

STATE OF WEST VIRGINIA

EXECUTIVE BUDGET: BUDGET REPORT FISCAL YEAR 2025

JIM JUSTICE
GOVERNOR

January 10, 2024

To the Members of the 86th 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, 2025. 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 2025.

Yours in service,

Jim Justice
Governor

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**State of West Virginia
West Virginia**

For the Fiscal Year Beginning

July 01, 2023

Christopher P. Morrill

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, 2023.

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

Larry Pack
Acting 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

Grant White
Budget Analyst

Susanne Shrewsbury
Budget Analyst

Jeffrey R. Conley
Budget Analyst

Vacant
Administrative Services Assistant

Joey Belcher
Human Resources Generalist

Lisa Vaughan
Human Resources Generalist

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Human Resources Generalist

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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 ([Watch the Governor's State of the State Address here](#)). 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.

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

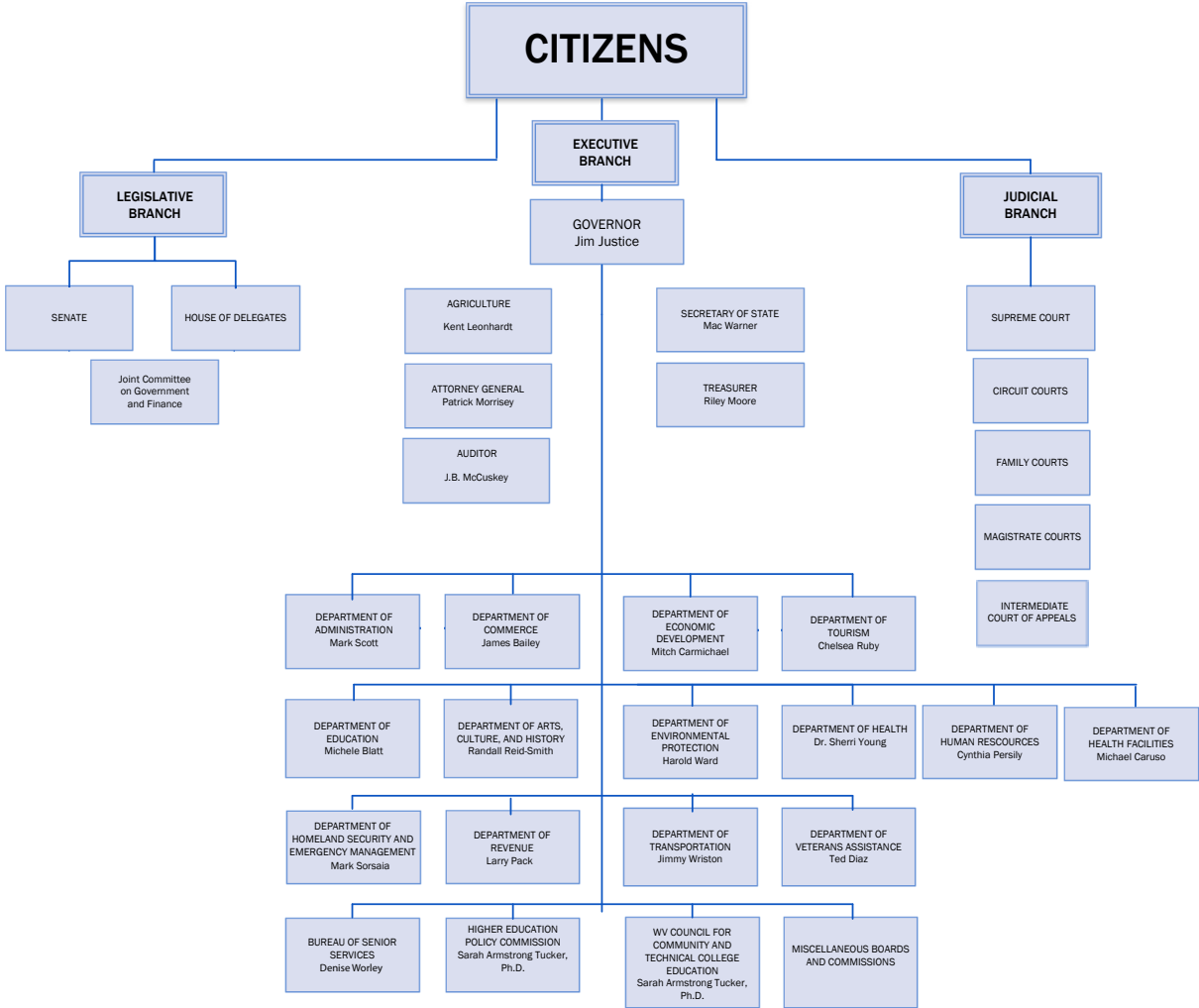
Operating Detail contains narrative and financial information on all appropriated departments, bureaus, commissions, agencies, divisions, and programs of state government. It also includes major component agencies [e.g., BRIM, CPRB, etc.] that may not normally have appropriated accounts. *Volume II Operating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

“Capital Projects”—projects currently budgeted in FY 2024, recommended for FY 2025, and projected for FY 2026 through FY 2029

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

Account Detail provides the detailed budgetary information for FY 2023 Actual expenditures, FY 2024 Budgeted expenditures, FY 2025 Current-Level Request, and the Governor's FY 2025 Recommendation for all funds.

State of West Virginia Organizational Chart



SUMMARY FINANCIAL STATEMENTS



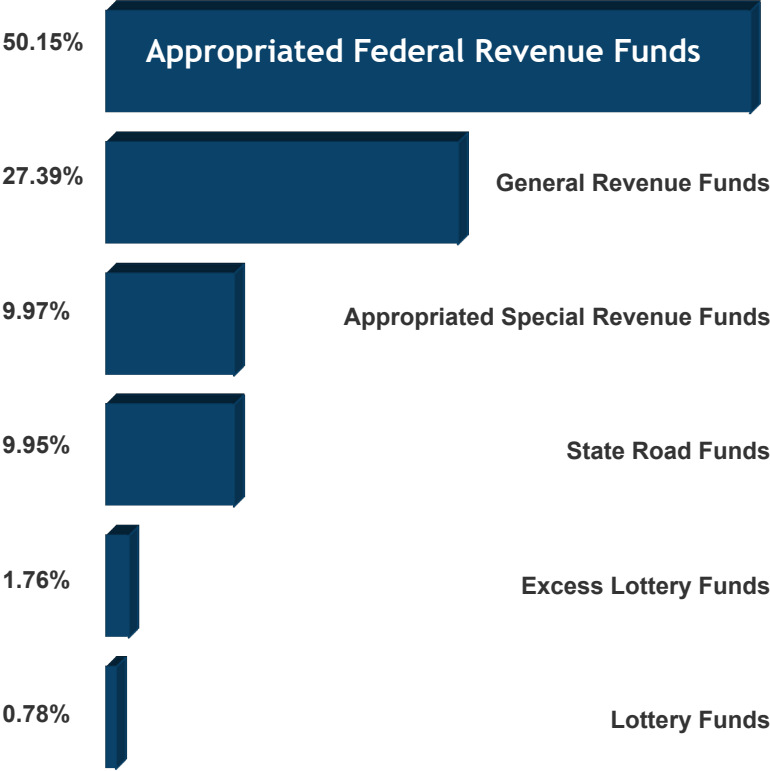
Financial Statements

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

- Graphics of the Total FY 2025 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)
- General Revenue Fund – Statement of Revenues by Source FY 2021 through FY 2029
- General Revenue Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- General Revenue Fund – Overview by Functional Category FY 2023 through FY 2025
- Lottery Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- Lottery Fund – Overview by Functional Category FY 2023 through FY 2025
- Excess Lottery Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- Excess Lottery Fund – Overview by Functional Category FY 2023 through FY 2025
- State Road Fund – Statement of Revenues by Source FY 2021 through FY 2029
- State Road Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- Cash and Investment Balances of All Funds Fiscal Year Ending June 30, 2023
- Detailed Investments Special Revenue Funds for Fiscal Year Ending June 30, 2023
- Summary of Primary Government Long Term Debt Outstanding as of June 30, 2023
- Major Reserve/Stabilization Accounts

Where The State Dollar Comes From

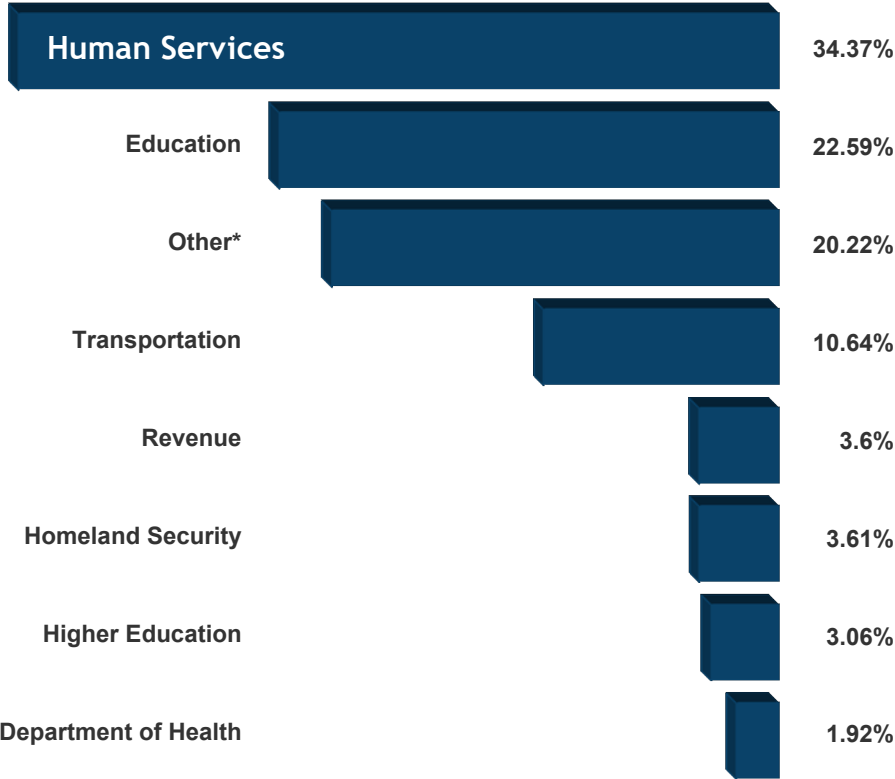
(FY 2025 Estimate)



TOTAL REVENUE
\$19.2 Billion
(Appropriated Funding Sources)

Where The State Dollar Goes

(Governor's Recommended FY 2025 Budget)



Other*	18.44%
Arts, Culture, And History	0.23%
Commerce	1.85%
Economic Development	7.03%
Environment	2.81%
Executive	1.50%
Judicial	0.86%
Legislature	0.18%
Misc. Boards & Commissions	1.48%
Seniors	0.51%
Tourism	0.17%
Veterans' Assistance	0.28%

TOTAL EXPENDITURES
\$19.3 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 2023, FY 2024, and FY 2025, 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 19 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 2023 Actuals are the total actual revenues and expenditures for all funds including expenditures from regular, supplemental, surplus appropriations, and reappropriated amounts.

The FY 2024 Budgeted revenue estimates for 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.

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

FY 2024 Budgeted expenditures reflect the amounts budgeted for FY 2024 prior to the beginning of the 2024 Legislative Session and includes a separate line for reappropriations available for expenditure from previous fiscal years.

FY 2025 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 2023 amounts include reappropriated expenditures along with current year appropriations spent during the fiscal year, the Recommended FY 2025 expenditures do not reflect any anticipated reappropriations being available during FY 2025. Although the FY 2024 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.

Details about the reappropriated 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 2024 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			Appropriated Special Revenue Funds			Appropriated Lottery Fund			Appropriated Excess Lottery Fund		
	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025
Beginning Fund Balance	\$1,994,018	\$2,884,813	\$1,703	\$128,465	\$174,555	\$88,647	\$2,749,728	\$2,876,478	\$2,352,317	\$98,201	\$69,068	\$17,394	\$141,932	\$106,681	\$17,932
Net 13th month activity	(52,865)	(55,324)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Rainy Day Fund	-	(231,585)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Rainy Day Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Special Revenue/Lot	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Refunds/Redeposits	172	870	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow/Contingencies	-	-	-	-	-	-	-	-	-	(40,000)	-	-	(36,600)	-	-
Expirations to General Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expirations to General Revenue Su	52,050	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues															
Revenue Collections/Estimate	6,483,291	4,884,000	5,264,536	1,706,664	2,038,375	1,915,875	-	-	-	187,017	144,545	149,504	389,444	334,671	337,436
Legislature	-	-	-	-	-	-	1,110	1,075	1,100	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	1,334	1,700	2,100	-	-	-	-	-	-
Executive	-	-	-	-	-	-	44,383	52,940	89,158	-	-	-	-	-	-
Administration	-	-	-	-	-	-	146,574	181,565	237,115	-	-	-	-	-	-
Commerce	-	-	-	-	-	-	47,640	62,978	64,878	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	102,869	254,139	254,152	-	-	-	-	-	-
Education	-	-	-	-	-	-	98,910	105,732	65,548	-	-	-	-	-	-
Arts, Culture and History	-	-	-	-	-	-	603	1,744	1,755	-	-	-	-	-	-
Environment	-	-	-	-	-	-	41,298	70,671	81,753	-	-	-	-	-	-
Health and Human Resources***	-	-	-	-	-	-	535,215	503,849	-	-	-	-	-	-	-
Health***	-	-	-	-	-	-	-	-	59,419	-	-	-	-	-	-
Human Services***	-	-	-	-	-	-	-	-	371,486	-	-	-	-	-	-
Health Facilities***	-	-	-	-	-	-	-	-	87,956	-	-	-	-	-	-
Department of Homeland Security	-	-	-	-	-	-	22,284	39,248	40,440	-	-	-	-	-	-
Revenue	-	-	-	-	-	-	227,705	316,717	384,985	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	8,029	10,078	11,509	-	-	-	-	-	-
Veterans Assistance	-	-	-	-	-	-	3,436	4,652	3,249	-	-	-	-	-	-
Senior Services	-	-	-	-	-	-	10,873	10,519	10,539	-	-	-	-	-	-
Higher Education	-	-	-	-	-	-	51,772	54,828	55,329	-	-	-	-	-	-
Misc. Boards & Commissions	-	-	-	-	-	-	58,929	73,491	93,952	-	-	-	-	-	-
Total Revenues	6,483,291	4,884,000	5,264,536	1,706,664	2,038,375	1,915,875	1,402,964	1,745,926	1,916,423	187,017	144,545	149,504	389,444	334,671	337,436
Expenditures															
Legislature	25,345	38,306	31,078	-	-	-	1,118	2,637	2,637	-	-	-	-	-	-
Judicial	152,605	154,434	160,245	-	-	-	1,341	1,850	2,100	-	-	-	-	-	-
Executive	84,822	452,732	156,102	-	-	-	40,788	68,107	69,122	-	-	-	-	-	-
Administration	160,935	346,003	88,931	-	-	-	149,070	206,679	227,773	9,997	10,000	10,000	-	-	-
Commerce	66,890	129,098	73,757	-	-	-	25,643	50,229	49,385	2,761	3,779	3,903	963	1,505	1,505
Tourism	17,762	22,000	30,000	-	-	-	-	-	-	4,747	6,956	7,087	-	-	-
Economic Development	716,801	127,965	12,918	-	-	-	6,374	242,105	242,119	-	-	-	-	-	-
Education	1,993,503	2,248,270	2,309,296	-	-	-	48,157	107,799	107,979	25,631	32,386	32,754	18,966	31,000	19,000
Arts, Culture and History	11,129	17,556	11,756	-	-	-	398	1,236	1,247	11,603	15,797	15,807	-	-	-
Environment	56,607	7,599	7,830	-	-	-	40,455	129,971	63,221	-	-	-	-	-	-
Health and Human Resources***	1,186,875	1,185,576	-	-	-	-	473,976	646,693	-	-	-	-	26,698	60,717	-
Health***	-	-	95,400	-	-	-	-	-	60,062	-	-	-	-	-	-
Human Services***	-	-	939,024	-	-	-	-	-	504,740	-	-	-	-	-	63,233
Health Facilities***	-	-	218,344	-	-	-	-	-	86,996	-	-	-	-	-	-
Department of Homeland Security	443,559	539,546	529,161	-	-	-	19,992	55,257	47,262	-	-	-	-	-	-
Revenue	31,096	433,600	34,602	-	-	-	334,322	588,168	517,653	-	-	-	136,132	138,022	138,271
Transportation	155,280	167,920	6,941	1,660,574	1,849,283	1,998,643	8,139	13,448	14,216	-	-	-	-	-	-
Veterans Assistance	13,556	16,387	17,426	-	-	-	3,462	1,964	2,063	-	-	-	-	-	-
Senior Services	19,613	10,840	6,580	-	-	-	8,330	14,319	14,339	51,805	62,729	67,021	-	-	-
Higher Education	435,985	602,154	474,646	-	-	-	50,267	58,463	59,964	10,592	12,431	12,532	44,000	44,000	44,000
Misc. Boards & Commissions	19,556	26,185	18,805	-	-	-	48,018	80,162	80,744	-	-	-	71,403	71,427	71,427
Total Expenditures	5,591,918	6,526,171	5,222,841	1,660,574	1,849,283	1,998,643	1,259,850	2,270,087	2,153,622	117,136	144,078	149,104	298,162	346,671	337,436
Reappropriations Available	-	797,996	-	-	-	-	-	-	-	-	-	-	-	-	-
Recommended Supplemental	-	45,400	-	-	275,000	-	-	-	-	41,400	51,750	-	87,500	88,800	-
Recommended Surplus Supplemer	-	111,062	-	-	-	-	-	-	-	-	-	16,750	-	-	17,800
Mid-Year Budget Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments*	(65)	442	-	-	-	1,500	16,364	-	-	17,614	391	400	2,433	(12,051)	-
Ending Fund Balance	\$2,884,813	\$1,703	\$43,397	\$174,555	\$88,647	\$4,379	\$2,876,478	\$2,352,317	\$2,115,118	\$69,068	\$17,394	\$644	\$106,681	\$17,932	\$132

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

** Some revenue and expenditures are double counted.

*** Department of Health and Human Resources was split up into three departments after passage of HB 2006 in the 2023 Regular Session

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

	Appropriated Federal Funds			Total Appropriated Funds			Nonappropriated Federal Funds			Nonappropriated Special Revenue Funds			Total All Funds***		
	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025	Actuals FY 2023	Budgeted FY 2024	Recommended FY 2025
Beginning Fund Balance	\$761,439	\$111,677	\$399,200	\$5,919,873	\$6,223,272	\$2,877,193	\$154,461	\$627,766	\$637,754	\$39,457,705	\$39,573,735	\$40,518,149	\$45,532,039	\$46,424,773	\$44,033,096
Transfer to Rainy Day Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Rainy Day Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Special Revenue/Lottery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Refunds/Redeposits	-	-	-	172	870	-	-	-	-	-	-	-	172	870	-
Cash Flow/Contingencies	-	-	-	(76,600)	-	-	-	-	-	-	-	-	(76,600)	-	-
Expirations to General Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expirations to General Revenue	-	-	-	52,050	52,050	-	-	-	-	-	-	-	52,050	52,050	-
Revenues															
Revenue Collections/Estimate				8,766,416	7,401,591	7,667,351	-	-	-	-	-	-	8,766,416	7,401,591	7,667,351
Legislature	314	900	442	26,769	1,975	1,542	-	-	-	-	30	4	26,769	2,005	1,546
Judicial	2,569	4,000	3,500	156,508	5,700	5,600	-	-	-	1,854	2,150	2,550	158,362	7,850	8,150
Executive	31,673	56,304	35,787	160,878	109,244	124,945	5,698	12,000	-	1,381,822	981,145	676,540	1,548,398	1,102,389	801,485
Administration	-	-	-	307,509	181,565	237,115	-	-	-	2,425,583	7,142,404	7,243,810	2,733,092	7,323,969	7,480,925
Commerce	97,971	237,765	248,548	212,501	300,743	313,426	32,668	43,856	44,930	73,941	100,176	134,328	319,110	444,775	492,684
Tourism	2,643	5,148	2,505	20,405	5,148	2,505	-	-	-	4,879	7,808	7,963	25,284	12,956	10,468
Economic Development	54,219	1,130,132	1,120,291	873,889	1,384,271	1,374,443	39,800	-	-	25,285	269,137	269,137	938,974	1,653,408	1,643,580
Education	721,652	1,891,357	1,897,678	2,814,065	1,997,089	1,963,226	-	-	-	74,376	352,909	368,762	2,888,441	2,349,998	1,982,198
Arts, Culture and History	8,193	18,895	16,578	20,639	18,333	19,925	-	-	-	7,625	18,164	18,972	27,550	38,803	247,913
Environment	86,916	463,116	468,449	184,821	533,787	550,202	8,709	5,400	51,380	225,914	249,590	229,580	419,444	788,777	831,162
Health and Human Resources***	5,736,028	5,908,302	-	7,458,118	6,412,151	-	431,160	-	-	6,820,271	6,685,441	-	14,709,549	13,097,592	-
Health***	-	-	217,710	-	-	-	-	-	-	-	-	72,197	-	-	-
Human Services***	-	-	5,304,162	-	-	-	-	-	-	-	-	6,619,514	-	-	-
Health Facilities***	-	-	-	-	-	-	-	-	-	-	-	14	-	-	-
Department of Homeland Security	51,819	106,956	119,274	517,662	146,204	159,714	138,364	265,000	261,094	144,212	366,735	292,797	800,238	777,939	713,605
Revenue	76	3,000	3,000	258,877	319,717	387,985	-	-	-	1,053,009	805,933	873,729	1,311,886	1,125,650	1,261,714
Transportation	17,694	33,630	35,006	181,003	43,708	46,515	-	39,500	-	62,088	636,010	41,835	243,091	719,218	88,350
Veterans Assistance	7,374	31,159	33,901	24,366	35,811	37,150	-	-	-	1,510	1,720	1,707	25,876	37,531	38,857
Senior Services	19,375	14,629	14,669	49,861	25,148	25,208	-	-	-	2,089	2,948	2,995	51,950	28,096	28,203
Higher Education	-	-	-	487,757	54,828	55,329	68,405	78,603	68,844	1,495,014	2,303,754	2,167,603	2,051,176	2,437,185	2,291,776
Misc. Boards & Commissions	50,112	113,135	115,262	128,597	186,626	209,214	3,967	10,340	10,340	1,611,171	784,235	1,743,735	766,137	1,003,789	-
Total Revenues	6,888,628	10,018,428	9,636,762	22,649,927	19,165,945	13,179,803	728,771	454,699	436,588	15,410,643	20,495,225	19,808,272	38,789,341	40,115,869	26,593,756
Expenditures															
Legislature	314	900	442	26,777	41,843	34,157	-	-	-	(9)	37	35	26,768	41,880	34,192
Judicial	2,569	4,000	4,000	156,515	160,284	166,345	-	-	-	1,756	2,150	2,450	158,271	162,434	168,795
Executive	696,219	1,402,326	64,400	821,829	1,923,165	289,624	13,634	11,000	5,000	1,082,896	621,373	659,751	1,918,359	2,555,538	954,375
Administration	-	-	-	320,022	562,682	326,704	-	-	-	2,906,622	4,339,699	4,223,299	3,226,624	4,902,381	4,550,003
Commerce	93,772	231,309	228,864	190,029	415,920	357,414	24,818	35,602	36,676	76,727	125,041	125,409	291,574	576,563	519,499
Tourism	1,718	5,148	2,765	24,227	34,104	39,852	-	-	-	4,774	10,154	10,154	29,001	44,258	50,006
Economic Development	50,599	1,101,768	1,101,927	773,774	1,471,838	1,356,964	-	-	-	280,790	264,958	264,958	1,054,564	1,736,796	1,621,922
Education	714,832	1,891,357	1,897,680	2,801,089	4,310,812	4,366,709	-	-	-	70,775	357,806	357,806	2,871,864	4,668,618	4,724,515
Arts, Culture and History	8,392	17,013	16,600	31,522	51,602	45,410	-	-	-	7,190	19,214	16,282	38,712	70,816	61,692
Environment	85,173	470,951	471,982	182,235	608,521	543,033	4,683	10,619	6,703	172,259	352,295	325,008	359,177	971,435	874,744
Health and Human Resources***	5,733,970	5,643,329	-	7,421,519	7,536,315	-	-	-	-	6,760,813	6,506,846	-	14,182,332	14,043,161	-
Health***	-	-	215,725	-	-	371,187	-	-	-	-	-	35,298	-	-	406,485
Human Services***	-	-	5,136,917	-	-	6,843,914	-	-	-	-	-	6,407,549	-	-	13,051,463
Health Facilities***	-	-	-	-	-	305,340	-	-	-	-	-	-	-	-	305,340
Department of Homeland Security	38,101	120,132	121,315	501,652	714,935	697,738	139,498	263,000	263,000	162,966	366,565	286,536	804,116	1,344,500	1,247,274
Revenue	76	3,000	3,000	501,626	1,162,790	693,526	-	-	-	1,174,910	1,311,755	1,171,543	1,676,536	2,474,545	1,865,069
Transportation	16,439	33,630	34,906	1,840,432	2,064,281	2,054,706	-	40,500	-	185,531	1,211,300	1,146,852	2,025,963	3,316,081	3,201,558
Veterans Assistance	8,361	34,167	35,349	25,379	52,518	54,838	-	-	-	1,368	1,667	1,667	26,747	54,185	56,505
Senior Services	17,275	14,629	14,669	97,023	102,517	102,609	-	-	-	2,256	2,348	2,395	99,279	104,865	105,004
Higher Education	-	-	-	540,844	718,048	591,142	70,743	73,650	63,564	1,556,670	2,366,957	2,112,635	2,168,257	3,158,655	2,767,341
Misc. Boards & Commissions	55,578	112,711	114,343	194,555	290,485	285,319	2,122	10,340	10,340	333,620	1,617,146	1,617,146	530,297	1,991,471	1,912,805
Total Expenditures	7,523,388	11,086,370	9,464,884	16,451,029	22,222,660	19,326,531	255,498	444,711	385,283	14,781,914	19,550,811	18,766,773	31,488,441	42,218,182	38,478,587
Reappropriations Available	-	-	-	-	604,045	-	-	-	-	-	-	-	-	797,996	-
Recommended Supplemental	-	-	-	128,900	-	-	-	-	-	-	-	-	128,900	460,950	-
Recommended Surplus Supplemental	-	-	-	-	111,062	34,550	-	-	-	-	-	-	-	111,062	34,550
Mid-Year Budget Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments**	15,002	(1,355,465)	-	51,348	(28,956)	1,900	(32)	-	-	512,699	-	-	564,015	(1,366,683)	1,900
Ending Fund Balance	\$111,677	\$399,200	\$571,078	\$11,914,145	\$2,502,668	(\$3,305,985)	\$627,766	\$637,754	\$689,059	\$39,573,735	\$40,518,149	\$41,559,648	\$52,115,646	\$44,372,055	\$32,111,816

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

** Some revenue and expenditures are double counted

*** Department of Health and Human Resources was split up into three departments after passage of HB 2006 in the 2023 Regular Session

General Revenue Fund

Revenues, Expenditures, and Changes in Cash Balance

(Nearest Dollar)

Actual Beginning Cash Balance July 1, 2023	\$ 2,884,813,151
Less: 31 Day Disbursements (July 1, 2023 - July 30, 2023)	(55,323,715)
Plus: Prior Year Reimbursements (July 1, 2023 - July 30, 2023)	218,002
Less: Prior Year Appropriations Forwarded	(797,995,917)
Less: Cash Balance - Adjustments and Accruals	<u>(443,404)</u>
Accumulated Surplus from FY 2023 @ July 31, 2023	\$ 2,031,268,117
Less: Transfer to Revenue Shortfall Reserve Fund (Statutory)	(231,584,775)
Less: FY 2024 Surplus Appropriations (FY 2023 Surplus) (House Bill 2024) 2023 Regular Session	\$ (1,165,478,000)
Less: FY 2024 Various Surplus Supplemental Appropriations (2023 1st Extraordinary Session)	(522,836,398)
Plus: Prior Year Reimbursements (August 1, 2023 - December 31, 2023)	652,401
Plus: Recommended FY 2024 Supplemental Appropriation -	
Expiration of Personal Income Tax Reserve Fund to Surplus to the General Revenue Surplus Balance	150,000,000
Plus: Recommended FY 2024 Supplemental Appropriation -	
Expiration of State Excess Lottery Funds to the General Revenue Surplus Balance	71,000,000
Plus: Recommended FY 2024 Supplemental Appropriation -	
Expiration of State Lottery Funds to the General Revenue Surplus Balance	35,000,000
Less: Recommended FY 2024 Surplus Supplemental Appropriations (2024 Regular Session)	<u>(367,061,767)</u>
Estimated Unappropriated Surplus Balance from FY 2024 Activity @ June 30, 2024	\$ 959,578
Plus: FY 2024 Revenue Estimate (<i>as revised</i>)	\$ 4,884,000,000
Less: FY 2024 Appropriations (FY 2024 Budget Bill) (HB 2024) (2023 Regular Session)	(4,874,572,614)
Plus: FY 2024 Various Supplemental Appropriations (2023 1st Extraordinary Session) (2023 1st Extraordinary Session)(Net Effect)	36,715,795
Less: Recommended FY 2024 Supplemental Appropriations (2024 Regular Session)	<u>(45,400,000)</u>
Estimated Unappropriated Balance from FY 2024 Activity @ June 30, 2024	\$ 743,181
Plus: FY 2025 Revenue Estimate	5,264,536,000
Less: FY 2025 Appropriations (FY 2025 Budget Bill) (2024 Regular Session)	<u>(5,222,841,436)</u>
Estimated Unappropriated Balance @ June 30, 2025	<u>\$ 41,694,564</u>
	<u>\$ 43,397,323</u>

Note: The Governor recommends that up to \$629.6m be appropriated from any General Revenue Surplus remaining at the end of FY 2024.

General Revenue Fund

Recommended Surplus Supplemental Appropriations

FY 2024

(Nearest Dollar)

Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (School Building Authority)	\$ 150,000,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Health Facilities)	
(Sharpe/Bateman - Contract Nursing)	50,000,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Economic Development Authority) (Affordable Housing)	50,000,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Economic Enhancement Grant Fund)	50,000,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Administration) (Public Defender)	24,400,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Human Services) (Medicaid Administrative Costs)	15,146,238
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Governor's Office) (Posey Perry Emergency Food Fund)	10,000,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Health) (Chief Medical Examiner)	5,264,269
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Education) (Increased Enrollment)	3,289,060
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Environmental Protection) (Fire Equipment)	2,500,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Adjutant General) (Matching dollars for maintenance/upgrade project)	1,175,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Veterans' Assistance)	
(Veteran Service Officers/Veterans' Home - kitchen renovations)	1,114,108
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Commerce) (Marketing and Communications)	1,000,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Higher Education Policy Commission)	
(Underwood Smith Scholarship/Nursing Scholarships)	1,000,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Commerce) (Forestry/GeoEco)	913,972
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Arts, Culture & History) (Move employees SR to GR)	493,700
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Education) (Professional Educators)	379,468
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Governor's Civil Contingent Fund) (Reimbursement for DHHR Payme	250,000
Recommended FY 2024 Surplus Supplemental Appropriation (2024 Regular Session) (Department of Revenue) (Tax Appeals - new office expenses)	135,952
	\$ 367,061,767

General Revenue Fund

Recommended Supplemental Appropriations

FY 2024

(Nearest Dollar)

Recommended FY 2024 Supplemental Appropriation (2024 Regular Session) (Higher Education) (Nursing Program Expansion)	\$ 30,000,000
Recommended FY 2024 Supplemental Appropriation (2024 Regular Session) (Governor's Office) (VOCA Grant)	10,000,000
Recommended FY 2024 Supplemental Appropriation (2024 Regular Session) (School Building Authority)(Charter Schools Start-up Fund)	5,000,000
Recommended FY 2024 Supplemental Appropriation (2024 Regular Session) (HEPC)(Farimont State University)	400,000
(Reimbursement of Administrative Costs for Dual Enrollment)	\$ 45,400,000

Note: The Governor recommends that up to \$629.6m be appropriated from any General Revenue Surplus remaining at the end of FY 2024.

