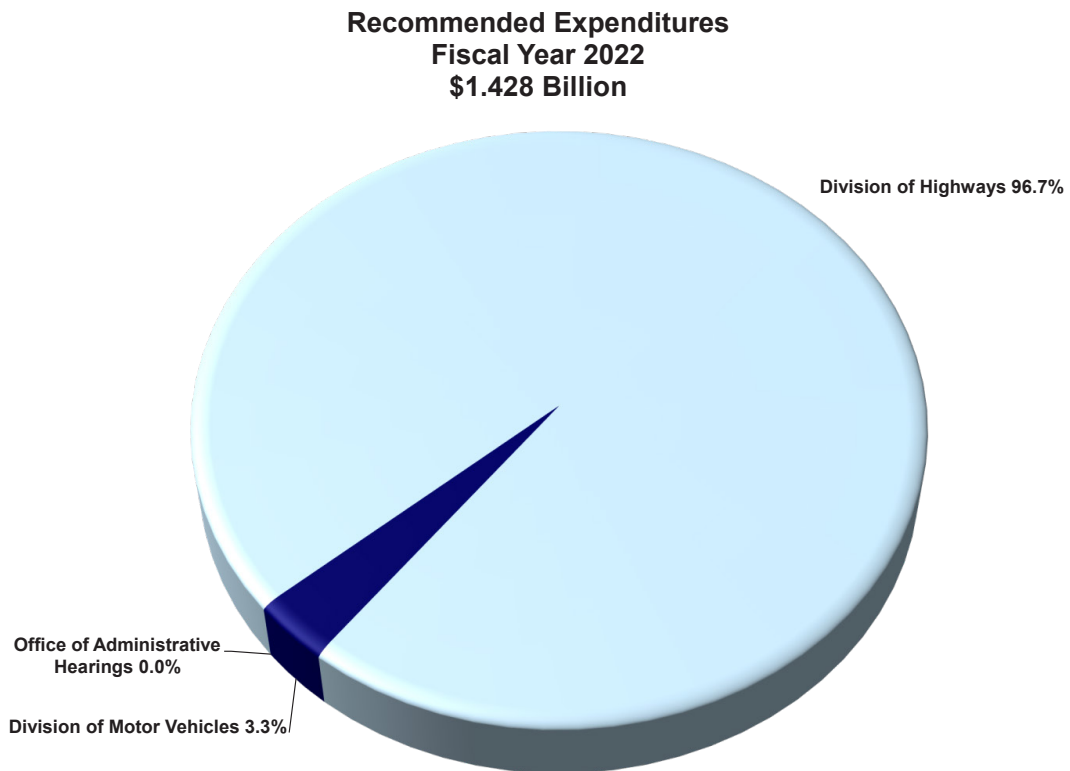
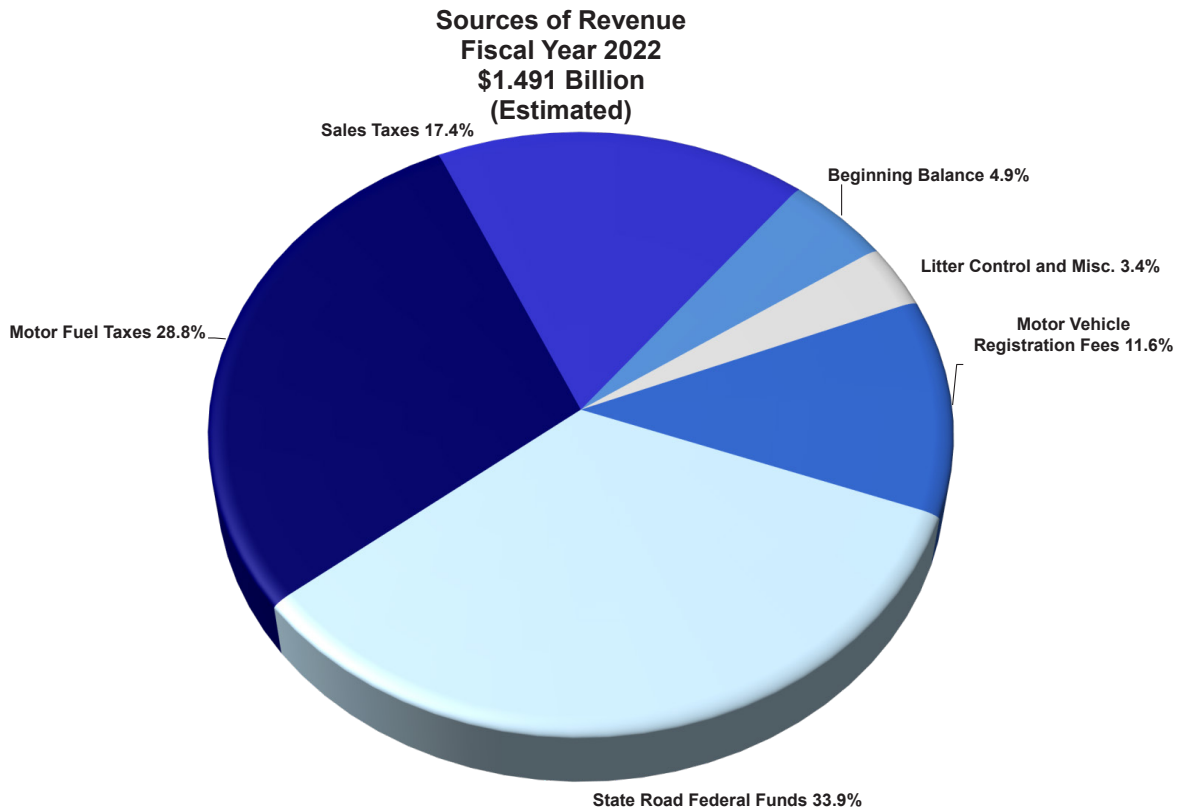
# Other Taxes and Fees

These other taxes, licenses, fees, and receipts consist of Insurance Premiums Tax, Liquor Profit Transfers, Beer Tax and Licenses, Business Franchise Registration Fees, Property Tax, Property Transfer Tax, Departmental Collections, Interest Income, Miscellaneous Receipts, Miscellaneous Transfers, Liquor License Renewal Fees, Video Gaming Revenues, and the Senior Citizen Tax Credit Reimbursement (from Excess Lottery Revenue). Most of these other taxes and fees are dependent upon population growth, other demographic trends, and changes in consumer behavior. Recently enacted legislation phases-out the State Property Transfer Tax over a period of 10 years beginning in FY 2022 with tax proceeds gradually transferred to county governments.

• Accounts for less than 7% of total General Revenue Fund.

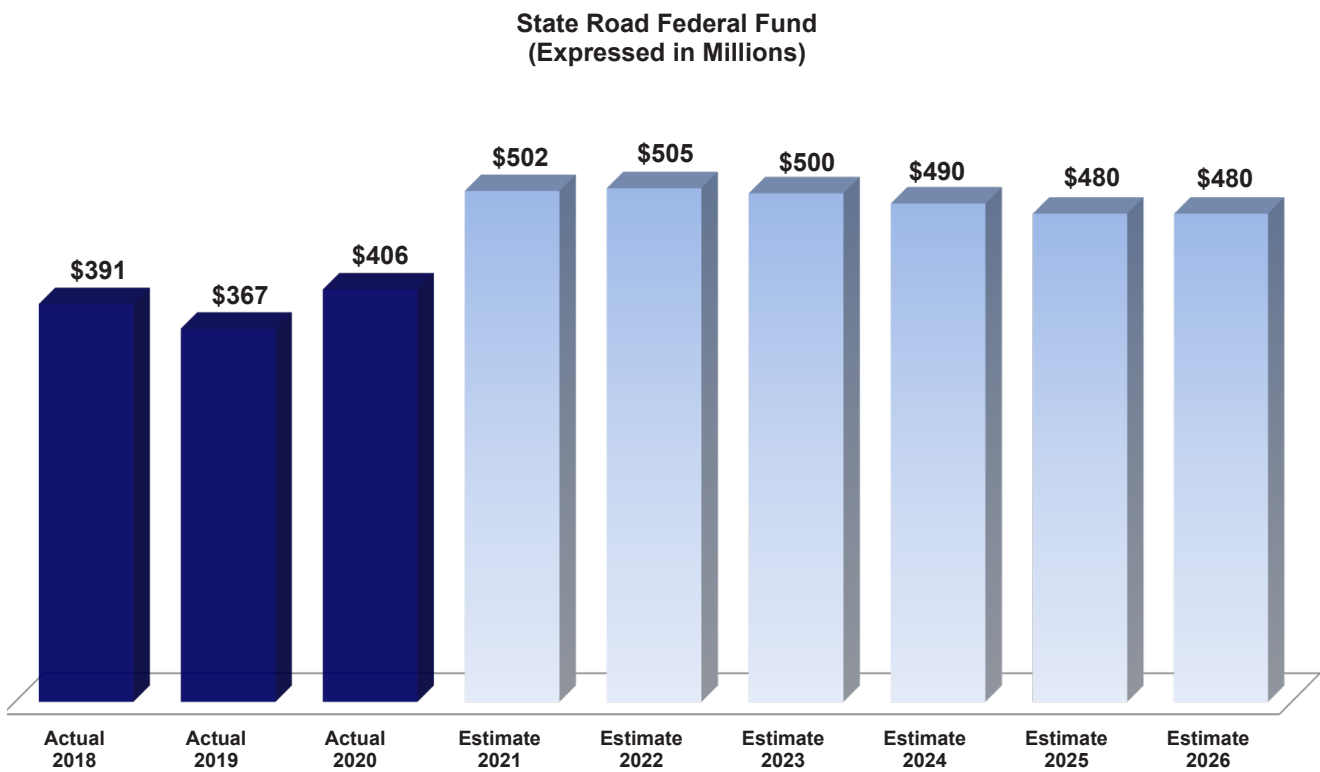


# State Road Fund



*State Road Fund*  
**State Road Federal Funds**

- Federal Funds are received by the Division of Highways for Interstate Construction, Appalachian Programs, and Other Federal Aid programs.
- These funds become part of the State Road Fund and are included in the budgeted amounts.
- Accounts for 32.4% of the total State Road Fund.



# State Road Fund

## Motor Fuel Taxes

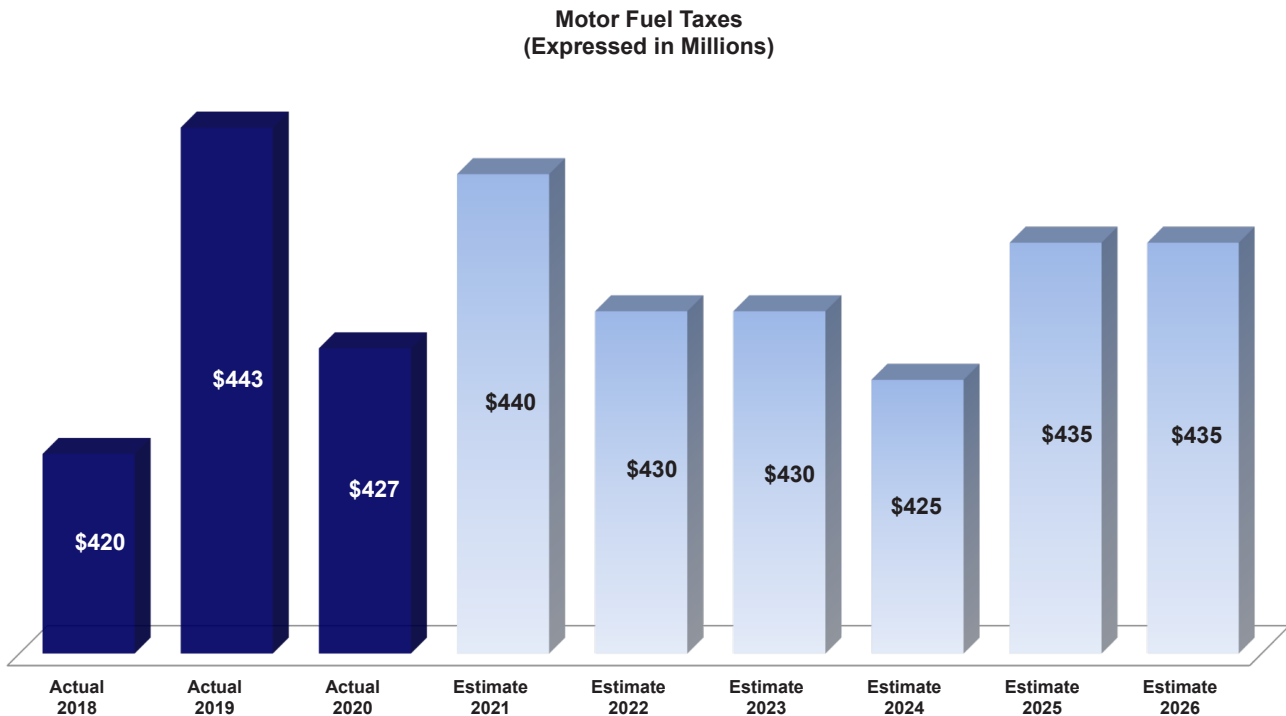
### Motor Fuel Excise Tax

- Contains a flat rate and a variable rate.
- Current flat rate is \$.205 per gallon.
- Variable rate is equal to 5% of the average wholesale price of motor fuel.
- Imposed and payable on all motor fuel upon import into this state, removal from a terminal within this state, or removal from a terminal in another state for delivery in this state.
- The average wholesale price shall not be less than \$3.04 per gallon, which generates a minimum variable tax rate of \$0.152 per gallon.
- By December 1st of each year, the tax commissioner must calculate the average wholesale price and variable rate from sales data from the previous July through October. Calculated rate is effective for the next calendar year. The calculated price and calculated rate may not deviate by more than 10% from the prior year.

