



# STATE OF WEST VIRGINIA

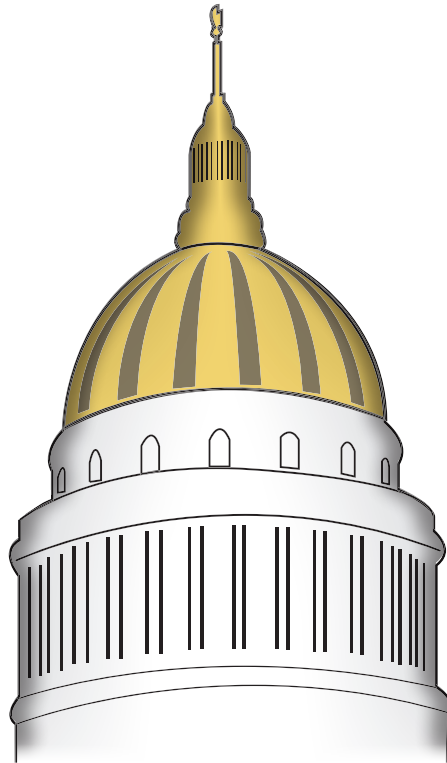
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## EXECUTIVE BUDGET: BUDGET REPORT FISCAL YEAR 2023

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**JIM JUSTICE**  
**GOVERNOR**



*Jim Justice*  
*Governor of West Virginia*

January 12, 2022

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

In accordance with the Constitution of the State of West Virginia, presented herewith is the Executive Budget document for the fiscal year ending June 30, 2023. 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 2023.

Yours in service,

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

Jim Justice  
Governor

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

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**State of West Virginia  
West Virginia**

For the Fiscal Year Beginning

**July 01, 2021**

*Christopher P. Morill*

**Executive Director**

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of West Virginia for its annual budget for the fiscal year beginning July 1, 2021.

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

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

# State Budget Office Staff

**Dave Hardy**  
Cabinet Secretary  
Department of Revenue

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

**Michael T. Cook**  
Director

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

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

**Heather L. Greenfield**  
Budget Analyst

**Grant White**  
Budget Analyst

**Susanne Shrewsbury**  
Budget Analyst

**Jeffrey R. Conley**  
Budget Analyst

**Jerri Rucker**  
Administrative Services Assistant

**Sharon K. Sommerville**  
Human Resources Generalist

**Joey Belcher**  
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. The *Executive Budget* presents a complete plan of estimated revenues and proposed expenditures for the upcoming fiscal year, any recommendations the Governor may desire to make as to the important features of the budget, and any suggestions as to methods for reduction or increase of the State's revenues.

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

The budget is presented in four separate documents:

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

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

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

“Budget Planning”—items such as:

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

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

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

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

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

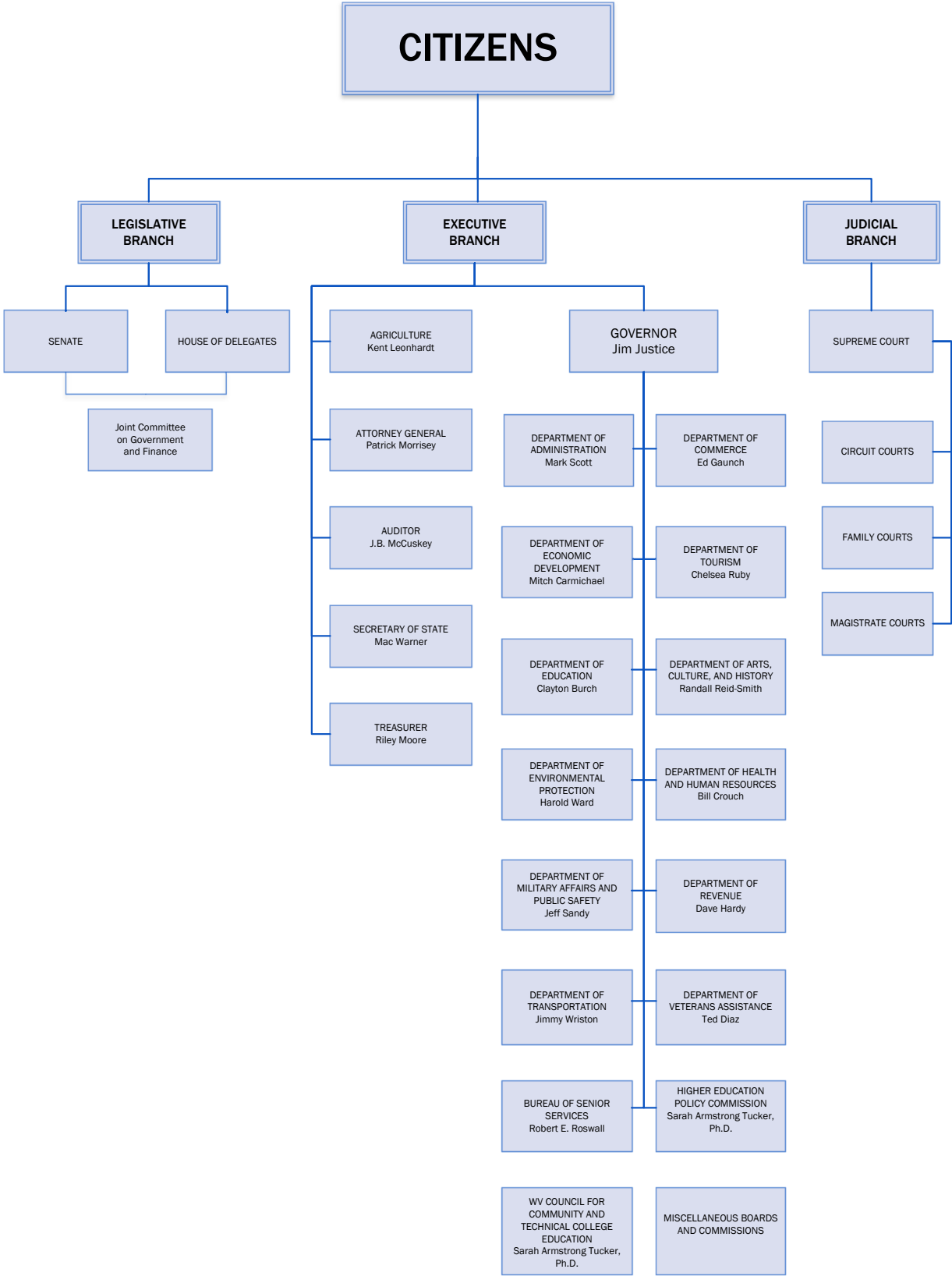
***Volume II Operating Detail*** contains narrative and financial information on all appropriated departments, bureaus, commissions, agencies, divisions, and programs of State government. (It also includes major component agencies [e.g., BRIM, CPRB, etc.] that may not normally have appropriated accounts.)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

“Capital Projects”—projects currently budgeted in FY 2022, recommended for FY 2023, and projected for FY 2024 through FY 2027

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

The ***Volume III Account Detail*** provides the detailed budgetary information for FY 2021 Actual expenditures, FY 2022 Budgeted expenditures, FY 2023 Current-Level Request, and the Governor's FY 2023 Recommendation for all funds.