General Revenue Fund

Statement of Revenues by Source

FY 2021 Through FY 2029

(Expressed in Thousands)

Sources of Revenue	FY 2021 Actual Collections	FY 2022 Actual Collections	FY 2023 Actual Collections	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate
Business and Occupation Tax	133,128	110,502	116,747	110,000	115,000	113,000	114,000	114,000	114,000
Consumers Sales and Use Tax	1,537,245	1,655,483	1,750,454	1,763,700	1,841,000	1,886,300	1,945,000	1,982,900	2,022,300
Personal Income Tax	2,253,788	2,502,828	2,663,568	2,004,000	2,023,300	2,135,300	2,225,300	2,314,300	2,397,300
Liquor Profit Transfers	25,587	29,474	32,313	26,500	30,500	30,500	30,500	30,500	30,500
Beer Tax and Licenses	7,877	7,571	7,262	7,000	7,000	6,850	6,800	6,800	6,800
Tobacco Products Tax (Cigarette & Other)	171,187	165,066	155,459	157,400	147,600	144,800	141,900	139,000	136,300
Business Franchise Fees	797	1,076	1,011	750	1,000	1,000	1,000	1,000	1,000
Charter Tax	12	2	4	-	-	-	-	-	-
Property Transfer Tax	15,943	17,856	12,706	10,000	6,000	-	-	-	-
Property Tax	8,121	7,908	7,702	8,000	9,400	9,000	9,400	9,500	9,600
Insurance Tax	118,061	135,847	112,168	117,000	120,000	122,500	125,000	127,000	130,000
Departmental Collections	23,880	26,344	26,888	25,114	28,200	28,800	29,200	29,500	29,800
Corporate Net Income Tax	320,487	366,316	419,965	210,000	318,000	307,000	325,000	335,000	348,600
Miscellaneous Transfers	1,710	16,740	5,329	2,000	2,000	2,000	2,000	2,000	2,000
Interest Income	9,661	-1,706	132,456	38,900	125,000	85,000	75,000	60,000	60,000
Severance Tax	274,256	768,794	946,486	313,000	406,300	514,400	567,600	570,400	546,300
Miscellaneous Receipts	8,568	2,467	2,462	2,000	8,000	8,000	8,000	8,000	8,000
HB102 - Lottery Transfers	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Video Lottery Transfers	317	554	634	-	-	-	-	-	-
Liquor License Renewal	1,951	766	933	736	736	101	-	-	-
Senior Citizen Tax Credit Reimbursement	10,000	9,009	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Soft Drink Excise Tax	-	-	13,766	12,900	500	-	-	-	-
Special Revenue Transfer	-	-	-	-	-	-	-	-	-
Total	4,987,577	5,887,899	6,483,311	4,884,000	5,264,536	5,469,551	5,680,700	5,804,900	5,917,500

General Revenue Fund: Overview by Functional Category

FY 2023 through FY 2025

(Nearest Dollar)

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2023	Total Appropriations FY 2024*	Plus: Reappropriated FY 2024	Total Available FY 2024	Total Request FY 2025**	Governor's Recommendation FY 2025	Percentage of Total
LEGISLATURE								
Senate	0165	5,279,437	11,152,206	9,094,370	20,246,576	6,152,206	6,152,206	0.12%
House of Delegates	0170	8,087,320	15,104,031	13,532,425	28,636,456	11,985,000	11,985,000	0.23%
Joint Expenses/Claims Against State	0175	9,567,652	12,050,054	5,342,034	17,392,088	11,950,054	12,940,457	0.25%
Subtotal		22,934,408	38,306,291	27,968,829	66,275,120	30,087,260	31,077,663	0.60%
JUDICIAL								
Supreme Court	0180	143,528,468	154,434,197	32,583,568	187,017,765	160,244,954	160,244,954	3.07%
Subtotal		143,528,468	154,434,197	32,583,568	187,017,765	160,244,954	160,244,954	3.07%
EXECUTIVE								
Office of the Governor	0101	5,384,617	16,489,034	3,098,872	19,587,906	6,489,034	6,626,040	0.13%
Custodial Fund	0102	379,063	598,223	507,776	1,105,999	598,223	615,427	0.01%
Civil Contingent Fund	0105	22,738,333	376,000,000	288,932,764	664,932,764	8,500,000	108,500,000	2.08%
State Auditor's Office	0116	2,439,024	2,572,504	77,917	2,650,421	2,572,504	2,724,523	0.05%
State Treasurer's Office	0126	3,076,830	3,576,928	664,625	4,241,553	3,576,928	3,718,259	0.07%
Department of Agriculture	0131	11,201,988	13,297,711	1,387,515	14,685,226	13,297,711	14,062,323	0.27%
WV Conservation Agency	0132	7,516,145	32,466,160	5,762,522	38,228,682	11,406,160	11,636,697	0.22%
Meat Inspection	0135	952,967	1,121,987	-	1,121,987	1,121,987	1,169,540	0.02%
Agricultural Awards	0136	46,947	54,250	-	54,250	54,250	54,250	0.00%
Attorney General's Office	0150	2,844,368	5,498,194	4,160,487	9,658,681	5,498,194	5,894,240	0.11%
Secretary of State	0155	891,932	943,230	197,477	1,140,707	943,230	983,138	0.02%
State Elections Commission	0160	1,145	7,508	-	7,508	7,508	7,508	0.00%
WV Agriculture Land Protection Authority	0607	99,225	106,252	-	106,252	106,252	109,693	0.00%
Subtotal		57,572,582	452,731,981	304,789,955	757,521,936	54,171,981	156,101,638	2.99%
TOURISM								
Department of Tourism	0246	7,857,758	22,000,000	17,815,149	39,815,149	7,000,000	30,000,000	0.57%
Subtotal		7,857,758	22,000,000	17,815,149	39,815,149	7,000,000	30,000,000	0.57%
ECONOMIC DEVELOPMENT								
Office of the Secretary	0256	716,300,911	127,965,437	2,990,737	130,956,174	12,765,437	12,917,867	0.25%
Office of Energy	0612	-	-	-	-	0	0	0%
Subtotal		716,300,911	127,965,437	2,990,737	130,956,174	12,765,437	12,917,867	0.25%

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

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2023	Total Appropriations FY 2024*	Plus: Reappropriated FY 2024	Total Available FY 2024	Total Request FY 2025**	Governor's Recommendation FY 2025	Percentage of Total
ARTS, CULTURE, AND HISTORY								
Culture and History	0293	5,013,618	11,790,714	1,086,839	12,877,553	5,090,714	5,788,181	0.11%
Library Commission	0296	919,485	1,592,544	-	1,592,544	1,592,544	1,644,157	0.03%
Educational Broadcasting Authority	0300	3,835,184	4,172,478	34,302	4,206,780	4,172,478	4,323,875	0.08%
Subtotal		9,768,288	17,555,736	1,121,140	18,676,876	10,855,736	11,756,213	0.23%
ENVIRONMENTAL PROTECTION								
Environmental Quality Board	0270	119,341	124,992	-	124,992	124,992	131,874	0.00%
Environmental Protection	0273	56,413,230	7,397,792	-	7,397,792	7,397,792	7,622,445	0.15%
Air Quality Board	0550	74,731	76,053	-	76,053	76,053	76,053	0.00%
Subtotal		56,607,303	7,598,837	-	7,598,837	7,598,837	7,830,372	0.15%
DEPARTMENT OF HOMELAND SECURITY								
Office of the Secretary - Homeland Security	0430	2,373,035	5,096,816	4,853,211	9,950,027	4,196,816	4,293,160	0.08%
Fire Commission	0436	59,465	63,061	-	63,061	63,061	63,061	0.00%
Parole Board	0440	1,048,069	1,468,922	-	1,468,922	1,423,034	1,454,002	0.03%
Emergency Management	0443	4,701,064	18,367,888	2,730,049	21,097,937	6,367,888	6,691,854	0.13%
Corrections Central Office	0446	84,735	994,312	-	994,312	381,706	385,147	0.01%
Correctional Units	0450	246,533,906	315,036,574	82,789,364	397,825,938	293,139,005	317,211,561	6.07%
WV State Police	0453	92,204,418	127,435,617	9,166,884	136,602,501	126,535,617	126,893,784	2.43%
Justice and Community Services	0546	21,381,412	10,593,224	14,277,524	24,870,748	10,593,224	10,656,295	0.20%
Juvenile Services	0570	42,907,877	50,571,581	5,243,749	55,815,330	46,781,978	51,207,884	0.98%
Protective Services Division	0585	3,185,348	3,865,295	2,187,919	6,053,214	3,865,295	4,023,574	0.08%
Administrative Services	0619	4,718,960	6,052,439	-	6,052,439	6,052,439	6,280,223	0.12%
Subtotal		419,198,290	539,545,729	121,248,699	660,794,428	499,400,063	529,160,545	10.13%
BUREAU OF SENIOR SERVICES								
Bureau Of Senior Services	0420	19,612,957	10,839,825	-	10,839,825	10,839,825	6,580,366	0.13%
Subtotal		19,612,957	10,839,825	-	10,839,825	10,839,825	6,580,366	0.13%

General Revenue Fund Overview by Functional Category (Continued)

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2023	Total Appropriations FY 2024*	Plus: Reappropriated FY 2024	Total Available FY 2024	Total Request FY 2025**	Governor's Recommendation FY 2025	Percentage of Total
HIGHER EDUCATION								
WV School of Osteopathic Medicine	0336	5,804,359	35,135,938	205,652	35,341,590	6,135,938	6,332,105	0.12%
WVU-School of Medicine	0343	21,475,565	21,969,395	-	21,969,395	21,969,395	22,433,558	0.43%
West Virginia University	0344	113,282,652	166,472,069	-	166,472,069	116,472,069	119,508,643	2.29%
Marshall University-School of Medicine	0347	7,867,808	9,174,072	1,147,570	10,321,642	9,174,072	9,787,407	0.19%
Marshall University	0348	48,867,224	99,114,147	1,561,403	100,675,550	54,114,147	56,923,978	1.09%
Bluefield State University	0354	6,648,770	6,855,771	-	6,855,771	6,855,771	7,184,100	0.14%
Concord University	0357	10,836,709	11,170,362	-	11,170,362	11,170,362	11,600,864	0.22%
Fairmont State University	0360	19,273,190	19,961,302	-	19,961,302	19,961,302	20,805,888	0.40%
Glenville State University	0363	6,763,480	7,071,784	-	7,071,784	7,071,784	7,470,766	0.14%
Shepherd University	0366	13,026,830	13,374,828	-	13,374,828	13,026,098	13,586,867	0.26%
West Liberty University	0370	9,552,600	9,964,386	-	9,964,386	9,964,386	10,530,209	0.20%
West Virginia State University	0373	15,832,709	16,850,600	297,470	17,148,070	16,850,600	17,944,676	0.34%
WVNET	0551	1,817,992	1,873,368	-	1,873,368	1,873,368	1,946,515	0.04%
HEPC-Administration	0589	72,900,877	98,513,441	2,840,332	101,353,773	78,513,441	81,059,149	1.55%
Subtotal		353,950,766	517,501,463	6,052,428	523,553,891	373,152,733	387,114,725	7.41%
C&T COLLEGES								
WVU at Parkersburg	0351	10,799,686	11,193,778	-	11,193,778	11,193,778	11,632,093	0.22%
Southern WV C&T College	0380	8,557,086	8,849,656	-	8,849,656	8,849,656	9,185,300	0.18%
WV Northern C&T College	0383	6,670,892	7,818,075	-	7,818,075	7,818,075	8,145,573	0.16%
Eastern WV C&T College	0587	2,264,340	2,349,856	-	2,349,856	2,349,856	2,447,264	0.05%
Council for C&T College Education	0596	13,469,907	15,818,561	9,812,204	25,630,765	15,818,561	15,839,076	0.30%
Pierpont C&T College	0597	8,119,152	8,370,981	-	8,370,981	8,370,981	8,699,120	0.17%
Mountwest C&T College	0599	6,716,176	6,903,571	-	6,903,571	6,903,571	7,165,674	0.14%
New River C&T College	0600	6,088,539	6,302,132	-	6,302,132	6,352,132	6,624,770	0.13%
Blue Ridge C&T College	0601	8,139,835	8,416,425	-	8,416,425	8,416,425	8,821,525	0.17%
BridgeValley C&T College	0618	8,364,587	8,629,476	-	8,629,476	8,629,476	8,970,648	0.17%
Subtotal		79,190,200	84,652,511	9,812,204	94,464,715	84,702,511	87,531,043	1.68%
MISCELLANEOUS								
Adjutant General - State Militia	0433	16,753,381	26,026,770	4,911,311	30,938,081	18,268,870	18,646,916	0.36%
HEPC-Administration	0589	-	-	-	-	-	-	0%
Adjutant General - Military Fund	0605	51,147	157,775	-	157,775	157,775	157,775	0.00%
Subtotal		16,804,529	26,184,545	4,911,311	31,095,856	18,426,645	18,804,691	0.36%

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

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2023	Total Appropriations FY 2024*	Plus: Reappropriated FY 2024	Total Available FY 2024	Total Request FY 2025**	Governor's Recommendation FY 2025	Percentage of Total
HEALTH FACILITIES								
Health Facilities - Central Office-0401	0401	-	3,359,735	-	3,359,735	3,598,921	3,655,695	0.07%
Health Facilities - Capital Projects Fund-0402	0402	-	476,552	-	476,552	550,000	550,000	0.01%
Health Facilities - Hopemont Hospital-0408	0408	-	10,618,168	-	10,618,168	12,597,100	12,827,637	0.25%
Health Facilities - Lakin Hospital-0409	0409	-	11,458,703	-	11,458,703	14,138,275	14,451,392	0.28%
Health Facilities -John Manchin Senior Healthcare C	0410	-	6,509,053	-	6,509,053	8,550,204	8,703,666	0.17%
Health Facilities - Jackie Withrow Hospital-0411	0411	-	11,408,110	-	11,408,110	12,072,220	12,337,165	0.24%
Health Facilities - Welch Community Hospital-0412	0412	-	30,879,395	-	30,879,395	30,580,481	31,057,039	0.59%
Health Facilities - William R. Sharpe Jr. Hospital-041	0413	-	50,819,546	-	50,819,546	46,878,556	79,407,370	1.52%
Health Facilities - Mildred Mitchell-Bateman Hospital-	0414	-	37,684,192	-	37,684,192	34,208,802	53,506,391	1.02%
Health Facilities - William Sharpe - Transit Living F	0415	-	1,721,454	-	1,721,454	1,765,349	1,847,929	0.04%
Subtotal		-	164,934,908	-	164,934,908	164,939,908	218,344,284	4.18%
ADMINISTRATION								
Office of the Secretary - Administration	0186	41,459,629	16,116,147	21,564	16,137,711	15,616,147	15,631,631	0.30%
Public Employees Insurance Agency	0200	21,000,000	0	-	0	0	0	0%
Division Of Finance	0203	701,633	791,843	33,234	825,077	791,843	810,767	0.02%
WV Office of Technology	0204	-	2,000,000	-	2,000,000	-	-	0%
Division Of Personnel	0206	1,500,000	-	-	-	-	1,800,000	0.03%
Purchasing Division	0210	903,288	1,114,318	-	1,114,318	1,114,318	1,146,662	0.02%
Commission On Uniform State Laws	0214	41,737	53,152	-	53,152	45,550	45,550	0.00%
Public Employees Grievance Board	0220	1,032,902	1,182,258	-	1,182,258	1,182,258	1,213,226	0.02%
Ethics Commission	0223	616,408	753,099	-	753,099	753,099	773,228	0.01%
Public Defender Services	0226	48,467,439	38,102,841	8,066,718	46,169,559	38,102,841	38,195,744	0.73%
General Services Division	0230	14,468,233	283,032,415	46,602,167	329,634,582	28,032,415	26,394,135	0.51%
Comm Purchase for Handicapped	0233	0	4,055	-	4,055	4,055	4,055	0.00%
WV Prosecuting Attorneys Institute	0557	240,132	681,162	12,572	693,734	681,162	688,044	0.01%
Real Estate Division	0610	782,671	877,997	-	877,997	877,997	902,771	0.02%
Travel Management	0615	907,201	1,293,522	400	1,293,922	1,301,124	1,325,210	0.03%
Subtotal		132,121,274	346,002,809	54,736,655	400,739,464	88,502,809	88,931,023	1.70%

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

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2023	Total Appropriations FY 2024*	Plus: Reappropriated FY 2024	Total Available FY 2024	Total Request FY 2025**	Governor's Recommendation FY 2025	Percentage of Total
REVENUE								
Office of the Secretary - Revenue	0465	596,980	400,634,743	187,221	400,821,964	634,743	648,506	0.01%
Tax Division	0470	27,143,378	30,760,304	14,211,052	44,971,356	30,760,304	31,518,796	0.60%
Athletic Commission	0523	36,763	36,811	-	36,811	36,811	36,811	0.00%
Office of Tax Appeals	0593	555,805	1,187,051	213,997	1,401,048	1,187,051	1,214,578	0.02%
State Budget Office	0595	602,505	981,493	818,064	1,799,557	981,493	1,183,885	0.02%
Subtotal		28,935,430	433,600,402	15,430,333	449,030,735	33,600,402	34,602,576	0.66%
COMMERCE								
Forestry	0250	6,788,848	9,857,016	1,202,283	11,059,299	5,857,016	6,105,480	0.12%
Geological & Economic Survey	0253	2,161,127	3,059,296	1,470,360	4,529,656	3,059,296	3,328,376	0.06%
Division of Labor	0260	1,777,403	1,945,153	-	1,945,153	1,945,153	2,017,411	0.04%
Division of Natural Resources	0265	23,735,015	83,129,153	43,035,426	126,164,579	30,229,153	31,316,979	0.60%
Miners' Health, Safety, & Training	0277	9,722,336	12,011,738	-	12,011,738	12,011,738	12,342,060	0.24%
Boards of Coal Mine Health & Safety	0280	246,879	367,108	-	367,108	367,108	370,549	0.01%
Division of Rehabilitation Services	0310	14,979,365	15,744,185	-	15,744,185	15,744,185	16,222,463	0.31%
WorkForce West Virginia	0572	58,473	58,473	-	58,473	58,473	75,700	0.00%
Office of the Secretary	0606	3,488,087	2,926,142	-	2,926,142	1,926,142	1,977,755	0.04%
Subtotal		62,957,533	129,098,264	45,708,070	174,806,334	71,198,264	73,756,773	1.41%
EDUCATION								
School Lunch Program	0303	2,363,148	2,487,196	-	2,487,196	2,487,196	2,497,519	0.05%
State Department of Education	0313	115,149,853	131,696,368	23,334,791	155,031,159	147,000,724	147,947,521	2.83%
Aid for Exceptional Children	0314	31,469,363	34,070,195	2,158,390	36,228,585	34,070,195	35,113,216	0.67%
State Aid to Schools	0317	1,787,229,336	1,945,581,877	-	1,945,581,877	1,964,710,266	2,042,217,856	39.10%
School Building Authority-0318	0318	-	76,000,000	-	76,000,000	24,000,000	24,000,000	0.46%
WV Schools for the Deaf & Blind	0320	10,790,120	15,823,243	8,265,763	24,089,006	15,323,243	15,730,195	0.30%
State Board of Education-Vocational Division	0390	36,296,179	42,610,910	4,003,607	46,614,517	41,010,910	41,790,026	0.80%
Subtotal		1,983,297,999	2,248,269,789	37,762,551	2,286,032,340	2,228,602,534	2,309,296,333	44.22%

General Revenue Fund Overview by Functional Category (Continued)

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2023	Total Appropriations FY 2024*	Plus: Reappropriated FY 2024	Total Available FY 2024	Total Request FY 2025**	Governor's Recommendation FY 2025	Percentage of Total
HEALTH								
Office of the Secretary - DHHR	0400	398,161	483,397	-	483,397	0	0	0%
Human Services	0403	-	-	-	-	-	-	0%
Division of Health-Central Office	0407	60,083,912	93,999,582	24,499,578	118,499,160	86,077,123	93,831,752	1.80%
Human Rights Commission	0416	1,285,744	1,502,937	-	1,502,937	1,502,937	1,568,052	0.03%
Consolidated Medical Services Fund	0525	218,873,054	79,901,268	55,272,298	135,173,566	0	0	0%
WV Drinking Water Treatment	0561	647,500	-	-	-	0	0	0%
Subtotal		281,288,371	175,887,184	79,771,875	255,659,059	87,580,060	95,399,804	1.83%
VETERAN'S ASSISTANCE								
Veterans' Affairs	0456	10,968,947	14,694,259	25,015,822	39,710,081	12,194,259	15,640,193	0.30%
Veteran's Home	0460	1,621,705	1,692,521	98,855	1,791,376	1,692,521	1,785,768	0.03%
Subtotal		12,590,652	16,386,780	25,114,677	41,501,457	13,886,780	17,425,961	0.33%
TRANSPORTATION								
Multimodal - State Rail Authority	0506	1,591,716	2,138,158	1,578,881	3,717,039	2,138,158	2,145,040	0.04%
Multimodal - Public Transit	0510	30,000	2,492,989	5,612,355	8,105,344	2,492,989	2,292,989	0.04%
Division of Multimodal Transportation Facilities	0580	238,036	1,457,500	454,464	1,911,964	1,457,500	1,471,263	0.03%
Multimodal - Public Port Authority	0581	-	-	-	-	0	0	0%
Multimodal - Aeronautics Commission	0582	442,150	1,831,626	1,297,127	3,128,753	831,626	1,031,626	0.02%
Division of Highways	0620	150,000,000	160,000,000	-	160,000,000	-	-	0%
Subtotal		152,301,903	167,920,273	8,942,827	176,863,100	6,920,273	6,940,918	0.13%
HUMAN SERVICES								
Human Services	0403	872,101,582	844,754,256	1,234,909	845,989,165	915,831,380	939,023,687	17.98%
Division of Health-Central Office	0407	-	-	-	-	-	-	0%
Consolidated Medical Services Fund	0525	-	-	-	-	0	0	0%
Subtotal		872,101,582	844,754,256	1,234,909	845,989,165	915,831,380	939,023,687	17.98%
TOTAL GENERAL REVENUE		\$5,428,921,203	\$6,526,171,217	\$797,995,917	\$7,324,167,134	\$4,880,308,392	\$5,222,841,436	100.00%

* Total Appropriations FY 2024 include surplus and supplemental appropriations from 2023 1X Special Session.

** Total Request FY 2025 is Current-Level Request plus General Revenue Improvement Requests.

Lottery Fund

Revenues, Expenditures, and Changes in Cash Balance

(Nearest Dollar)

	Balance @ July 1, 2022	\$ 98,201,456
Less:	Reserve for Cash Flow / Contingencies	(40,000,000)
Plus:	FY 2023 Actual Revenue	187,016,891
Less:	Veterans Fund - Actual Transfers	(617,849)
Less:	FY 2023 Appropriations (FY 2023 Budget Bill) (SB 250)	(134,145,880)
Less:	FY 2023 Surplus Appropriation (FY 2023 Budget Bill) (SB 250) FY 2022 Surplus	(19,850,000)
Less:	Expiration to General Revenue Surplus (FY 2023 1st Regular Session HB 2906)	(21,550,000)
Plus:	Cash not needed for FY 2023 Appropriations (Debt Service Actual)	<u>13,850</u>
	Unappropriated Balance @ June 30, 2023	\$ 69,068,468
Plus:	FY 2024 Revenue Estimate	\$ 144,544,756
Less:	Veterans' Fund	<u>(400,000)</u>
	Revenue Available for FY 2024 Appropriations	\$ 213,213,224
Less:	FY 2024 Appropriations (FY 2024 Budget Bill) (HB 2024)	\$ (144,077,498)
Less:	FY 2024 Surplus Appropriation (FY 2024 Budget Bill) (HB 2024) FY 2023 Surplus	(16,750,000)
Plus:	Cash not needed for FY 2024 Appropriations (Debt Service Actual)	8,350
Less:	Recommended FY 2024 Supplemental Appropriation	
	Expiration to General Revenue Surplus Balance (2024 Regular Session)	<u>(35,000,000)</u>
	Estimated Unappropriated Balance @ June 30, 2024	\$ 17,394,076
Plus:	FY 2025 Revenue Estimate	\$ 149,504,142
Less:	Veterans Fund	<u>(400,000)</u>
	Revenue Available for FY 2025 Appropriations	\$ 166,498,218
Less:	Recommended FY 2025 Appropriations (FY 2025 Budget Bill)	(149,104,142)
Less:	Recommended FY 2025 Budget Bill Surplus Appropriations (FY 2025 Budget Bill) FY 2024 Surplus	<u>(16,750,000)</u>
	Estimated Unappropriated Balance @ June 30, 2025	<u><u>\$ 644,076</u></u>

Lottery Fund: Overview by Functional Category

FY 2023 through FY 2025

(Nearest Dollar)

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2023	Total Appropriations FY 2024*	Plus: Reappropriated FY 2024	Total Available FY 2024	Total Request FY 2025**	Governor's Recommendation FY 2025	Percentage of Total
TOURISM								
Department of Tourism	3067	4,747,447	6,956,258	7,727,187	14,683,445	6,956,258	7,087,010	0.14%
Subtotal		4,747,447	6,956,258	7,727,187	14,683,445	6,956,258	7,087,010	4.75%
ARTS, CULTURE, AND HISTORY								
Culture & History	3534	3,840,512	4,283,415	2,363,321	6,646,736	4,283,415	4,293,824	0.08%
Library Commission	3559	10,862,166	11,513,700	-	11,513,700	11,513,700	11,513,700	0.22%
Educational Broadcasting Authority	3587	-	-	3,568,583	3,568,583	-	-	0%
Subtotal		14,702,678	15,797,115	5,931,904	21,729,019	15,797,115	15,807,524	10.60%
BUREAU OF SENIOR SERVICES								
Bureau of Senior Services	5405	68,554,993	79,478,828	422,387	63,151,215	62,728,828	67,020,621	1.28%
Subtotal		68,554,993	79,478,828	422,387	79,901,215	62,728,828	67,020,621	44.95%
HIGHER EDUCATION								
West Virginia University	4185	2,593,155	3,782,430	1,551,596	5,334,026	3,782,430	3,867,430	0.07%
Marshall-School of Medicine	4896	444,816	621,228	422,261	1,043,489	621,228	633,298	0.01%
CTC - Capital Improvement Fund	4908	4,990,750	5,000,000	2,510,504	7,510,504	5,000,000	5,000,000	0.10%
Higher Education Policy Commission	4925	2,562,816	3,027,142	911,977	3,939,119	3,027,142	3,030,966	0.06%
Subtotal		10,591,538	12,430,800	5,396,336	17,827,136	12,430,800	12,531,694	8.40%
ADMINISTRATION								
Education, Arts, Sciences, & Tourism Debt Service Fund	2252	9,996,988	10,000,000	-	10,000,000	10,000,000	10,000,000	0.19%
Subtotal		9,996,988	10,000,000	-	10,000,000	10,000,000	10,000,000	6.71%
COMMERCE								
Division Of Natural Resources	3267	2,761,205	3,778,959	2,720,016	6,498,975	3,778,959	3,902,830	0.07%
Subtotal		2,761,205	3,778,959	2,720,016	6,498,975	3,778,959	3,902,830	2.62%
EDUCATION								
State Department of Education	3951	7,631,355	14,385,538	17,672,826	32,058,364	14,385,538	14,754,463	0.28%
School Building Authority	3963	18,000,000	18,000,000	-	18,000,000	18,000,000	18,000,000	0.34%
Subtotal		25,631,355	32,385,538	17,672,826	50,058,364	32,385,538	32,754,463	21.97%
TOTAL LOTTERY REVENUE		\$136,986,204	\$160,827,498	\$39,870,655	\$200,698,153	\$144,077,498	\$149,104,142	100.00%

* Total Appropriations FY 2024 include surplus appropriations of \$16,750,000.