### Motor Carrier Road Tax

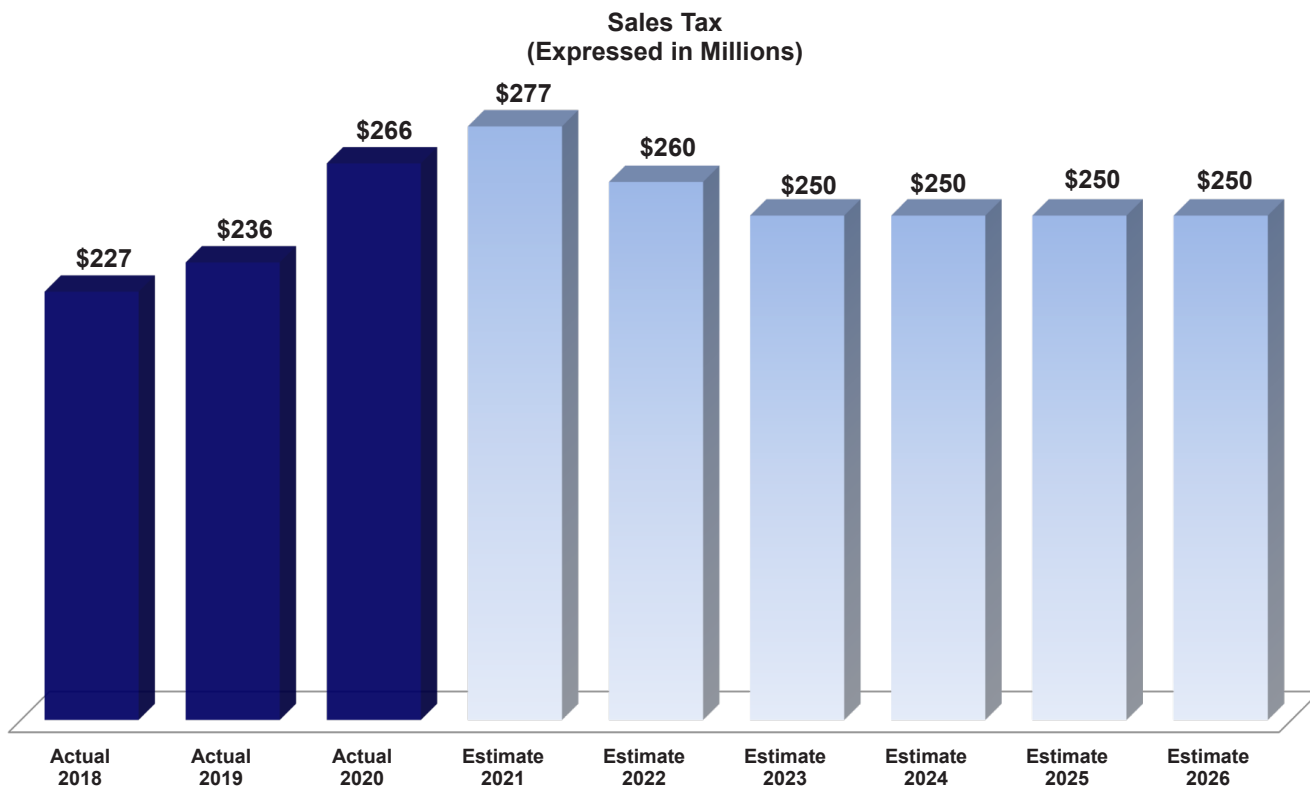
- Equivalent to the Motor Fuel Excise Tax on motor fuel.
- Imposed on every motor carrier with a vehicle that is designed to transport persons or property having two or more axles with a gross vehicle weight exceeding 26,000 pounds, including road tractors and tractor trucks.
- Based upon each gallon of motor fuel used in the carrier's operations in the state.
- Carrier is entitled to a refund for fuel purchased in the state but used out of state.
- Carriers domiciled in the state are charged an annual fee of \$10 for two identification markers.

• Accounts for 34.1% of the total State Road Fund.



## State Road Fund Sales Tax

- The Sales Tax is imposed upon obtaining the Certificate of Title on a vehicle at the time of purchase or lease.
- Tax amounts to 6% of the value of the vehicle at the time of such certification.
- Accounts for 21.2% of the total State Road Fund.



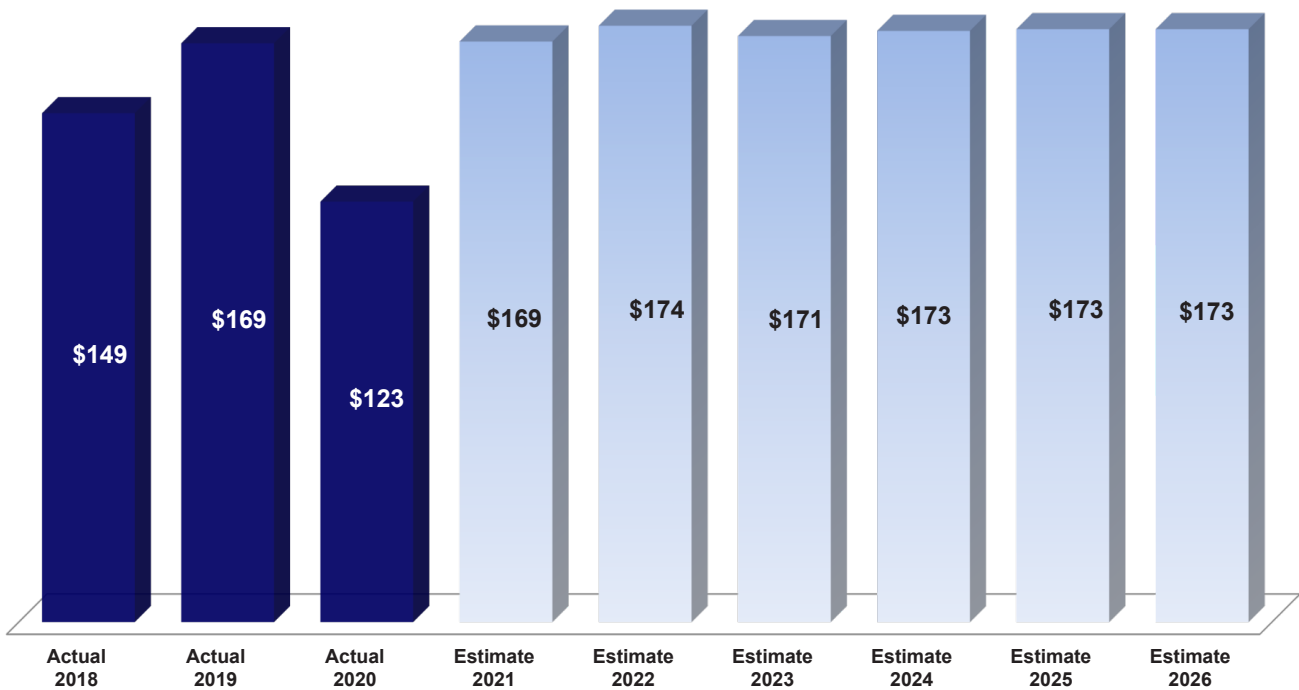
*State Road Fund*

# Motor Vehicle Registration Fees

The Division of Motor Vehicles collects fees that are required to be deposited in the State Road Fund, including certificate of title, vehicle licenses (registration), dealers' and wreckers' licenses, and operator licenses and renewals.

- The Division of Motor Vehicles may adjust this fee every five years on September 1, based on the U.S. Department of Labor, Bureau of Labor Statistics most current Consumer Price Index (some stipulations apply.)
- Accounts for 9.8% of the total State Road Fund.

**Motor Vehicle Registration Fees  
(Expressed in Millions)**





# West Virginia Lottery

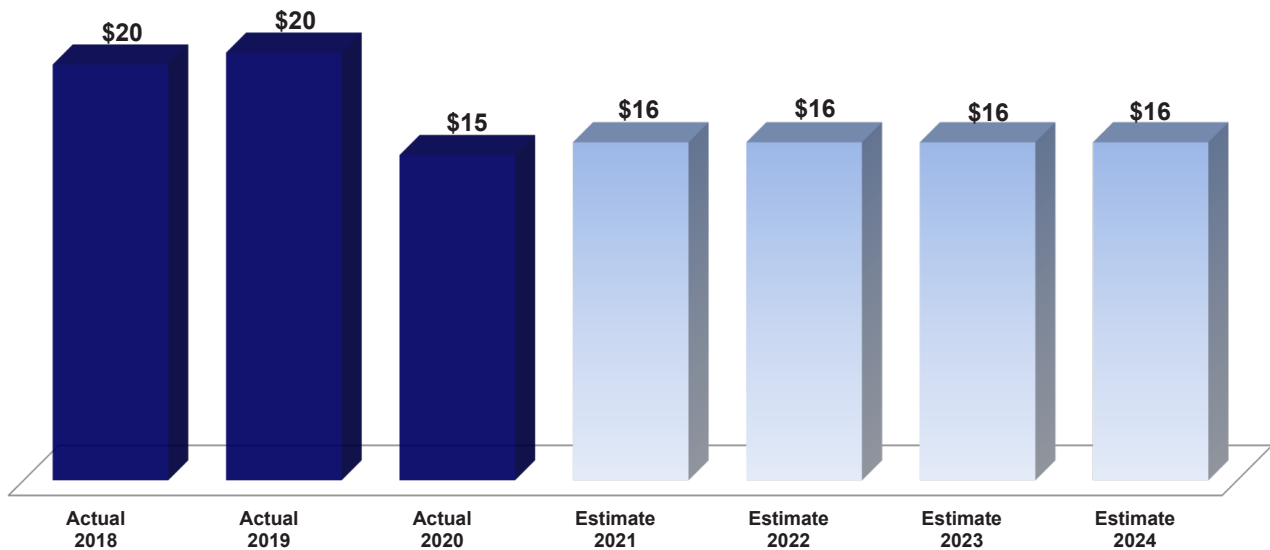
West Virginia Lottery gross revenue increased by 4.7% in FY 2019 and decreased by 16.4% in FY 2020. The decrease is primarily the result of the temporary closure of limited video lottery retailers and casinos in West Virginia in response to the COVID-19 pandemic. Gross revenues include ticket sales of online and instant games, Racetrack Video Lottery, Limited Video Lottery revenue, Table Games, Historic Resort Hotel revenues, and Sports Wagering revenue. Net revenues to the state increase by 4.4% in FY 2019 and decreased by 17.9% in FY 2020. Racetrack Video Lottery was relatively flat for FY 2019 and decreased by 24% during FY 2020. Limited Video Lottery decreased by 15.9% in FY 2020 and increased by 6.6% in FY 2019.

For FY 2021, the official estimate reflects an increase in gross revenue of 2.9% from FY 2020. Racetrack Video Lottery is projected to increase 15.3%. Limited Video Lottery is projected to increase by 6%. Table games revenue is projected to increase 1%. Historic Resort Hotel revenue is projected to decrease 15.8%. Sports Wagering is projected to increase by 176.4%. These increases are due to projected continuity of operations compared to the closure in the prior year due to COVID-19. Online sales are projected to decrease 1.3% and instant ticket sales are projected to decrease 38.1%.

In FY 2022, the gross revenue estimate is expected to remain level. Sales from all game types are projected to remain level.

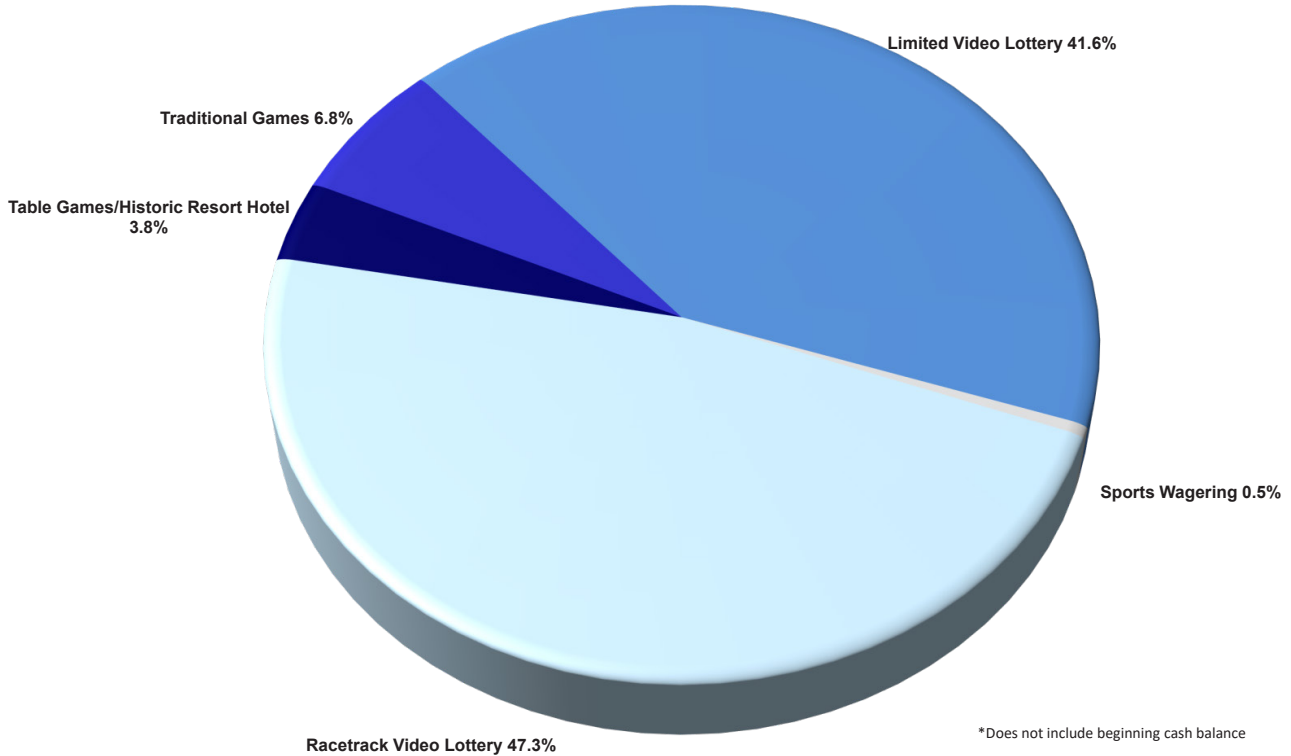
Net revenue, as indicated on the following pages, does not include the portion of lottery profits earmarked by statute for other purposes and not available for appropriation.