# State of West Virginia Organizational Chart



# SUMMARY FINANCIAL STATEMENTS





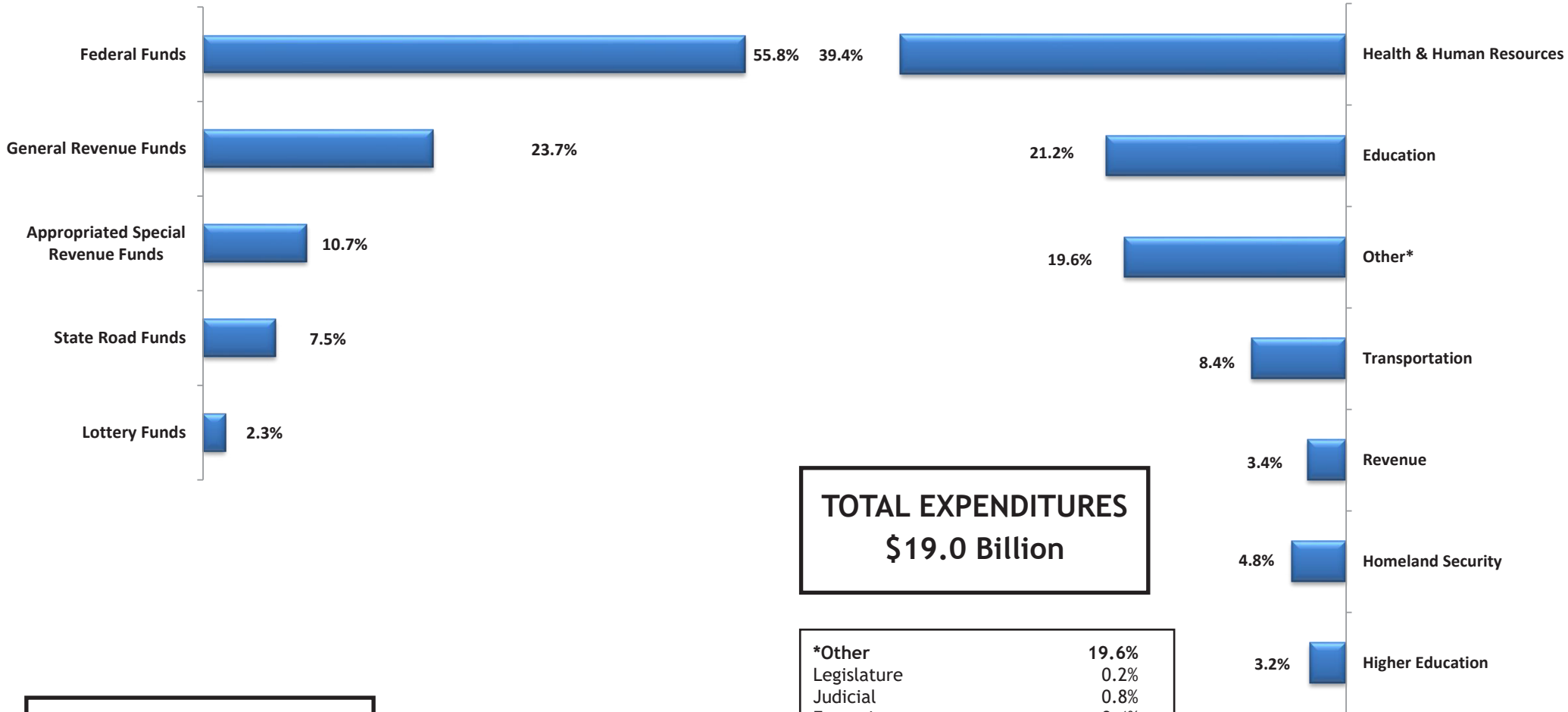
# Financial Statements

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

- Graphics of the Total FY 2023 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 2019 through FY 2027
- General Revenue Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- General Revenue Fund – Overview by Functional Category FY 2021 through FY 2023
- Lottery Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- Lottery Fund – Overview by Functional Category FY 2021 through FY 2023
- Excess Lottery Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- Excess Lottery Fund – Overview by Functional Category FY 2021 through FY 2023
- State Road Fund – Statement of Revenues by Source FY 2019 through FY 2027
- State Road Fund – Statement of Revenues, Expenditures, and Changes in Cash Balance
- Cash and Investment Balances of All Funds Fiscal Year Ending June 30, 2021
- Detailed Investments Special Revenue Funds for Fiscal Year Ending June 30, 2021
- Summary of Primary Government Long Term Debt Outstanding as of June 30, 2021
- Major Reserve/Stabilization Accounts