** Total Request FY 2025 is Current-Level Request plus Improvement Requests.

Excess Lottery Fund

Revenues, Expenditures, and Changes in Cash Balance

(Nearest Dollar)

	Balance @ July 1, 2022	\$ 141,931,952
Less:	Reserve for Cash Flow / Contingencies	(6,600,000)
Less:	Catastrophic Event Contingency	(30,000,000)
Plus:	FY 2023 Actual Revenue	389,443,949
Less:	FY 2023 Appropriations (FY 2023 Budget Bill) (SB 250)	(300,652,000)
Less:	FY 2023 Surplus Appropriation (FY 2023 Budget Bill) (SB 250) FY 2022 Surplus	(17,000,000)
Less:	FY 2023 Surplus Appropriation (FY 2023 Regular Session HB 3527)	(40,000,000)
Less:	Expiration to General Revenue Surplus (2023 Regular Session HB 2915)	(30,500,000)
Plus:	Cash not needed for FY 2023 Appropriations (Debt Service Actual)	<u>57,541</u>
	Unappropriated Balance @ June 30, 2023	\$ 106,681,442
Plus:	FY 2024 Revenue Estimate	<u>334,670,790</u>
	Available for FY 2024 Appropriations	\$ 441,352,232
Less:	FY 2024 Appropriations (FY 2024 Budget Bill) (HB 2024)	\$ (334,670,790)
Less:	FY 2024 Surplus Appropriation (FY 2024 Budget Bill) (HB 2024) FY 2023 Surplus	(17,800,000)
Plus:	Cash not needed for FY 2024 Appropriations (Debt Service Actual)	50,390
Less:	Recommended FY 2024 Supplemental Appropriation	
	Expiration to General Revenue Surplus Balance (2024 Regular Session)	<u>(71,000,000)</u>
	Estimated Unappropriated Balance @ June 30, 2024	\$ 17,931,832
Plus:	FY 2025 Revenue Estimate	\$ 337,436,083
Less:	Recommended FY 2025 Appropriations (2025 Budget Bill)	(337,436,083)
Less:	Recommended FY 2025 Budget Bill Surplus Section Appropriations (FY 2025 Budget Bill) FY 2024 Surplus	<u>(17,800,000)</u>
	Estimated Unappropriated Balance @ June 30, 2025	<u><u>\$ 131,832</u></u>

Excess Lottery Fund: Overview by Functional Category

FY 2023 through FY 2025

(Nearest Dollar)

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2023	Total Appropriations FY 2024*	Plus: Reappropriated FY 2024	Total Available FY 2024	Total Request FY 2025**	Governor's Recommendation FY 2025	Percentage of Total
APPROPRIATIONS ABOVE EXCESS LOTTERY STATUTORY REQUIREMENTS								
Office of the Governor	1046	-	-	65,575	65,575	-	-	0%
Office of Technology	2532	-	-	2,577,533	2,577,533	-	-	0%
Department of Economic Development	3170	-	-	887,548	887,548	-	-	0%
Higher Education-Advanced Technology Centers	4932	-	-	111,323	111,323	-	-	0%
Human Services-Medical Services	5365	42,897,960	77,716,750	-	77,716,750	60,716,750	63,232,578	1.21%
Division of Corrections-Capital	6283	-	-	210,968	210,968	-	-	0%
Distributions to Statutory Funds and Purposes	7213	61,022,040	61,022,040	-	61,022,040	61,022,040	61,271,505	1.17%
Subtotal		103,920,000	138,738,790	3,852,947	142,591,737	121,738,790	124,504,083	36.90%
Department Of Education Excess Lottery Fund								
Department Of Education Excess Lottery Fund	3517	3,000,000	12,000,000	-	12,000,000	-	-	0%
Subtotal		3,000,000	12,000,000	-	12,000,000			-
STATUTORY APPROPRIATIONS								
Division of Natural Resources	3277	963,001	1,505,000	3,365,562	4,870,562	1,505,000	1,505,000	0.03%
Infrastructure Council	3390	46,000,000	46,000,000	-	46,000,000	46,000,000	46,000,000	0.88%
School Building Authority	3514	43,966,477	19,000,000	-	19,000,000	19,000,000	19,000,000	0.36%
Higher Education Improvement Fund	4297	15,000,000	15,000,000	-	15,000,000	15,000,000	15,000,000	0.29%
Economic Development Authority	9065	18,984,982	19,000,000	-	19,000,000	19,000,000	19,000,000	0.36%
Cacapon & Beech Fork Debt Service Fund	9067	2,028,000	2,032,000	-	2,032,000	2,032,000	2,032,000	0.04%
State Parks Debt Service Fund	9068	4,390,000	4,395,000	-	4,395,000	4,395,000	4,395,000	0.08%
Subtotal		131,332,460	106,932,000	3,365,562	110,297,562	106,932,000	106,932,000	31.69%
TRANSFERS								
PROMISE Scholarship	4295	29,000,000	29,000,000	-	29,000,000	29,000,000	29,000,000	0.56%
General Revenue	7206	65,000,000	65,000,000	-	65,000,000	65,000,000	65,000,000	1.24%
Refundable Credit	7207	10,000,000	10,000,000	-	10,000,000	10,000,000	10,000,000	0.19%
Racing Commission-Special Breeders Compensation	7308	910,000	2,800,000	-	2,800,000	2,000,000	2,000,000	0.04%
Subtotal		104,910,000	106,800,000	-	106,800,000	106,000,000	106,000,000	31.41%
TOTAL EXCESS LOTTERY		\$343,162,460	\$364,470,790	\$7,218,509	\$371,689,299	\$334,670,790	\$337,436,083	100.00%

* Total Appropriations FY 2024 include surplus appropriations of \$17,800,000.

** Total Request FY 2025 is Current-Level Request plus Improvement Requests.

State Road Fund

Revenues, Expenditures, and Changes in Cash Balance

(Nearest Dollar)

	Cash and Investment Balance - July 1, 2023	\$ 174,555,257
Plus:	FY 2024 Estimated Collections (amended)	<u>2,038,375,000</u>
	Total Estimated Receipts and Balance:	\$ 2,212,930,257
Less:	FY 2024 Estimated Expenditures:	
	Division of Highways (HB 2024 - FY 2024 Enrolled Budget Bill)	\$ (1,630,574,687)
	Division of Highways (SB 1027 - 2023 1st Extraordinary Session)	(150,000,000)
	Division of Highways (Recommended Supplemental Appropriations - 2024 Regular Session)	(275,000,000)
	Division of Motor Vehicles (HB 2024 - FY 2024 Enrolled Budget Bill)	(66,692,527)
	Industrial Access Road Contribution	(1,500,000)
	Claims Against the State Road Fund (FY 2024 - Enrolled Budget Bill)	<u>(515,660)</u>
	Estimated Cash Balance - July 1, 2024	\$ 88,647,383
Plus	Revenue Estimate - FY 2025	\$ 1,915,875,000
Less:	Recommended FY 2025 Appropriations (FY 2025 - Introduced Budget Bill) - Highways	(1,928,202,161)
Less:	Recommended FY 2025 Appropriations (FY 2025 - Introduced Budget Bill) - Motor Vehicles	(70,015,747)
Less:	Industrial Access Road Contribution - FY 2025	(1,500,000)
Less:	Claims Against the State Road Fund (FY 2025 - Introduced Budget Bill)	(425,000)
	Estimated Unappropriated Balance @ June 30, 2025	<u><u>\$ 4,379,475</u></u>

State Road Fund

Statement of Revenues by Source

FY 2021 Through FY 2029

(Expressed in Thousands)

Sources of Revenue	FY 2021 Actual Collections	FY 2022 Actual Collections	FY 2023 Actual Collections	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2029 Estimate
Motor Carrier Fuel Tax	399,542	419,593	432,442	437,500	435,000	435,000	435,000	430,000	430,000
Registration Fees	136,484	136,234	142,498	155,000	155,000	157,500	160,000	167,500	167,500
Registration Fee: Highway Litter Control	1,879	1,593	1,878	1,700	1,700	1,900	1,950	2,000	2,000
Sales Tax	300,975	300,583	317,936	305,000	305,000	305,000	305,000	305,000	305,000
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)
Miscellaneous Income	223,090	15,731	172,679	210,000	90,000	50,000	45,000	45,000	45,000
Federal Reimbursement	374,422	474,424	639,231	929,175	929,175	750,000	750,000	750,000	750,000
Total	1,433,392	1,345,158	1,703,664	2,035,375	1,912,875	1,696,400	1,693,950	1,696,500	1,696,500

Cash and Investment Balances of All Funds

Fiscal Year Ending June 30, 2023

(Nearest Dollar)

	Fund No.	Cash Balance	Investments	Total Balance
General Revenue	01	\$ 3,009,565,176	\$ -	\$ 3,009,565,176
State Road Fund	02	22,174,306	171,484,885	193,659,191
Natural Resources Fund	03	2,826,874	138,840,362	141,667,236
Consolidated Investment Pool	09	(4,861,723,063)	5,795,103,201	933,380,137
Consolidated Federal Funds (Special Revenue)	12	105,025,476	27,014,051	132,039,528
Special Revenue Departments	13	1,737,409,264	10,587,324,422	12,324,733,686
Special Revenue Higher Education	14	77,721,100	336,267,153	413,988,252
Health and Human Resources	16	553,482,108	12,229,114	565,711,222
Public Employees' Retirement	17	1,415,649	8,126,030,332	8,127,445,981
Teachers' Retirement Fund	18	68,053,561	9,019,159,063	9,087,212,623
WVU Medical School	20	571,835	87,459	659,293
Total		<u>\$ 716,522,286</u>	<u>\$ 34,213,540,042</u>	<u>\$ 34,930,062,325</u>

Detailed Investments - Special Revenue

Fiscal Year Ending June 30, 2023

(Nearest Dollar)

Attorney General	\$794,975.29
Auditor's Office	\$10,416,956.07
Board of Risk and Insurance Management	\$209,362,923.59
Budget Office	\$89,440,804.71
Court of Claims	\$6,617,989.65
CPRB	\$1,820,070,020.98
Culture and History	\$775,072.35
Department of Administration	\$1,753,363,755.11
Department of Education	\$94,311,648.17
Department of Environmental Protection	\$628,621,064.83
Department of Transportation	\$1,299,305,238.96
Division of Financial Institutions	\$120,540.95
Division of Forestry	\$800,371.28
Division of Health	\$2,913,074.52
Division of Human Services	\$10,788,106.70
Division of Labor	\$1,770,671.65
Division of Natural Resources	\$57,547,525.48
Insurance Commissioner	\$1,137,073,615.83
Lottery Commission	\$272,369,226.09
Municipal Bond Commission	\$192,531,051.05
Municipal Pension Oversight Board	\$35,777,211.51
Public Employees Insurance Agency	\$174,777,187.54
Regional Jail Authority	\$36,045,971.80
Secretary of Revenue	\$873,330,392.95
Secretary of State	\$40,591.18
State Police	\$755,031.59
Treasurer's Office	\$202,096,967.91
Water Development Authority	\$488,807,863.98
WV Economic Development Authority	\$1,186,698,570.48
Total Detail Special Revenue	\$ 10,587,324,422.2

Summary of Primary Government Long-Term Debt Outstanding as of June 30, 2023 (Expressed in Thousands)

	Actual 6/30/21*	Actual 6/30/22*	Actual 6/30/23*	Estimated 6/30/24*	Estimated 6/30/25*
General Obligation Debt					
Safe Road Bonds	\$67,570	\$55,650	\$43,130	\$22,090	\$0
Roads to Prosperity	1,559,880	1,533,690	1,490,735	1,450,755	1,406,250
Infrastructure Bonds	115,723	98,887	81,185	60,889	40,591
SUBTOTAL	1,743,173	1,688,227	1,615,050	1,533,734	1,446,841
Revenue Bonds					
School Building Authority	-	-	-	-	-
School Building Authority (Lottery)	110,375	100,335	91,911	80,836	69,236
School Building Authority (Excess Lottery)	65,550	59,005	63,451	63,370	56,515
School Building Authority, QSCBs (Excess Lottery)	150,480	150,480	150,480	150,480	150,480
Tobacco Settlement Finance Authority	783,939	752,669	727,383	727,383	727,383
Highways, Commissioner of	246,745	226,815	205,895	183,930	160,860
2010 EAST Fund (Lottery)	129,595	125,200	120,585	115,740	110,650
Economic Development Authority (Excess Lottery)	161,165	144,670	127,200	108,795	89,300
WV Infrastructure and Jobs Development Council	145,560	131,012	132,740	125,890	118,730
SUBTOTAL	1,793,409	1,690,186	1,619,645	1,556,424	1,483,154
Other Financing Obligations & Notes Payable					
Governmental Funds	166,960	131,870	122,869	122,869	122,869
Internal Service**	51,435	47,650	45,650	45,650	45,650
Notes Payable**	21,111	21,244	10,777	10,777	10,777
SUBTOTAL	239,506	200,764	179,296	179,296	179,296
TOTAL	\$3,776,088	\$3,579,177	\$3,413,991	\$3,269,454	\$3,109,291

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

**FY 2023 balances are estimates.

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.V. Code §11B-2-20 was passed March 11, 1994, and amended in 2011 and March 2022.) Funds may be used for revenue shortfalls, emergency needs caused by acts of God or natural disasters, or for other fiscal needs.

Prior to FY 2023, West Virginia Code required 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 was 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 was invested by the West Virginia Board of Treasury Investments and any amounts over \$100 million are invested by the West Virginia Investment Management Board.

With the passage of SB 487 during the 2022 Regular Session, effective July 1, 2022, West Virginia Code was amended and now 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 both Rainy Day Fund-Part A and Rainy Day Fund-Part B is equal to 20% of the total appropriations from the General Revenue Fund for the fiscal year just ended.

Since the fund was created in 1994, \$1.2 billion has been deposited into the fund, which includes transfers in, surplus appropriations, 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. FY 2015 was the first time 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 through FY 2024 budgets used no Rainy Day funding. The Governor recommends no transfer in his FY 2025 budget from the Rainy Day Fund.

By executive order, the Governor 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, 2023, the balance in the Rainy Day Fund - Part A was \$678.9 million, 10.4% of FY 2024 appropriations to date.

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.V. Code §11B-2-20 amended August 5, 2011 and March 2022). 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 returns earned on money in the Rainy Day Fund—Part B may

Major Reserve/Stabilization Accounts

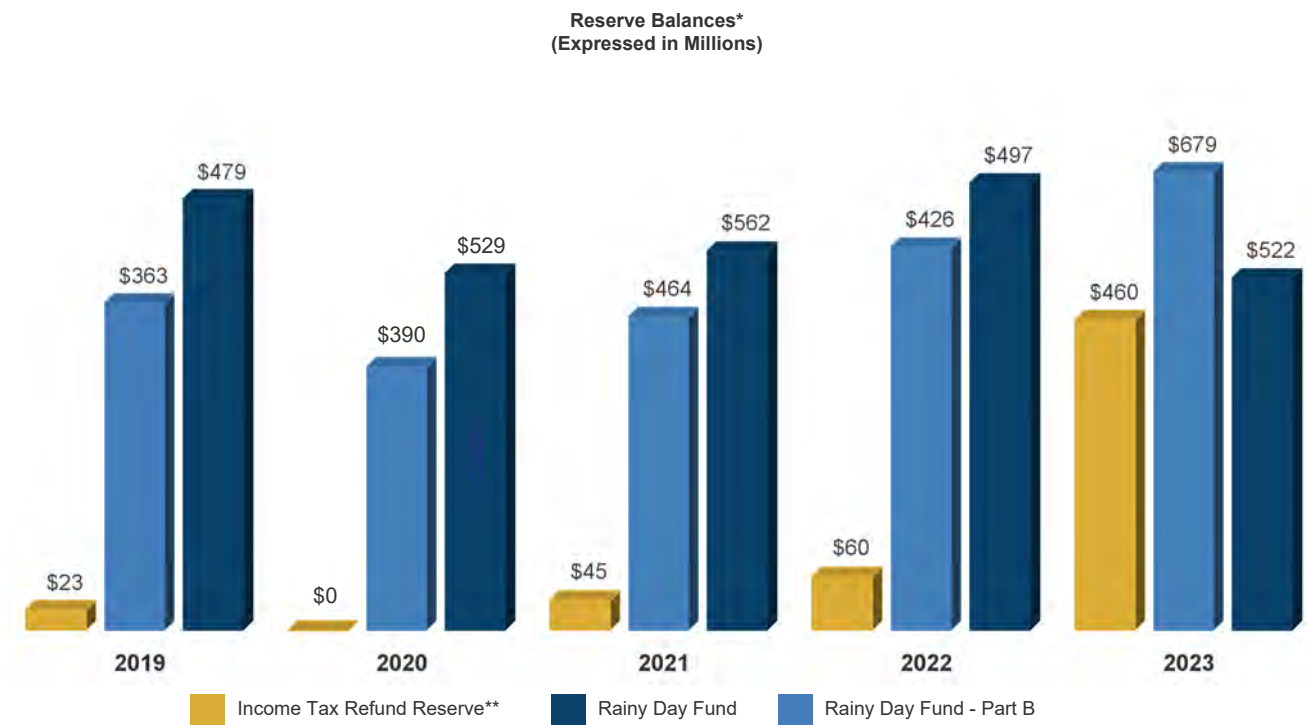
be appropriated by the Legislature for continued support of the programs offered by the Public Employees Insurance Agency; funding for expansion of the federal-state Medicaid program; funding for public health program services and agencies; funding for any state-owned or operated health facilities; or in instances of revenue shortfalls or fiscal emergencies of an extraordinary nature.

On December 31, 2023, the balance in the Rainy Day Fund—Part B was \$521.8 million, 8.0% of FY 2024 appropriations to date.

Income Tax Refund Reserve Fund

An Income Tax Refund Reserve Fund was established during FY 1990 (W.V. 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.

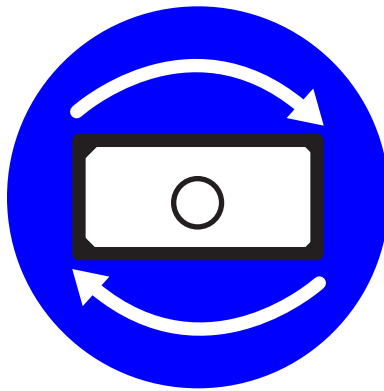
The balance in the Income Tax Refund Reserve Fund at the end of FY 2023 was \$60 million. As of December 31, 2023, the balance of the Income Tax Refund Reserve Fund is \$460 million.



* Balances as of December 31 of each year.

** December 31, 2023 balance includes surplus section appropriation for \$400 million in the FY 2024 Budget Bill.

BUDGET PLANNING



Long-Range Issues

Introduction

At the beginning of the last decade, the State was faced with several major issues that had immediate and long-term implications. The State has been focused on its highway infrastructure, school facilities, health care cost and access, insurance reform, and unfunded liabilities in retirement systems. These building blocks of West Virginia's economy continue to require attention.

Infrastructure Projects/Improvements

The Department of Transportation (DOT) uses revenue from the State Road Fund to operate the Division of Highways (DOH) and the Division of Motor Vehicles (DMV). The State Road Fund receives its revenue from dedicated tax sources. Overall, tax revenues increased during FY 2023 by \$36.5 million (4.26%). Motor Fuel Excise Tax collections increased by \$12.8 million (3.06%). Registration Fee collections increased by \$6.3 million (4.6%). Privilege Tax collections increased by \$17.4 million (5.77%) and Highway Litter Fee collections decreased by \$284,665 (17.87%).

In addition to tax and fee collections, the State Road Fund secures revenue from the Federal Highway Administration (FHWA) in the form of expense reimbursement. The DOT collected \$639.2 million in FHWA reimbursements for FY 2023.

The automobile industry has been volatile over the last two years. A major upswing in vehicle sales and prices resulted in FY 2023 Privilege Tax collections of \$317.9 million, \$17.9 million (5.97%) over the initial estimate. Receipts are now trending downward due to supply chain issues, inflation, and higher interest rates. Many consumers are retreating from the automobile market until there is more inventory and prices stabilize. Current predictions show the market coming back in mid 2023 (calendar year).

The FY 2025 estimate for sales (privilege tax) is \$305 million. This estimate considers the correction of the supply chain in 2023 and 2024. However, there are many uncontrollable factors that could affect the industry and consumer behavior.

The five-year actual collection average for motor fuel tax is \$424.5 million. This has fluctuated from \$443 million collected in FY 2019 to \$399 million collected in FY 2021 and back up to 2019 levels. The pandemic had a negative effect on fuel consumption and driver behavior. Receipts were beginning to stabilize and continuing what is referred to as a "V-Shaped" recovery, but the recent spike in fuel prices has weakened the expected rebound. The FY 2025 estimate is set at \$437.5 million.

The five-year average for federal reimbursement is \$452.1 million. The five-year recovery rate is 83.75%, but the rate over the last three years has been closer to 90.42% due to more efficient internal processes. For FY 2025, there is additional federal funding available via the Infrastructure Investment and Jobs Act (IIJA). The IIJA provides funding for a broad list of projects including new infrastructure, bridge repair, bridge replacement, and bridge rehabilitation. The DOH projects potential expenses of \$800 million in FY 2025 with a 91.6% reimbursement rate. This results in a federal reimbursement estimate of \$732.8 million.

In addition to dedicated revenue collections, the DOH has issued \$1.6 billion in General Obligation (GO) Bonds since FY 2018. The final sale of the GO Bonds occurred in FY 2021. These resources have allowed the Division to address large construction projects that have improved transportation infrastructure statewide. The projects financed from the proceeds will continue for many years.

The DOH has been tasked with special initiatives over the last several years including secondary road paving programs funded by general revenue surplus dollars while also carrying out normal core maintenance operations, right of way acquisitions, engineering, planning, and construction activities. The cost of these activities continues to increase due to inflation. The higher prices of items like fuel and construction materials affect the DOH directly and indirectly through the rising rates of consultants and contractors.

Long-Term Issues (Continued)

The purchase of equipment has also been affected by rising costs and available supply. Each year the DOH Equipment Division develops a 'Buy Plan' that prioritizes equipment needs within the allocated budget. Equipment has been difficult to purchase and receive over the last three years because supply chain issues have continued to push the delivery dates back for vehicles and heavy equipment currently under contract. It is difficult to estimate the delivery and time of payment for equipment purchases. This adds uncertainty to budget planning when items are ordered in one fiscal year, but not received or paid for until the following fiscal year.

It is critical to the DOT to secure the appropriate spending authority for the State Road Fund and have the flexibility to use available resources where they are needed most; for example, to carry out more maintenance projects when the purchase of new equipment is postponed due to available inventory or to allow for available cash to go towards additional paving or snow and ice removal when large projects are put on hold for legal or environmental reasons.

Multimodal Facilities

The State Rail Authority's properties have expanded by an additional 14 miles of track and five bridges with the addition of Cass in 2015 and Buffalo Creek and Gauley Railroad in 2020.

The IIJA provided 25% more funding for transit for FFY 2022 with an additional increase of 5% every year until FFY 2026. This increase in federal funding needs to be matched to ensure that the Division can take full advantage of the federal transit funds allocated to West Virginia. This will allow the Division to adapt to the rising cost of rural transit operations and capital equipment.

The DOT anticipates the issues outlined in this document to persist for the next several years. The DOT's revenue stream will continue to face uncertainty and the increased cost of operations will strain available resources. However, the DOT has successfully navigated these challenges since the onset of the pandemic and will continue to carry out its mission without interruption for the foreseeable future.

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 the 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. The SBA has been working with financial advisors to develop a schedule of issuing additional bonds in the future due to the increase in construction costs. However, these issuances will only result in availability of approximately 35% of total estimated annual requests.

The SBA receives approximately \$51 million annually for school construction, which includes funding for the Needs Grant awards and Multi-County Statewide 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.

Long Range Issues (Continued)

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 the 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.

Health Care in West Virginia

West Virginia has long struggled with poor health outcomes. Health outcomes and poverty are directly linked and with the decline of our traditional industries, West Virginia saw a subsequent and predictable decline in health indicators. This occurs for multiple reasons, including lack of opportunity for young healthy workers, lack of ability to maintain infrastructure for adequate environmental health, and most importantly, employment provides a sense of identity and belonging that gives an individual hope for advancement and the ability to provide for their family. In 2021, West Virginia had the 4th highest poverty rate in the nation at 16.8%, and consequently in 2022 was ranked 47th for overall health by the United Health Foundation, America's Health Rankings.

West Virginia has seen an increase in economic development and, if that continues, a subsequent improvement in health outcomes in the coming decades can be anticipated. However, opportunities exist to make greater impacts on the health of West Virginians through strategic investment, which in turn will also lead to economic improvements. Healthy workers are more productive, have greater geographic mobility, are more innovative, and attract outside investment. Because health outcomes have been poor, much of health care and public health spending has gone toward the treatment of disease once it has started. According to the Kaiser Family Foundation, in 2020 West Virginia spent more than \$12,000 per capita on healthcare, while only \$63 per capita on public health prevention. According to the Trust for America's Health, every dollar spent on proven community-based programs to increase physical activity, improve nutrition, and prevent smoking and other tobacco use leads to a savings of \$5.60 on healthcare costs. Until the State fully invests in results-driven prevention and public health, West Virginia will continue to see health care expenditures increase to unsustainable levels.

Public Health Liabilities - Chronic Disease

An aging population with chronic healthcare needs in a state with high poverty and poor health outcomes creates a perfect storm for West Virginia. According to the most recent report of resident deaths from the Centers for Disease Control and Prevention (CDC), National Center for Health Statistics and the West Virginia Health Statistics Center, in 2021 West Virginia had the highest overall age-adjusted mortality rate 1,225 per 100,000 people. West Virginia also has the highest age-adjusted mortality rates for all accidental deaths, cancer, diabetes, and kidney disease. West Virginia also had the highest prevalence of obesity (40.6%), current smoking (22.0%) and smokeless tobacco (8.8%) use, COPD (13.1%), cardiovascular disease (14.2%), poor mental health (19.3%), depression (27.5%), and arthritis (37.4%) among adults. West Virginia also fared poorly, ranking the 2nd highest in the nation for prevalence of hypertension (43.4%), high cholesterol (41.0%), fair or poor health (22.9%), diabetes (15%), and disability status (39.3%) among adults.

Public Health Liabilities - Aging, rural population

Along with known poor health outcomes, there are disparities impacting West Virginians, including age and rural status that are added challenges. West Virginia's population has the fourth oldest percentage of residents who are 65 years and older (19.4%). As people get older, they are more likely to experience health problems and chronic conditions that can negatively impact their quality of life. 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. It is estimated that more than 50% of the State's total population lives in a rural area. Individuals living in rural areas are more likely to die prematurely from leading causes of death including heart disease, cancer, lung disease and stroke. West Virginia ranks 2nd for years of potential life lost before age 75. Individuals in rural areas have higher rates of obesity and diabetes and are also at greater risk for fatal car crashes, suicide, and drug overdoses. West Virginians who live in rural areas often have limited access to healthy foods and fewer opportunities to be physically active compared

Long Range Issues (Continued)

to their urban counterparts. They also have less access to healthcare, with fewer healthcare specialists, critical care units, emergency departments, and transportation options.

Public Health Liabilities - Substance Use Disorder and Mental Health

The substance use epidemic in West Virginia increases health risks such as infectious diseases. Substance use, particularly intravenous drug use, increases the risk of infectious diseases including hepatitis and Human Immunodeficiency Virus (HIV). In 2021, West Virginia had the highest rate of hepatitis B and third highest rate of hepatitis C, both of which can lead to severe liver disease. Risk factors for hepatitis also increase the risk for infection with HIV. The CDC has identified 220 counties in the U.S. as “at-risk” for HIV and/or hepatitis C outbreaks resulting from the substance use epidemic. West Virginia counties alone make up 28 (14%) of the nation’s 220 top “at-risk” counties and in recent years, West Virginia has seen HIV clusters emerge in several of these vulnerable counties. If undiagnosed or untreated, HIV can lead to a range of infections and other costly health complications. West Virginia has an ongoing problem with drug overdose deaths as well, and in 2021, West Virginia had the highest drug overdose mortality rate in the country, with 90.9 deaths per 100,000 people.

To face these challenges and improve health outcomes, West Virginia’s efforts should prioritize public health prevention. Throughout the country, innovative states seeing a return on investment have dedicated resources to primary, secondary, or tertiary prevention to bolster the health return on investment in their communities. Two particularly problematic areas in West Virginia’s poor population health statistics, smoking rates and obesity, significantly impair residents’ quality of life and cost West Virginians billions of dollars each year. The West Virginia Department of Health and Department of Human Resources, through the leadership of the Bureau for Public Health (BPH) in partnership with a broad array of partners, is currently setting goals through the State Health Assessment and State Health Improvement Plan to mitigate these problems. If successful, West Virginians could save millions of dollars annually. Public health prevention is a long-term investment with full realization of the benefits occurring over multiple years, heightening the importance of making early investments. Diagnosis and treatment are critical aspects of health care; however, they are only addressing the problem once it has progressed to a costly phase. Public health prevention can expand service offerings to protect and improve the health of West Virginians before the onset of that disease or condition. Shifting priorities and resources up the chain to fund evidence-based health prevention and promotion programs instead of treating disease after it starts will advance a shared vision of improved health return on investment, where outcomes are better and costs are managed.

Social determinants of health, including access to food, transportation, health care and other social services will impact health outcomes for West Virginians into the future. Continued investment in programs such as Supplemental Nutrition Assistance Program (SNAP); WV Works; Women; Infants and Children (WIC); Temporary Assistance for Needy Families (TANF); abuse prevention; childcare, and others can impact those outcomes positively.

Families First Coronavirus Response Act (FFCRA)

In response to the COVID-19 Public Health Emergency (PHE), FFCRA authorized state Medicaid programs to qualify for a temporary 6.2% Federal Medical Assistance Percentage (FMAP) increase contingent upon the continuous enrollment of Medicaid and the Children’s Health Insurance Program (CHIP) members. The enhanced FMAP was effective as of March 18, 2020 and is being wound down between April 2023 and December 2023.

The table below provides details on Medicaid’s projected enrollment impacts related to the PHE for State Fiscal Year (SFY) 2024.

Long Range Issues (Continued)

Eligibility Group ¹	Members Subject to Renewal	Projected Disenrolled Members	
		Low	High
Expansion Adults and Parent/Caretaker Adults	122,150	69,626	107,494
Medicaid Children	16,947	9,660	14,914
Pregnant Women	2,199	2,199	2,199
FFS Non-MCO (Medicare Premium Payment and LTSS members)	17,068	1,432	2,025
Foster Children	9,578	9,578	9,578
Total	167,942	92,495	136,210
Share of Members Subject to Renewal and Disenrolled		55%	81%
Unwind Churn - MHP members move to MHT ²		4,546	4,770
Share of Unwind Members Churning		2.7%	2.8%
Net Disenrollment Changes		97,041	140,980
1) Does not include WVCHIP members subject to PHE Unwind process.			
2) Comprised of children and pregnant women. Does not include disenrolled Medicaid children who move to CHIP. In addition, Medicaid enrollment projection includes a growth factor to reflect normal churn.			

West Virginia Medicaid

During the PHE, the West Virginia Medicaid Program provided insurance coverage to approximately 650,000 West Virginians. Prior to the PHE, the average annual Medicaid membership was 510,000. In SFY 2023, children comprised 34% of the Medicaid population, while 13% were categorized as blind and disabled, 47% as adults, and the remaining percentage as elderly. Effective January 1, 2014, the West Virginia Medicaid Program expanded coverage under the Affordable Care Act. In SFY 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 FMAP for the expansion population gradually decreased from 100% to 90% during Calendar Years 2017 through 2020.

West Virginia 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. In addition, Medicaid offers two new benefits:

- An adult dental benefit of \$1,000 per member per year was implemented on January 1, 2021. The dental benefit provides diagnostic, preventative, and restorative dental coverage to adults aged 21 and older.
- In accordance with West Virginia Code §9-5-12, Medicaid and the WVCHIP provide services to pregnant women and newborns up to one-year postpartum, effective July 1, 2021.

West Virginia Medicaid provides services for the fee-for-service (FFS) and Medicaid managed care populations. Approximately 81% of the Medicaid population is enrolled in the Medicaid managed care programs. The Bureau for Medical Services (BMS) currently operates the Mountain Health Trust (MHT) and Mountain Health Promise (MHP) programs. MHT and MHP are overseen by the Office of Managed Care within BMS. Medicaid members are currently enrolled with one of the State's three Managed Care Organizations (MCOs): Aetna Better Health of West Virginia, The Health Plan of West Virginia, and UniCare Health Plan of West Virginia. MHP is a full risk managed care program that serves approximately 27,000 children and youth across the State. Members eligible for the Children with Serious Emotional Disorder Waiver (CSEDW) are automatically enrolled in MHP.

BMS and WVCHIP collaboratively strive to ensure the delivery of high quality, accessible care for managed care program members. The West Virginia Managed Care Quality Strategy identifies five managed care program goals:

Long Range Issues (Continued)

- Promoting a health care delivery system that consistently offers: timely access to health care; high clinical quality, including use of evidence-based models of treatment; care at the appropriate time to deter avoidable use of emergency and acute care; and children and adolescents' access to primary care according to the periodicity schedule.
- Offering tools and supports that empower individuals to self-manage their health, whole-person and whole-household wellness and use of health care services.
- Promoting effective communication and team-based care to better coordinate care across the full continuum of health care.
- Reducing the incidence of targeted conditions that negatively impact health and quality of life.
- Strengthening the State's oversight of programs to maximize partnership with contracted MCPs as committed partners to driving health impacts and acting as good stewards of resources.