**West Virginia Lottery  
Table Games and Historic Resort Hotel Revenue Dedicated to State Debt Reduction  
(Expressed in Millions)**

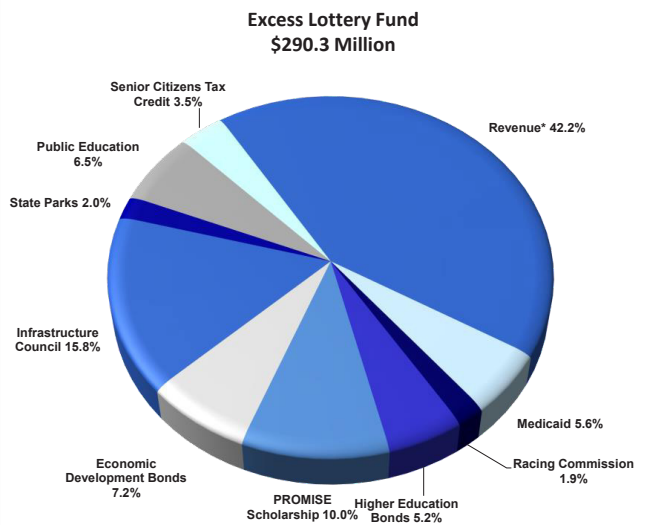
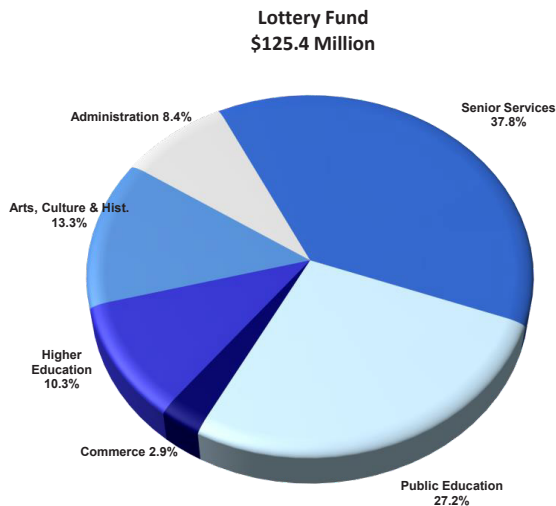


# West Virginia Lottery

**Sources of Revenue  
Fiscal Year 2022  
\$416 Million\*  
(Estimated)**



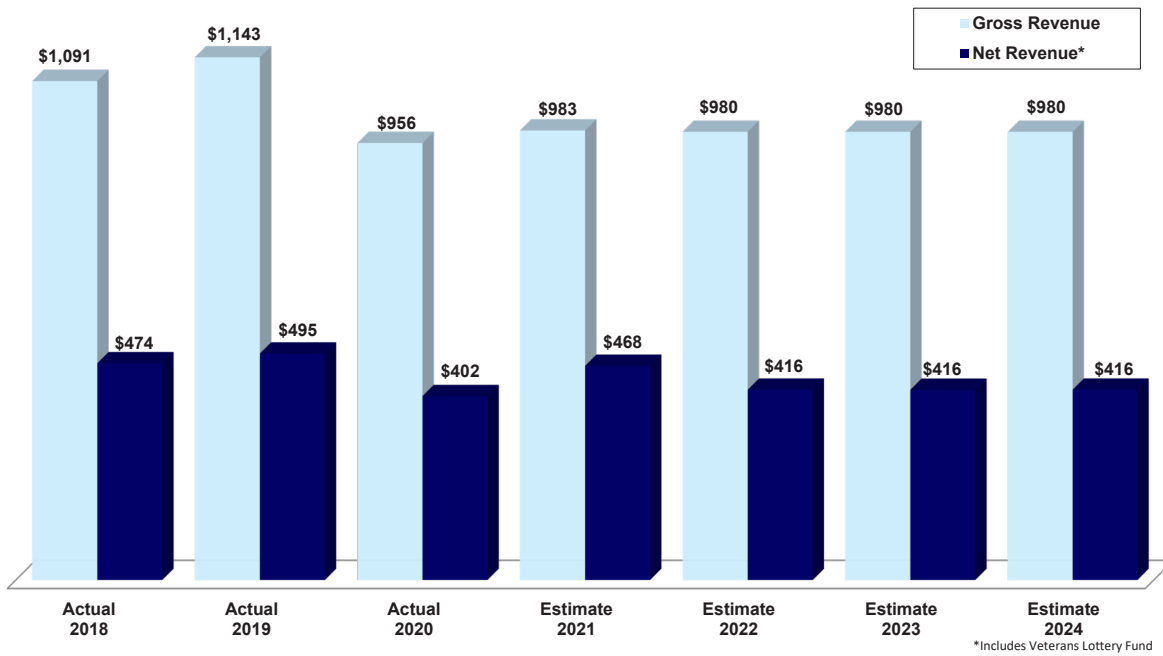
**Recommended Expenditures  
Fiscal Year 2022  
\$415.7 Million**



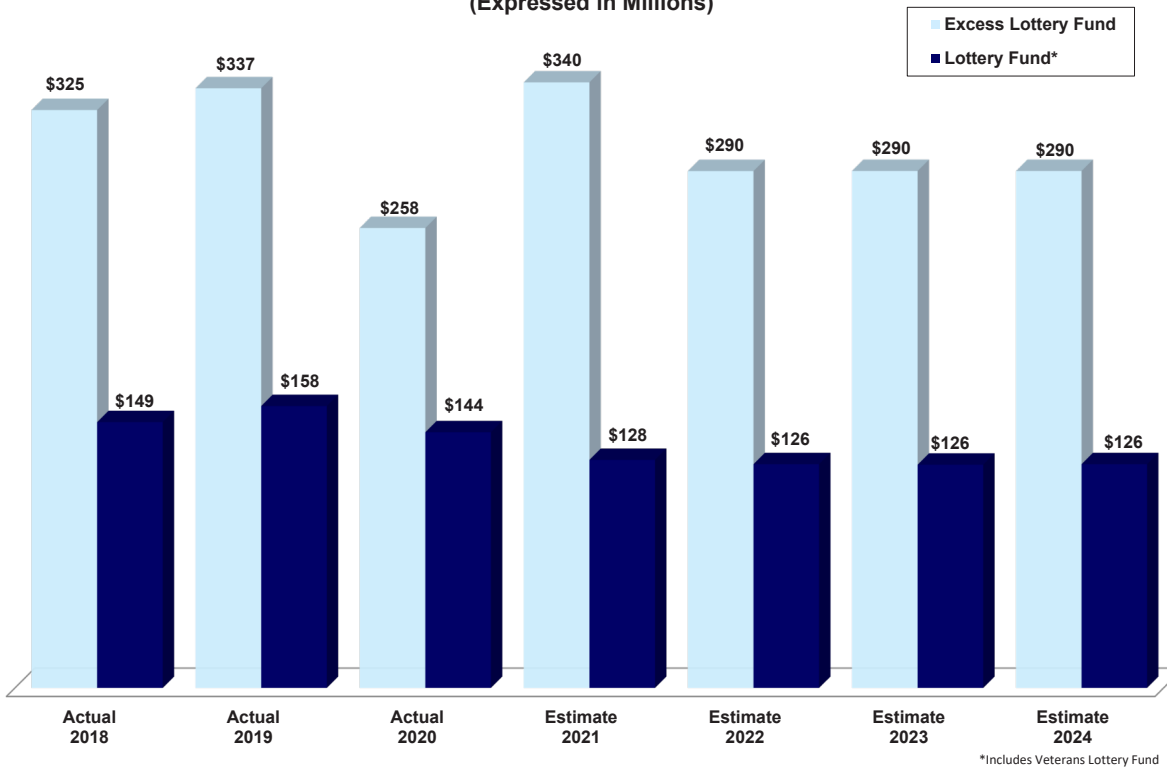
\* Includes \$65,000,000 transfer to General Revenue Fund

## West Virginia Lottery

**West Virginia Lottery  
Gross and Net Revenue  
(Expressed in Millions)**

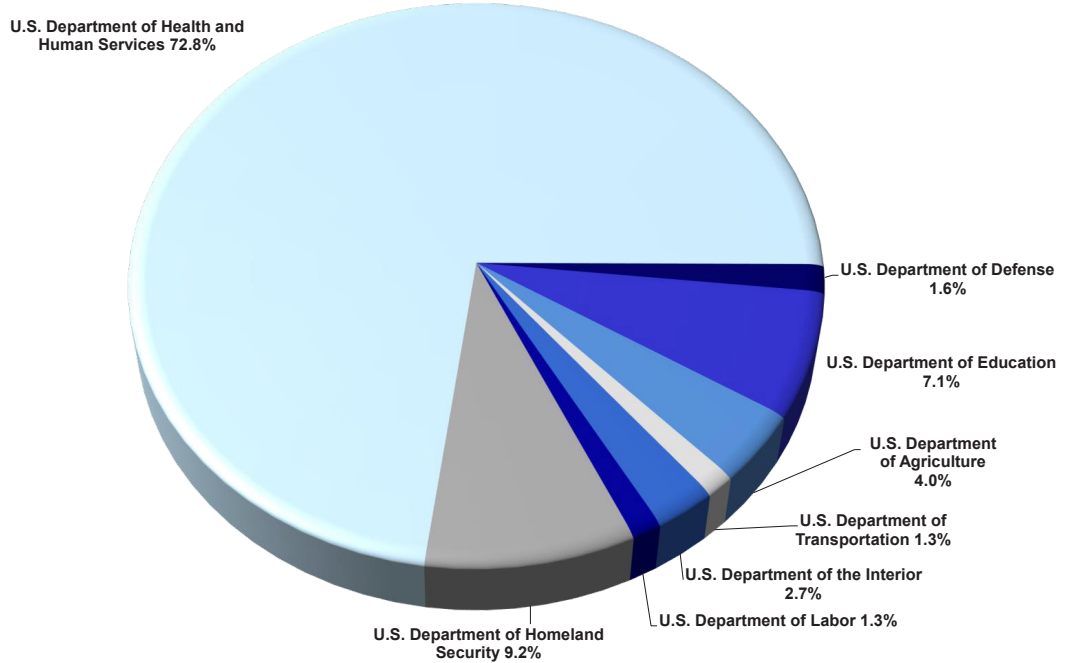


**West Virginia Lottery  
Net Revenue Distribution  
(Expressed in Millions)**

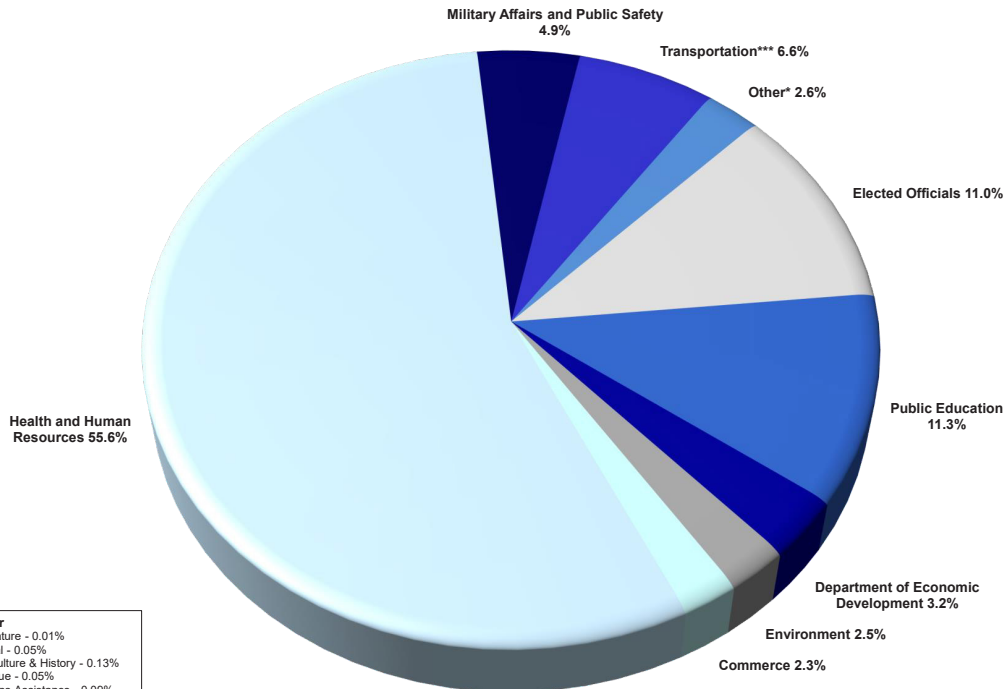


# Federal Funds

**Sources of Revenue**  
**Fiscal Year 2022**  
**\$7.462 Billion**  
**(Estimated)**



**Recommended Expenditures\*\***  
**Fiscal Year 2022**  
**\$8.469 Billion**



**\*Other**  
 Legislature - 0.01%  
 Judicial - 0.05%  
 Arts Culture & History - 0.13%  
 Revenue - 0.05%  
 Veterans Assistance - 0.09%  
 Senior Services - 0.15%  
 Higher Education - 0.90%  
 Misc. Boards - 1.25%

\*\*Expenditures include FY 2021 revenue and beginning balances.  
 \*\*\*Includes Federal Funds that are appropriated as part of the State Road Fund.