# Where The State Dollar Comes From (FY 2023 Estimate)

# Where The State Dollar Goes (Governor's Recommended FY 2023 Budget)



**TOTAL REVENUE**  
**\$19.3 Billion**

**TOTAL EXPENDITURES**  
**\$19.0 Billion**

*Other	19.6%
Legislature	0.2%
Judicial	0.8%
Executive	8.4%
Administration	1.7%
Commerce	1.8%
Arts Culture and History	0.2%
Environment	1.4%
Senior Services	0.5%
Veterans Assistance	0.1%
Misc. Boards & Commissions	1.5%
Economic Development	2.9%
Tourism	0.1%

# 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 2021, FY 2022, and FY 2023, respectively, for all funds. The revenues and the disbursements are listed at the department/bureau level. See the “Revenue Sources” chapter for a more detailed explanation of each source of funds.

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

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

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

The Federal Funds and the Special Revenue Funds are comprised of hundreds of individual, stand-alone, self-supporting, self-balancing accounts. Each account is part of a larger fund for financial reporting purposes only. Each

account must have sufficient funds and an appropriation balance available to pay obligations of that specific account when due and may not expend any funds from the “bottom line” of the total fund.

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

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

**FY 2021 Actuals** are the total actual revenues and expenditures for all funds including expenditures from regular, supplemental, surplus appropriations, and reappropriated amounts.

**The FY 2022 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.

**FY 2022 Budgeted expenditures** reflect the amounts budgeted for FY 2022 prior to the beginning of the 2022 Legislative Session and includes a separate line for reappropriations available for expenditure from previous fiscal years.

**FY 2023 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.

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

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

While the Actual FY 2021 amounts include reappropriated expenditures along with current year appropriations spent during the fiscal year, the Recommended FY 2023 expenditures do not reflect any anticipated reappropriations being available during FY 2023. Although the FY 2022 Budgeted amounts are available to spend during the fiscal year, the likelihood of expending the entire amount is extremely remote. Generally, a significant amount of the authorized expenditures remains unspent at the end of each fiscal year and is reappropriated to the next ensuing fiscal year. The available reappropriated balance is included as a separate line.