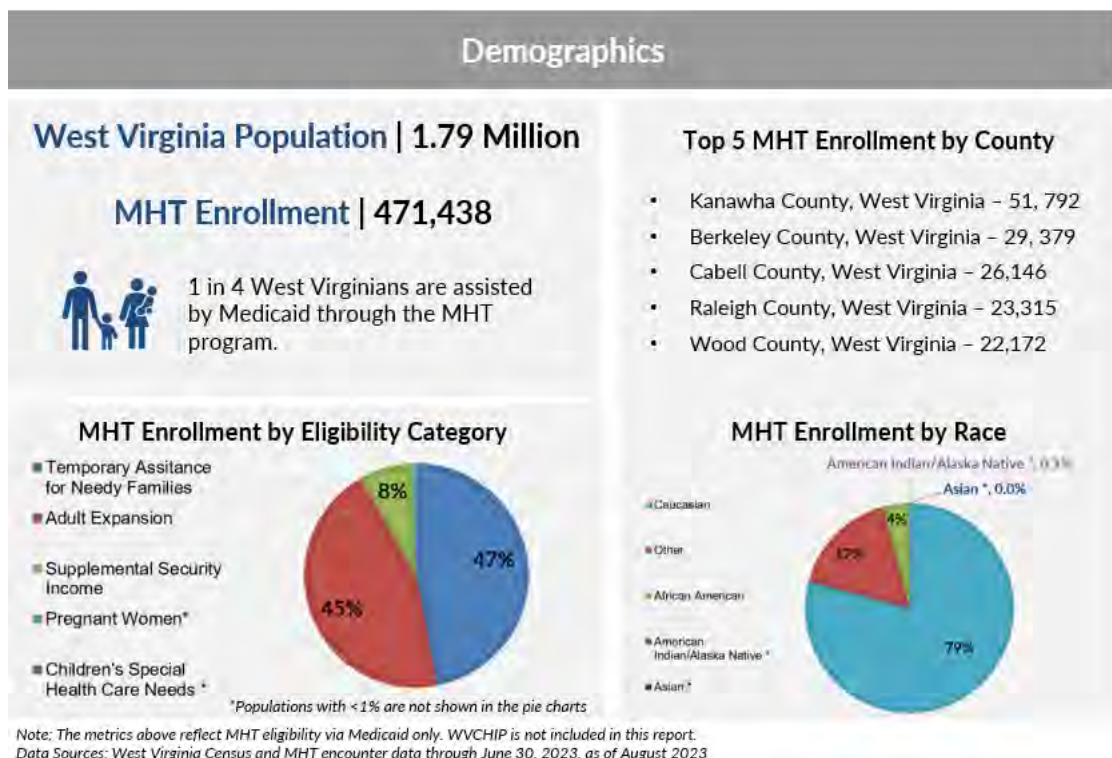
The State uses a three-pronged approach to meet goals:

- Monitoring: BMS and WVCHIP monitor MCP compliance with managed care quality standards.
- Assessment: BMS and WVCHIP analyze a variety of health care data to measure performance and identify areas for improvement.
- Improvement: BMS, WVCHIP, and MCPs implement interventions targeting priority areas to maximize the benefit to managed care program members.

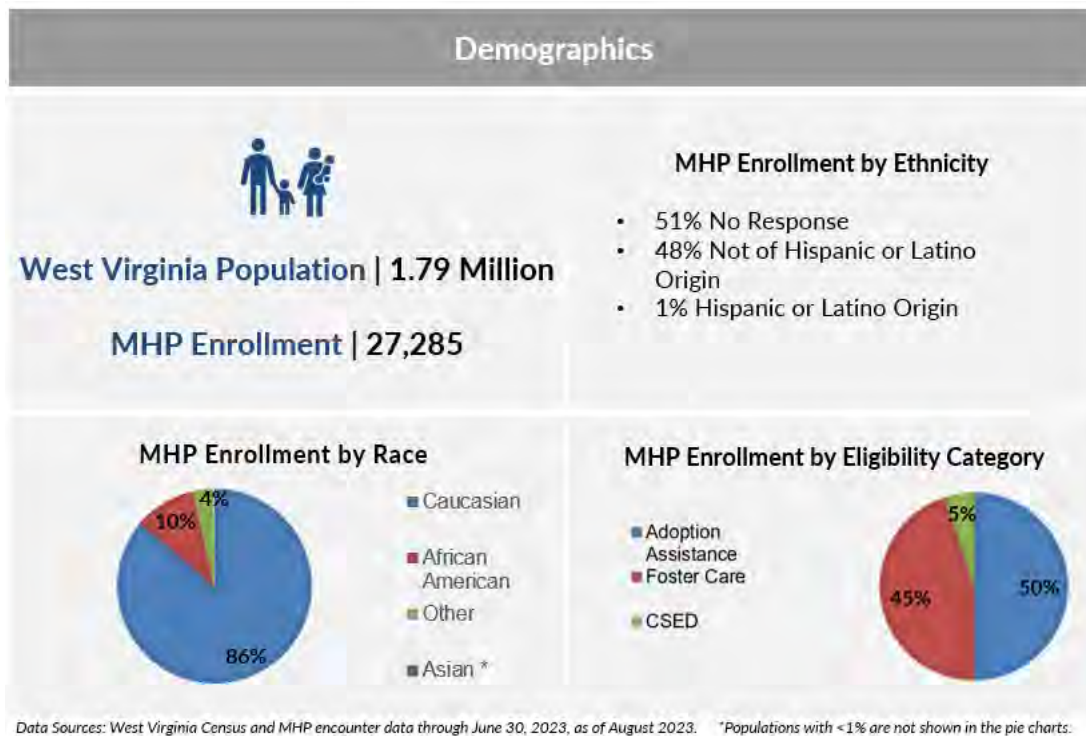
The State requires MCPs to attain and maintain National Committee for Quality Assurance (NCQA) accreditation. The accreditation signifies a plan's commitment to quality improvement. NCQA evaluates health care quality provided by plans to their members. The accreditation encompasses an audit of NCQA standards, Healthcare Effectiveness Data and Information Set (HEDIS®), and Consumer Assessment of Healthcare Providers and Systems (CAHPS®). West Virginia Medicaid Managed Care Programs continue to perform better, on average, when compared to national average benchmarks in Healthcare Effectiveness Data and Information Set (HEDIS®) and Consumer Assessment of Healthcare Providers and Systems (CAHPS®) survey measures.

Medicaid Managed Care Demographics

The following depicts the demographics for the Mountain Health Trust and Mountain Health Promise programs.



Long Range Issues (Continued)



Medicaid Funding

Medicaid is a federal and state government partnership that shares the cost of covering eligible individuals. The Centers for Medicare and Medicaid Services (CMS) establishes an FMAP rate each year for every state. This FMAP rate is based on a formula which considers the average per capita income for each state relative to the national income average. States like West Virginia, with lower average incomes, receive larger reimbursement rates from the federal government to help with Medicaid program costs. In Federal Fiscal Year (FFY) 2023, West Virginia's starting FMAP rate was 74.02%. This means that the federal government reimbursed West Virginia approximately \$0.74 of every eligible dollar spent on Medicaid. During the PHE, West Virginia's FMAP increased by 6.2% up to 80.22%. This enhanced FMAP will reduce throughout the PHE unwind. The non-expansion FMAP readjusts annually based on economic indicators in West Virginia relative to other states. Decreases in FMAP, as is occurring with the end of the pandemic (loss of the enhanced funding) along with economic indicators that drive the FMAP, result in the need for increased State funding participation. The FMAP for FFY 2025 is decreasing from 74.1% to 73.84% (0.26% change).

State Medicaid funding is dependent primarily on four funding sources: General Revenue Fund, Lottery, Medical Services Trust Fund, and the Provider Tax.

Medicaid Spending

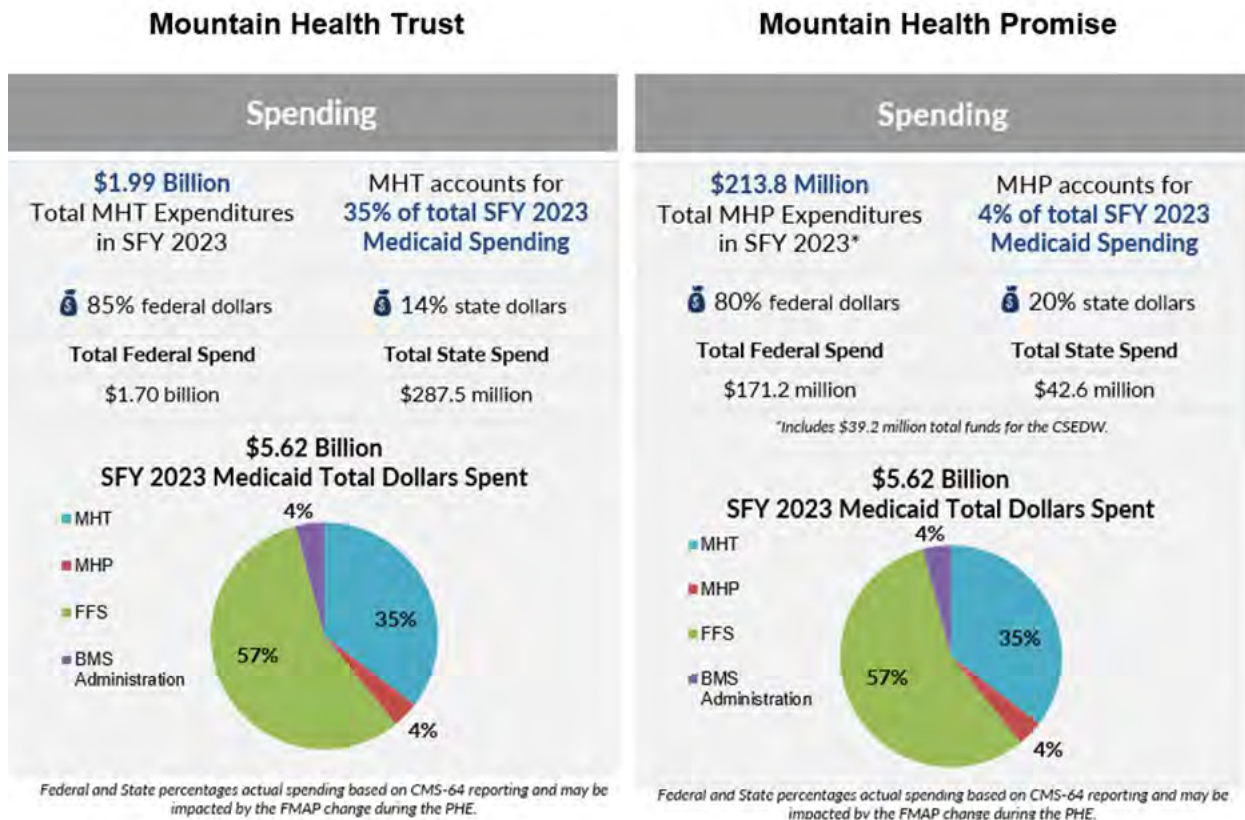
The cost of the Medicaid program is determined by the number of eligible individuals, how often they use health care services, and the cost of those services; therefore, the State must budget for all program costs that are incurred by the clients. It is currently estimated that without any program changes, 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 healthcare 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 decrease in the FMAP after the PHE unwind, and changes in state and federal regulations that become unfunded mandates. Assuming the Provider Tax, Medical

Long Range Issues (Continued)

Services Trust Fund, and Lottery sources for 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. The amount of State Funding available affects the amount of Federal funds available for match.

Medicaid Managed Care Spending

The following graphics provide details on the Mountain Health Trust and Mountain Health Promise programs.



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. WVCHIP also provides coverage to pregnant women over the age of 19 up to 300% of the FPL. WVCHIP transitioned to managed care on January 1, 2021. Approximately 88% of WVCHIP's monthly membership is enrolled in managed care. As of October 16, 2023, 22,137 children and 338 pregnant women were enrolled. Average monthly enrollment decreased 3.5% in FY 2023 compared to FY 2022. The WVCHIP Premium group that includes children and pregnant women in households with incomes between 211% and 300% FPL decreased 2.0% in enrollment and represents 33% of the total enrolled population. Enrollment decreases were due to enrollment being frozen under the COVID-19 PHE. During the PHE, members are only disenrolled due to aging out of the program, moving out of state, or voluntary closures. Only WVCHIP members that reported changes in circumstances that made them Medicaid eligible were disenrolled from WVCHIP. These WVCHIP members moving to Medicaid resulted in the decrease of WVCHIP enrollment throughout FY 2022 and FY 2023.

Long Range Issues (Continued)

COVID-19 impacted both enrollment and finances. WVCHIP, along with Medicaid, suspended program disenrollment to help address the pandemic. The PHE ended in March 2023 and all Medicaid and WVCHIP members will have eligibility redetermined through March 2024, referred to as the “unwinding period.” During this “unwinding period” some Medicaid members have moved to WVCHIP. WVCHIP enrollment has increased 6.7% during the first three months of FY 2024 compared to FY 2023. These significant changes to WVCHIP enrollment (1,000 additional members or more) have led to the increased projections for FY 2024 and FY 2025 for WVCHIP.

Effective July 1, 2022, WVCHIP was incorporated into the Bureau for Medical Services and the Children’s Health Insurance Board moved into an advisory role.

WVCHIP transitioned its benefits to mirror Medicaid on July 1, 2023, except for pharmacy benefits. The intent of this change is to promote administrative efficiencies for BMS program operations, as well as reduce administrative burdens to providers and close gaps in care for members transitioning between Medicaid and WVCHIP. Prior to this transition, the WVCHIP covered benefits were based on the West Virginia Public Employees Insurance Agency (PEIA) benefits package. WVCHIP and Medicaid cover a full range of health care services including doctor visits, check-ups, vision and dental visits, immunizations, prescriptions, hospital stays, mental health, and special needs services. Members in both programs receive services through the Mountain Health Trust (MHT) managed care program and can enroll in any one of the three MHT managed care plans. The change in benefits has also increased the budget projections for FY 2024 and FY 2025.

WVCHIP Funding

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 FFY 2019 and was reduced to an 11.5% “bump” in FFY 2020.

In response to the COVID-19 PHE, FFCRA authorized state Medicaid programs to qualify for a temporary 6.2% FMAP increase contingent upon the continuous enrollment of Medicaid and CHIP members. The enhanced FMAP was effective as of March 18, 2020, and is being wound down between April 2023 and December 2023. Beginning October 1, 2023, the CHIP FMAP is 81.87%.

WVCHIP estimates it needs \$13 million in additional State matching funds for FY 2024 and \$14 million in FY 2025. These estimates are based on projected increase in program enrollment and the transition of WVCHIP benefits to mirror Medicaid.

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.V. 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, the Legislature created a finance board 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 apportions 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

Long Range Issues (Continued)

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. The current financial plan assumes health care costs to increase annually by the rates listed below.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Medical	7.5%	8.0%	8.5%	9.0%	9.5%
Drug	14.5%	15.0%	15.5%	16.0%	16.5%

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

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Medical	\$71 million	\$47 million	\$54 million	\$62 million	\$71 million
Drug	\$35 million	\$43 million	\$52 million	\$63 million	\$76 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:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Reserve	\$137 million	\$135 million	\$134 million	\$110 million	\$89 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, and 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 2025 is approximately 47%. 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

Long Range Issues (Continued)

changes resulted in a reduction in the unfunded liability by approximately \$4 billion. The OPEB liability is now nearing the status of fully funded.

The current financial plan projects net asset growth through FY 2028. The Trust completed FY 2023 with total net assets of \$1.8 billion, total claims expense of \$75 million, and capitations of \$48 million. Current claim expense trend assumptions for FY 2024 through FY 2028 go from 7.5% for medical and 14.5% for drugs to 9.5% for medical and 16.5% for drugs. These trend assumptions result in increases of \$86 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 forecasted to have an ending reserve of \$2.2 billion by fiscal year end 2028. This represents a 126% funded status of the OPEB Accrued Actuarial Liability.

Insurance Reform

Workers' Compensation

From 1913 until January 1, 2006, West Virginia was one of five states operating an exclusive, state-managed workers' compensation insurance system. The Workers' Compensation Commission (including its predecessors) was an agency of state government that operated through the Workers' Compensation Fund, a special revenue fund. Pursuant to the passage of Senate Bill 1004 in January 2005, the system of providing workers' compensation was altered and the system transitioned into a private workers' compensation system.

The Workers' Compensation Commission ceased to exist on December 31, 2005, as a state agency that was the sole provider of workers' compensation insurance in West Virginia. The State retained all liabilities incurred prior to July 1, 2005, and those liabilities, as well as certain assets, were transferred into the Workers' Compensation Old Fund ("Old Fund"). The custodian of the Old Fund is the Treasurer's Office and the Insurance Commissioner serves as the administrator.

Prior to the privatization, the unfunded liability for the former Workers' Compensation Fund exceeded \$3 billion. As of June 30, 2023, the fund balance in the Old Fund was estimated to be a net asset balance of \$7 million with liabilities discounted at 3%.

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 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 actuarial 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 unfunded actuarial 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 actuarial 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).

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 actuarial 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 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 liability as of the most recent valuation, and required any increase in retiree benefits to be amortized over no more than six years.

Long Range Issues (Continued)

- **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 liability as of the most recent valuation, and to be amortized over no more than six 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 actuarial liability as of July 1, 2009 but had again fully funded its actuarial liability on July 1, 2010 and has remained “fully funded” since that date. Legislation passed in 2005 prohibited any increases to benefits for active members and required any increases for retirees to be less than 1% of the actuarial liability as of the most recent valuation, and to be amortized over no more than six 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. The 30-year payment plan was completed July 1, 2021, four years ahead of schedule. The plan again developed an unfunded actuarial liability as of July 1, 2022, to be amortized over a period of five years. Legislation passed in 2005 prohibited any increases to benefits for active members and required any increases for retirees to be less than 1% of the actuarial liability as of the most recent valuation, and to be amortized over no more than six years. Those restrictions will expire on July 1, 2025. The CPRB Board has approved a new amortization policy for Plan A in which the unfunded actuarial liability, as of July 1, 2022, is amortized on a level-dollar basis over five years and gains or losses and assumption changes going forward are amortized separately on a level-dollar basis over 10 years.
- **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 actuarial 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 developed an unfunded actuarial liability as of July 1, 2019, to be amortized over a 10-year period. As of July 1, 2021, the plan was fully funded, but the plan again developed an unfunded actuarial liability as of July 1, 2022, to be amortized over a period of 10 years. Legislation passed in 2005 prohibited any increases to benefits for active members if the most recent actuarial valuation shows the actuarial 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 liability as of the most recent valuation, and required any increase in retiree benefits to be amortized over no more than six years. The CPRB Board has approved a new amortization policy for Plan B in which the unfunded actuarial liability, as of July 1, 2022, is amortized on a level-dollar basis over 10 years and gains or losses and assumption changes going forward are amortized separately on a level-dollar basis over 15 years.
- **Natural Resources Police Officers Retirement System (NRPORS)**—During the 2020 Legislative Session the West Virginia Legislature passed the West Virginia Natural Resources Police Officers Retirement System Act (the Act). The Act created a new Natural Resources Police Officers Retirement System (NRPORS) for the Division of Natural Resources (DNR) Police Officers effective January 2, 2021. Per the Act, NRPORS must have at least 100 members on July 1, 2022, or the membership in NRPORS will be merged into PERS. West Virginia Statute sets the contribution rate, as a percentage of covered payroll, 9.5% for NRPORS members and 12% for the employer. The CPRB can set the employer rate below 12% based upon the actuarially determined employer contribution for a given fiscal year, but currently the employer contribution rate cannot exceed 12% of covered payroll. Effective July 1, 2021, the unfunded actuarial liability will be amortized over a 30-year payment period on a level-dollar basis. The CPRB Board adopted a four-year asset smoothing method, effective with the July 1, 2022 funding valuation for NRPORS.

Long Range Issues (Continued)

The unfunded actuarial liability for each plan is as follows:

	July 1, 2022, Actuarial Valuation Unfunded Actuarial Liability		July 1, 2023, Actuarial Valuation Unfunded Actuarial Liability (Estimated)	
PERS	\$95,150,000	(98.8% funded) ¹	\$50,558,000	(99.4% funded)
TRS	\$2,500,492,000	(78.4% funded) ¹	\$2,411,982,000	(79.7% funded)
JRS	\$(150,991,000)	(239.5% funded) ¹	\$(142,134,000)	(204.5% funded)
Public Safety—Plan A	\$39,151,000	(95.1% funded) ¹	\$32,932,000	(95.9% funded)
State Police—Plan B	\$45,525,000	(86.4% funded) ¹	\$52,026,000	(86.0% funded)
NRPORS	\$2,907,000	(90.3% funded) ¹	\$4,071,000	(87.8% funded)

¹ Per plan, funded percentage of actuarial value of plan assets as a percent of actuarial liabilities, including projected salary increases. The actuarial value of assets is equal to market value for all plans except PERS, TRS, and NRPORS. PERS adopted an actuarial value of assets with asset smoothing over four years starting prospectively on July 1, 2009. TRS adopted the same asset smoothing method starting prospectively on July 1, 2016 and NRPORS adopted the same asset smoothing method starting prospectively on July 1, 2022.

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.V. 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.V. Code §11B-2-3) on September 1. These guidelines establish a "current level" or base budget for each department/bureau/commission/division. The FY 2025 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 2024) less any one-time appropriations. For the FY 2025 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 the commitment to provide a balanced budget and long-term fiscal stability, the State must take measures to minimize the overall FY 2025 expenditure growth and position the State to structurally balance budgets in the years that follow. For the FY 2025 budget, the Governor has recommended most agencies be funded at the FY 2024 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 2024 "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 2025, agencies were asked that any requests for improvements or requests for FY 2024 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 2025 budget.

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

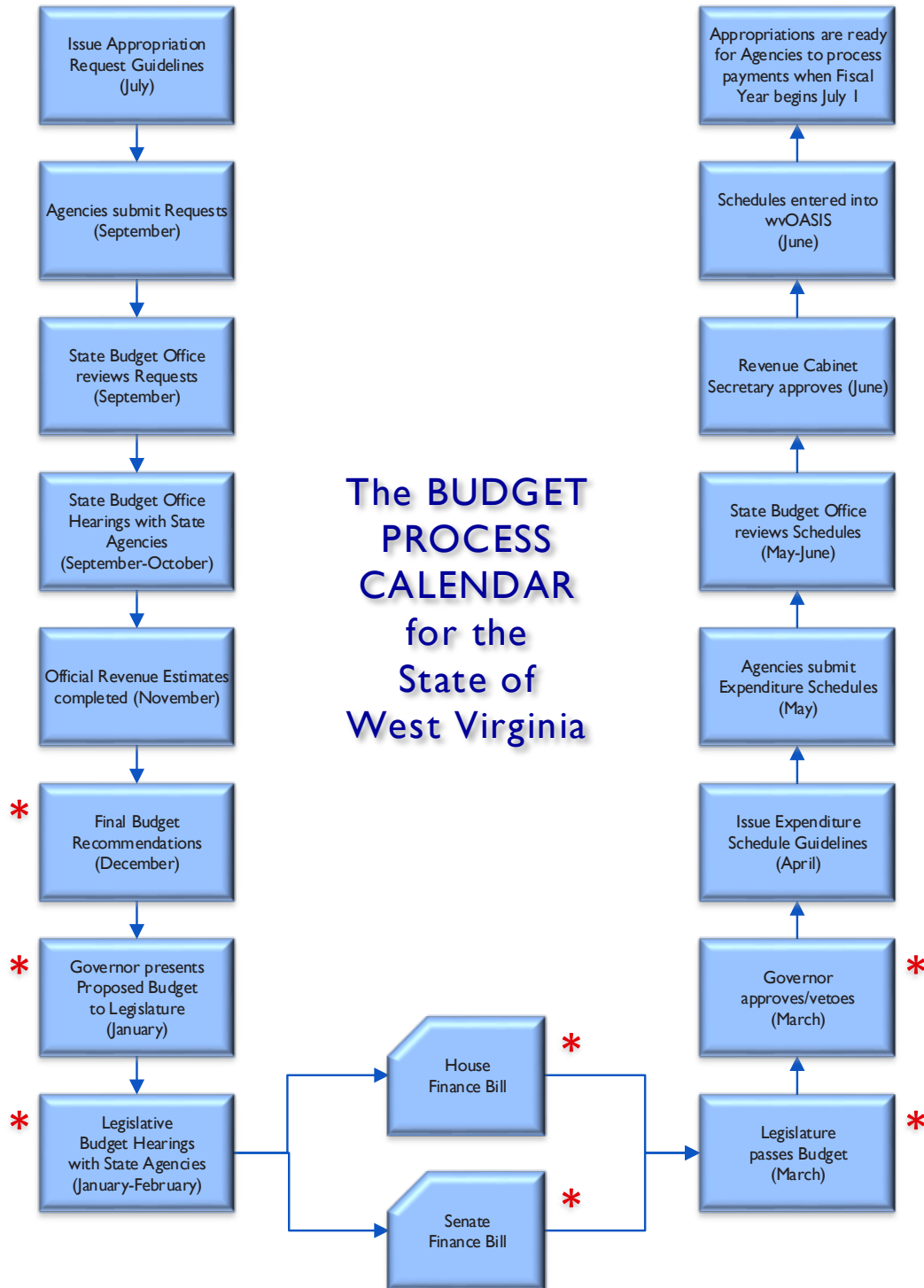
The budget meetings also provide the time to discuss, in general terms, any future capital projects and funding options. All the departments/bureaus/commissions/divisions are required to submit capital expenditure plans with the appropriation requests. These plans summarize projects budgeted for the 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 meetings, the official revenue estimates for the upcoming FY 2025 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 Bill includes the language required to legally enact the budget or appropriations bill. 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 programs; summarized financial information related to actual expenditures, current budget, and requested appropriations by program and by fund; and capital projects. The Account Detail provides the detailed budgetary information for FY 2023 Actual Expenditures, FY 2024 Budgeted Expenditures, FY 2025 Current-Level Request, and the Governor's FY 2025 Recommendation for all funds.

The Legislative Budget Process Policy

After the Executive Budget is presented by the Governor to the Legislature, the presiding officer of each house will cause the bill to be introduced therein as the "Budget Bill," where it is then 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 may then be referred to a 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 and final approval.

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.

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.

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.

Public Engagement in the Budget Process

Budget Overview (Continued)

Hearings

Proposed legislation pending before legislative committees constitutes the vehicles for establishing statewide policy. For this reason, the public, particularly the persons directly affected by the proposed legislation, have the right to be heard. It is essential that the opportunity for public hearings and adequate facilities for such hearings be provided. The Rules of the House and Senate provide for such hearings. Adequate advance notice of such hearings should be given by public announcement.

Committees of the House and Senate may hold joint hearings on important and far-reaching bills. Joint hearings avoid duplication and afford the opportunity for both houses to hear the same testimony, eliminate the necessity for witnesses to attend dual hearings and conserve available research and clerical assistance.

A public hearing is intended to give the public the opportunity to express its views regarding a measure. Members of the committee may ask questions of persons appearing before the committee, but it is not advisable to engage the persons so appearing in debate. The committee chair should not make his/her own position on a measure obvious during a hearing to avoid the appearance of being prejudiced.

No final action is taken upon any measure at a public hearing.

Citizen members

Legislators are not the only citizens to serve on interim committees. State agency officials and private citizens with specific knowledge and experience in areas of concern often are appointed to serve on committees relevant to their field of expertise. These citizen members are appointed to serve either the Governor, the President of the Senate or the Speaker of the House.

Public Access

Other than executive sessions (designated closed meetings), all committee meetings and hearings are open to the public. In addition, citizens may request to speak at scheduled public hearings as well as request that public hearings be held on particular issues and bills.

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 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.

A supplementary appropriation bill may 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".

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.

Budget Overview (Continued)

- Any spending unit in any fund to transfer between “Current Expenses,” “Repairs And Alterations,” “Buildings,” “Land,” “Equipment,” and “Other Assets.”
- During FY 2025, and upon approval from the State Budget Office, agencies with the appropriation “Salary and Benefits of Cabinet Secretary and Agency Heads” and “Salary and Benefits of Elected Officials” may transfer between this appropriation and the appropriation “Personal Services and Employee Benefits” an amount to cover annualized salaries and employee benefits for the fiscal year ending June 30, 2025, as provided by W.V. Code §6-7-2a.
- The Budget Act 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 Secretaries of the Department of Health and the Department of Human Services may also transfer up to 25% of funds between items of appropriation, 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.

Special Revenue

W.V. 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.V. 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

Budget Overview (Continued)

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.

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,

Budget Overview (Continued)

State Road Fund, Federal Funds, and Special Revenue Funds. As required by W.V. 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 Annual Comprehensive Financial Report (ACFR).

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 ACFR for reporting purposes but not directly appropriated by the Legislature.

The State’s ACFR 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.

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 (IMB).

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 three investment pools and two participant directed investment accounts. The three investment 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.

Budget Overview (Continued)

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.

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 their 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.

Budget Overview (Continued)

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 may submit program-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.

The focus for the FY 2025 performance measures is to show the agency's performance for the most recent fiscal year (FY 2023) and the performance-level objectives the program is trying to achieve in FY 2024 and FY 2025 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.V. 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.V. 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

Budget Overview (Continued)

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 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) regulatory board reviews, and 3) compliance 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 regulate 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?
- Is the board financially self-sufficiency?
- Does the board have proper disciplinary procedures?
- Does the board have a timely complaint resolution process?
- Does the board have adequate internal control?
- Does the board comply with state purchasing requirements?
- Is there a continued need for the regulatory board?

Compliance reviews determine the progress an agency has made in responding to recommendations made in previous reviews. By statute (W.V. 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 Organization 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 Organization may request a compliance review be conducted.

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

- * 2023: Department of Veterans' Assistance, and the Department of Arts, Culture, and History.

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

- * 2024 - Board of Professional Surveyors
- * 2024 - Board of Registration for Foresters
- * 2024 - Contractor Licensing Board
- * 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

Budget Overview (Continued)

- * 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, 2023, the State had approximately 36,413 filled, permanent, full-time equivalent employees, including approximately 11,082 employed by the Higher Education Policy Commission and approximately 1,241 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.