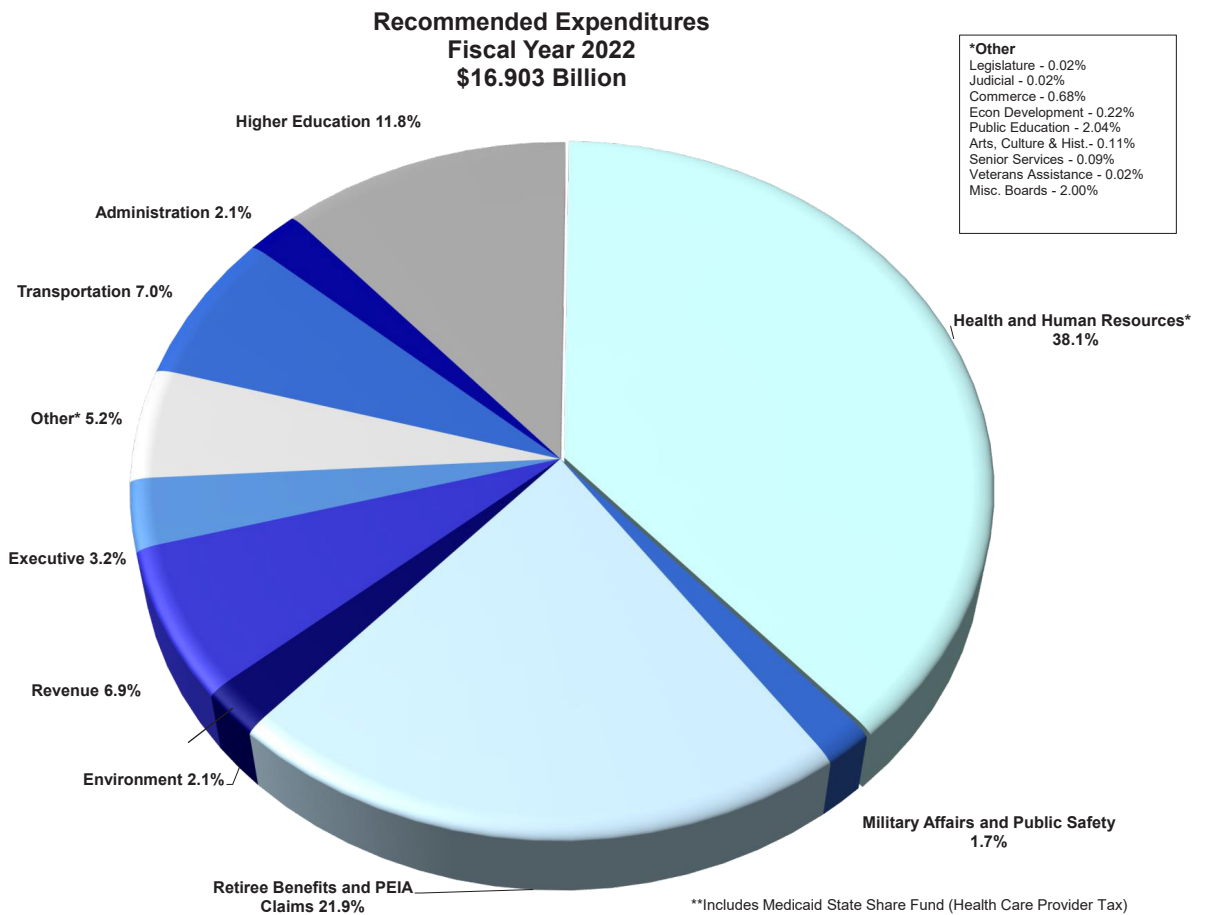
# Special Revenue Funds

**Includes:**

- Payments of claims from the Insurance Commissioner Workers' Compensation Trust Funds.
- Payments of retiree benefits from the Consolidated Public Retirement Board.
- Payments of claims from the Public Employees Insurance Agency.
- Payments of claims from the West Virginia Retiree Health Benefit Trust Fund.

**Does not include:**

- Appropriated Lottery Funds and State Road Fund which are depicted separately.



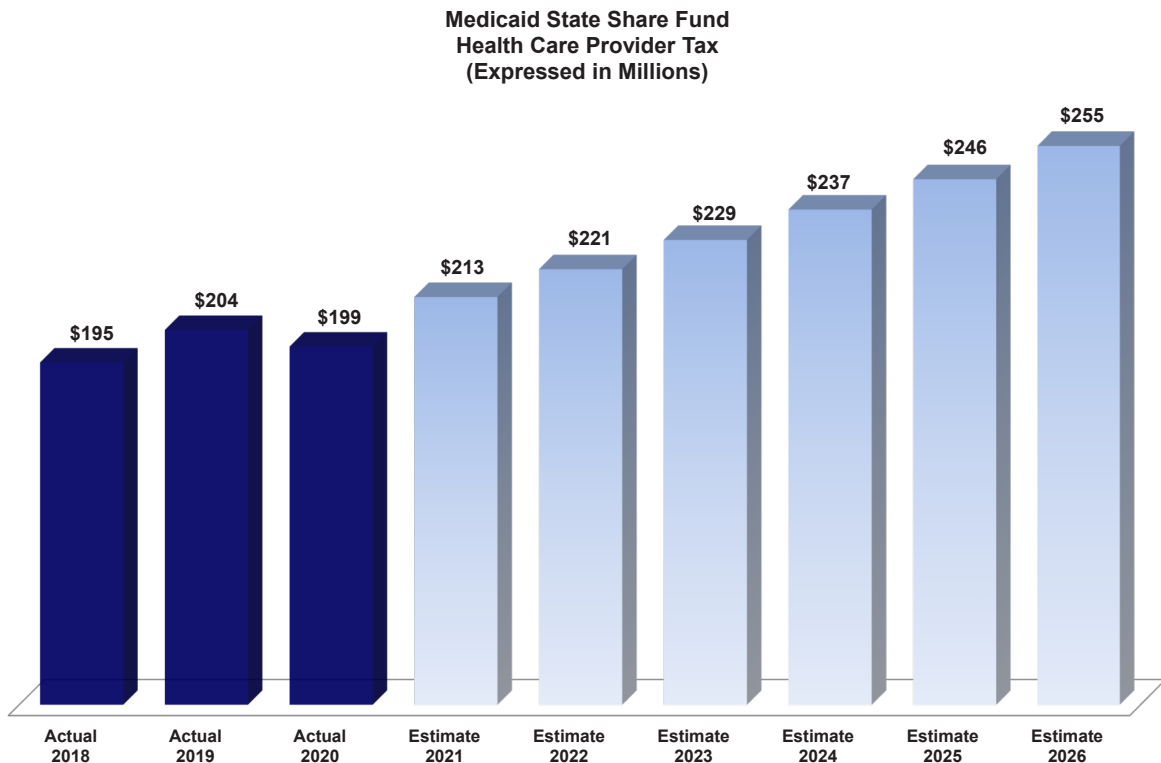
## Special Revenue Funds

# Medicaid State Share Fund

The Medicaid State Share Fund consists of provider taxes, paid by the various health care providers, to be utilized as matching funds for the Federal-State Medicaid Program. The provider taxes were initially enacted in 1993 as a funding mechanism to help supplement the State General Revenue Fund appropriation for the Medicaid Program. Current provider taxes apply to services of ambulatory surgical centers, independent laboratory and x-ray facilities, inpatient and outpatient hospitals, intermediate care facilities for mentally handicapped, nursing homes and managed care organizations.

The estimates for FY 2021 through FY 2026 assume that current federal regulations will remain largely unchanged for the forecast period. The Federal Medical Assistance Percentage (FMAP) of 74.94% in Federal FY (FFY) 2020 increased to 74.99% in FFY 2021 and is scheduled to decrease to 74.68% in FFY 2022. The Families First Coronavirus Response Act signed into law on March 18, 2020, provided states and territories with a temporary 6.2 percentage point increase in their regular FMAP. The temporary increase will expire after the declared COVID-19 Public Health Emergency ends. In FY 2020, the Medicaid State Share Fund generated \$199.2 million, or roughly 18% of the state matching funds for the Medicaid Program. As of November 2020, year-to-date collections were 8.0% above last year. From FY 2021 through FY 2026, the Medicaid State Share Fund is expected to increase by an average annual rate of 3.9%. The State imposes an additional temporary tax on acute care hospitals that provide inpatient or outpatient services with proceeds dedicated to the implementation of a hospital Medicaid upper payment limit program (this additional tax is scheduled to expire June 30, 2021). In 2019, the West Virginia Legislature imposed a contingent rate increase on certain eligible acute care hospitals of 0.13% of gross receipts which became effective on July 1, 2020 (this additional tax is scheduled to expire June 30, 2021.)

- 1.75% to 5.50% tax on gross receipts from various medical service providers in West Virginia.
- 0.75% tax on gross receipts of acute care hospitals (expires June 30, 2021.)
- 0.13% tax on gross receipts of acute care hospitals effective July 1, 2020 (expires June 30, 2021.)
- Accounts for 21% of state match for Medicaid Program.



# DEBT SUMMARY







# Debt Summary

More than 20 West Virginia spending units, including agencies, authorities, boards, and departments, have the authority to issue debt. The Legislature, through the Debt Management Act, created the Division of Debt Management in 1991 within the State Treasurer's Office. The Legislature created this division to maintain the strong financial management of the state, to meet the fiscal needs of state government, and to facilitate financing essential capital projects at the lowest possible cost to the citizens of the state. Additionally, the division is charged with regularly monitoring the amount of debt issued by the state and its spending units, ensuring the state and its spending units meet all debt service requirements, monitoring the credit rating of the state, and analyzing the acceptance of debt issued by the state and its spending units. The Debt Management Act is codified in W.Va. Code at §12-6a, et. seq.

The Division of Debt Management within the State Treasurer's Office acts as the central repository of information on debt issued by the state and its spending units. Among its duties, the division is authorized to evaluate debt service requirements and cash flow projections for existing debt and proposed issues, act as a liaison with the Legislature, assist in the issuance of debt, monitor continuing disclosure requirements and post-issuance compliance, and issue debt position and capacity reports.

## **State Indebtedness**

In 1997, the Division of Debt Management began issuing the annual debt capacity report to provide necessary information to the Governor and the Legislature so these entities may prudently manage the state's financial resources by attempting to keep within an average-to-low range of nationally recognized debt limits. The debt capacity report annually reviews the size and condition of the state's tax-supported debt, estimates the maximum amount of new tax-supported debt that prudently may be authorized for the next fiscal year, and explains the basis for the estimate. The division is also authorized to conduct ongoing reviews of the amount of bonds, notes, and other security obligations of the state's spending units.

## **Approval of State Bond Issues**

W.Va. Code § 5-1-28 provides that on and after February 1, 2005, bonds may not be issued or refunded by the state or any of its agencies, boards, or commissions without the express written direction of the Governor if either the ultimate user of the proceeds of the bonds is the state or its agencies, boards, commissions, or departments, or the issuance or refunding of the bonds affects the state's credit rating.

The State of West Virginia's commitment to fiscal integrity and economic development should enable it to continue experiencing growth and to continue meeting the needs of its citizens. At the same time, the state is committed to maintaining its moderate debt levels and debt management practices.

## **Ratings and Ratios**

As of June 30, 2020, the State of West Virginia's general obligation bond rating is Aa2/AA-/AA by Moody's Investors Service, Standard & Poor's, and Fitch Ratings, respectively.

On May 12, 2020, Moody's Investors Service released its "2020 State Debt Medians Report" comparing states on various debt ratios. The following tables compare West Virginia with other states of the same rating. These states, of course, differ from West Virginia in their fiscal composition, debt issuance practices, population, income levels, and other economic indicators; however, a comparison of debt ratios of the states demonstrates that West Virginia is currently within a moderate range of these key indicators.

## Debt Summary

Net Tax Supported Debt as a Percentage of Personal Income and Per Capita  
of Similarly Rated States (Rated Aa2 by Moody's Investors Service)  
(taken from Moody's Investors Service, 2020 State Debt Medians, May 2020)

% of Personal Income		Per Capita	
Oklahoma	0.7%	Oklahoma	\$337
Maine	1.9%	Maine	\$958
New Mexico	2.5%	New Mexico	\$1,117
Kansas	2.8%	Kansas	\$1,491
California	3.2%	West Virginia	\$1,700
West Virginia	4.0%	Mississippi	\$1,901
Rhode Island	4.1%	California	\$2,147
Mississippi	4.8%	Rhode Island	\$2,308

### Debt Limits

#### Short-Term Debt

The State Constitution does not permit the issuance of short-term general obligation debt except for ordinary expenses.

#### Long-Term Debt

The state has a constitutional limitation on its ability to incur debt as provided in Article X, Section 4, of its Constitution:

“No debt shall be contracted by the State, except to meet casual deficits in the revenue, to redeem a previous liability of the State, to suppress insurrection, repel invasion or defend the State in time of war; but the payment of any liability other than that for the ordinary expenses of the State shall be equally distributed over a period of at least twenty years.”

General obligation debt for other state purposes may only be authorized by constitutional amendment. Two-thirds of the members of both the Senate and House of Delegates must approve a proposed amendment before it can be submitted to the voters for ratification or rejection. Upon approval of a constitutional amendment authorizing the issuance of general obligation debt, specific enabling legislation must be passed by both houses of the Legislature providing for the issuance of such debt.

#### Debt Policy

The State of West Virginia has various debt policies set forth in West Virginia Code. However, there is currently no centralized debt management policy for all state entities; instead, each bonding authority has individual policies.

Neither the West Virginia Constitution nor the laws of West Virginia establish a general limit on all types of debt. For general obligation bonds, the limits are established in the amendment authorizing the debt. For revenue bonds, mortgages, and other debt obligations, limits are established at the individual issuer level either by establishing a dollar ceiling on the total outstanding principal or setting the amount of the appropriation for debt-service.