For General Revenue funds, the prior year reappropriated amounts are significant. The General Revenue Fund budgeted FY 2022 expenditures include \$604 million. The Lottery Fund includes \$39.7 million and the Excess Lottery Fund includes \$19.8 million. Appropriated Special Revenue Funds include \$4.4 million in reappropriated amounts. Details about the amounts available to each agency can be found in the “Overview by Functional Category” spreadsheets. Although the unexpended/ reappropriated amounts cannot be determined in advance of the close of the fiscal year, the actual expenditures for FY 2022 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 2021	Budgeted FY 2022	Recommended FY 2023	Actuals FY 2021	Budgeted FY 2022	Recommended FY 2023	Actuals FY 2021	Budgeted FY 2022	Recommended FY 2023	Actuals FY 2021	Budgeted FY 2022	Recommended FY 2023	Actuals FY 2021	Budgeted FY 2022	Recommended FY 2023
Beginning Fund Balance	\$454,485	\$679,107	\$37	\$51,955	\$175,975	\$128,056	\$2,506,885	\$2,857,568	\$2,696,755	\$55,182	\$32,971	\$16,012	\$60,098	\$57,323	\$17,055
Net 13th month activity	(55,975)	(\$44,065)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Rainy Day Fund	(14,040)	(15,401)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Rainy Day Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Special Revenue/Lottery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Refunds/Redeposits	171	138	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow/Contingencies	-	-	-	-	-	-	-	-	-	(40,000)	-	-	(36,600)	-	-
Expirations to General Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expirations to General Revenue Surplus	25,795	182,125	-	-	-	-	-	-	2,000	-	-	-	-	-	-
<b>Revenues</b>															
Revenue Collections/Estimate	4,987,577	4,579,841	4,645,424	1,436,392	1,538,700	1,445,700	-	-	-	161,409	125,833	134,546	397,553	290,257	300,652
Legislature	-	-	-	-	-	-	1,210	1,260	1,188	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	991	1,350	1,850	-	-	-	-	-	-
Executive	-	-	-	-	-	-	38,984	57,918	81,104	-	-	-	-	-	-
Administration	-	-	-	-	-	-	146,510	181,527	178,189	-	-	-	-	-	-
Commerce	-	-	-	-	-	-	28,989	90,316	58,026	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	1,539	240,792	-	-	-	-	-	-
Education	-	-	-	-	-	-	55,992	40,930	67,642	-	-	-	-	-	-
Arts, Culture and History	-	-	-	-	-	-	458	1,744	1,753	-	-	-	-	-	-
Environment	-	-	-	-	-	-	37,825	61,538	95,014	-	-	-	-	-	-
Health and Human Resources	-	-	-	-	-	-	466,925	569,783	722,241	-	-	-	-	-	-
Department of Homeland Security	-	-	-	-	-	-	31,511	32,793	42,169	-	-	-	-	-	-
Revenue	-	-	-	-	-	-	578,634	376,802	449,902	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	12,252	8,867	5,134	-	-	-	-	-	-
Veterans Assistance	-	-	-	-	-	-	2,912	2,460	2,702	-	-	-	-	-	-
Senior Services	-	-	-	-	-	-	10,000	10,510	10,515	-	-	-	-	-	-
Higher Education	-	-	-	-	-	-	42,028	44,622	44,992	-	-	-	-	-	-
Misc. Boards & Commissions	-	-	-	-	-	-	44,512	59,632	68,689	-	-	-	-	-	-
<b>Total Revenues</b>	<b>4,987,577</b>	<b>4,579,841</b>	<b>4,645,424</b>	<b>1,436,392</b>	<b>1,538,700</b>	<b>1,445,700</b>	<b>1,499,733</b>	<b>1,543,591</b>	<b>2,071,902</b>	<b>161,409</b>	<b>125,833</b>	<b>134,546</b>	<b>397,553</b>	<b>290,257</b>	<b>300,652</b>
<b>Expenditures</b>															
Legislature	23,111	29,907	25,622	-	-	-	744	2,637	2,637	-	-	-	-	-	-
Judicial	119,811	138,963	146,318	-	-	-	866	1,350	1,850	-	-	-	-	-	-
Executive	19,828	48,487	47,721	-	-	-	37,543	66,820	68,640	-	-	-	-	-	-
Administration	127,741	107,029	106,920	-	-	-	109,296	181,868	202,615	9,996	10,000	10,000	-	-	-
Commerce	101,868	61,425	64,072	-	-	-	23,259	86,734	47,304	6,230	3,443	3,592	171	1,505	1,505
Tourism	-	7,000	14,000	-	-	-	-	-	-	-	6,732	6,844	-	-	-
Economic Development	-	22,715	11,927	-	-	-	-	1,887	240,303	-	-	-	-	-	-
Education	2,013,242	1,954,549	2,033,236	-	-	-	30,794	85,335	65,272	33,258	32,357	32,372	18,994	19,000	19,000
Arts, Culture and History	9,999	10,632	10,908	-	-	-	461	1,218	1,228	14,041	15,780	15,787	-	-	-
Environment	6,509	6,591	6,782	-	-	-	48,796	66,002	66,099	-	-	-	-	-	-
Health and Human Resources	1,151,372	1,184,243	1,182,585	-	-	-	418,783	454,622	642,170	-	-	-	66,303	33,303	26,698
Department of Homeland Security	412,026	430,562	457,368	-	-	-	26,837	46,065	45,666	-	-	-	-	-	-
Revenue	82,344	30,262	32,811	-	-	-	339,357	567,984	474,314	-	-	-	136,022	138,822	138,022
Transportation	156,818	5,234	5,219	1,307,748	1,586,619	1,492,357	6,441	13,801	11,767	-	-	-	-	-	-
Veterans Assistance	13,558	19,012	12,454	-	-	-	3,776	1,964	1,964	-	-	-	-	-	-
Senior Services	29,951	29,951	19,613	-	-	-	7,770	10,510	10,515	41,347	61,606	53,200	-	-	-
Higher Education	429,427	407,681	449,738	-	-	-	39,737	49,580	49,638	9,604	12,264	12,351	44,000	44,000	44,000
Misc. Boards & Commissions	21,258	17,792	18,130	-	-	-	41,765	66,027	70,738	-	-	-	71,406	71,427	71,427
<b>Total Expenditures</b>	<b>4,718,864</b>	<b>4,512,035</b>	<b>4,645,424</b>	<b>1,307,748</b>	<b>1,586,619</b>	<b>1,492,357</b>	<b>1,136,225</b>	<b>1,704,404</b>	<b>2,002,720</b>	<b>114,476</b>	<b>142,182</b>	<b>134,146</b>	<b>336,896</b>	<b>308,057</b>	<b>300,652</b>
Reappropriations Available	-	604,045	-	-	-	-	-	-	-	-	-	-	-	-	-
Recommended Supplemental	-	69,791	-	-	-	-	-	-	-	30,268	219	-	23,498	22,500	-
Recommended Surplus Supplemental	-	195,625	-	-	-	-	-	-	2,000	-	-	16,000	-	-	17,000
Mid-Year Budget Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments*	43	212	-	-	-	-	12,825	-	-	(1,124)	391	400	3,334	(32)	-
<b>Ending Fund Balance</b>	<b>\$679,107</b>	<b>\$37</b>	<b>\$37</b>	<b>\$180,599</b>	<b>\$128,056</b>	<b>\$81,399</b>	<b>\$2,857,568</b>	<b>\$2,696,755</b>	<b>\$2,765,937</b>	<b>\$32,971</b>	<b>\$16,012</b>	<b>\$12</b>	<b>\$57,323</b>	<b>\$17,055</b>	<b>\$55</b>