Notable position changes from FY 2023 to FY 2024

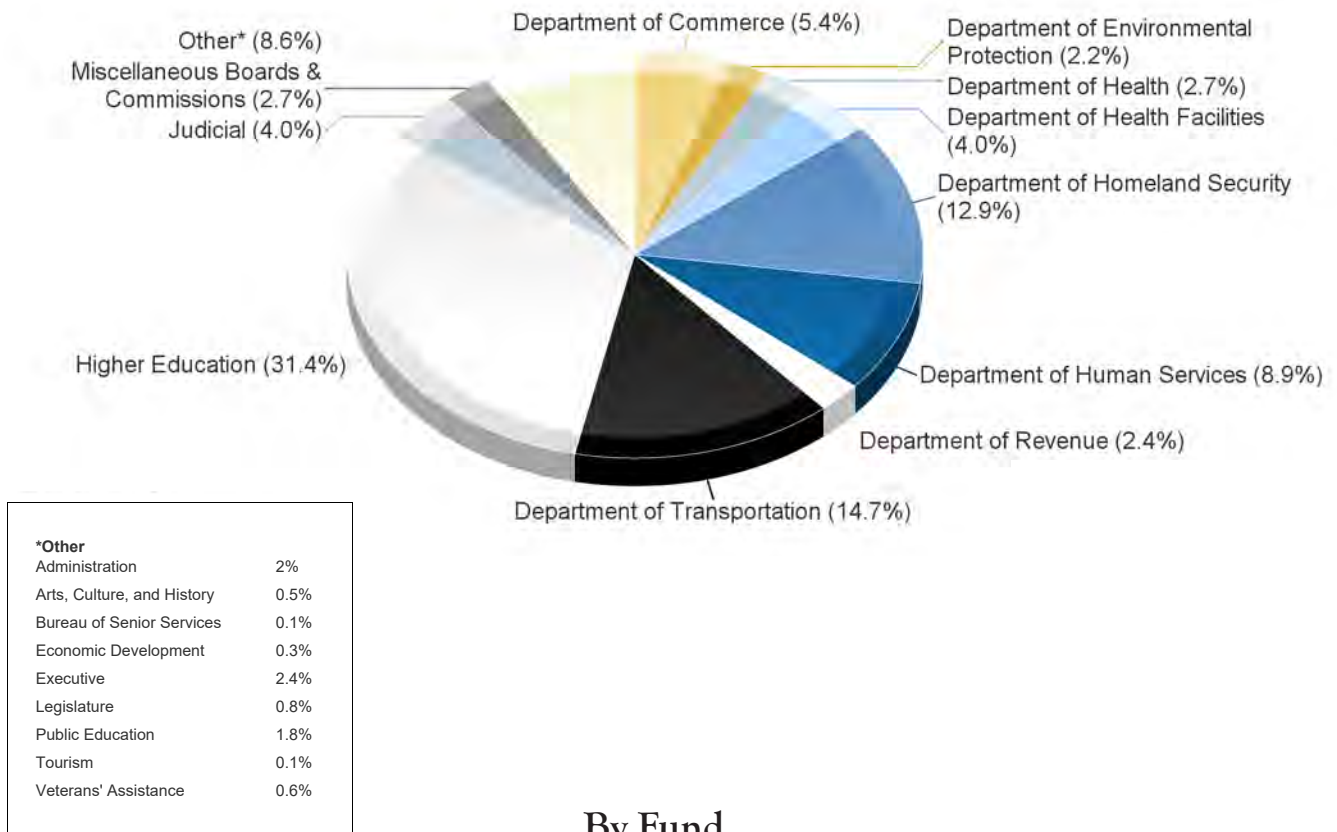
- DHHR was divided into 3 cabinets effective January 1, 2024.
- Division of Natural Resources - State Parks: 9 FTEs - maintenance and housekeeping staff at various state parks.
- Veterans' Affairs: 1 FTE - Suicide Prevention Coordinator to assist in fulfilling the requirements to establish a suicide prevention program per 2022 RS SCR60.
- Division of Motor Vehicles: 30 FTEs - Legislation to establish West Virginia as a title clearinghouse for non-resident businesses.
- Division of Emergency Management: 2 FTEs - salaries paid by federal grants.
- Economic Development: Economic Development Representatives for Broadband program.
- Division of Motor Vehicles: 10 FTEs per HB 2506 for Clearinghouse
- Tax appeals: 2 FTEs per HB 2581

Recommended position changes for FY 2025

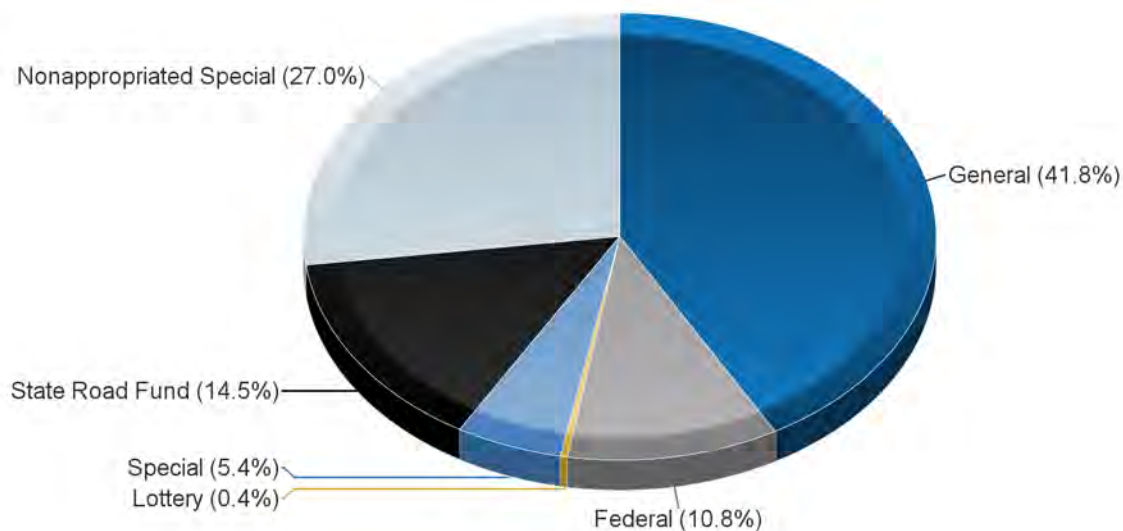
- State Budget Office: 1 FTE - Human Resources Assistant due to increased workload.
- Health: 2 FTEs - Medical Examiners.
- Human Services: 100 CPS workers, 11 CPS case coordinators, 20 CPS Supervisors. SB 273 requires a reallocation of CPS staff based on both caseloads and population with a floor for each county as the allocation as of Jan 1, 2023.
- Human Services: 1 FTE epidemiologist to comply with HB 3306.
- Agriculture: 1 FTE - bee specialist (apiarist) due to increased demands on existing program.
- Agriculture: 4 FTEs - to administer oversight for hemp and kratom production per SB 220.

Schedule of Recommended Budgeted Full-Time Equivalents (FTE) Permanent Positions FY 2025

By Department



By Fund



Schedule of Budgeted Full-Time Equivalents

All Funds

Permanent Positions

FY 2023 through FY 2025

DEPARTMENT/Agency	FY 2023 11-30-2022	FY 2024 11-30-2023	FY 2025 Recommended
LEGISLATURE			
House Of Delegates	107.00	109.94	109.94
Joint Expenses	144.49	145.49	144.49
Senate	58.66	58.66	58.66
TOTAL - LEGISLATURE	310.15	314.09	313.09
JUDICIAL			
Supreme Court	1,589.50	1,626.50	1,658.50
TOTAL - JUDICIAL	1,589.50	1,626.50	1,658.50
ELECTED OFFICIALS			
Attorney General	189.60	191.60	190.60
Auditors Office	177.00	180.00	176.00
Department Of Agriculture	366.00	369.00	367.00
Governors Office	44.25	45.25	45.25
Secretary Of State	52.00	52.00	52.00
Treasurers Office	135.80	144.80	156.80
TOTAL - ELECTED OFFICIALS	964.65	982.65	987.65
DEPARTMENT OF ADMINISTRATION			
Aviation Division	9.00	9.00	9.00
Board Of Risk And Insurance Management	28.00	28.00	28.00
Consolidated Public Retirement Board	100.00	100.00	100.00
Division Of Personnel	57.50	57.50	57.50
Ethics Commission	7.00	7.00	7.00
Finance Division	37.00	37.00	36.00
Fleet Management Division	9.00	9.00	9.00
General Services Division	116.00	120.00	120.00
Information Services And Communications	267.50	267.50	267.50
Office Of Technology	4.00	4.00	4.00
Prosecuting Attorneys Institute	5.00	5.00	5.00
Public Defender Services	33.00	32.00	32.00
Public Employees Grievance Board	12.00	11.00	11.00
Public Employees Insurance Agency	54.70	54.70	54.70
Purchasing Division	40.00	40.00	40.00
Real Estate Division	19.00	19.00	17.50
Retiree Health Benefit Trust Fund	3.00	3.00	3.00
Secretary Of Administration	5.50	5.50	5.50
Surplus Property	14.00	14.00	14.00
TOTAL - DEPARTMENT OF ADMINISTRATION	821.20	823.20	820.70

FTE Schedule of All Funds (Continued)

DEPARTMENT/Agency	FY 2023 11-30-2022	FY 2024 11-30-2023	FY 2025 Recommended
DEPARTMENT OF COMMERCE			
Board Of Coal Mine Health And Safety	2.00	2.00	2.00
Division Of Forestry	92.75	92.75	92.75
Division Of Labor	89.00	89.00	89.00
Division Of Miners Health, Safety And Training	135.00	135.00	135.00
Division Of Natural Resources	808.00	818.00	813.65
Division Of Rehabilitation Services	549.00	550.00	550.00
Geological And Economic Survey	34.00	34.00	34.00
Secretary Of Commerce	44.00	44.00	44.00
Workforce West Virginia	486.60	486.40	489.60
TOTAL - DEPARTMENT OF COMMERCE	2,240.35	2,251.15	2,250.00
DEPARTMENT OF TOURISM			
Department Of Tourism	47.00	47.00	47.00
TOTAL - DEPARTMENT OF TOURISM	47.00	47.00	47.00
DEPARTMENT OF ECONOMIC DEVELOPMENT			
West Virginia Department Of Economic Development	116.00	124.00	125.00
TOTAL - DEPARTMENT OF ECONOMIC DEVELOPMENT	116.00	124.00	125.00
DEPARTMENT OF EDUCATION			
Department Of Education	577.00	577.00	582.00
School Building Authority	13.00	13.00	13.00
West Virginia Professional Charter School Board	1.00	1.00	2.00
West Virginia Schools For The Deaf And The Blind	150.43	150.62	150.43
TOTAL - DEPARTMENT OF EDUCATION	741.43	741.62	747.43
DEPARTMENT OF ARTS, CULTURE, AND HISTORY			
Division Of Culture And History	144.50	144.50	144.51
Educational Broadcasting Authority	60.00	60.00	60.00
TOTAL - DEPARTMENT OF ARTS, CULTURE, AND HISTORY	204.50	204.50	204.51
ENVIRONMENT			
Department Of Environmental Protection	873.65	884.90	884.90
Environmental Quality Board	2.00	2.00	2.00
Oil And Gas Conservation Commission	1.00	1.00	1.00
Solid Waste Management Board	10.00	10.00	10.00
TOTAL - ENVIRONMENT	886.65	897.90	897.90
DEPARTMENT OF HEALTH			
Division Of Health	2,691.32	1,049.91	1,099.92
Health Care Authority	8.00	7.00	8.00
Human Rights	27.00	27.00	27.00
Secretary Of Health And Human Resources	4.60	4.00	
TOTAL - DEPARTMENT OF HEALTH	2,730.92	1,087.91	1,134.92

FTE Schedule of All Funds (Continued)

DEPARTMENT/Agency	FY 2023 11-30-2022	FY 2024 11-30-2023	FY 2025 Recommended
DEPARTMENT OF HUMAN SERVICES			
Division Of Human Services	3,732.83	3,779.18	3,680.24
TOTAL - DEPARTMENT OF HUMAN SERVICES	3,732.83	3,779.18	3,680.24
DEPARTMENT OF HEALTH FACILITIES			
Health Facilities	-	1,616.90	1,651.20
TOTAL - DEPARTMENT OF HEALTH FACILITIES		1,616.90	1,651.20
DEPARTMENT OF HOMELAND SECURITY			
Division Of Administrative Services	115.00	117.00	117.00
Division Of Corrections And Rehabilitation	3,880.00	3,881.00	3,879.00
Division Of Emergency Management	96.50	98.50	101.50
Division Of Protective Services	63.00	60.00	60.00
Fire Commission	58.00	58.00	58.00
Secretary Of Department Of Homeland Security	36.00	35.00	36.00
West Virginia State Police	1,097.50	1,093.50	1,097.50
TOTAL - DEPARTMENT OF HOMELAND SECURITY	5,346.00	5,343.00	5,349.00
DEPARTMENT OF REVENUE			
Alcohol Beverage Control Administration	82.00	82.00	82.00
Divison Of Financial Institutions	30.00	31.00	30.00
Insurance Commissioner	241.00	206.00	206.00
Lottery Commission	196.00	196.00	196.00
Municipal Bond Commission	4.00	4.00	4.00
Office Of Tax Appeals	6.00	10.00	10.00
Racing Commission	34.00	34.00	34.00
Secretary Of Revenue	8.00	8.00	8.00
State Budget Office	11.00	11.00	12.00
Tax Division	427.00	427.00	427.00
TOTAL - DEPARTMENT OF REVENUE	1,039.00	1,009.00	1,009.00
DEPARTMENT OF TRANSPORTATION			
Division Of Highways	5,386.00	5,388.00	5,381.00
Division Of Motor Vehicles	663.00	678.00	673.00
Wv Division Of Multimodal Transportation Facilities	31.00	32.00	33.00
TOTAL - DEPARTMENT OF TRANSPORTATION	6,080.00	6,098.00	6,087.00
DEPARTMENT OF VETERAN'S ASSISTANCE			
Veterans Affairs	208.20	208.20	211.20
Veterans Home	49.00	47.00	47.00
TOTAL - DEPARTMENT OF VETERAN'S ASSISTANCE	257.20	255.20	258.20
BUREAU OF SENIOR SERVICES			
Bureau Of Senior Services	34.00	34.00	34.00
TOTAL - BUREAU OF SENIOR SERVICES	34.00	34.00	34.00

FTE Schedule of All Funds (Continued)

DEPARTMENT/Agency	FY 2023 11-30-2022	FY 2024 11-30-2023	FY 2025 Recommended
COUNCIL FOR C&T COLLEGE EDUCATION			
Blue Ridge Community And Technical College	214.59	204.09	220.09
Bridgevalley Community And Technical College	175.66	171.44	177.66
Council For Community And Technical College Education	12.00	14.00	14.00
Eastern West Virginia Community And Technical College	41.26	42.26	40.26
Mountwest Community And Technical College	104.00	114.00	111.00
New River Community And Technical College	142.00	133.00	134.00
Pierpont Community And Technical College	117.80	114.80	114.60
Southern West Virginia Community And Technical College	178.00	178.00	178.01
West Virginia Northern Community And Technical College	155.11	151.62	162.62
West Virginia University At Parkersburg	201.00	195.60	221.00
TOTAL - COUNCIL FOR C&T COLLEGE EDUCATION	1,341.42	1,318.81	1,373.24
HIGHER EDUCATION POLICY COMMISSION			
Bluefield State University	208.32	211.07	214.15
Concord University	274.65	286.14	276.66
Fairmont State University	454.97	445.64	444.08
Glenville State University	221.00	226.00	225.00
Higher Education Policy Commission - Administration	71.51	77.31	76.31
Higher Education Policy Commission - System	5.00	5.00	5.00
Marshall University	1,829.06	1,858.67	1,820.00
Shepherd University	426.07	358.66	426.92
West Liberty University	331.58	320.75	331.75
West Virginia Network For Educational Telecomputing	51.00	51.00	51.00
West Virginia School Of Osteopathic Medicine	325.00	327.00	324.36
West Virginia State University	320.77	271.77	272.77
West Virginia University	7,122.64	6,906.58	7,149.68
TOTAL - HIGHER EDUCATION POLICY COMMISSION	11,641.57	11,345.59	11,617.68

FTE Schedule of All Funds (Continued)

DEPARTMENT/Agency	FY 2023 11-30-2022	FY 2024 11-30-2023	FY 2025 Recommended
MISCELLANEOUS			
Adjutant General	636.20	635.10	640.60
Board Of Barbers And Cosmetologists	7.00	6.00	7.00
Board Of Licensed Practical Nurses	5.00	5.00	5.00
Board Of Medicine	17.00	17.00	17.00
Board Of Registered Nurses	17.00	17.00	17.00
Board Of Respiratory Care	1.00	1.00	1.00
Board Of Speech Language Pathology And Audiology	1.00	1.00	1.00
Economic Development Authority	19.00	20.00	20.00
Enterprise Resource Planning Board	38.00	38.00	38.00
Hospital Finance Authority	1.00	1.00	1.00
Massage Therapy Licensure Board	1.00	1.00	1.00
Municipal Pension Oversight Board	3.00	3.00	3.00
Other Boards	52.25	53.65	53.65
Public Service Commission	274.00	278.00	278.00
Real Estate Commission	6.00	6.00	7.00
Water Development Authority	18.00	17.00	17.00
West Virginia Contractor Licensing Board	2.00	7.00	7.00
TOTAL - MISCELLANEOUS	1,098.45	1,106.75	1,114.25

Schedule of Budgeted Full-Time Equivalents By Source of Funds

Permanent Positions FY 2023 through FY 2025

Department/Fund Source	FY 2023 11-30-2022	FY 2024 11-30-2023	FY 2025 Recommended
ALL DEPARTMENTS/AGENCIES			
General	17,023.79	17,114.61	17,301.55
Federal	4,538.82	4,496.11	4,474.60
Lottery	150.52	144.34	149.86
Special	2,286.51	2,216.41	2,248.27
State Road Fund	5,979	6,013	6,001.00
Nonappropriated Special	11,244.18	11,022.48	11,185.23
QUASI GOVT			
TOTAL	41,222.82	41,006.95	41,360.51
LEGISLATURE			
General Revenue	305.15	309.09	308.09
Special Revenue Appropriated	5.00	5.00	5.00
TOTAL	310.15	314.09	313.09
JUDICIAL			
General Revenue	1,589.50	1,626.50	1,658.50
TOTAL	1,589.50	1,626.50	1,658.50
ELECTED OFFICIALS			
Federal Revenue Appropriated	48.82	55.07	51.32
General Revenue	474.45	473.27	470.92
Special Revenue	181.53	189.56	202.37
Special Revenue Appropriated	259.84	264.75	263.04
TOTAL	964.65	982.65	987.65
DEPARTMENT OF ADMINISTRATION			
General Revenue	147.55	144.80	144.30
Special Revenue	302.42	306.88	305.88
Special Revenue Appropriated	371.24	371.52	370.52
TOTAL	821.20	823.20	820.70
DEPARTMENT OF COMMERCE			
Federal Revenue	460.60	462.40	462.60
Federal Revenue Appropriated	477.04	479.19	477.84
Federal Revenue Block Grant	26.00	24.00	27.00
General Revenue	820.70	828.70	825.70
Lottery Funds	59.00	53.00	59.00
Special Revenue	174.94	182.50	174.94
Special Revenue Appropriated	222.07	221.36	222.92
TOTAL	2,240.35	2,251.15	2,250.00

FTE Schedule by Source of Funds (Continued)

Department/Fund Source	FY 2023 11-30-2022	FY 2024 11-30-2023	FY 2025 Recommended
DEPARTMENT OF ECONOMIC DEVELOPMENT			
Federal Revenue Appropriated	57.20	65.20	66.20
General Revenue	47.30	47.30	47.30
Special Revenue	2.50	2.50	2.50
Special Revenue Appropriated	9.00	9.00	9.00
TOTAL	116.00	124.00	125.00
DEPARTMENT OF EDUCATION			
Federal Revenue Appropriated	101.55	102.35	102.85
General Revenue	596.53	595.72	600.03
Lottery Funds	6.20	6.20	6.20
Special Revenue	24.15	24.35	25.35
Special Revenue Appropriated	13.00	13.00	13.00
TOTAL	741.43	741.62	747.43
DEPARTMENT OF ARTS, CULTURE, AND HISTORY			
Federal Revenue Appropriated	26.90	27.43	27.43
General Revenue	128.22	128.22	128.22
Lottery Funds	4.55	4.03	4.03
Special Revenue	40.75	40.75	40.75
Special Revenue Appropriated	4.08	4.08	4.08
TOTAL	204.50	204.50	204.51
ENVIRONMENT			
Federal Revenue Appropriated	331.61	327.16	329.66
General Revenue	73.13	76.63	74.63
Special Revenue	248.30	258.54	258.54
Special Revenue Appropriated	233.61	235.57	235.07
TOTAL	886.65	897.90	897.90
DEPARTMENT OF HEALTH			
Federal Revenue Appropriated	302.35	326.89	308.40
Federal Revenue Block Grant	62.00	61.45	38.20
General Revenue	2,111.42	455.12	521.12
Special Revenue	188.65	179.80	201.55
Special Revenue Appropriated	66.50	64.65	65.65
TOTAL	2,730.92	1,087.91	1,134.92
DEPARTMENT OF HUMAN SERVICES			
Federal Revenue Appropriated	1,353.62	1,359.08	1,304.17
Federal Revenue Block Grant	473.22	428.03	434.37
General Revenue	1,873.06	1,957.61	1,916.78
Quasi Govt	-	-	-
Special Revenue	13.87	15.11	6.00
Special Revenue Appropriated	19.07	19.36	18.92
TOTAL	3,732.83	3,779.18	3,680.24

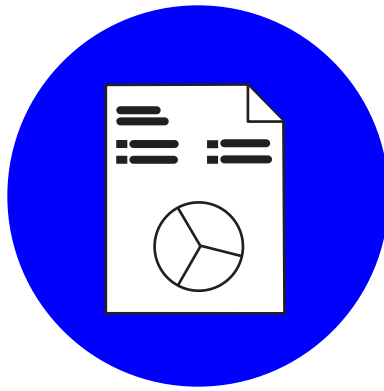
FTE Schedule by Source of Funds (Continued)

Department/Fund Source	FY 2023 11-30-2022	FY 2024 11-30-2023	FY 2025 Recommended
DEPARTMENT OF HEALTH FACILITIES			
General Revenue	-	1,616.90	1,651.20
TOTAL		1,616.90	1,651.20
DEPARTMENT OF HOMELAND SECURITY			
Federal Revenue Appropriated	43.33	39.92	46.92
General Revenue	4,007.86	4,007.42	4,012.87
Special Revenue	1,160.23	1,187.70	1,158.25
Special Revenue Appropriated	134.58	107.96	130.96
TOTAL	5,346.00	5,343.00	5,349.00
DEPARTMENT OF REVENUE			
General Revenue	317.50	321.50	322.50
Special Revenue	333.50	333.50	333.50
Special Revenue Appropriated	388.00	354.00	353.00
TOTAL	1,039.00	1,009.00	1,009.00
DEPARTMENT OF TRANSPORTATION			
Federal Revenue Appropriated	11.00	11.00	11.00
General Revenue	5.00	6.00	7.00
Special Revenue	19.00	19.00	19.00
Special Revenue Appropriated	66.00	49.00	49.00
State Road Fund	5,979.00	6,013.00	6,001.00
TOTAL	6,080.00	6,098.00	6,087.00
DEPARTMENT OF VETERAN'S ASSISTANCE			
Federal Revenue Appropriated	71.58	67.58	70.58
General Revenue	185.62	187.62	187.62
TOTAL	257.20	255.20	258.20
BUREAU OF SENIOR SERVICES			
Federal Revenue Appropriated	10.49	10.55	10.55
Lottery Funds	3.34	3.41	3.41
Special Revenue	17.90	17.80	17.80
Special Revenue Appropriated	2.27	2.24	2.24
TOTAL	34.00	34.00	34.00
COUNCIL FOR C&T COLLEGE EDUCATION			
Federal Revenue	18.30	20.04	26.54
General Revenue	907.74	890.97	923.28
Special Revenue	415.38	407.80	423.42
TOTAL	1,341.42	1,318.81	1,373.24

FTE Schedule by Source of Funds (Continued)

Department/Fund Source	FY 2023 11-30-2022	FY 2024 11-30-2023	FY 2025 Recommended
HIGHER EDUCATION POLICY COMMISSION			
Federal Revenue	151.93	118.68	159.93
General Revenue	3,312.92	3,323.87	3,383.72
Lottery Funds	30.43	30.71	30.22
Special Revenue	7,992.87	7,724.26	7,885.79
Special Revenue Appropriated	153.41	148.07	158.02
TOTAL	11,641.57	11,345.59	11,617.68
MISCELLANEOUS			
Federal Revenue	3.00	2.00	3.00
Federal Revenue Appropriated	508.28	508.10	516.04
General Revenue	120.13	117.37	117.77
Special Revenue	128.19	132.43	129.59
Special Revenue Appropriated	338.85	346.85	347.85
TOTAL	1,098.45	1,106.75	1,114.25
DEPARTMENT OF TOURISM			
Lottery Funds	47.00	47.00	47.00
TOTAL	47.00	47.00	47.00

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 the Budget Act.

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 2023, 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.V. 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 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 State Budget and appropriated by the Legislature (as required by W.V. 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; and
- 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.

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 S&P Global, 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 Sources

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, and FY 2013 through FY 2017. Based on results over the past two decades, the probability of a revenue shortfall issue in any given year is less than 20%.

Economic Development Tax Expenditure Budget - FY 2024

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 2025.

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.

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 “transferable 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.

Revenue Sources

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 purposes of the FY 2025 budget, economic development tax expenditure programs were grouped in the following three 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)

There is no bright-line separation of business economic development programs from other programs with similar characteristics. Therefore, other similar tax expenditures are listed on the following pages 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 35 active tax credit programs listed in the state tax code with a total FY 2025 value of \$283.1 million. Programs classified as economic development-related account for \$52.6 million in value, an amount equal to roughly 19% 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 \$38.1 million.

The largest single tax credit in terms of cost (65% of the total) is the newly created Property Tax Adjustment Credit reimbursing taxpayers for local property taxes paid on qualified motor vehicles, qualified small business tangible personal property and homestead taxes paid by qualified disabled veterans. This tax credit largely benefits individual taxpayers with the State effectively paying the local property tax on behalf of the taxpayer. The largest business tax credit is the Industrial Expansion and Revitalization Tax Credit for electric power generators at an estimated cost of \$19 million. 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 2025 Estimate (in millions)
5B-2E	Tourism Development	25% of approved costs over 10 years	\$4.0
5B-2L-10	WV Build Tax Credit	10-Year Income Tax Credit for Property Tax	\$0.1
11-13D	Industrial Expansion/Revitalize	10% Investment Credit - electric power producers	\$19.0
11-13E	Coal-Loading Facilities	10% Investment Credit - coal loading facilities	\$0.5
11-13F	Low-Income Electric, Gas & Water	Reimburses Utility for Low-Income Resident Discount	\$8.5
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	\$0.0
11-13Q	Economic Opportunity	Investment Credit - New Jobs and Select Industries	\$3.5
11-13S	Manufacturing Investment	5% Investment Credit - Manufacturing	\$1.5
11-13W	Apprenticeship Training	\$2/hour or \$2,000/year - Training Tax Credit	\$0.3
11-13Y	Manufacturing Property	Manufacturing Inventory Tax Credit	\$1.5
11-13X	West Virginia Film	27% to 31% of Costs for Making Film in WV	\$3.0
11-13BB	Mine Safety Technology	50% Investment Credit - Mine Safety Equipment	\$0.0
11-13DD	Farm to Food Bank Tax Credit	10% value of donated food products up to \$2,500	Minimal
11-13EE	Coal Severance Tax Rebate	35% of Qualified Investment - 80% of Additional Tax	\$7.0
11-13FF	Car Donation Tax Credit	Lesser of 50% of value or \$2,000	\$0.1
11-13GG	Downstream Gas Manufacturing	Investment Credit - New Jobs and Select Industries	\$0.0
11-13HH	Natural Gas Liquids Property Tax	Tangible Personal Property Tax Credit	\$0.2
11-13II	High-Wage Growth Business Tax	Up to 10% of salary paid	\$0.0
11-13JJ	Volunteer Firefighter	\$1,000 per qualified volunteer	\$1.0
11-13KK	Small-Arms Manufacturing	Credit for Federal Excise Tax Paid	Minimal
11-13MM	Property Tax Adjustment	Refundable income credit for local tax paid	\$183.0
11-21-8a	Rehabilitated Buildings	25% of qualified costs	\$12.0
11-21-8g	Residential Rehabilitated Buildings	5% of qualified costs	\$0.4
11-21-10a	Nonfamily Adoption	\$2,000 per qualified adoption	\$4.0
11-21-21	Senior Citizen Homestead Credit	Local Tax paid on First \$20,000 of Taxable Valuation	\$11.0
11-21-22	Low-Income Family Tax Credit	Up to 100% of Pre-Credit Income Tax	\$16.0
11-21-23	Excess Property Tax Credit	Excess more than 4% of Gross Income up to \$1,000	\$2.5
11-21-42	Military Incentive	30% of first \$5,000 of Wages Paid	\$0.0
11-21-25	Jump Start	Up to \$5,000 employer match credit	Minimal
11-21-97	Child-Care Credits	50% of net operating costs & 50% investment	\$1.0
11-28	Post-Coal Mine Site Credit	50% Investment Credit	\$0.0
61-7-4(r)	Gun Safety Training Credit	One-time credit of up to \$50	Minimal
		Subtotal:	\$283.1

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 \$28.0 million in FY 2025 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 \$33.0 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 the State School Aid formula):

Article	Tax Increment Diversion Programs	Description	FY 2025 Estimate (in millions)
7-11B	Property Tax Increment Financing Economic Development District	Property Increment-State portion of \$28M total	\$12.7
7-22	Sales Tax Increment Financing	6% State sales tax re-designated as local tax	\$33.0
		<i>Subtotal:</i>	\$45.7

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 60% 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 \$669 million and the State share of this combined value, mainly reflected in the State School Aid Formula, is \$175.7 million.

Several other types of mostly tangible personal property qualify for reduced “salvage” valuation at a combined value of \$87.1 million in property tax reductions with \$24.3 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 an average seam thickness of no more than 45 inches. This \$75 million tax preference is largely tied to metallurgical coal production in southern West Virginia. Thin-seam coal 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 2025 Estimate (in millions)
11-3-9	PILOT-County	Payment in Lieu of Tax - New Facilities	Unknown
11-1C	Managed Timberland	Constitutional Preference - State portion of \$6.0 million	\$1.5
11-6A	Pollution Control Salvage Value	State portion of \$36.0 million	\$10.0
11-6B	Homestead Exemption and Tax Rate	Over 65/Disabled - State Portion of \$102 million	\$27.7
11-6E	Manufacturing Production Property	Salvage Value - State Portion of \$2.8 million	\$0.8
11-6F	Certified Capital Additions	Salvage Value-Existing Mfg. - State Portion of \$46 million	\$12.9
11-6H	Special Aircraft Property	Salvage Value - State Portion of \$1.7 million	\$0.5
11-6J	High-Technology Business Property	Salvage Value - State Portion of minimal \$0.1 million	\$0.0
11-6L	Wireless Technology	Salvage value - State Portion of \$0.5 million	\$0.1
11-8-6b	Residential/Farm Preference	50% Tax Rate Preference - State Portion of \$567 million	\$148.0
11-13A-3(f)	Thin-Seam Coal Rates	Reduced Tax Rates on Thin-Seam Coal [60%-80%]	\$75.0
11-13A-3a(a)	Natural Gas/Oil Exclusions	Low volume/shut-in well gross receipt exclusions	\$2.0
11-13A-3a(b)(2)	Low Volume Natural Gas/Oil:	Reduced tax rates on lower volume wells (50%)	\$3.5
11-13A-3(b)	Steam Coal Rates	Reduced tax rates on steam coal [40%]	\$48.0
11-15-9s	Sales Tax Holiday	Back to school sales tax holiday	\$2.6
		<i>Subtotal:</i>	\$332.6

The total sum value of all tax expenditures listed above is \$661.4 million, including \$242.6 million in bolded economic development tax expenditures and \$418.8 million in various other tax expenditures.