## Debt Summary

### State of West Virginia Bond Issuing Authorities

Issuing Authority	Debt Limit (Cap)
Governor	Per constitutional amendment
Armory Board	Per available revenues
Community Infrastructure Authority	Per available revenues
Division of Natural Resources, Director	Per available revenues
Economic Development Authority	N/A
Economic Development Authority Grant Committee	Per authorized projects
Education, Board of	Per available revenues
Governing Board of Higher Education	Per available revenues
Hatfield-McCoy Regional Recreation Authority	Per available revenues
Higher Education Policy Commission	Various—Per available revenues
Highway Commissioner	Per available revenues
Hospital Finance Authority	N/A
Housing Development Fund	N/A
Independent Higher Education Loan Bond Program	\$30 million
Infrastructure and Jobs Development Council	Per available revenues
Outdoor Heritage Conservation Board	Per available revenues
Parkway Authority	Per available revenues
Public Energy Authority	N/A
Public Port Authority	Per available revenues
Rail Authority	Per available revenues
Division of Corrections and Rehabilitation	Various—per project and available revenues
Solid Waste Management Board	\$100 million
School Building Authority	Per appropriation and available revenues
Tobacco Settlement Finance Authority	Per available revenues
Water Development Authority	Per available revenues

## *Debt Summary*

# General Obligation Bonds

General obligation bonds pledging the full faith and credit of the state may be authorized only by constitutional amendment. Each amendment must be approved by two-thirds of both houses of the Legislature before submission to the voters for ratification or rejection. Enabling legislation is then required for amendments receiving voter approval. As of June 30, 2020, \$1,597,006,000 (net of advance refunded bonds) is outstanding in general obligation bonds.

### General Obligation Bonds Outstanding June 30, 2020

Amendment	Principal Outstanding June 30, 2020 (in thousands)	Payable From
Infrastructure Improvement Amendment of 1994	(net) \$131,721	Severance Tax
Safe Roads Amendment of 1996	(net) \$100,830	Road Fund
Roads to Prosperity Amendment of 2017	(net) \$1,364,455	Road Fund

### *Issued General Obligation Bonds*

#### **1950 Veterans Bonus Amendment**

The 1950 amendment authorized general obligation bonds to be issued in an amount not to exceed \$90 million for the purpose of paying a bonus to veterans of World War I and World War II. In 1951 and 1952, \$67.5 million were sold and have been retired.

#### **1956 Korean Veterans Bonus Amendment**

The 1956 amendment authorized general obligation bonds to be issued in an amount not to exceed \$90 million for the purpose of paying a bonus to veterans of the Korean Conflict. In 1957 and 1958, \$21.652 million were sold, and \$11 million were refunded in 1962. All outstanding bonds have been retired.

#### **1972 Better School Building Amendment**

The 1972 amendment authorized \$200 million in general obligation bonds to be distributed to the county boards of education for the construction, renovation, remodeling, and equipping of elementary and secondary public school buildings or facilities. All outstanding bonds have been retired.

#### **1973 Better Highways Amendment**

General obligation bonds were authorized to be issued in an amount not to exceed \$500 million, with \$230 million for bridge replacement and improvement, \$130 million for completion of the Appalachian Highway System, \$50 million for upgrading sections of trunkline and feeder systems, \$50 million for upgrading West Virginia Route 2, \$100 million for upgrading state and local service roads, and \$50 million for construction, reconstruction, improving, and upgrading of U.S. Route 52 between Huntington and Bluefield. All outstanding bonds have been retired.

#### **1994 Infrastructure Improvement Amendment**

The 1994 amendment authorized \$300 million in general obligation bonds for construction, repair, and improvement of water supply and sewage treatment systems and for the acquisition, preparation, construction, and improvement of economic development sites. Severance taxes have been dedicated to fund repayment of the bonds. Enabling legislation was enacted in 1995. Litigation challenging the passage of the amendment was decided on December 14, 1995 with the West Virginia Supreme Court of Appeals validating the amendment. The initial issue of \$60 million was

## *Debt Summary*

### *General Obligation Bonds*

sold May 22, 1996 and the second issue of \$57 million was sold December 10, 1996. An issuance of approximately \$92 million occurred in February 1998. The final issue of approximately \$91 million was in May 1999, bringing the aggregate amount of bonds to the authorized \$300 million amount. By structuring one of the issues with capital appreciation bonds to minimize debt service over the next six years, an additional \$50 million was available for projects.

#### **1996 Safe Roads Amendment**

The 1996 amendment authorized \$550 million in general obligation bonds to match available federal funds for highway construction or improvements in each of the state's 55 counties. The legislation authorizing the amendment specified the bonds to be sold over a five-year period in increments of \$110 million each. The bonds are payable from the State Road Fund. Enabling legislation passed during the 1997 legislative session. The first issuance of \$220 million in Road Bonds occurred in July 1998; additionally, three separate issuances of \$110 million occurred in July 1999, 2000, and 2001, respectively. In May 2005, the state issued \$321.4 million of refunding bonds of approximately \$320 million of the previously issued bonds. In July 2010, the state refunded another \$37 million of Safe Road bonds providing the state with a net present value savings of more than \$4 million. The state issued more than \$133 million of refunding bonds in April 2015 considering favorable interest rates at this time. The most recent refunding provided the state with a net present value savings of more than 13.9% of the refunded bonds. At June 30, 2020, \$100,830,000 is outstanding. The bonds will be fully retired by 2025.

#### **2017 Roads to Prosperity Amendment**

The Roads to Prosperity Amendment of 2017 authorized bonds in the aggregate amount of \$1.6 billion to be issued over a four-year period, as follows: July 1, 2017, (FY 2018) an amount not to exceed \$800 million; July 1, 2018, (FY 2019) an amount not to exceed \$400 million; July 1, 2019, (FY 2020) an amount not to exceed \$200 million; and July 1, 2020, (FY 2021) an amount not to exceed \$200 million. Bonds not issued may be carried forward and issued in any subsequent year before July 1, 2021. Proceeds are to be used to match federal funds for highway and bridge construction as well as for general highway, secondary road and bridge construction, and improvements in each of the State's 55 counties. The initial \$800 million occurred on June 7, 2018. On December 17, 2019, an additional \$600 million was issued. As of June 30, 2020, \$1,364,455,000 is outstanding. Debt service on these issue bonds is approximately \$85.4 million for FY 2021. The final maturity is in 2044.

*Debt Summary*  
*General Obligation Bonds*

***Authorized But Unissued General Obligation Bonds***

**1973 Vietnam Veterans Bonus Amendment**

This amendment authorized general obligation bonds to be issued in an amount not to exceed \$40 million to pay a bonus to veterans of the Vietnam Conflict. However, General Revenue Funds were appropriated to pay the bonuses in lieu of the issuance of bonds.

**1992 Veterans Bonus Amendment**

This amendment authorized general obligation bonds to be issued in an amount not to exceed \$4 million to pay a bonus to veterans who served in conflicts in the Persian Gulf, Lebanon, Grenada, and Panama. However, General Revenue Funds were appropriated to pay the bonuses in lieu of the issuance of the bonds.

**2004 Veterans Bonus Amendment**

This amendment authorized general obligation bonds to be issued in an amount not to exceed \$8 million to pay a bonus to veterans who served in Kosovo, Afghanistan, and Iraq. However, General Revenue Funds were appropriated to pay the bonuses in lieu of the issuance of the bonds.

*Debt Summary*  
**General Obligation Debt**  
**Outstanding at June 30, 2020**  
 (Expressed in Thousands)

	<b>Final Maturity Date</b>	<b>Interest Rate(s)%</b>	<b>06/30/20 Balance*</b>
<b>Road Bonds</b>			
(Payable from State Road Fund)			
Issued Under:			
1996 Amendment	2025	4.00 - 5.00	100,830
2017 Amendment	2044	2.00 - 5.00	1,364,455
<b>Infrastructure Bonds</b>			
(Payable from dedicated Severance Tax revenues)			
Issued Under:			
1994 Amendment (net)	2027	2.00 - 7.625	131,721
<b>TOTAL</b>			<b>\$1,597,006</b>

### Summary of Debt Service Requirements

Future amounts required to pay principal and interest on general obligation debt at June 30, 2020, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Amount to be accrued	Total
2021	55,520	74,876	155	130,551
2022	57,075	72,889	610	130,574
2023	74,470	70,331	1,035	145,836
2024	77,474	67,065	1,556	146,095
2025	80,490	63,635	1,970	146,095
2026-2030	267,267	275,565	5,073	547,905
2031-2035	292,970	210,512	-	503,482
2036-2040	374,920	128,567	-	503,487
2041-2044	316,820	30,544	-	347,364
<b>TOTAL</b>	<b>\$1,597,006</b>	<b>\$993,984</b>	<b>\$10,399</b>	<b>\$2,601,389</b>

\* Balances do not include unamortized discounts/premiums/issuance costs.

# Revenue Bonds

Revenue bonds are issued by various state spending units, including departments, agencies, and authorities' part of the primary government pursuant to specific statutory provisions enacted by the Legislature. Principal and interest payments are made from dedicated fees and other revenues. Revenue bonds do not constitute general debt of the state.

Certain revenue bonds have call provisions providing for redemption at the option of the state, beginning 10 years following the date of issuance, in whole or in part, and in inverse order of maturity. Certain revenue bonds pay a redemption price not exceeding 103% of par value.

Approximately \$1.8 billion in revenue bonds are outstanding at June 30, 2020. The information provided below is a brief review of each issuer.

## **Tobacco Settlement Finance Authority**

The Tobacco Settlement Finance Authority was created to issue special revenue obligation bonds payable from, and secured by, the State of West Virginia's right, title, and interest to tobacco settlement revenue. This revenue is received under the terms of the master settlement agreement between participating tobacco product manufacturers, 46 states, and six other U.S. jurisdictions. In June 2007, the Authority issued \$1.1 billion (accrued value) in two different series of bonds anticipated to mature in 2047. The proceeds of the first two series of bonds were directed to the West Virginia Teachers' Retirement System. At June 30, 2020, the principal outstanding on the bonds totaled approximately \$805 million.

## **West Virginia Commissioner of Highways**

The Commissioner of Highways issued special obligation notes in the form of Grant Anticipation Revenue Vehicles ("GARVEEs") during FY 2018 and FY 2019. The issuance of GARVEEs requires highway projects be approved as a federal aid debt-financed (bond, certificate, note, or other debt instrument) project to receive payments for eligible debt-related costs. Once a project is selected for bond financing, the project is submitted to the Federal Highway Administration for approval as an advance construction project. The advance construction designation will ensure the project follows federal aid procedures and will preserve the eligibility to reimburse debt-related costs with future federal aid funds. At June 30, 2020, the principal outstanding on the notes totaled more than \$265 million. The notes are expected to mature in September 2033.

## **West Virginia Infrastructure and Jobs Development Council**

The West Virginia Infrastructure and Jobs Development Council reviews preliminary applications for wastewater facilities, water facilities, a combination of projects of wastewater/water facilities, or infrastructure projects seeking state funding. The Council makes written recommendations as to the infrastructure project financing in terms of the kind, amount, source of funding which the project sponsor should pursue, and which projects the state infrastructure agency or agencies should consider an appropriate investment of public funds. Alternatively, the Council may make a determination including: the project or infrastructure project is not eligible for funding assistance from any state infrastructure agency, the infrastructure project is not otherwise an appropriate or prudent investment of state funds, or the project sponsor not seek funding from any state infrastructure agency. The primary source of repayment for the revenue bonds is the receipt of repayments of principal and interest on a set of loans, known as defined loans, previously made to projects from general obligation bond proceeds. The Council also issued Excess Lottery Revenue Bonds for the Chesapeake Bay and Greenbrier River projects. At June 30, 2020, the Council's outstanding bonds totaled more than \$151 million.

## **Economic Development Grant Committee/Economic Development Authority**

The West Virginia Economic Development Grant Committee's purpose is to issue economic development grants throughout the State of West Virginia. During FY 2004, the Economic Development Authority issued bonds totaling more than \$249.8 million to fund the grants of the Committee. The bonds are secured by an annual pledge of \$21 million from the Excess Lottery Fund. At June 30, 2020, \$177 million in bond obligations are outstanding.



## *Debt Summary*

### *Revenue Bonds*

During FY 2011, the Economic Development Authority issued \$155.6 million of Lottery Revenue Bonds. The bonds were issued to finance various projects including the following:

- Renovations and repairs at various colleges and universities
- Building renovation of the West Virginia Education, Research, and Technology Park for the Higher Education Policy Commission
- Various renovations at the Capitol complex
- Various renovations at state parks throughout West Virginia

As of June 30, 2020, approximately \$134 million in bond obligations are outstanding. The bonds have a level debt service of approximately \$9.9 million until maturity on June 15, 2040.

#### **School Building Authority Capital Improvement Revenue Bonds**

The School Building Authority Capital Improvement Revenue bonds utilizing General Revenue appropriations for repayment consist of one refunding issuance. The principal outstanding on the bond's totals \$61.9 million as of June 30, 2020. No new money bonds may be issued utilizing General Revenue appropriations for repayment.

#### **School Building Authority Lottery and Excess Lottery Revenue Bonds**

The West Virginia School Building Authority was the first West Virginia state agency to issue bonds backed by revenues from the West Virginia Lottery. The first Lottery Revenue Bonds occurred in 1994 in the amount of \$135.6 million, maturing in 2004. Since 2004, the Authority has issued more than five other series of bonds, with the most recent in April 2018. The proceeds of all issues fund capital improvement projects at various primary and secondary schools throughout West Virginia. The principal outstanding on all Lottery Bonds of the School Building Authority is \$120 million at June 30, 2020.