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

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



# General Revenue Fund

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

(Nearest Dollar)

	Actual Beginning Cash Balance July 1, 2021	\$	679,107,497
Less:	31 Day Disbursements (July 1, 2021 - July 31, 2021)		(44,064,733)
Plus:	Prior Year Reimbursements (July 1, 2021 - July 31, 2021)		17,588
Less:	Prior Year Appropriations Forwarded		(604,045,150)
Less:	Cash Balance - Adjustments and Accruals		<u>(212,369)</u>
	Accumulated Surplus from FY 2021 @ July 31, 2021		30,802,833
Less:	Transfer to Revenue Shortfall Reserve Fund (Statutory)		<u>(15,401,416)</u>
	Unappropriated Surplus Balance @ August 1, 2021	\$	<b>15,401,416</b>
Plus:	FY 2022 Supplemental Appropriation (SB 3003) FY 2022 Surplus Supplemental Appropriation (2021 Third Extraordinary Session)		
	Expiration of Special Revenue to Unappropriated Surplus Balance of General Revenue (Attorney General)		2,000,000
Less:	FY 2022 Supplemental Appropriation (SB 3019) FY 2022 Surplus Supplemental Appropriation (2021 Third Extraordinary Session)		
	General Revenue Appropriation from the Unappropriated Surplus Balance of General Revenue (Civil Contingent Fund)		(2,000,000)
Plus:	Prior Year Reimbursements and Adjustments (August 1, 2021 - December 31, 2021)		120,479
Plus:	FY 2022 Supplemental Appropriation - Expiration from Federal Funds to Unappropriated Surplus Balance (2022 First Extraordinary Session)		157,500,000
Less:	FY 2022 Supplemental Appropriation - FY 2022 Surplus Supplemental Appropriation to various agencies (2022 First Extraordinary Session)		(157,500,000)
Plus:	FY 2022 <b>Recommended</b> Supplemental Appropriation		
	Expiration of State Lottery Funds to General Revenue Surplus (2022 Regular Session)		125,000
Plus:	FY 2022 <b>Recommended</b> Supplemental Appropriation		
	Expiration of State Excess Lottery Funds to General Revenue Surplus (2022 Regular Session)		22,500,000
Less:	FY 2022 <b>Recommended</b> Surplus Supplemental Appropriation - Public Defender (2022 Regular Session)		(20,000,000)
Less:	FY 2022 <b>Recommended</b> Surplus Supplemental Appropriation - Office of Technology (2022 Regular Session)		(2,000,000)
Less:	FY 2022 <b>Recommended</b> Surplus Supplemental Appropriation - DHHR - Contract Nurses (2022 Regular Session)		(15,625,000)
Less:	FY 2022 <b>Recommended</b> Surplus Supplemental Appropriation - Commerce - Office of the Secretary - Marketing and Communications Fund (2022 Regular Session)		<u>(500,000)</u>
	Unappropriated Surplus Balance @ January 12, 2022	\$	<b>21,896</b>
Plus:	FY 2022 Revenue Estimate as revised January 12, 2022		4,579,841,000
Less:	FY 2022 Appropriations (FY 2022 Budget Bill) (2021 Regular Session) (HB 2022)		(4,495,032,115)
Less:	FY 2022 - 2021 Third Extraordinary Session Supplemental Appropriations to various agencies from FY 2022 Unappropriated Balance		(15,002,900)
Less:	FY 2022 - Supplemental Appropriation to Department of Economic Development (2022 1st Extraordinary Session)		(15,000,000)
Less:	FY 2022 - <b>Recommended</b> Supplemental Appropriation for State Employee Salary Enhancement		<u>(54,790,730)</u>
	Total Estimated Unappropriated Balance @ June 30, 2022	\$	<b>15,255</b>
Plus:	FY 2023 Revenue Estimate		4,645,424,000
	FY 2023 Appropriations (FY 2023 Budget Bill) (2022 Regular Session)		<u>(4,645,423,992)</u>
	Estimated Unappropriated Balance from FY 2023 Activity @ June 30, 2023	\$	<b>8</b>
		\$	<b>37,159</b>