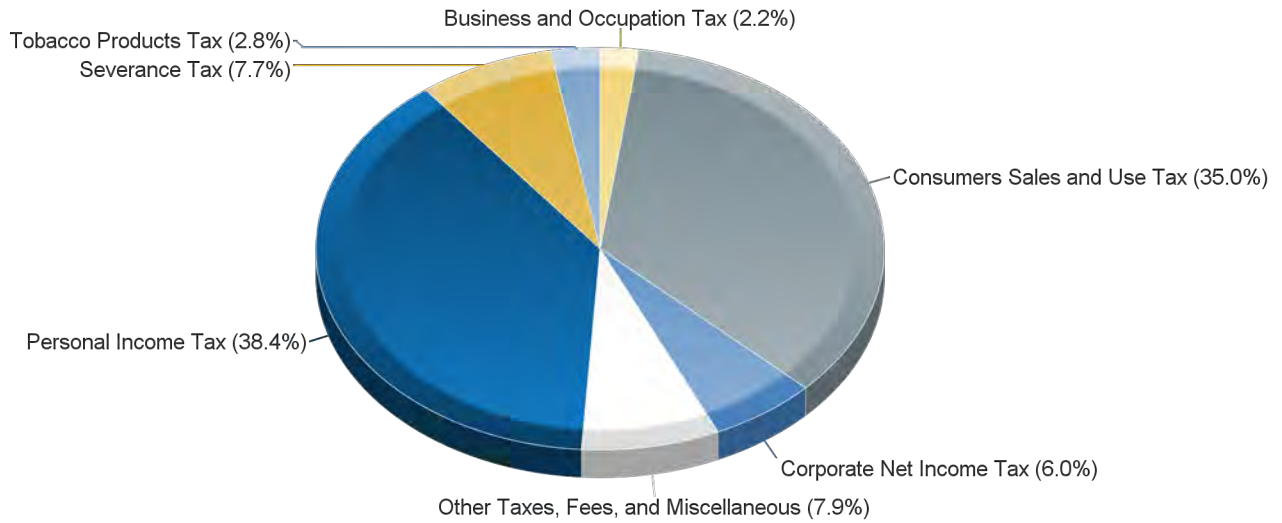
Additional Revenue Information

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 the 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.

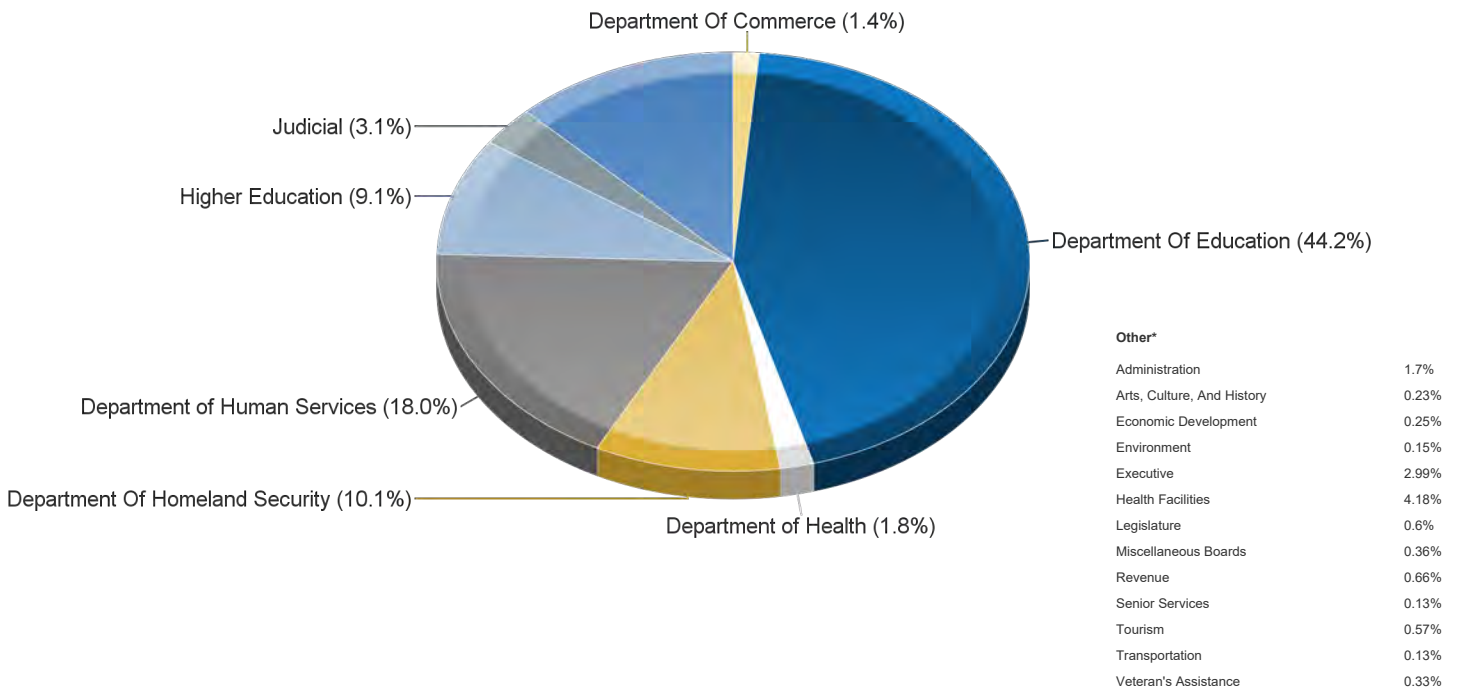
For a graphic presentation of total state revenues by source and expenditures by function, refer to “Where the State Dollar Comes From” and “Where the State Dollar Goes” in the “Summary Financial Statements” chapter.

General Revenue Fund

Sources of Revenue Fiscal Year 2025 \$5.26 Billion (Estimated)



Recommended Expenditures Fiscal Year 2025 \$5.22 Billion



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.

Effective for tax years beginning on or after January 1, 2023, all personal income tax rates were reduced by 21.25%. Effective for tax years beginning on or after January 1, 2024, new refundable personal income tax credits were created equal to the amount of local property taxes paid on qualified motor vehicles, 50% of the amount of qualified tangible personal property taxes paid by qualified small businesses and the amount of qualified homestead property taxes paid by fully disabled veterans. As a result of these changes, baseline personal income tax collections were expected to decrease by roughly \$115 million in Fiscal Year 2023, by roughly \$696 million in Fiscal Year 2024, and by \$793 million in Fiscal Year 2025.

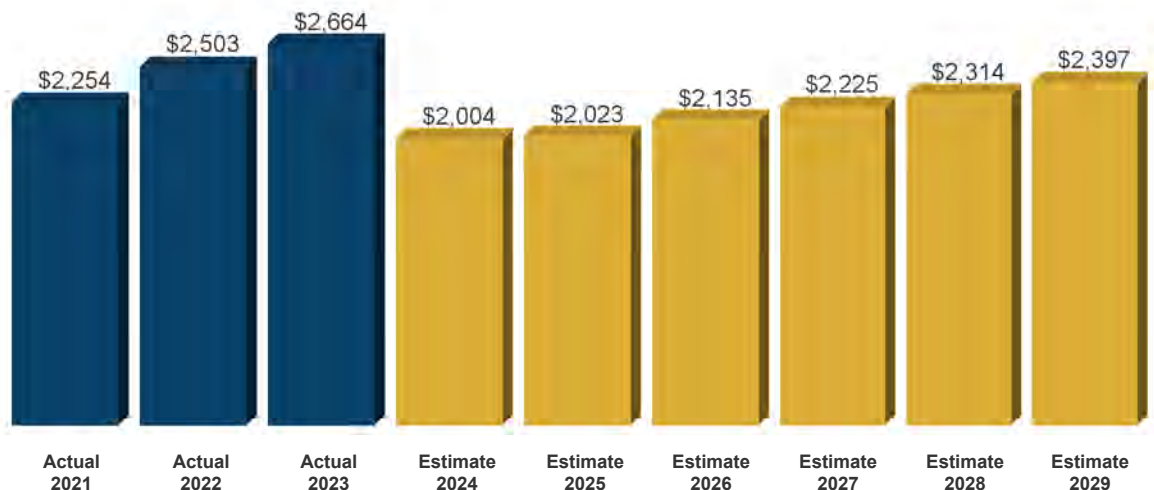
Personal income tax collections increased by 11.0% in FY 2022 and by 5.7% in FY 2023. Average annual revenue growth for the recent five-year period between FY 2018 and FY 2023 was 6.6%. Average annual growth in wage income was more than 6% over the past year. In addition, employment growth over the past year averaged roughly 1%. Income withholding tax collections rose by 9.8% in FY 2022 and by 10.4% in FY 2023. Due to the 21.25% tax rate reduction, year-to-date withholding tax collections in FY 2024 were down 13.4% from the prior year. Overall personal income tax collections were 4.5% lower than prior year receipts through November.

According to the most recent forecasts from S&P Global, payroll employment is expected to grow by roughly 1.0% in both 2023 and 2024, and then generally level off between 2024 and 2029 due mainly to demographic limitations thereafter. West Virginia personal income less transfer payments rose by 7.1% in CY 2022 and by an estimated 6.4% in CY 2023. S&P Global projects West Virginia personal income less transfer payments to increase by 5.5% in 2024, 4.5% in 2025, and by an annual average of 3.4% between 2025 and 2029. Absent any further tax changes, income tax collections are projected to rise by an average annual rate of nearly 4.2% during the FY 2025 to FY 2029 forecast period.

Tax on West Virginia taxable income:

- 2.36% on the first \$10,000 of taxable income.
- 3.15% on taxable income between \$10,000 and \$25,000.
- 3.54% on taxable income between \$25,000 and \$40,000.
- 4.72% on taxable income between \$40,000 and \$60,000.
- 5.12% on taxable income more than \$60,000.
- Accounts for roughly 40% of total General Revenue Fund.

(Expressed in Millions)



General Revenue Fund

Consumer Sales Tax and Use Tax

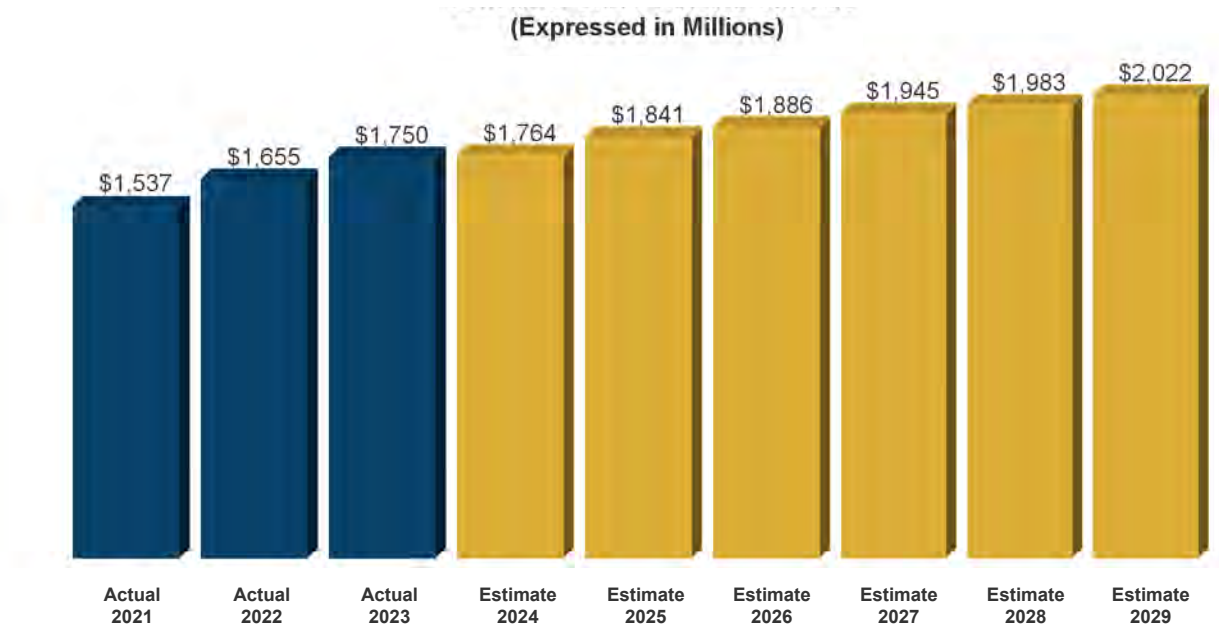
Consumer Sales and Use Tax collections depend heavily upon retail sales and taxable services activities. The tax base includes most retail sales, but some exclusions include sales of automobiles (taxed under alternative 6% Vehicle Sales Tax), gasoline (taxed under alternative 5% Wholesale Sales Tax), 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 in 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 4.5% between 2012 and 2022. West Virginia disposable personal income grew by an average annual rate of roughly 4.4% between 2016 and 2022. Due to strong income growth and higher employment levels, disposable personal income is estimated to rise by roughly 6.6% in 2023. The jump in disposable personal income was a significant factor in the 7.7% growth rate in General Revenue Fund Sales Tax collections in FY 2022 and 5.7% in FY 2023. S&P Global forecasts West Virginia disposable personal income will rise by roughly 5.4% in FY 2024 and then by roughly 4.0% per year on average from 2023 through 2029.

Sales tax collection growth was 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. In FY 2021, sales tax collections experienced growth of 10.8% over FY 2020. Strong wage growth and healthy consumer confidence contributed to a 7.7% rise in sales tax collections in FY 2022 and a 5.7% gain in FY 2023. Collection growth was also buoyed by rising inflation that peaked over 9% as of June 2022 before slowing down toward 3% as of November 2023. Cumulative collections for the first five months of FY 2024 were up roughly 4.5% over the same period in FY 2023. Over the long-run, annual collections are expected to rise by an annual average of closer to 2.4% between FY 2023 and FY 2029. High interest rates and a possible recession in the short term contribute to lower revenue growth expectations over the next two years.

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 35% 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 2023, regular severance tax receipts were deposited in the State General Revenue Fund (88.8%), the State Infrastructure Fund (2.1%), local government funds (8.8%), and Department of Environmental Protection (0.3%). 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. In addition, 90% of the reduced tax on lower volume vertical oil and gas wells is dedicated to a well plugging fund under control of the Department of Environmental Protection.

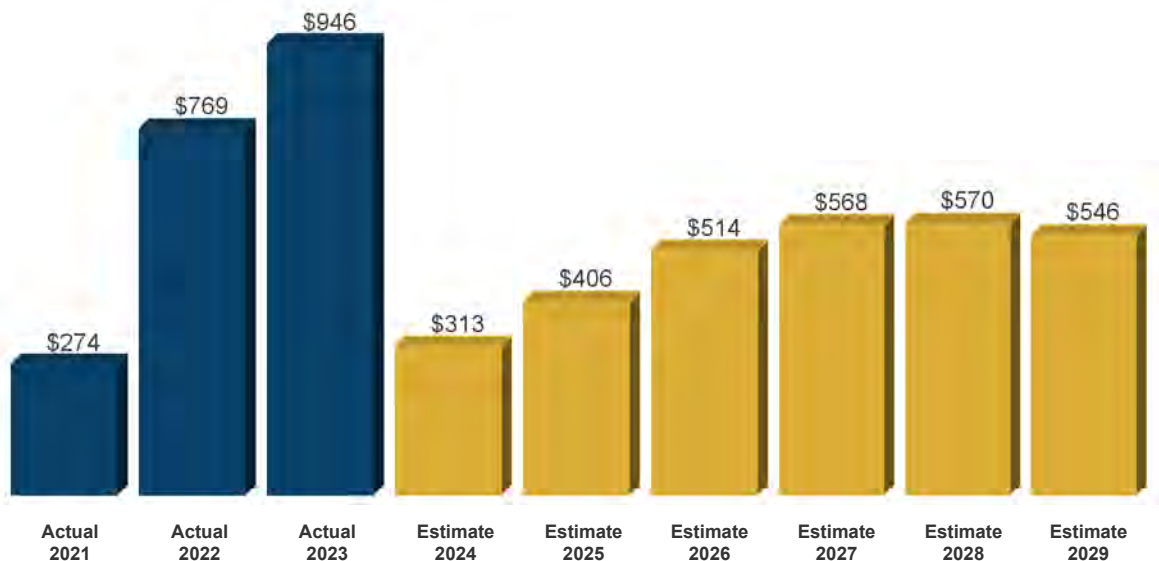
Severance Tax collection growth depends upon changes in coal and natural gas production and their respective prices. Recent technological advancements led to more than an elevenfold increase in natural gas production in West Virginia since 2010. Natural gas has become very competitive with coal as a fuel source in the generation of electric power. Coal production fell by nearly 42% between 2010 and 2022. Production rose by nearly 4% in 2023 partially due to a steady export market and some rebuilding of previously depleted inventories. In 2021 and 2022, the energy sector benefited significantly from a global energy supply shortfall with higher prices associated with such shortfall. However, inventories were largely replenished by the end of 2022 with energy prices retreating toward their long-term averages. Average natural gas hub prices fell from a high of roughly \$6.45 per million British thermal units in CY 2022 to an estimated \$2.50 in CY 2023. Average West Virginia coal prices fell from a high of roughly \$125 per ton in CY 2022 to an estimated \$110 in CY 2023.

Natural gas production rose by 4.2% in 2021, by 9.2% in 2022 and by an estimated 9.9% in 2023. Annual production growth is forecast to slow toward an average of 4% per year over the forecast period partially due to the need for more pipeline infrastructure to transport product. However, the pending completion of the Mountain Valley Pipeline Project will add additional transport capacity soon. Average West Virginia natural gas prices fell by roughly \$5.50 per million British thermal units in 2022 to closer to \$1.50 per million BTU in 2023. The U.S. Energy Department of Energy currently forecasts average annual natural gas prices to increase by roughly 9% in 2024. The U.S. Department of Energy currently forecasts a decrease in Appalachian coal production of nearly 20% in 2024 with declines in domestic steam coal demand and steam coal exports partially offset by higher metallurgical coal exports. After rising by 154% in FY 2022 and by an additional 23% in FY 2023, Severance Tax collections fell by more than 63% during the first five months of this fiscal year. FY 2025 collections are forecast to fall 57% below actual collections received in FY 2023. Collection patterns will continue to be highly volatile in future years beyond 2024 with significant downside risk to the steam coal market offset by some potential gains in metallurgical coal, natural gas, and natural gas liquid markets. Energy sector

General Revenue Fund Severance Tax

- Privilege tax on gross receipts with a base rate of 5.0%. (Reduced rates for certain types of coal and waste coal.)
- Applies to natural resources (coal, gas, oil, other) production with a general rate of 5.0%.
- The Severance Tax on steam coal is 3.0%.
- The Severance Tax on underground mines with seam thickness between 37” and 45” is 2.0%
- The Severance Tax on underground mines with seam thickness below 37” is 1.0%.
- The Severance Tax on lower volume vertical oil and gas wells is 2.5%
- Currently accounts for between 5% and 15% of the total General Revenue Fund.

(Expressed in Millions)



General Revenue Fund

Corporation Net Income Tax

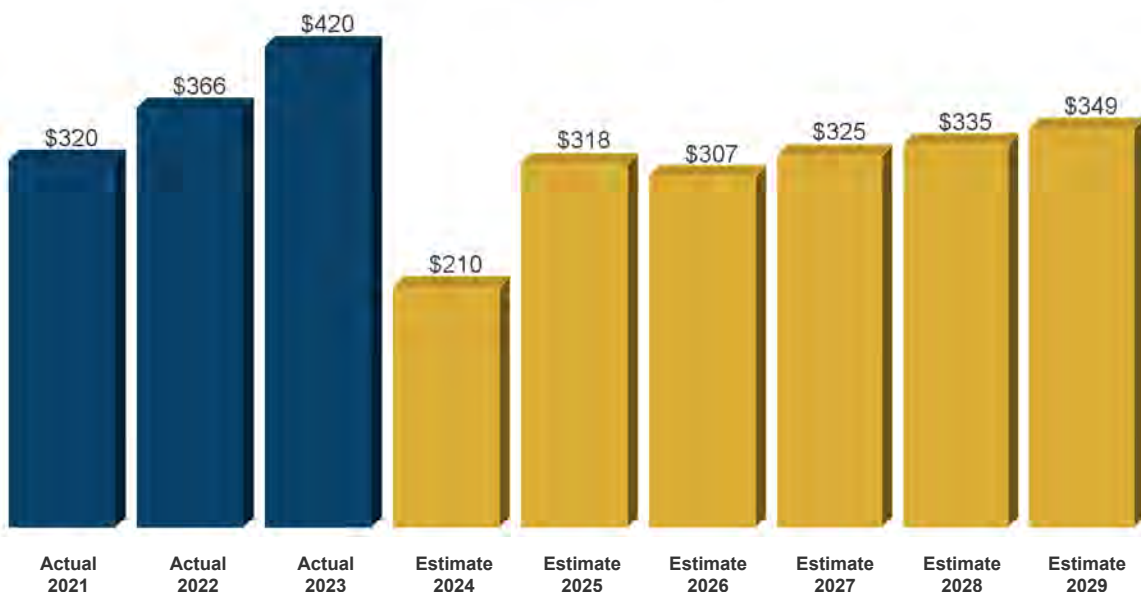
The Corporation Net Income Tax is a tax on net profits of incorporated entities doing business in West Virginia.

U.S. domestic corporate profits grew by 7.8% in 2018 and 5.7% in 2019 before declining by 1.5% in 2020. Aided by a strong recovery from the COVID-19 Pandemic Recession, corporate profits grew by 28.7% in 2021, by 12.6% in 2022 and by an estimated 10.1% in 2023. According to S&P Global, domestic corporate profits are likely to fall slightly between 2023 and 2026 partially due to the impact of economic slowdown associated with higher interest rates and higher than comfortable inflation. 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 from a low of \$110.1 million in FY 2018 to nearly \$420.0 million in FY 2023 for an average annual increase of more than 30%. Collections continued rising at a healthy pace in the first half of FY 2024 with year-to-date revenues up nearly 21% from the prior year through November. After peaking in FY 2023, collections are anticipated to decline between FY 2024 and FY 2026 before rebounding beginning in FY 2027. The anticipated decline in collections over the next couple of year relates to an expected leveling of corporate profits and recent policy changes to multistate corporate apportionment rules. The move to single-factor apportionment will result in increases in tax liability for those companies with large sales factors relative to payroll and property and decreases in tax liability for those with large property and payroll factors relative to sales. Any significant claims for tax refunds associated with the apportionment change should occur with annual return filings received during the first half of FY 2024. Over the long-term from FY 2023 to FY 2029, Corporation Net Income Tax collections are forecast to decrease by an annual average of roughly 3.0%.

- 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 6% of total General Revenue Fund.

(Expressed in Millions)



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.

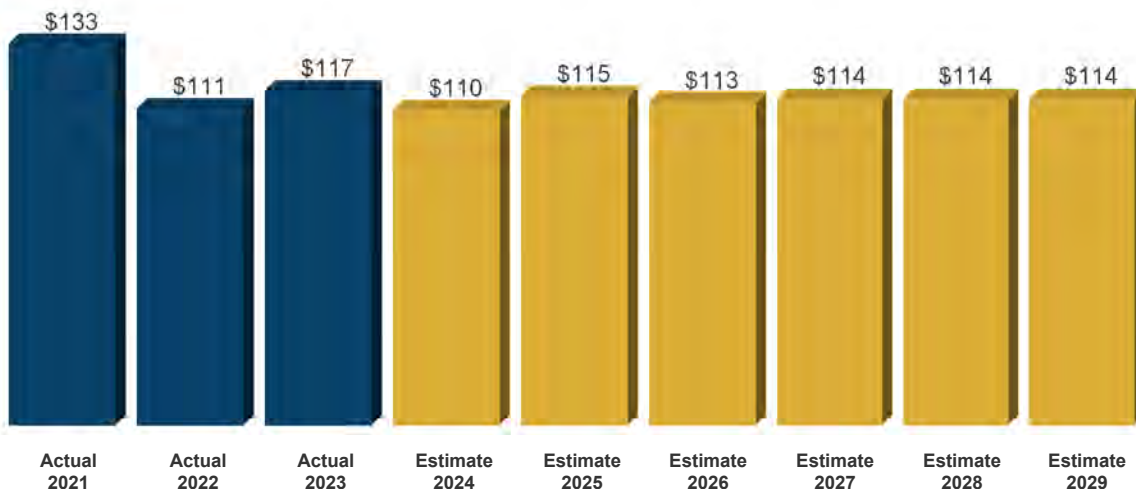
For electric power producers, the general tax rate is \$22.78 per kilowatt of taxable capacity. Plants with flue gas desulfurization systems are subject to a lower tax rate of \$20.70 per kilowatt.

The tax on natural gas receipts applies only to public utility sales. Lower natural gas costs should result in a decrease in revenue from this source over the next two years. West Virginia imposes a tax on natural gas storage activities. Revenue from this source should remain stable during the forecast period.

After rising by 10.3% in FY 2020, collections fell by 3.1% in FY 2021 and by 17.0% in FY 2022. The decrease in tax collections was attributable to a change in law exempting a merchant coal-fired power plant with costs not subject to recovery through rate regulation from tax effective January 1, 2020, and a subsequent law lowering the taxable capacity of certain coal-fired power plants effective July 1, 2021. Overall revenues are forecast to be relatively stable between FY 2023 and FY 2029.

- 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 around 2% of total General Revenue Fund.

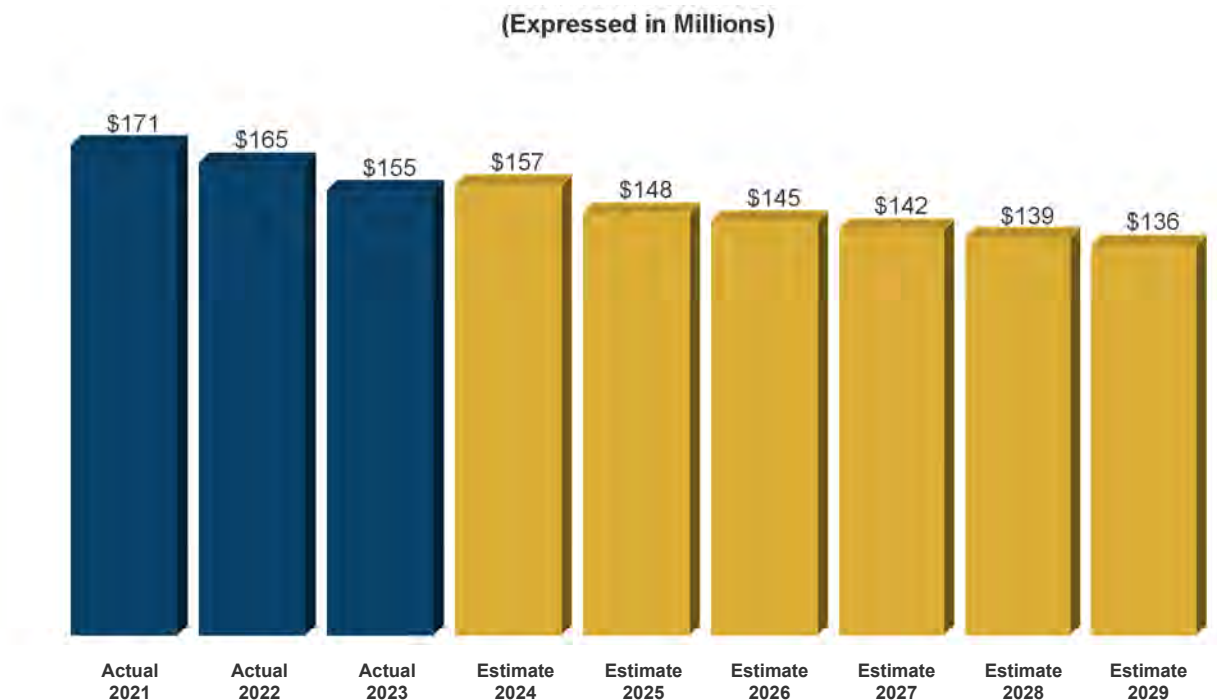
(Expressed in Millions)



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. Collections subsequently declined by a sharp 8.6% in FY 2018 from the prior year with further declines of 3.7% in FY 2019 and 1.5% in FY 2020. Changes in consumer behavior associated with the COVID-19 Pandemic significantly affected Tobacco Products Tax collections in FY 2021. The 1.4% increase in collections in FY 2021 was likely due in part to individuals experiencing increased stress and additional time away from their traditional work environments. FY 2022 collections declined by 3.9% and FY 2023 collections declined by an additional 5.8% as more people returned to work and the pandemic eased. Through the first five months of FY 2024, cumulative collections fell roughly 5.3% from the prior year. Collections are forecast to decrease by an average annual rate of approximately 2.6% between FY 2023 and FY 2029.

- 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 less than 3% of total General Revenue Fund.