The School Building Authority also issued more than \$190 million in revenue bonds backed by certain funds from the Excess Lottery Revenue Fund. The principal outstanding on these bonds is approximately \$72 million (net) as of June 30, 2020.

Three additional series of Excess Lottery Revenue Bonds have been issued as Qualified School Construction Bonds (QSCBs). QSCBs are federal tax credit bonds, therefore, in lieu of receiving interest, purchasers of the bonds receive a tax credit in the amount established by the Internal Revenue Service. Additionally, the School Building Authority will only be repaying the principal on the bonds, not any interest. The principal outstanding on all QSCBs backed by the West Virginia Excess Lottery Revenue Fund is approximately \$60 million as of June 30, 2020 (net of debt service sinking funds).

*Debt Summary*  
**Revenue Bonds**  
**Outstanding at June 30, 2020**  
 (Expressed in Thousands)

	Issue Date	Final Maturity Date	Interest Rate(s)%	Balance
School Building Authority	2007	2022	3.82 - 4.37	61,921
School Building Authority (Lottery)	2012, 2013, 2014, 2016 & 2018	2033	2.68 - 2.85	119,965
School Building Authority (Excess Lottery)	2008, 2010 & 2015	2030	2.52 - 4.78	71,800
School Building Authority QSCBs (Excess Lottery)	2009 & 2010	2027	-	150,480
Tobacco Settlement Finance Authority*	2007	2047	7.467 - 8.5	805,067
Highways, Commissioner of	2017	2033	2.15 - 2.21	265,720
WV Infrastructure and Jobs Development Council	2012, 2014 & 2016	2045	2.00 - 5.00	151,545
Education, Arts, Sciences, and Tourism Fund (Lottery)	2017	2040	3.02	133,780
Economic Development Authority (Excess Lottery)	2004 & 2017	2040	2.03 - 5.63	<u>176,850</u>
Subtotal				1,937,128
Less: School Building Authority Debt Service Reserve Fund				(61,921)
Debt Service Sinking Fund - QSCBs (Excess Lottery)				(90,645)
Economic Development Authority Debt Service Reserve Fund (Excess Lottery)				<u>(26,364)</u>
Net revenue bonds outstanding				<u><u>\$1,758,198</u></u>

**Summary of Debt Service Requirements**

Future amounts required to pay principal and interest on revenue bonds at June 30, 2020, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	Principal	Interest	Amount to be accreted	Total
2021	97,840	91,920	16,734	206,494
2022	105,570	83,254	18,186	207,010
2023	112,265	77,300	19,765	209,330
2024	120,200	70,910	21,480	212,590
2025	124,980	64,081	23,345	212,406
2026-2030	638,555	207,865	150,872	997,292
2031-2035	288,960	47,794	166,612	503,366
2036-2040	283,077	13,404	53,286	349,767
2041-2045	12,340	1,226	-	13,566
2046-2050	775	19	-	794
2051-2055	-	-	-	-
	<u>\$1,784,562</u>	<u>\$657,773</u>	<u>\$470,280</u>	<u>\$2,912,615</u>

\*Balance represents accreted value of bonds and does not include unamortized discounts/premiums/issuance costs.

*Debt Summary*

# Leases and Notes Payable

The State of West Virginia depends on lease and notes payable obligations to finance projects, such as capital improvements, large purchases of computer equipment, and vehicles. Approximately \$240 million in lease obligations are outstanding as of June 30, 2020.



# ECONOMIC FORECAST





# WEST VIRGINIA ECONOMIC FORECAST

The Economic Forecast is excerpted from the  
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P.O. Box 6527, Morgantown, WV 26506-6527  
(304) 293-7831 | [bebureau@mail.wvu.edu](mailto:bebureau@mail.wvu.edu)

The full document is available online  
<http://www.be.wvu.edu/bber/index.htm>

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# 2021 West Virginia Economic Forecast

## EXECUTIVE SUMMARY

West Virginia's economy continues to recover from the initial response to the COVID-19 pandemic, when shelter-in-place orders and broad shutdowns caused state employers to shed jobs at a dramatic pace between mid-February and mid-April 2020. As shelter-in-place orders ended and businesses could re-open at various levels of maximum capacity (depending upon their sectors), employers managed to bring back more than half of the jobs they had previously eliminated by mid-August. Although the state has shown some economic resiliency since March and April, West Virginia's economy was on somewhat shaky ground before the pandemic started. Payrolls fell during much of 2019 as pipeline construction projects were completed or delayed by legal challenges and few sectors or regions registered enough growth to pick up the slack caused by abrupt loss in economic activity. Overall, this report provides a foundation to understand the long-run economic challenges and opportunities facing West Virginia.

Highlights related to West Virginia's recent economic performance are as follows:

- After losing nearly 94,000 jobs (13%) between mid-February and mid-April, employment in the state rebounded by 57,000 over the mid-April to mid-August time period.
- Sectors most affected by social distancing requirements, namely retail and leisure and hospitality, have experienced the most volatility since the pandemic began. Healthcare services also saw some disruption as providers delayed non-emergent care and routine appointments to limit spread of the virus and allow hospitals to surge bed and ICU capacity.
- The state's unemployment rate surged to nearly 16% in mid-April (rising from just under 5 percent), but has quickly reversed course in the months since, falling to just below 9% in mid-August.
- Only 55% of West Virginia's adult population is either working or looking for work. Though an improvement from recent years, this remains the lowest rate of labor force participation among all 50 states and represents a major obstacle to future economic prosperity.
- Per capita personal income in West Virginia increased 3.5% in 2019, marking an appreciable slowdown from the 5.9 rate of growth observed in 2018. Per capita personal income in West Virginia stands at 76% or so of the national average.

FIGURE ES.1: West Virginia and US Forecast Summary

	West Virginia		United States	
	2009-2019	2020-2025	2009-2019	2020-2025
Population (average annual growth, %)	-0.3	-0.2	0.7	0.7
Employment (average annual growth, %)	-0.5	1.0	1.4	2.1
Real GDP (average annual growth, %)	0.7	1.4	2.3	3.0
Unemployment Rate (annual average at end of time period, %)	5.1	5.5	3.5	3.6
Real Per Capita Personal Income (average annual growth, %)*	0.7	1.0	1.9	1.7

Sources: US Census Bureau; US Bureau of Labor Statistics; US Bureau of Economic Analysis; WVU BBER Econometric Model; IHS Markit  
 \*Note: Per Capital Income Growth covers 2021-2025

- West Virginia's real GDP rose 1% in 2019, a more than one percentage point drop in the rate of real output growth observed in 2018. The state's economic volatility in recent years has been driven largely by natural gas pipeline construction and energy extraction.
- Exports from West Virginia declined in 2019 as global demand for coal, the state's chief export commodity, weakened significantly as the year progressed. Given the global impact of the COVID-19 pandemic on economic activity, exports fell even more sharply in the first half of 2020. Expanding and diversifying the state's export portfolio is of vital importance to economic development in West Virginia over the long run.

The energy sector is an important driver of economic activity in the state:

- Coal output dipped slightly in 2019, falling to 93 million short tons. However, market conditions differed dramatically between the first and second halves of 2019 as exports slumped and domestic power plants continued to retire coal capacity. Output during 2020 will likely fall to a low not seen in many decades due to the pandemic but will show moderate gains in 2021 and 2022 thanks to a rebound in global coal demand and new met coal mine capacity.



## 2021 West Virginia Economic Forecast Executive Summary

- Given the massive decline in domestic coal use over the past decade, and the fact that it is expected to continue going forward, coal production in West Virginia will likely display even greater volatility from year-to-year as it becomes increasingly attached to the changing global energy and climate policy landscape as well as the global business cycle.
- Natural gas output has expanded at a double-digit rate since late-2016, though withdrawals increased very rapidly in late-2019 to mid-2020. After another anticipated double-digit gain in 2020, production is expected to dip in 2021 due to recent pullbacks in exploration and new drilling activity. The emergence of downstream manufacturing in the Appalachian Basin will support long-term supply growth in West Virginia.

Highlights related to West Virginia's economic outlook are as follows:

- Employment in West Virginia is expected to reach pre-pandemic levels by late-2022, estimated to increase nearly 1% per year on average through 2025, compared to an expectation of 2% for the nation.
- We anticipate growth to occur in energy extraction activity over the forecast horizon; however, despite the likely uptick in coal output over the middle portion of the outlook period, natural gas will account for most of these gains.
- The construction sector will experience some volatility during the outlook period as most of the growth will be tied to public spending on big infrastructure projects. Legal and regulatory challenges remain a downside risk for completion of the Mountain Valley Pipeline and a handful of proposed pipeline projects.
- Manufacturing will trail broader job growth over the five-year forecast horizon, but among the major subsectors, aerospace, automotive equipment and chemicals will be the leaders in job growth going forward.
- The state's unemployment rate is expected to fall sharply during the first few years of the outlook period before settling in the mid-5% range in late-2023.
- After excluding the extraordinary levels of transfer payments in 2020 associated with the federal government's pandemic support programs, real per capita personal income is expected to grow nearly 1% annually between 2021 and 2025.

The Mountain State's underlying demographics remain a major limiting factor to growth moving forward. Consider the following:

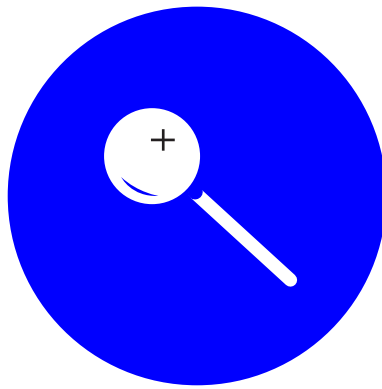
- West Virginia's population has declined by nearly 65,000 since 2012. We project a slower rate of population losses over the next couple of years that will pick back up over the longer term as the state's economy lags broader regional averages.
- A positive shock to encourage in-migration is essential to lessen the severity of natural population decline.
- The state has one of the nation's oldest populations and will see its age distribution continue to skew toward older age groups in coming years.
- Economic development strategies should focus on ways to improve health outcomes, lower drug abuse, and advance educational and vocational training opportunities in the state to make West Virginia's workforce more attractive to potential businesses.

Economic performance is expected to remain extremely variable across West Virginia's counties. Consider the following:

- Nearly a dozen counties are expected to either lose jobs or record growth that is less than one-half that of the statewide average. The highest rates of job growth tend to be in the northern half of the state.
- While the state overall is expected to lose population in coming years, around a dozen counties are expected to add residents during the outlook period. Population gains will be heavily concentrated in North-Central West Virginia and the Eastern Panhandle.
- Policymakers should be keenly aware of significant economic differences across West Virginia and ensure that economic development strategies consider each region's specific strengths and weaknesses.



# APPENDICES





# Glossary

## A

**Accrual** - An accounting method that reports income when earned and expenses when incurred.

**Activity** - (See “Appropriation.”)

**Agency** - An organizational unit of state government, usually a department, bureau, commission, board, or a subdivision within a department or bureau.

**Annual Increment** - Funds appropriated for eligible employees and paid once annually at the rate of \$60 per full year of service with a minimum of three years of full-time equivalent service as of July 1.

**Appropriated Special Fund** - Consists of accounts that generate revenue from established rates or fees and must be expended for a specific purpose; amount authorized for expenditure is specifically contained in the budget bill.

**Appropriation** - A legal authorization to incur obligations and to make expenditures for specific purposes listed in the budget bill, such as Current Expenses, Equipment, and Capital Outlay.

## B

**Balanced Budget** - A budget in which the estimated revenues plus unappropriated fund balances are equal to or greater than the appropriations.

**Base Budget** - The amount required for ongoing expenditures for current programs—does not contain items of a onetime nature.

**Bond** - A long-term IOU or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds (which can be general obligation or revenue bonds) are used to finance capital projects.

**Budget** - A plan of financial activity for a specified period (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

**Budget Act/Budget Bill** - The legislation that appropriates the expenditures required to operate state government for each fiscal year.

**Budgetary Basis** - The basis of accounting used to estimate financing sources and uses in the budget. West Virginia’s annual budget is prepared on a cash basis.

**Budgetary Control** - The control or management of a government in accordance with the approved budget for keeping expenditures within the limitations of available appropriations and resources.

**Buildings** - Expenditures for new construction and major alteration of existing structures, or the improvement of lands and can include shelter, support, storage, protection, or the improvement of a natural condition.

**Bureau** - An organizational unit of state government established by law and headed by a commissioner or other statutory officer of an agency within that bureau, such as the Bureau of Senior Services.

## C

**Cabinet** - An organizational unit of state government that can be headed by a department cabinet secretary or individual agencies grouped for organizational reporting purposes, such as Miscellaneous Boards and Commissions.

**Capital Improvements/Programs/Expenditures** - Related to the acquisition, expansion, or rehabilitation of an element of the government’s physical plant, sometimes referred to as infrastructure. New construction, renovation, or repairs of \$100,000 or more and major equipment purchases of like equipment of \$50,000 or more are considered to be capital improvement programs for budgetary purposes.

**Cash Basis** - A basis of accounting in which transactions are recognized only when cash is increased or decreased (revenue received and expenses paid).

**Civil Contingent Fund** - The civil contingent fund is appropriated by the Legislature to the Governor to be available for payment of expenses incurred when executing a law for which there is no specific

## Appendix A/Glossary

appropriation or any other expenses for which the Governor deems necessary or proper, such as unanticipated emergencies.

**Commission** - An organizational unit of state government established by law that is headed by a group of persons directed to perform a specific duty, such as the Higher Education Policy Commission or Public Service Commission.

**Current Expenses** - Expenditures for operating costs other than personal services or employee benefits. Equipment, repairs and alterations, buildings, other assets, or lands are not included.