Note: The Governor recommends that up to \$32,820,787 be appropriated from any General Revenue Surplus remaining at the end of FY 2022.

# General Revenue Fund

## Statement of Revenues by Source

### FY 2019 Through FY 2027

(Expressed in Thousands)

Source of Revenue	FY 2019 Actual Collections	FY 2020 Actual Collections	FY 2021 Actual Collections	FY 2022 Revised Estimate	FY 2023 Estimate	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate
Business and Occupation Tax	\$124,523	\$137,346	\$133,128	\$111,000	\$100,000	\$117,000	\$115,000	\$113,000	\$114,000
Consumers Sales and Use Tax	1,370,157	1,386,571	1,537,245	1,473,800	1,510,488	1,691,900	1,744,600	1,812,900	1,894,900
Personal Income Tax	2,096,807	1,947,946	2,253,788	2,041,300	2,190,000	2,645,000	2,761,000	2,868,700	2,987,000
Liquor Profit Transfers	23,039	25,727	25,587	25,100	26,500	27,000	27,000	27,000	27,000
Beer Tax and Licenses	7,628	7,336	7,877	7,550	7,500	7,500	7,500	7,500	7,500
Tobacco Products Tax (Cigarette & Other)	171,224	168,750	171,187	164,600	162,200	160,100	158,200	156,500	155,000
Business Franchise Fees	767	697	797	700	800	800	800	800	800
Charter Tax	10	10	12	0	0	0	0	0	0
Property Transfer Tax	12,853	12,187	15,943	13,400	12,000	13,600	12,100	10,500	8,900
Property Tax	7,039	7,392	8,121	7,600	8,300	8,600	8,900	9,200	9,500
Insurance Tax	129,111	129,358	118,061	126,600	116,000	118,600	120,000	122,500	125,000
Departmental Collections	22,756	23,484	23,880	23,700	24,900	25,400	26,000	26,400	26,900
Corporation Net Income Tax	198,032	151,988	320,487	160,300	150,000	280,400	288,500	307,300	325,300
Miscellaneous Transfers	2,124	59,106	1,710	2,000	2,000	2,000	2,000	2,000	2,000
Interest Income	27,776	39,208	9,661	5,500	5,970	15,000	25,000	40,000	40,000
Severance Tax	462,451	267,049	274,256	329,925	250,000	489,500	467,700	514,200	487,900
Miscellaneous Receipts	8,096	23,405	8,568	11,000	3,000	3,000	3,000	3,000	3,000
HB102 - Lottery Transfers	65,000	52,323	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Video Lottery Transfers	364	377	317	0	0	0	0	0	0
Liquor License Renewal	0	44,688	1,951	766	766	766	766	101	0
Senior Citizen Tax Credit Reimbursement	9,456	9,909	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Special Revenue Transfer	17,123	0	0	0	0	0	0	0	0
Total	<u>\$4,756,336</u>	<u>\$4,494,857</u>	<u>\$4,987,577</u>	<u>\$4,579,841</u>	<u>\$4,645,424</u>	<u>\$5,681,166</u>	<u>\$5,843,066</u>	<u>\$6,096,601</u>	<u>\$6,289,700</u>