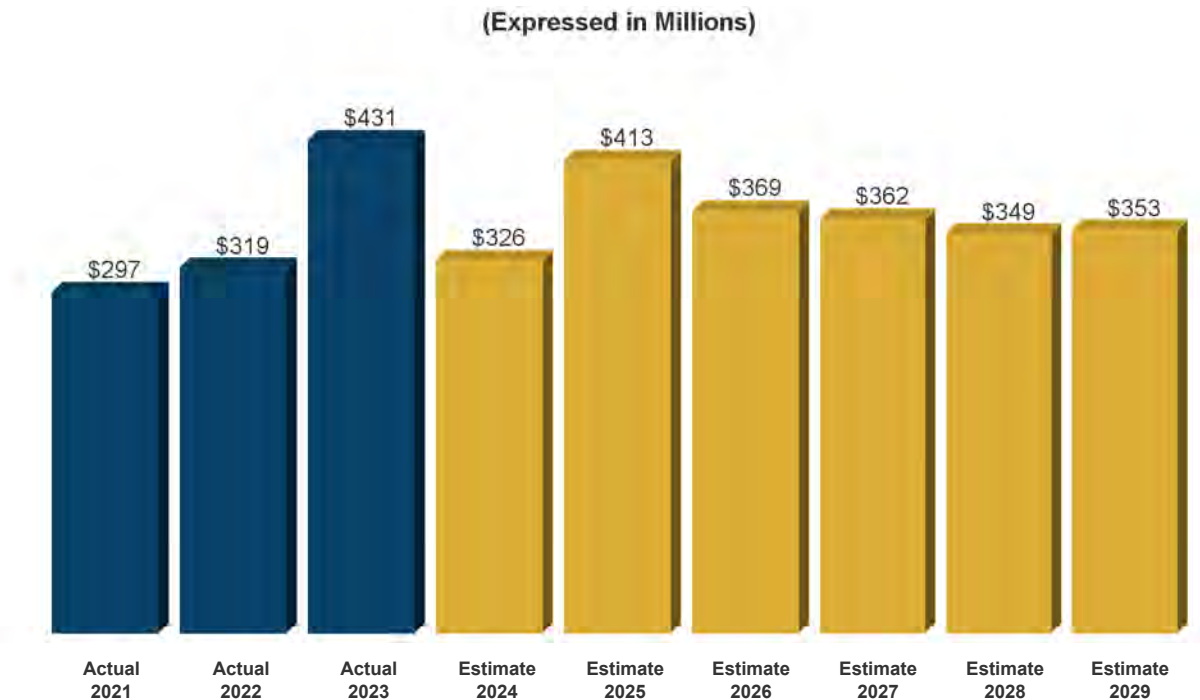


General Revenue Fund

Other Taxes and Fees

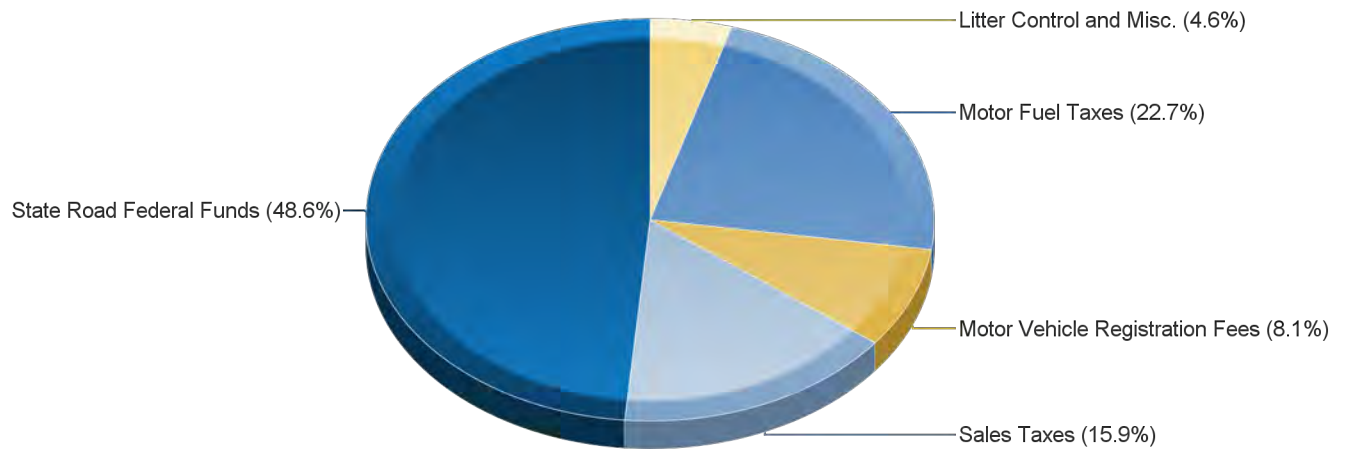
These other taxes, licenses, fees, and receipts consist of Insurance Premiums Tax, Liquor Profit Transfers, Beer Tax and Licenses, Business Franchise Registration Fees, Property Tax, Property Transfer Tax, Soft Drink Excise Tax, Departmental Collections, Interest Income, Miscellaneous Receipts, Miscellaneous 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 in favor of higher county tax rates over a period beginning in FY 2022 and fully ending as of FY 2026. In addition, the Soft Drink Excise Tax is set for repeal as of July 1, 2024.

- Generally, accounts for less than 6% of total General Revenue Fund.

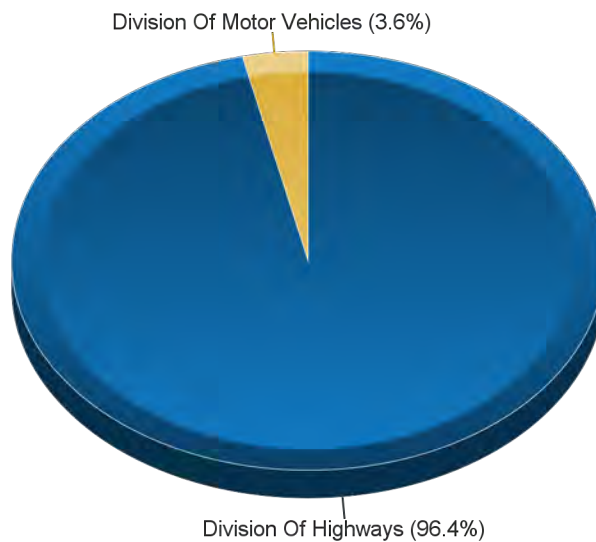


State Road Fund

Sources of Revenue
Fiscal Year 2025
\$1.91 Billion
(Estimated)



Recommended Expenditures
Fiscal Year 2025
\$2 Billion



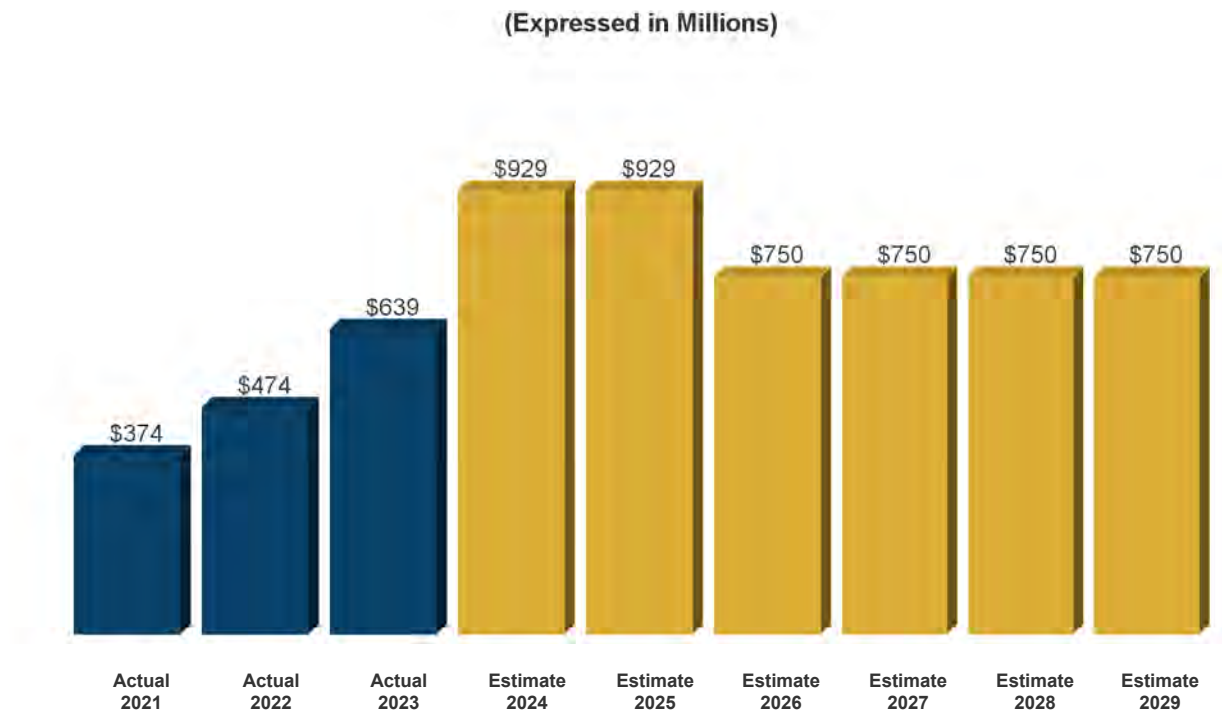
State Road Fund

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 37% to 45% 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.

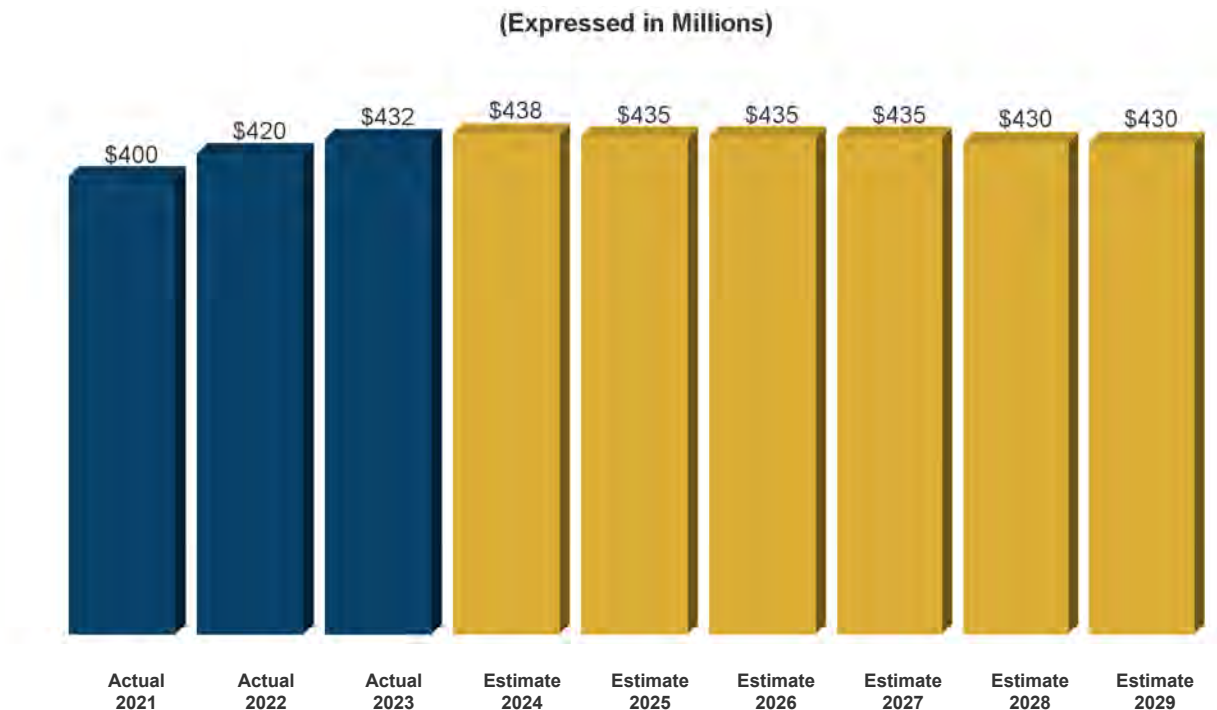
Imposed on every motor carrier with a vehicle that is designed to transport persons or property having two or more axles with a gross vehicle weight exceeding 26,000 pounds, including road tractors and tractor trucks.

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.

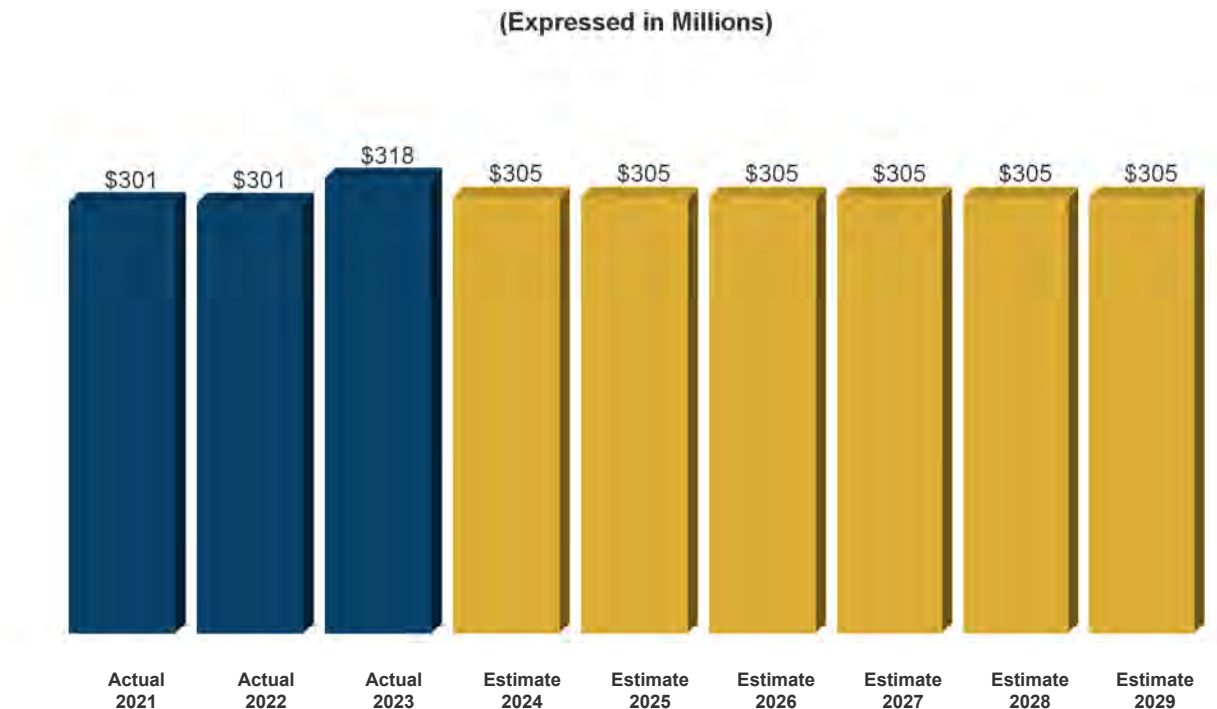
Carriers domiciled in the State are charged an annual fee of \$10 for two identification markers.

- Accounts for 25% 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 roughly 19% of the total State Road Fund.

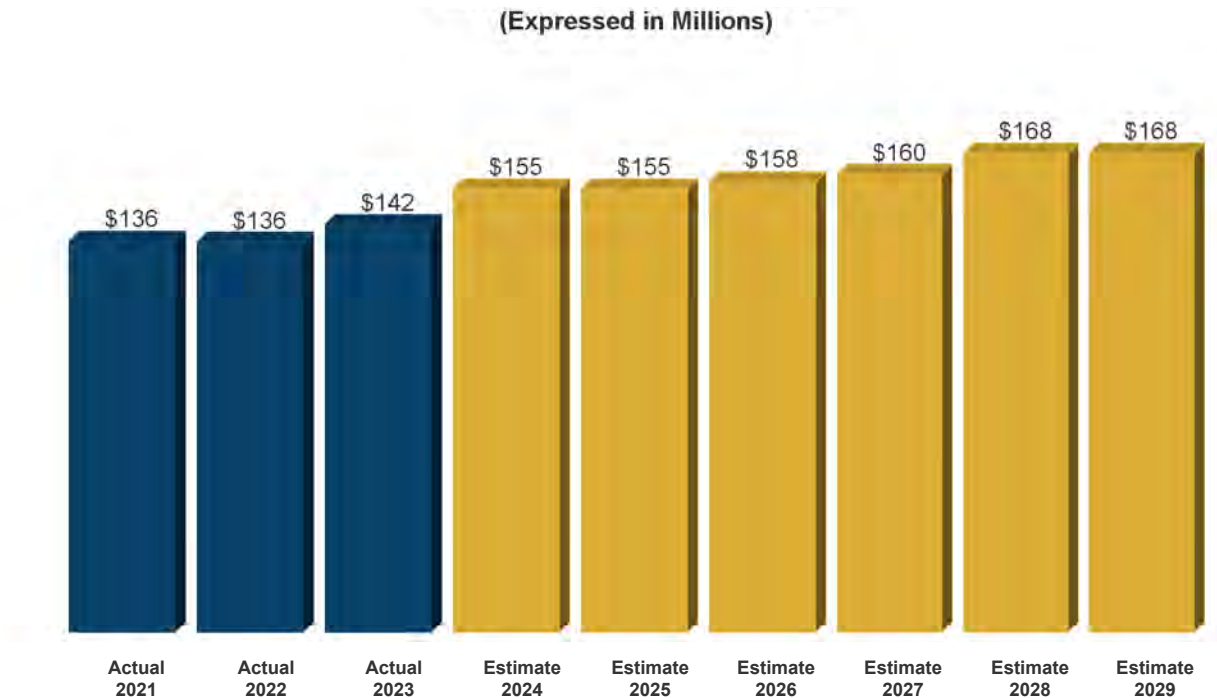


State Road Fund

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 roughly 9% of the total State Road Fund.



West Virginia Lottery

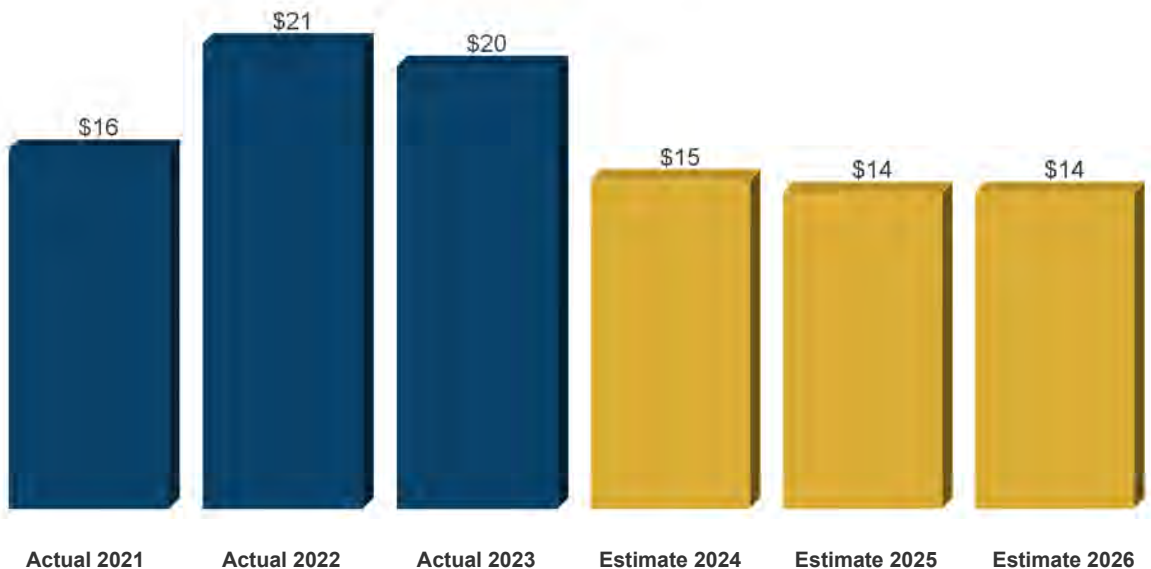
West Virginia Lottery gross revenue increased by 7.8% in FY 2022 and 4.3% in FY 2023. West Virginia Lottery revenues continue to show strong performance as the State and the surrounding areas continue to recover from the impacts of the COVID-19 pandemic. Gross revenues include ticket sales of online and instant games, Racetrack Video Lottery, Limited Video Lottery revenue, Table Games, Historic Resort Hotel revenues, Sports Wagering revenue, and Interactive Gaming revenues. Net revenues to the State decreased by 2.4% in FY 2022 and increased by 5.6% in FY 2023. Racetrack Video Lottery increased for FY 2022 by 17.5% and increased by 5.0% during FY 2023. Limited Video Lottery increased by 1% in FY 2023 and increased by 2.2% in FY 2022.

For FY 2024, the official estimate reflects a decrease in gross revenue of 12.3% from FY 2023. Racetrack Video Lottery is projected to decrease 9.7%. Limited Video Lottery is projected to decrease by 8.1%. Table games revenue is projected to decrease 28.4%. Historic Resort Hotel revenue is projected to increase 3.1%. Sports Wagering is projected to decrease by 32.1%. Interactive Gaming is projected to decrease by 61.9%. These decreases are consistent with the Lottery's practice of conservative forecasting. Online sales are projected to decrease 25% and instant ticket sales are projected to decrease 15.6%.

In FY 2025, the gross revenue estimate is expected to increase by 1.7%. Racetrack Video Lottery is projected to remain level. Limited Video Lottery is projected to increase by 1.4%. Table games revenue is projected to remain level. Historic Resort Hotel revenue is projected to decrease 21.8%. Sports Wagering is projected to remain level. Interactive Gaming is projected to increase by 101.3%. Online sales are projected to remain level and instant ticket sales are projected to increase 3.5%.

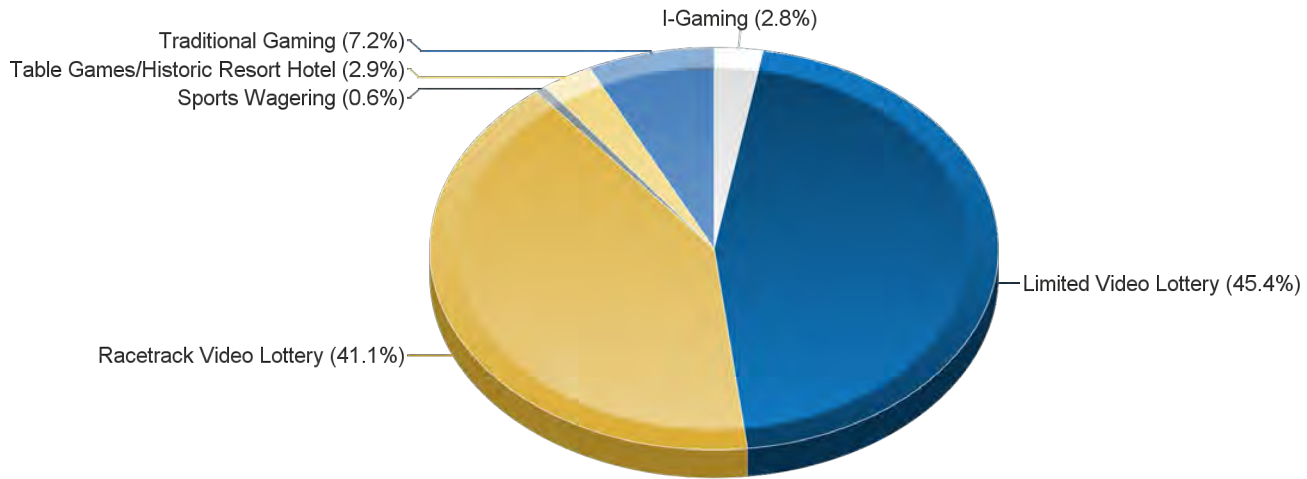
Net revenue, as indicated on the following pages, does not include the portion of lottery profits earmarked by statute for other purposes and not available for appropriation.

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



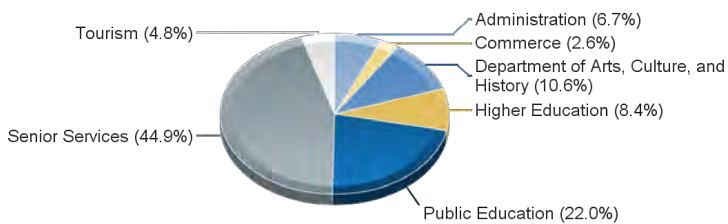
West Virginia Lottery

Sources of Revenue Fiscal Year 2025 \$487 Million* (Estimated)

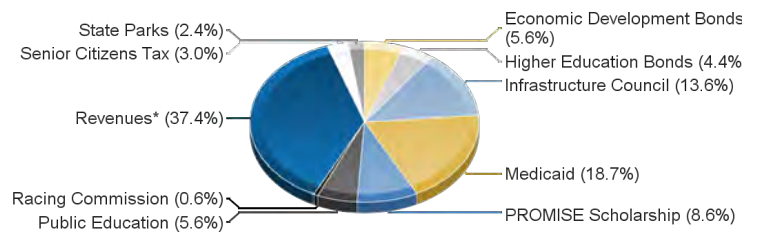


Recommended Expenditures Fiscal Year 2025 \$486.54 Million

Lottery Fund \$149.1 Million



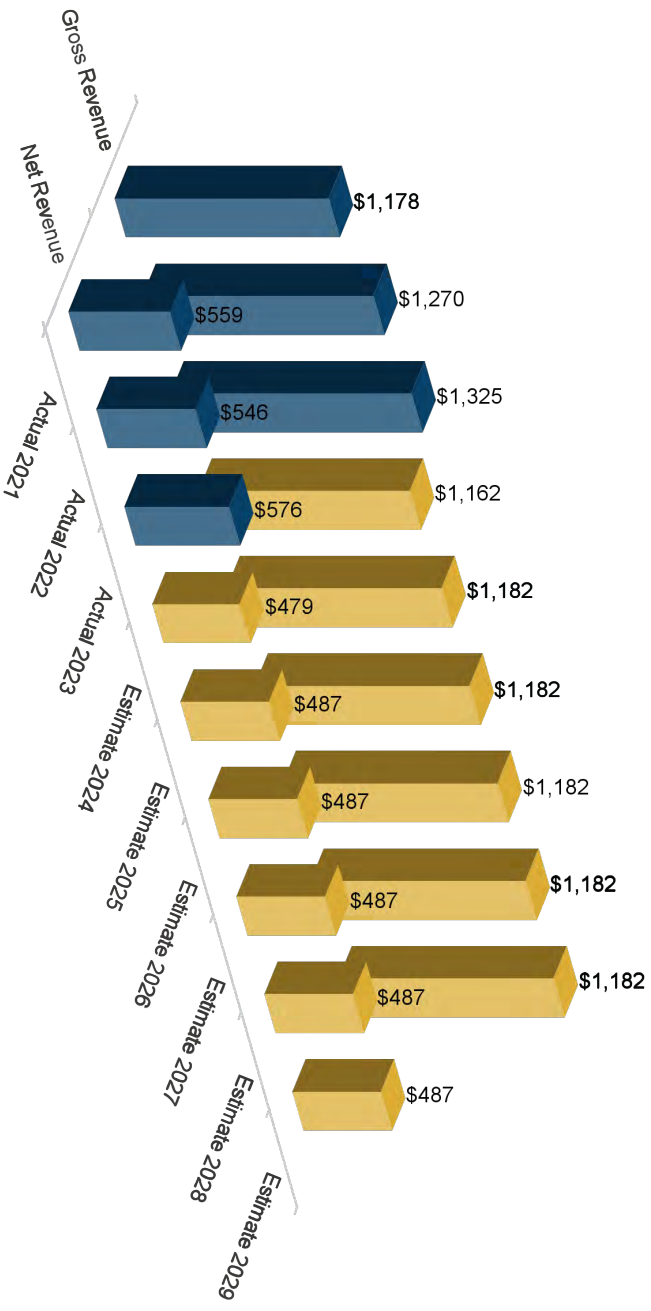
Excess Lottery Fund \$337.4 Million



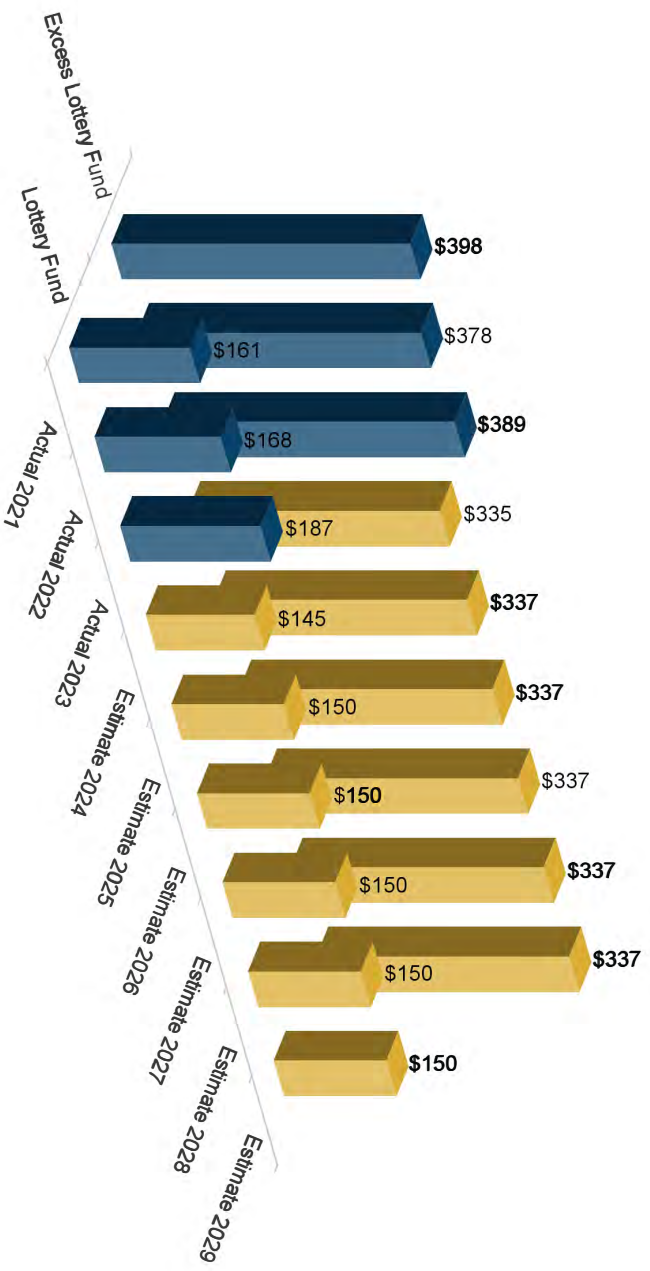
* Includes \$65,000,000 transfer to the General Revenue Fund

West Virginia Lottery

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

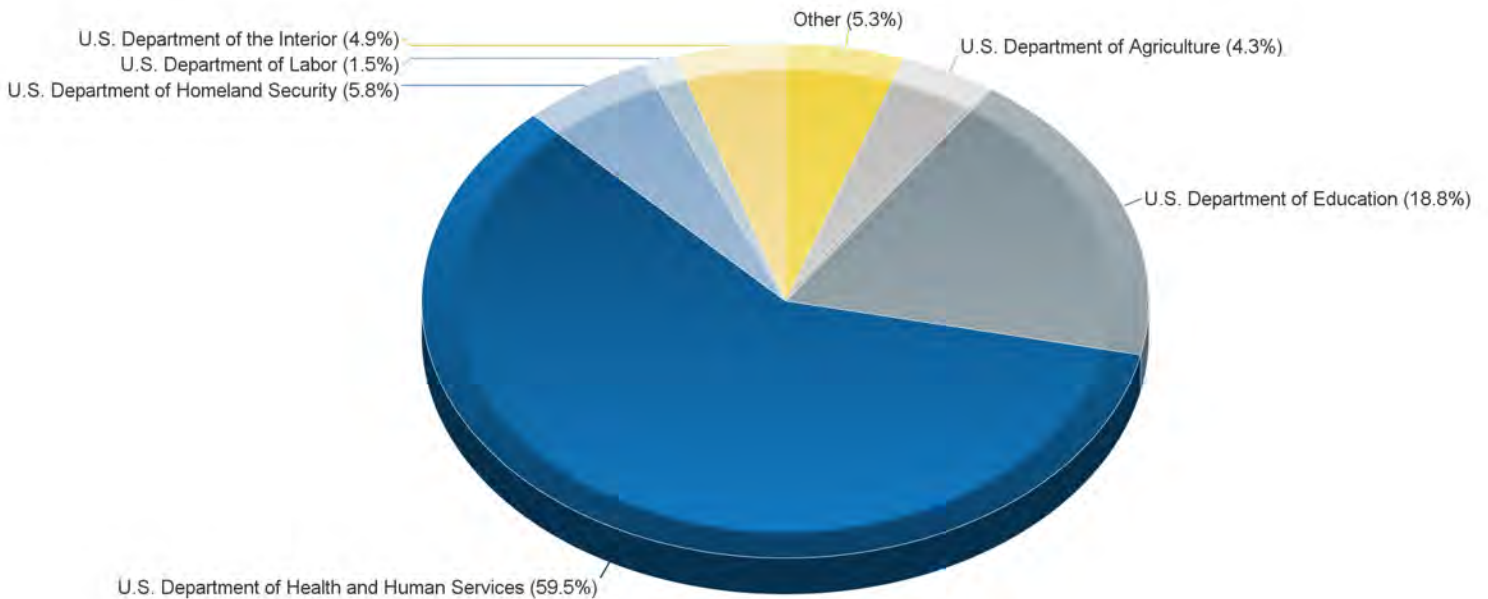


West Virginia Lottery Net Revenue Distribution (Expressed in Millions)