**Current Level** - Normally refers to the total dollars (less onetime appropriations) in the current fiscal year which are available for the next fiscal year. For FY 2021, the “current level” is defined as 100% of the FY 2020 base budget for the General Revenue Fund and Regular Lottery fund appropriations.

## D

**Debt Service** - The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

**Department** - An organizational unit of state government established by law and headed by a cabinet secretary or department head, such as the Department of Administration, Department of Education, or Department of Revenue.

**Disbursement** - The expenditure of monies from an account.

**Division** - Each primary entity of government which receives an appropriation in the budget bill. Also may be referred to as an agency or organization.

## E

**Employee Benefits** - Expenditures for social security matching, workers’ compensation, unemployment compensation, pension and retirement contributions, public employees’ insurance matching, OPEB, personnel fees, or any other benefit normally paid by the employer as a direct cost of employment.

**Encumbrance** - The commitment of funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

**Enterprise Funds** - These funds are used to account for operations of those state agencies providing goods or services to the general public on a user-charge basis, or where the State has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples include the West Virginia Lottery, Board of Risk and Insurance Management, Public Employees’ Insurance Agency, and the West Virginia Prepaid College Plan.

**Equipment** - Expenditures for equipment items which have an appreciable and calculable period of usefulness in excess of one year.

**Excess Lottery** - A Special Revenue fund that supports items set by statute such as the senior citizens tax credit, college scholarships for West Virginia students, capital projects and improvements for public and higher education and for state parks, bond backing for economic development endeavors, infrastructure projects (including water and sewer projects), additional transfers to General Revenue to support the ongoing operations of the General Revenue Fund (which includes an FY 2002 pay raise), and additional items as may be appropriated by the Legislature.

**Expenditure** - The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.

**Expenses** - A category for the usual, ordinary, and incidental expenditures by an agency, including, but not limited to, such items as salaries, employee benefits, contractual services, commodities, and supplies of a consumable nature, current obligations, fixed charges, and capital outlay. Payments to other funds or local, state, or federal agencies may be included in this budget classification of expenditures.

## F

**Federal Fiscal Year** - October 1 through September 30.

## Appendix A/Glossary

**Federal Fund** - Consists of any financial assistance made directly to a state agency by the United States government.

**Fiscal Year** - A 12-month period designated as the operating year for accounting and budgeting purposes in an organization. West Virginia's fiscal year runs from July 1 to June 30.

**Full-time Equivalent Position (FTE)** - A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to 0.50 of a full-time position.

**Fund** - A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

**Fund Balance** - The balance of cash and investments less reappropriated funds and reserves for cash flow.

## G

**GASB 34** - The Government Accounting Standards Board statement 34 (June 1999) that establishes financial reporting standards for governmental entities.

**GASB 43** - The Government Accounting Standards Board statement 43 (April 2004) titled "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans."

**GASB 45** - The Government Accounting Standards Board statement 45 (June 2004) titled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions."

**General Fund** - Consists of tax revenues collected by the state which are not dedicated to a specific purpose and require legislative appropriations for expenditure.

**General Obligation (GO) Bond** - This type of bond is backed by the full faith, credit, and taxing power of the government.

**Goals** - Established by agency/division, goals are issue-oriented statements that declare what an agency/division intends to accomplish to fulfill its mission.

**Governmental Funds** - All funds except profit and loss funds (e.g., enterprise funds, internal services funds, and trust funds).

## I

**Improvement Package (Request)** - The process of requesting additional dollars for expenditure in the upcoming fiscal year above the current level.

**Income Tax Refund Reserve Fund** - A fund established by law that may only be used to ensure payment of personal income tax refunds, interest, and penalties to taxpayers in a timely manner or to be used by the Legislature as it determines necessary, such as for unanticipated emergencies.

**Infrastructure** - The physical assets of a government (e.g., streets, water, sewer, public buildings, and parks).

**Internal Service Funds** - These funds account for the operations of those state agencies that provide goods and services to other state agencies and governmental units on a cost-reimbursed basis. Examples include the State Building Commission, Information Services and Communications, and the Travel Management Office.

## L

**Lands** - Expenditures for the purchase of real property or interest in real property.

**Long-term Debt** - Debt with a maturity of more than one year after the date of issuance.

**Lottery** - A Special Revenue fund that supports programs for senior citizens, education, and tourism and parks, as appropriated by the Legislature.

## M

**Mission** - Developed in accordance with strategic planning principles, the mission gives the reason for the agency/division's existence. The mission is a succinct account of what the agency/division is trying to achieve.

## Appendix A/Glossary

### N

**Nonappropriated Special Fund** - Consists of accounts that generate revenue from established rates or fees and must be expended for a specific purpose; amounts expended are authorized by general law.

### O

**Object of Expenditure** - An expenditure classification, referring to the lowest and most detailed level of classification, such as vehicle rental, association dues, and office equipment. **Objectives** - Detailed, quantifiable, time-specific statements of activities that are related to achieving the goals. They are targets for specific agency or program actions.

**Operations** - As used in the agency/division narratives in the *Volume II Operating Detail*, the “Operations” section details the activities of a division and may include subdivisions/units within a division.

**Other Postemployment Benefits** - Postemployment benefits that an employee receives during retirement, usually benefits other than pensions.

### P

**Performance Measures** - Tool used by all levels of management, as well as the public, to determine whether a program is accomplishing its mission efficiently and effectively.

**Personal Services** - Expenditures for salaries, wages, and other compensation paid to full-time, part-time, and temporary employees of the spending unit.

**Program** - A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible. A unit can be a division, a section, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service.

**Proprietary Funds** - These funds account for the operations of state agencies that provide goods and/or services to

the general public or state agencies and governmental units. (See “Enterprise Funds” and “Internal Service Funds.”)

### R

**Rainy Day Fund** - (See “Revenue Shortfall Reserve Fund.”)

**Reappropriated Funds** - Those funds which are remaining at the end of the fiscal year which, through specific language in the budget bill, are authorized to be made available for expenditure in the next fiscal year.

**Reimbursements** - Repayments from one agency to another to properly allocate expenditures to the correct agency and adjust account ledger balances/disbursements.

**Repairs and Alterations** - Expenditures for routine maintenance and repairs to structures and minor improvements to property which do not increase the capital assets.

**Revenue** - Sources of income financing the operation of government.

**Revenue Bonds** - Bonds issued by various state departments, agencies, and authorities that are part of the primary government pursuant to specific statutory provisions enacted by the Legislature. The principal and interest payments are made from specifically dedicated fees and other revenues, but such bonds do not constitute general debt of the State.

**Revenue Shortfall Reserve Fund** - (Also known as the Rainy Day Fund.) A fund to be used by the Legislature to offset a shortfall in revenues and to allow the Governor to borrow funds when revenues are inadequate to make timely payments of the State’s obligations. The Legislature may also appropriate funds for emergencies such as natural disasters. Additional details are located in the Financial Statements chapter in *Volume I Budget Report*.

**Revenue Shortfall Reserve Fund—Part B** - A fund to be used by the Legislature to offset a shortfall in revenues or fiscal emergencies of an extraordinary nature. No moneys in the fund may be expended for any purpose unless all moneys in the Revenue



## Appendix A/Glossary

Shortfall Reserve Fund have first been expended. Additional details are located in the Financial Statements chapter in *Volume I Budget Report*.

### S

**Special Obligation Notes** - Bonds issued by entities of the primary government pursuant to specific statutory authorizations and are payable from specifically dedicated fees, other revenues, and legislative appropriations of general and special revenues.

**Special Revenue Funds** - Consists of revenues from fees, permits, licenses, services, or other purposes and may be used only for that specific purpose for which the individual account is intended unless otherwise directed by the Legislature.

**Spending Authority** - The dollar limit the Legislature authorizes an agency to spend from funds the agency collects.

**Spending Unit** - The department, bureau, division, office, board, commission, agency, or institution to which an appropriation is made.

**State Road Fund** - Consists of revenues from gasoline and other motor fuel excise and license taxes; motor vehicle registration and license tax; all other revenue derived from motor vehicles or motor fuel; and all federal funds received for road construction, reconstruction, and maintenance. Used solely for construction, reconstruction, repair, and maintenance of public highways, the payment of the interest and principal on all road bonds, and the administrative expenses of the Division of Highways, Division of Motor Vehicles, and Office of Administrative Hearings.

**Supplemental Appropriation** - An appropriation made by the governing body that is contingent upon excess funds being available after all regular appropriations have been funded.

**Surplus Appropriation** - An additional appropriation made by the governing body from excess funds generally from the prior year after the budget year has started.

### T

**Trust Funds** - A fund comprised of a variety of assets intended to provide benefits to an individual or organization at a certain age or when a specified event occurs.

### U

**Unclassified** - An appropriation that may be spent at the discretion of the department secretary/bureau commissioner. An unclassified appropriation may have no limitations, or it may be limited to current expenses, repairs and alterations, equipment, buildings, land, and other assets.

**Unencumbered Balance** - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

**User Charges or User Fees** - A payment for direct receipt of a public service by the party who benefits from the service.

# Glossary of Acronyms

## A

AAL	Accrued Actuarial Liability
AAMVA	American Association of Motor Vehicle Administrators
ABCA	Alcohol Beverage Control Administration
ABE	Adult Basic Education
ACA	Affordable Care Act
	American Correctional Association
ACEP	Agricultural Conservation Easement Program
ACH	Automated Clearing House
ACP	Address Confidentiality Program
ACT	American College Test
ADA	Americans with Disabilities Act of 1990
AF-DP	Armed Forces Dental Assistance Program
AFIX	Assessment, Feedback, Initiatives, and eXchange
AgEP	Agricultural Enhancement Program
ALJ	Administrative Law Judge
AML&R	Abandoned Mine Lands and Reclamation
AP	Advanced Placement
APHIS	Animal and Plant Health Inspection Service
APSI	Advanced Placement Summer Institute
AQI	Air Quality Index
ARC	Appalachian Regional Commission
ARRA	American Recovery and Reinvestment Act
ATM	Asynchronous Transfer Mode
	Automated Teller Machine
ATV	All-Terrain Vehicle
AX	ApplicationXtender

## B

BBHFF	Bureau for Behavioral Health and Health Facilities
B&O	Business and Occupation
BCF	Bureau for Children and Families
BCSE	Bureau for Child Support Enforcement
BIG	Boating Infrastructure Grant
BMPs	Best management practices
BMRC	Biomedical Research Center
BMS	Bureau for Medical Services
BPH	Bureau for Public Health
BRFSS	Behavior Risk Factor Surveillance System
BRIM	Board of Risk and Insurance Management
BTI	West Virginia Board of Treasury Investments
BTOP	Broadband Technology Opportunities Program
BVCTC	BridgeValley Community and Technical College

## C

CABHI	Cooperative Agreement to Benefit Homeless Individuals
CACFP	Child and Adult Care Food Program
CAFO	Concentrated Animal Feeding Operations
CAFR	Comprehensive Annual Financial Report
CB-CAP	Community-Based Child Abuse Prevention
CBF	Community-Based Facilities
CCR	Coordinated Community Response
CCTCE	Council for Community and Technical College Education
CDL	Commercial Driver's License
CFWV	College Foundation of West Virginia
CHIP	Children's Health Insurance Program (federal)
CHIPRA	Children's Health Insurance Program Reauthorization Act
CJSAC	Criminal Justice Statistical Analysis Center
CLIA	Clinical Laboratory Improvement Amendments
CMIA	Cash Management Improvement Act
CMS	Centers for Medicare and Medicaid Services
CODs	Co-occurring mental and substance use disorders
COMPASS	Consolidated Multi-Plan Administration Solution System
CON	Certificate of Need
COOP	Continuity of operations plan
CPI	Consumer Price Index
CPRB	Consolidated Public Retirement Board
CPTED	Crime prevention through environmental design
CRTS	Coal Resource Transportation System
CSBG	Community Services Block Grant
CSFP	Commodity Supplemental Food Program
CSTIMS	Commercial Skills Test Information Management System
C&T	Community and Technical
CTE	Career and Technical Education
CTPs	Cooperating Technical Partners
CVISN	Commercial Vehicle Information System Network
CWA	Clean Water Act
CWSRF	Clean Water State Revolving Fund
CY	Calendar Year

## Appendix B/Glossary of Acronyms

### D

DASIS.....	Drug and Alcohol Services Information System
DCKMSVC.....	Donel C. Kinnard Memorial State Veterans Cemetery
DEP.....	Department/Division of Environmental Protection
DFIRMS.....	Digital Flood Insurance Rate Maps
DHHR.....	Department of Health and Human Resources
DJCS.....	Division of Justice and Community Services
DJS.....	Division of Juvenile Services
DMV.....	Division of Motor Vehicles
DNA.....	Deoxyribonucleic Acid
DNR.....	Division of Natural Resources
DOH.....	Division of Highways
DOR.....	Department of Revenue
DOT.....	Department of Transportation
DSRS.....	Deputy Sheriff's Retirement System
DUI.....	Driving Under The Influence
DWLRS.....	Drinking Water Lab Reporting System
DWTRF.....	Drinking Water Treatment Revolving Fund

### E

EBT.....	Electronic Benefits Transfer
eCDL.....	e-Commercial Driver's License
E & G.....	Education and General
E-Rate.....	Schools and Libraries Universal Service Program (electronic rate)
EAST.....	Education, Arts, Science, and Tourism
EBA.....	Educational Broadcasting Authority
EDGE.....	Earn A Degree-Graduate Early
EEOC.....	U.S. Equal Employment Opportunity Commission
EFT.....	Electronic Fund Transfers
EHR.....	Electronic Health Record
ELA.....	English Language Arts
EMS.....	Emergency medical services systems
EMSRS.....	Emergency Medical Services Retirement System
ENODS.....	Electronic Notice Of Deposits
EOC.....	Educational Opportunity Center
EOL.....	End Of Life
EPA.....	U.S. Environmental Protection Agency
EPICS.....	Employees Payroll Information Control System
EPSCoR.....	Experimental Program to Stimulate Competitive Research
EPSDT.....	Early and Periodic Screening, Diagnosis, and Treatment
ERC.....	Educator Resource Center