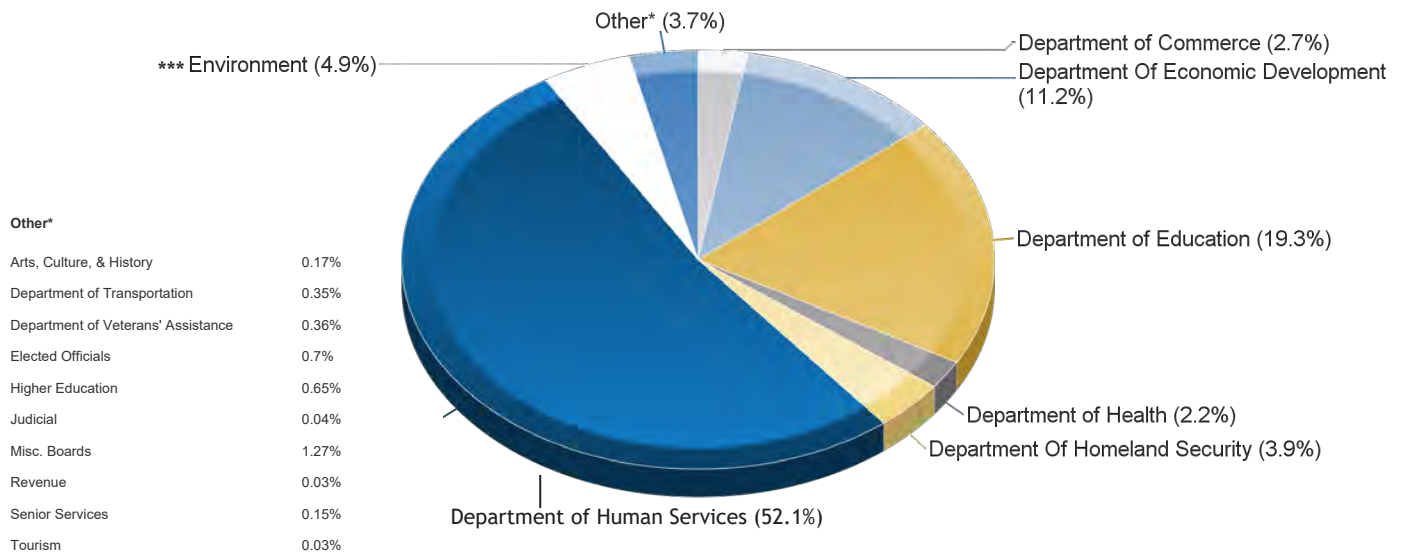


Federal Funds

Sources of Revenue Fiscal Year 2025 \$9.22 Billion (Estimated)



Recommended Expenditures** Fiscal Year 2025 \$9.85 Billion



** Expenditures include FY 2025 estimated revenues (above) and beginning balances.

*** Includes Federal funds that are appropriated as part of the State Road Fund.

Special Revenue Funds

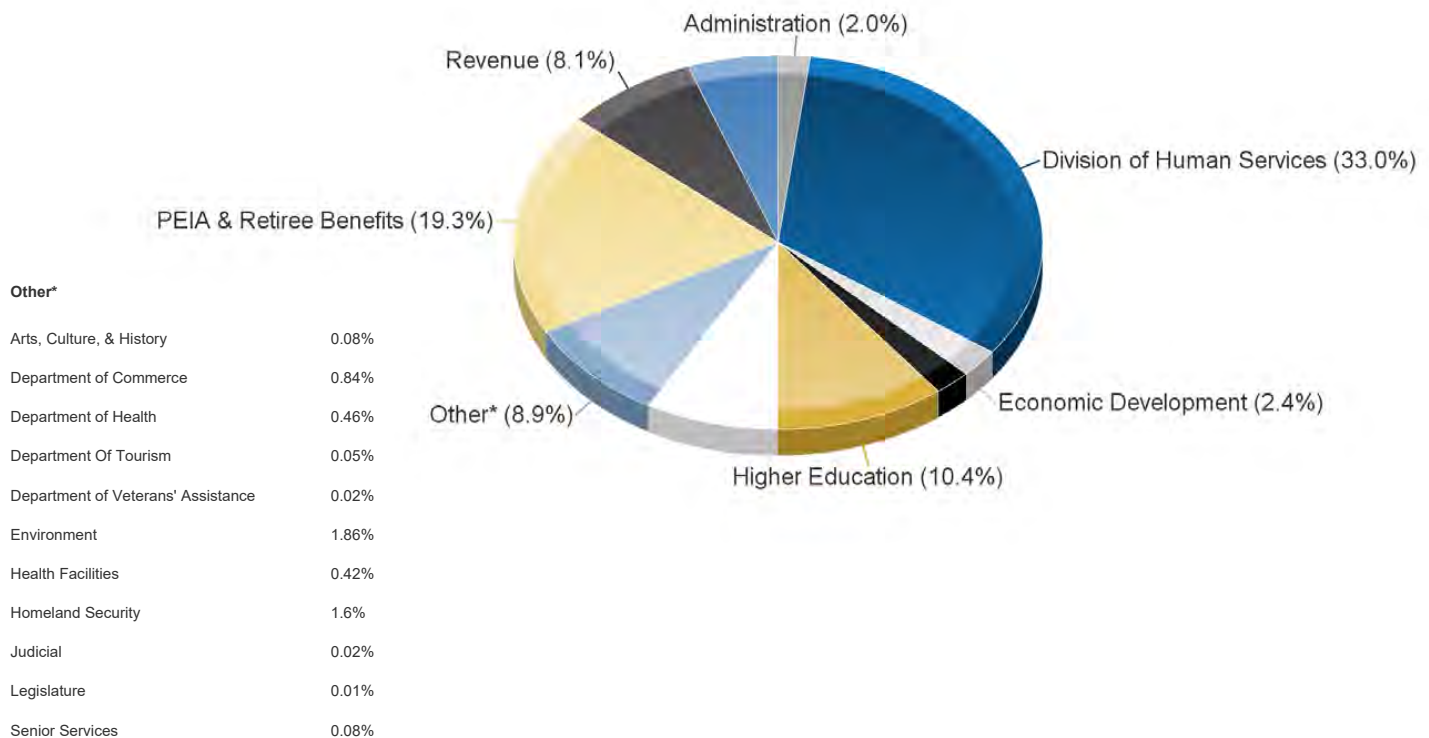
Includes:

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.

Recommended Expenditures Fiscal Year 2025 \$20.92 Billion



**Human Services includes Medicaid State Share fund (Health Care Provider Tax).

Special Revenue Funds

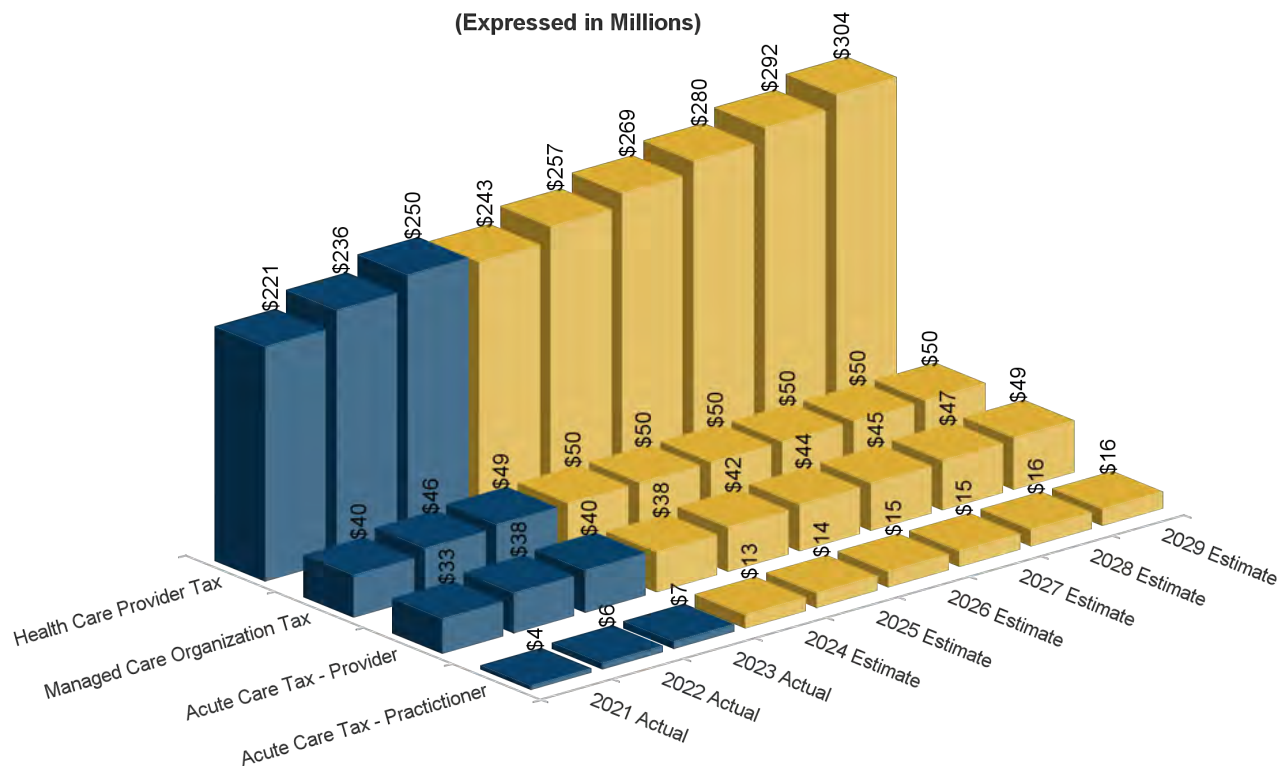
Medicaid State Share Fund

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, and nursing homes. In addition, the State imposes a separate insurance tax on managed care organizations with proceeds dedicated to the State Medicaid match.

The estimates for FY 2024 through FY 2029 assume that current federal regulations will remain largely unchanged for the forecast period. The Federal Medical Assistance Percentage (FMAP) of 74.02% in Federal FY (FFY) 2023 increased to 74.10% in FFY 2024 and is scheduled to decrease to 73.84% in FFY 2025. The Families First Coronavirus Response Act signed into law on March 18, 2020, provided states and territories with a temporary 6.2% increase in their regular FMAP. The temporary increase expired after the declared COVID-19 Public Health Emergency ended. In FY 2023, Health Care Provider Taxes generated \$250.4 million, or roughly 18.8% of the state matching funds for the Medicaid Program. As of November 2023, year-to-date collections were 11.0% above last year. From FY 2024 through FY 2029, Health Care Provider Taxes are expected to increase by an average annual rate of 4.6%.

The State imposes an additional 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. Since 2019, a separate contingent rate increase imposed on certain eligible acute care hospitals with the proceeds dedicated to the enhancement of acute care hospital practitioner payment fee schedules has been in place. In addition, the Managed Care Organization Tax imposes a tiered tax on Health Maintenance Organizations based on the number of Medicaid and Non-Medicaid member months of coverage provided.

- 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.
- 0.25% tax on gross receipts of acute care hospitals (effective 1/1/2024).
- In total, the regular Health Care Provider taxes and Acute Care taxes accounted for 22.4% of the State match for Medicaid Program in FY 2023.



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.V. Code §12-6-1, et. seq.

The Division of Debt and Securities 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.¹

State Indebtedness

In 1997, the Division of Debt and Securities 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. Citizens of the State of West Virginia and beyond also have access to this report and that data presented therein as this report is posted on the State Treasurer's Office public webpage. 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.V. 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, 2023, the State of West Virginia's general obligation bond rating is Aa2/AA-/AA by Moody's Investors Service, Standard & Poor's (S&P), and Fitch Ratings, respectively.

On September 26, 2023, Moody's Investors Service released its "States - US" 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.

¹ For additional information, see the debt position reports and the annual debt capacity reports on the Treasurer's website at <http://www.wvtreasury.com/Banking-Services/Debt-Management>.

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)²

% of Personal Income		Per Capita	
Oklahoma	0.9%	Oklahoma	\$488
Maine	1.9%	Maine	\$1,153
Kansas	2.5%	Kansas	\$1,487
New Mexico	3.1%	New Mexico	\$1,578
California	3.2%	Louisiana	\$1,809
Louisiana	3.3%	Mississippi	\$1,995
Mississippi	4.3%	California	\$2,460
Rhode Island	4.7%	West Virginia	\$2,653
West Virginia	5.4%	Rhode Island	\$3,103
Hawaii	11.2%	Hawaii	\$6,877

Debt Limits

Short-Term Debt

The West Virginia 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.

² Source: Moody's Investors Service report, "States - US"

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	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
Parkways Authority	Per available revenues
Public Energy Authority	N/A
Multimodal Transportation, Division of	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, 2023, \$1,615,050,000 (net of advance refunded bonds) is outstanding in general obligation bonds.

General Obligation Bonds Outstanding June 30, 2022 (in thousands)

Amendment	Principal Outstanding	Payable From
Infrastructure Improvement Amendment of 1994	(net) \$81,185	Severance Tax
Safe Roads Amendment of 1996	(net) \$43,130	Road Fund
Roads to Prosperity Amendment of 2017	(net) \$1,490,735	Road Fund

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 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. The principal outstanding at June 30, 2023 for the Infrastructure Improvement Amendment bonds is \$81,185,000. The final maturity is in fiscal year 2027.

Debt Summary

General Obligation Bonds

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. Further, the State issued more than \$133 million of refunding bonds in April 2015. Finally, the State issued more than \$14 million of refunding bonds in June 2021 considering favorable interest rates at the time. At June 30, 2023, \$43,130,000 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. On June 3, 2021, the final authorized amount of \$200 million was issued. As of June 30, 2023, \$1,490,735,000 is outstanding. The final maturity is in 2046.

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, 2023

(Expressed in Thousands)

	Final Maturity Date	Interest Rate(s)%	06/30/23 Balance*
Road Bonds			
(Payable from State Road Fund)			
Issued Under:			
1996 Amendment	2025	4.00 - 5.00	43,130
2017 Amendment	2046	2.00 - 5.00	1,490,735
Infrastructure Bonds			
(Payable from dedicated Severance Tax revenues)			
Issued Under:			
1994 Amendment (net)	2027	2.00 - 7.625	81,185
TOTAL			\$1,615,050

Summary of Debt Service Requirements

Future amounts required to pay principal and interest on general obligation debt at June 30, 2023, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Amount to be accrued	Total
2024	81,316	77,065	657	159,038
2025	86,893	73,449	1,118	161,460
2026	67,035	69,673	1,531	138,239
2027	69,446	66,796	1,980	138,222
2028	51,605	63,999	-	115,604
2029-2033	299,860	278,168	-	578,028
2034-2038	383,640	194,371	-	578,011
2039-2043	490,570	87,443	-	578,013
2044-2046	84,685	5,303	-	89,988
TOTAL	\$1,615,050	\$916,267	\$5,286	\$2,536,603

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

Debt Summary

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 \$1.49 billion in revenue bonds are outstanding at June 30, 2023. The information provided below is a brief review of each issuer.

Tobacco Settlement Finance Authority

The Tobacco Settlement Finance Authority (“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. Those bonds were refunded in October 2020 with series A and B bonds with a maturity of June 2049. At June 30, 2023, the principal outstanding on the bonds totaled approximately \$727 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. As of June 30, 2023, the principal outstanding on the notes totaled approximately \$206 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 (“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, and source of funding which the project sponsor should pursue, as well as 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 cannot 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, 2023, the Council’s outstanding bonds totaled approximately \$133 million.

Economic Development Grant Committee/ Economic Development Authority

The West Virginia Economic Development Grant Committee’s (“Committee”) 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, 2023, \$127.2 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; and
- Various renovations at state parks throughout West Virginia.

As of June 30, 2023, approximately \$120.6 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 bonds totals \$61.9 million as of June 30, 2023. No new money bonds may be issued utilizing General Revenue appropriations for repayment.

Lottery and Excess Lottery Revenue Bonds

The West Virginia School Building Authority (SBA) 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 SBA 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 approximately \$92 million at June 30, 2023.

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 \$63 million (net) as of June 30, 2023.

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 \$43 million as of June 30, 2023 (net of debt service sinking funds).

Debt Summary

Revenue Bonds

Outstanding at June 30, 2023

(Expressed in Thousands)

	Issue Date	Final Maturity Date	Interest Rate(s)%	Balance
School Building Authority	2007	2022	4.05	61,921
School Building Authority (Lottery)	2012, 2013, 2014, 2016 & 2018	2033	2.58 - 2.85	91,911
School Building Authority (Excess Lottery)	2010 & 2015	2030	2.48 - 4.39	63,451
School Building Authority QSCBs (Excess Lottery)	2009 & 2010	2027	-	150,480
Tobacco Settlement Finance Authority*	2020	2049	3.94	727,383
Highways, Commissioner of	2017 & 2018	2033	2.15 - 3.03	205,895
WV Infrastructure and Jobs Development Council	2012, 2014 & 2016	2045	2.00 - 5.00	132,740
Education, Arts, Sciences, and Tourism Fund (Lottery)	2017	2040	3.45	120,585
Economic Development Authority (Excess Lottery)	2004, 2017 & 2018	2040	2.03 - 5.63	127,200
Subtotal				1,681,566
Less: School Building Authority Debt Service Reserve Fund				(61,921)
Debt Service Sinking Fund - QSCBs (Excess Lottery)				(107,406)
Economic Development Authority Debt Service Reserve Fund (Excess Lottery)				(27,213)
Net revenue bonds outstanding				<u>\$1,485,026</u>

Summary of Debt Service Requirements

Future amounts required to pay principal and interest on revenue bonds at June 30, 2023, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	Principal	Interest	Amount to be accreted	Total
2024	100,999	54,470	13,411	168,880
2025	99,225	50,521	14,560	164,306
2026	107,803	46,414	15,836	170,053
2027	102,047	42,420	17,202	161,669
2028	86,398	38,766	18,704	143,868
2029-2033	310,273	149,016	120,844	580,133
2034-2038	199,905	100,238	183,229	483,372
2039-2043	138,556	63,617	277,821	479,994
2044-2048	246,188	40,563	322,425	609,176
2049-2053	120,845	5,791	-	126,636
2054-2058	-	-	-	-
	<u>\$1,512,239</u>	<u>\$591,816</u>	<u>\$984,032</u>	<u>\$3,088,087</u>

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

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 \$179 million in lease obligations and notes payable are outstanding as of June 30, 2023.

ECONOMIC FORECAST



WEST VIRGINIA ECONOMIC FORECAST

The Economic Forecast is excerpted from the
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The full document is available online
<http://www.be.wvu.edu/bber/index.htm>

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2024 West Virginia Economic Forecast

EXECUTIVE SUMMARY

The United States and West Virginia economies currently face major headwinds resulting from sharp increases in interest rates since early-2022. So far, both the state and the nation have been able to avoid a recession, but the probability of a new recession remains elevated. Overall, however, our West Virginia forecast calls for slow output growth and a roughly stable level of employment over the coming five years. While the state is likely to face some major economic development challenges over the long term, it has also enjoyed some important economic development announcements and initiatives in recent years and has strong potential in some areas. Overall, this report provides a foundation to understand West Virginia's long-run economic challenges and opportunities.

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

- Despite being the shortest official recession on record, employment fell by around 100,000 in the spring of 2020. While employment returned at a healthy pace through mid-2022, growth has been much weaker over the past year or so. Indeed, only about 6,000 jobs have been added since mid-2022. The state remains around 16,000 jobs – or 2.2% – below its January 2020 level.
- Private-sector employment has recovered at a stronger pace over the past three years or so. When focusing on private-sector employment specifically, the state stands only around 4,000 jobs – or 0.8% – below its January 2020 level.
- The state's unemployment rate surged to nearly 16% in the Spring of 2020 but has declined significantly since then. The jobless rate reached an all-time low of roughly 3.5% during the middle of 2022 and has generally remained at that level.
- 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 key hurdle to economic prosperity.
- Per capita personal income (PCPI) in West Virginia ranks 49th highest among the 50 states, surpassing only Mississippi. PCPI in West Virginia stands at 76% of the national average. Movement in PCPI has largely been on par with the nation since around 2016, implying that the state has neither gained nor lost ground compared to the nation.
- West Virginia's real GDP fell by around 3% in 2020, and has failed to bounce back since, growing only 1.3% and 0.4% over the past two years. Overall, the state has lagged the nation in output growth every year since 2011. Output in the state's energy sector has grown by around 22% cumulatively over the past five years or so. Output in the rest of the state economy – outside of energy – has not increased at all over that period.
- The energy sector is an important driver of economic activity in the state. Coal output plunged to its lowest levels in decades during 2020, falling to roughly 60 million short tons. Production has rebounded over the past three years, however, and should average in the mid-80-million-ton range during the near term, in part due to global export demand.
- Natural gas production has consistently increased at a healthy pace for a decade now, and that growth is expected to continue over the forecast period. The state recently became the nation's fourth-leading producer of natural gas. However, downstream manufacturing activity in the Appalachian Basin will be essential to supporting growth and broadening prosperity related to West Virginia's natural gas industry over the long term.

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

- Employment in West Virginia is expected to remain essentially flat through 2028. This lags the nation, which is expected to add jobs at an average annual rate of 0.3% over the forecast period. The major driver of this slow growth is the sharp rise in interest rates that the nation has experienced over the past one to two years.
- Several recent economic development announcements that are not incorporated into this forecast do offer hope for added strength in a few regions of the state. The strongest examples of recent positive developments are the addition of an estimated 800 jobs associated with Nucor in Mason County, the addition of 750 jobs associated with FORM Energy in the state's Northern Panhandle, and the addition of an estimated 3,000 permanent jobs associated with the development of a hydrogen hub in the state.
- The state's unemployment rate is expected to increase over the next couple of years, reaching 5% or so by late-2025. This increase will largely be driven by entry into the labor force.
- Real per capita personal income is expected to grow 1.6% annually through 2028. Transfer payments are expected to

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register the fastest growth over the next five years. However, the degree to which the state is increasing its reliance on transfer payments is slowing compared to recent years.

ensure that economic development strategies consider each region's specific strengths and weaknesses.

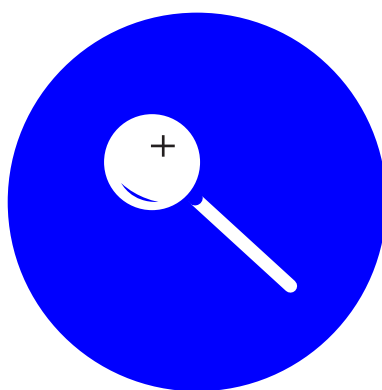
The Mountain State's underlying demographics remain a major limiting factor to growth moving forward. Consider the following:

- West Virginia's population has declined by approximately 75,000 residents – or 4.5% - since 2012. Population losses are expected to be smaller in magnitude going forward.
- West Virginia's age distribution ensures that the natural population decline will continue in the coming years. Positive shocks to the economy are essential to encourage in-migration and reduce the severity of natural population decline.
- Economic development strategies should focus on ways to improve health outcomes, lower drug abuse, and advance educational and vocational training outcomes 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:

- The state's top 10 employment growth counties added 14,420 jobs over the years 2012-2022, while the remaining 45 counties lost 58,180 jobs collectively. Important successes in certain areas of the state are often obscured in aggregate data by losses or stagnation across a large swath of the state.
- Sixteen counties are expected to add jobs in the coming five years, while expectations for the other counties range from stagnation to employment losses. The highest rates of job growth tend to be in the northern counties.
- While the state overall is expected to lose population in coming years, a handful of counties are expected to add residents during the outlook period. Population gains will occur in North-Central West Virginia and the Eastern Panhandle.
- Policymakers should be keenly aware of significant economic differences across West Virginia counties and

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 one-time 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

Appendix A/Glossary

when executing a law for which there is no specific 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 one-time appropriations) in the current fiscal year which are available for the next fiscal year. For FY 2023, the “current level” is defined as 100% of the FY 2022 base budget for all 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. May also 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, 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.

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

Appendix A/Glossary

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 employee 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 74 - The Government Accounting Standards Board statement 74 (June 2015) titled "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans."

GASB 75 - The Government Accounting Standards Board statement 75 (June 2015) titled "Accounting and Financial Reporting 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.

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 and also authorized with language in Section 12 of the Budget Bill.

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.

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 - Funds 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 that finance government operations.

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—Part A - (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 Summary 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 monies in the fund may be expended for any purpose unless all monies in the Revenue Shortfall Reserve Fund have first been expended. Additional details are located in the Summary 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 and the Division of Motor Vehicles.

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 within the scope of a fiscal year.

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
ABLE	Achieving a Better Life Experience
ACA	Affordable Care Act
.....	American Correctional Association
ACCESS.....	Advancing Chronic Care, Extenders, and Social Services
ACCT	Association for Challenge Course Technology
ACE.....	Advanced Career Education
AE	Adult Education
ACEP.....	Agricultural Conservation Easement Program
ACFR.....	Annual Comprehensive Financial Report
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
AQB	Air Quality Board
AQI.....	Air Quality Index
ARC.....	Appalachian Regional Commission
ARRA.....	American Recovery and Reinvestment Act
AST.....	Above-ground Storage Tank
ATM.....	Asynchronous Transfer Mode
.....	Automated Teller Machine
ATV	All-Terrain Vehicle
AX	ApplicationXtender

B

BBHMF	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
CAHPS	Consumer Assessment of Healthcare Providers and Systems
CB-CAP.....	Community-Based Child Abuse Prevention
CBF.....	Community-Based Facilities
CCP.....	Comprehensive Care Program
CCR	Coordinated Community Response
CCTCE.....	Council for Community and Technical College Education
CDC.....	Centers for Disease Control and Prevention
CDL.....	Commercial Driver's License
CEFP.....	County Educational Facility Plans
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
COA.....	Certificates of Authorization
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
CR	Continuing Resolution
CRTS.....	Coal Resource Transportation System
CSBG	Community Services Block Grant
CSEDW	Children with Serious Emotional Disorder

Appendix B/Glossary of Acronyms

	Waiver
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
.....	Current Year

D

DASIS.....	Drug and Alcohol Services Information System
DCKMSVC	Donel C. Kinnard Memorial State Veterans Cemetery
DCR.....	Division of Corrections and Rehabilitation
DEP.....	Department/Division of Environmental Protection
DFIRMS	Digital Flood Insurance Rate Maps
DHHR.....	Department of Health and Human Resources
DHS.....	Department of Homeland Security
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
DOP	Division of Personnel
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

EAST	Education, Arts, Science, and Tourism
EBA.....	Educational Broadcasting Authority
EBT.....	Electronic Benefits Transfer
eCDL	e-Commercial Driver's License
EDGE.....	Earn A Degree-Graduate Early
EEOC.....	U.S. Equal Employment Opportunity Commission
EFT	Electronic Fund Transfers
E & G.....	Education and General
EHR.....	Electronic Health Record
EI	Engineer Interns
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
E-Rate	Schools and Libraries Universal Service Program (electronic rate)
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
FE	Fundamentals of Engineering Exam
FEMA.....	Federal Emergency Management Agency
FERPA	Family Educational Rights and Privacy Act
FFA	Future Farmers of America
FFCRA.....	Families First Coronavirus Response Act
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
FWHA	Federal Highway Administration

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

H

HAVA Help America Vote Act
 HB House Bill
 HBCU Historically Black Colleges and Universities
 HEALTHY KIDS Helping Ensure Access for Little Ones,
 Toddlers, and Hopeful Youth by Keeping
 Insurance Delivery Stable
 HEAPS Higher Education Adult Part-time Student
 HEDIS Healthcare Effectiveness Data and Information
 Set
 HEPC Higher Education Policy Commission
 HHOMA Herbert Henderson Office of Minority
 Affairs
 HIPAA Health Insurance Portability and
 Accountability Act
 HIT Health Information Technology
 HIV Human Immunodeficiency Virus
 HVMVT 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

ICILS International Computer and Information
 Literacy Study
 ID Identification
 IDEA Individuals with Disabilities Education Act
 IELS International Early Learning Study
 IIA Infrastructure Investment and Jobs 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
 JRI Justice Reinvestment Initiative
 JRS Judges' Retirement System

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
 MHP Mountain Health Promise
 MHT Mountain Health Trust

Appendix B/Glossary of Acronyms

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

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
NCEES.....	National Council of Examiners for Engineering and Surveying
NCHA	National Coal Heritage Authority
NCQA.....	National Committee for Quality Assurance
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
ODMIS.....	Office of Data Management and Information Systems
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
OOGC	Office of Oil and Gas Commission
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
PE	Principles and Practice Exam
.....	Professional Engineers
PEIA.....	Public Employees Insurance Agency
PERD.....	Performance Evaluation and Research Division
PERS	Public Employees Retirement System
PHE.....	Public Health Emergency
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

Appendix B/Glossary of Acronyms

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
RFQ	Request for Quotation
RJA	Regional Jail Authority
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
SBO	State Budget Office
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
SFSP.....	Summer Food Service Program
SFY	State Fiscal Year
SHIP.....	State Health Insurance Assistance Program
SHPO.....	State Historic Preservation Office
SIRN.....	Statewide Interoperable Network
SLIGP	State and Local Implementation Grant Program
SMCRA.....	Surface Mining Control and Reclamation Act
SME.....	Society of Manufacturing Engineers

SMI	Serious Mental Illness
SNAP	Supplemental Nutrition Assistance Program
SPOKES	Strategic Planning in Occupational Knowledge for Employment and Success
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
TASC.....	Test Assessing Secondary Completion
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
THC	Tetrahydrocannabinol
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

Appendix B/Glossary of Acronyms

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
VSO	Veterans Service Officers

W

WAN.....	Wide Area Network
WDA.....	Water Development Authority
WEAPON.....	West Virginia Automated Police Network
WIA.....	Workforce Investment Act
WIOA.....	Workforce Innovation and Opportunity Act
WIC	Women, Infants, and Children
WIP	Watershed Implementation Plan
W.Va.	West Virginia
WV	West Virginia
WVABCA	West Virginia Alcohol Beverage Control Administration
WVAWC.....	West Virginia American Water Company
WVBE	West Virginia Board of Education
WVBTL.....	West Virginia Board of Treasury Investments
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
WVDOCR.....	West Virginia Division of Corrections and Rehabilitation
WVDVA	West Virginia Department of Veterans Assistance
WVEBA	West Virginia Educational Broadcasting Authority
WVEDA.....	WV Economic Development Authority
WVEIS	West Virginia Education Information System
WVFIMS	West Virginia Financial Information Management System
WVIMB.....	West Virginia Investment Management Board
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
WVSDT	WV Schools of Diversion and Transition
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