ERP.....	Enterprise Resource Planning
ESEA.....	Elementary and Secondary Education Act
ESG.....	Emergency Shelter Grants
.....	Emergency Solutions Grant

### F

FAA.....	Federal Aviation Administration
FACTS.....	Families and Children Tracking System
FAIR.....	Family Alzheimer's In-Home Respite
FARS.....	Financial Accounting and Reporting Section
FAFSAs.....	Free Application for Federal Student Aid
FCC.....	Federal Communications Commission
FDA.....	U.S. Food and Drug Administration
FEMA.....	Federal Emergency Management Agency
FERPA.....	Family Educational Rights and Privacy Act
FFA.....	Future Farmers of America
FFP.....	Federal Financial Participation
FFY.....	Federal Fiscal Year
FFS.....	Fee For Services
FHA.....	Future Homemakers of America
FMAP.....	Federal Medical Assistance Percentage
FMCSAP.....	Federal Motor Carrier Safety Administration Program
FMLA.....	Family Medical Leave Act
FNS.....	Food Nutrition Service
FOIA.....	Freedom of Information Act
FPL.....	Federal Poverty Level
FPY.....	Federal program year
FRIS.....	Foundation for Rape Information and Services
FRPP.....	Federal Farm and Ranchland Protection Program
FTE.....	Full-Time Equivalent
FTP.....	File Transfer Protocol
FTZ.....	Foreign Trade Zone
FY.....	Fiscal Year

### G

GAAP.....	Generally Accepted Accounting Principles
GAAS.....	Generally Accepted Auditing Standards
GAGAS.....	Generally Accepted Government Auditing Standards
GARVEE.....	Grant Anticipation Revenue Vehicle
GASB.....	Governmental Accounting Standards Board
GDP.....	Gross domestic product
GEAR UP.....	Gaining Early Awareness and Readiness for Undergraduate Programs
GFOA.....	Government Finance Officers Association of the United States and Canada

## Appendix B/Glossary of Acronyms

GIS ..... Geographic Information Systems  
 GLOBE ..... Global Learning and Observation to Benefit  
 the Environment  
 GO ..... General Obligation  
 GRC ..... Governance, Risk & Compliance  
 GRF ..... General Revenue Fund  
 GSD..... General Services Division

JRS ..... Judges' Retirement System

### H

HAVA ..... Help America Vote Act  
 HB ..... House Bill  
 HBCU ..... Historically Black Colleges and Universities  
 HEAPS ..... Higher Education Adult Part-time Student  
 HEPC ..... Higher Education Policy Commission  
 HHOMA..... Herbert Henderson Office of Minority  
 Affairs  
 HIPAA ..... Health Insurance Portability and  
 Accountability Act  
 HIT ..... Health Information Technology  
 HMVMT..... Hundred million vehicle miles traveled  
 HOPWA..... Housing Opportunities for Persons  
 with AIDS  
 HPSAs..... Health Professional Shortage Areas  
 HSC..... Health Science Center  
 HUD..... U.S. Housing and Urban Development  
 HVAC..... Heating, Ventilation, And Air-Conditioning

### I

ID ..... Identification  
 IDEA..... Individuals with Disabilities Education Act  
 IMB..... Investment Management Board  
 IMD ..... Institution for Mental Disease  
 IFLOWS..... Integrated Flood Observing and Warning  
 System  
 IP ..... Internet Protocol  
 IRIS ..... Integrated Regulatory Information Support  
 IRS ..... Internal Revenue Service  
 IS&C ..... Information Services and Communications  
 IT ..... Information Technology

### J

JCEBP..... Justice Center of Evidence-Based Practice

### K

K-12..... Kindergarten Through 12th grade

### L

LCAP..... Landfill Closure Assistance Program  
 LEA ..... Local Educational Agency  
 LEP ..... Limited English Proficient  
 LGA..... Local Governmental Agency  
 LHD..... Local Health Department  
 LIEAP..... Low Income Energy Assistance Program  
 LIFE..... Legislative Initiatives for the Elderly  
 LIMS..... Laboratory Information Management System  
 LONIE..... Logging Operation Notification Inspection  
 and Enforcement  
 LPN ..... Licensed Practical Nurse  
 LSTA..... Library Services and Technology Act  
 LTRA ..... Long Term Remedial Action  
 LUST ..... Leaking underground storage tank

### M

MAP-21..... Moving Ahead for Progress in the 21st Century  
 MAPP..... Matching Advertising Partnership Program  
 MCH..... Maternal And Child Health  
 MCI..... Methamphetamine Collaboration Initiative  
 MCO..... Managed Care Organization  
 MFA..... Multi-Factor Authentication  
 MHT ..... Mountain Health Trust  
 MIARRS ..... Mine and Industrial Accident Rapid Response  
 System  
 MIP ..... Major Improvements Program  
 MITA..... Medicaid Information Technology  
 Architecture  
 MMIS..... Medicaid Management Information system  
 MOE..... Maintenance Of Effort  
 MOU..... Memorandum of Understanding  
 MPFRS..... Municipal Police Officers and Firefighters  
 Retirement System

## Appendix B/Glossary of Acronyms

### N

N/A.....	Not Available
.....	Not Applicable
NAEP .....	National Assessment of Educational Progress
NAHLN.....	National Animal Health Laboratory Network
NAIC.....	National Association of Insurance Commissioners
NARIP.....	National Act Record Improvement Program
NASA.....	National Aeronautics and Space Administration
NBCT .....	National Board Certified Teachers
NCA.....	National Cemetery Association
NCRDS .....	National Coal Resources Data System
NEO .....	New Employee Orientation
NFIP .....	National Flood Insurance Program
NHS.....	National Highway System
NIAID .....	National Institute of Allergy and Infectious Diseases
NICS.....	National Instant Criminal Background Check System
NPDES.....	National Pollutant Discharge Elimination System
NRAO.....	National Radio Astronomy Observatory
NSF.....	National Science Foundation
NSLP .....	The National School Lunch Program

### O

OAA.....	Older Americans Act
OAH.....	Office of Administrative Hearings
OEMS.....	Office of Emergency Medical Services
OEO.....	Office of Economic Opportunity
OHR .....	Office of Human Resources
OM&R.....	Operation, Maintenance, and Repairs
OMB.....	U.S. Office of Management and Budget
OPEB.....	Other Postemployment Benefits
ORSP.....	Office of Research and Strategic Planning
OSHA .....	Occupational Safety and Health Administration
OT .....	Office of Technology

### P

PAAS .....	Physician Assured Access System
PASS .....	Partnerships to Assure Student Success
PBS .....	Public Broadcasting Service

P-Card.....	State Purchasing Card
PCIDSS .....	Payment Card Industry Data Security Standards
PDC.....	Public Defender Corporations
PDS.....	West Virginia Public Defender Services
PEIA.....	Public Employees Insurance Agency
PERD.....	Performance Evaluation and Research Division
PERS .....	Public Employees Retirement System
PHMSA .....	Pipeline and Hazardous Material Safety Administration
PI .....	Personal Income
PIECES.....	Partners in Implementing an Early Care and Education System
PILOT.....	Payment In Lieu Of Tax
PIMS .....	Position Information Management System
PIRLS .....	Progress in International Reading Literary Study
PISA.....	Programme for International Student Assessment
PLC .....	Professional Learning Communities
PM2.5.....	Particulate Matter Less Than 2.5 Microns In Diameter
PPB .....	Preferred Provider Benefit Trust
PPS .....	Prospective Payment System
PRAMS.....	Pregnancy Risk Assessment Monitoring System
PREA .....	Prison Rape Elimination Act
PREP.....	Personal Responsibility Education Program
PROMISE.....	Providing Real Opportunities for Maximizing In-State Student Excellence
PSC.....	Public Service Commission
.....	Potomac State College

### Q

QAT .....	Quality Assurance Team
Q .....	Quarter
QSCBs.....	Qualified school construction bonds

### R

RBAs .....	Regents Bachelor of Arts
RCRA.....	Resource Conservation Recovery Act
REAP .....	Rehabilitation Environmental Action Plan
REIS .....	Regional Economic Information System
RESAs.....	Regional educational service agencies
RFA.....	Resource Family Approval Program
RFP .....	Request For Proposals
RJA .....	Regional Jail Authority

## Appendix B/Glossary of Acronyms

ROMA..... Results-Oriented Management  
And Accountability  
RPCPOs/IOs ..... Regional Public Comprehensive Planning  
Organizations And Interstate Organizations

### S

SACWIS ..... Statewide Automated Child Welfare  
Information System  
SAFETEA-LU ..... Safe, Accountable, Flexible, Efficient  
Transportation Equity Act - a Legacy for  
Users  
SAFRA ..... Student Aid and Fiscal Responsibility Act  
SAMHSA ..... Substance Abuse and Mental Health Services  
Administration  
SB ..... Senate Bill  
SBA..... School Building Authority  
..... Small Business Administration  
SBVR ..... South Branch Valley Railroad  
SCALES ..... Sportfish Consumption Advisory Limit  
System  
SCC..... State Conservation Committee  
SED..... Serious Emotional Disturbance  
SEOG..... Supplemental Education Opportunity Grant  
SEOW..... State Epidemiological Outcome Workgroups  
SFMNP..... Senior Farmers’ Market Nutrition Program  
SHIP..... State Health Insurance Assistance Program  
SHPO..... State Historic Preservation Office  
SLIGP..... State and Local Implementation Grant  
Program  
SME..... Society of Manufacturing Engineers  
SMI ..... Serious Mental Illness  
SNAP ..... Supplemental Nutrition Assistance Program  
SREB..... Southern Regional Education Board  
SRIC ..... Snow Removal And Ice Control  
S-STEM..... Scholarships in STEM  
STAG..... State and Tribal Assistance Grant  
STARBASE ..... Science and Technology Academics Reinforcing  
Basic Aviation and Space Exploration  
STD ..... Sexually Transmitted Disease  
STEAM..... Science, Technology, Engineering, Art And Math  
STEM..... Science, Technology, Engineering And Math  
STIF ..... Sales Tax Increment Financing  
SUD..... Substance Use Disorder  
SVA ..... Student Veterans of America  
SWA ..... Solid Waste Authority  
SWCAP ..... Statewide Cost Allocation Plan  
SWMB..... Solid Waste Management Board  
SY ..... School Year

### T

TAA ..... Trade Adjustment Assistance  
TAACCCT ..... Trade Adjustment Assistance community  
College and Career Training  
TANF..... Temporary Assistance for Needy Families  
TBD ..... To be determined  
TDC ..... Teachers’ Defined Contribution Retirement  
System  
TEA-21 ..... Transportation Equity Act for the 21st  
Century  
TEFAP ..... The Emergency Food Assistance Program  
TIF ..... Property Tax Increment Financing  
TIMSS ..... Trends in International Mathematics and  
Science Students  
TMDL..... Total Maximum Daily Load  
TOC ..... Total Operating Costs  
TRAFFIC ..... Tax Reduction and Federal Funding Increased  
Compliance  
TRS..... Teachers’ Retirement System

### U

U.S. .... United States  
USDA..... U.S. Department of Agriculture  
USDOT..... U.S. Department of Transportation

### V

VA ..... U.S. Department of Veterans Affairs  
VDI ..... Virtual Desktop Infrastructure  
VISTA..... Vendor Inquiry System to the Auditor  
..... Volunteers in Service to America  
VNRPS..... Voluntary National Retail Program Standards  
VoIP ..... Voice over Internet Protocol

### W

WAN..... Wide Area Network  
WDA..... Water Development Authority  
WEAPON..... West Virginia Automated Police Network  
WIA..... Workforce Investment Act  
WIC ..... Women, Infants, and Children  
WIP ..... Watershed Implementation Plan  
W.Va..... West Virginia  
WV ..... West Virginia  
WVABCA ..... West Virginia Alcohol Beverage  
Control Administration

## Appendix B/Glossary of Acronyms

WVAWC.....	West Virginia American Water Company
WVBE.....	West Virginia Board of Education
WVCA.....	West Virginia Conservation Agency
WVCCTCE.....	West Virginia Community and Technical College System
WVCHIP.....	Children’s Health Insurance Program
WVCR.....	West Virginia Central Railroad
WVDA.....	West Virginia Department of Agriculture
WVDE.....	West Virginia Department of Education
WVDO.....	West Virginia Development Office
WVDOC.....	West Virginia Division of Corrections
WVDVA.....	West Virginia Department of Veterans Assistance
WVEBA.....	West Virginia Educational Broadcasting Authority
WVEIS.....	West Virginia Education Information System
WVFIMS.....	West Virginia Financial Information Management System
WVGSA.....	West Virginia General Summative Assessment
WVHIN.....	West Virginia Health Information Network
WVICU.....	West Virginia Independent Colleges and Universities
WVIJDC.....	West Virginia Infrastructure and Jobs Development Council
WVINBRE.....	West Virginia Idea Network of Biomedical Research Excellence
WV-MAP.....	West Virginia’s Measure of Academic Progress
WVNET.....	West Virginia Network for Educational Telecomputing
wvOASIS.....	West Virginia—Our Advanced Solution with Integrated Systems
WVOE.....	West Virginia Office of Energy
WVPPA.....	West Virginia Public Port Authority
WVROCKS.....	West Virginia’s Remote Online Collaborative Knowledge System
WVSAO.....	West Virginia State Auditor’s Office
WVSIIS.....	West Virginia Statewide Immunization Information System
WVSP.....	West Virginia State Police
WVSU.....	West Virginia State University
WVTTI.....	West Virginia Technology Transformation Initiative
WVU.....	West Virginia University
WVUIT.....	West Virginia University Institute of Technology