Revised January 12, 2022



# General Revenue Fund: Overview by Functional Category

## FY 2021 through FY 2023

(Nearest Dollar)

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2021	Total Appropriations FY 2022*	Plus: Reappropriated FY 2022	Total Available FY 2022	Total Request FY 2023 **	Governor's Recommendation FY 2023	Percentage of Total
<b>LEGISLATURE</b>								
Senate	0165	\$4,782,874	\$5,952,206	8,634,504	\$14,586,710		\$5,952,206	0.13%
House of Delegates	0170	7,485,851	9,404,031	11,989,497	\$21,393,528		9,404,031	0.20%
Joint Expenses/Claims against State	0175	9,932,185	14,550,465	4,899,926	\$19,450,391		10,265,457	0.22%
<b>Subtotal</b>		<b>22,200,910</b>	<b>29,906,702</b>	<b>25,523,927</b>	<b>55,430,629</b>	<b>0</b>	<b>25,621,694</b>	<b>0.55%</b>
<b>JUDICIAL</b>								
Supreme Court	0180	<b>110,679,316</b>	<b>138,963,000</b>	<b>40,124,225</b>	<b>179,087,225</b>	<b>146,318,026</b>	<b>146,318,026</b>	<b>3.15%</b>
<b>EXECUTIVE</b>								
Office of the Governor	0101	5,221,823	6,312,986	1,886,148	8,199,134	6,312,986	6,403,753	0.14%
Custodial Fund	0102	456,623	569,451	388,374	957,825	569,451	584,579	0.01%
Civil Contingent Fund	0105	2,195,000	5,500,000	115,774,770	121,274,770	3,500,000	3,500,000	0.08%
State Auditor's Office	0116	2,787,744	2,403,095	106,520	2,509,615	2,403,095	2,487,115	0.05%
State Treasurer's Office	0126	2,901,239	3,435,352	835,279	4,270,631	3,435,352	3,514,380	0.08%
Department of Agriculture	0131	10,126,111	12,500,083	1,278,441	13,778,524	69,200,083	12,906,141	0.28%
WV Conservation Agency	0132	8,326,017	11,023,235	3,737,514	14,760,749	13,023,235	11,228,779	0.24%
Meat Inspection	0135	705,919	757,725	0	757,725	1,057,725	784,955	0.02%
Agricultural Awards	0136	32,226	54,250	0	54,250	54,250	54,250	0.00%
WV Agricultural Land Protection Auth	0607	99,526	100,497	0	100,497	100,497	103,523	0.00%
Attorney General's Office	0150	2,422,792	4,879,155	5,615,322	10,494,477	4,879,155	5,203,194	0.11%
Secretary of State	0155	904,099	943,230	459,959	1,403,189	943,230	943,230	0.02%
State Election Commission	0160	1,599	7,508	0	7,508	7,508	7,508	0.00%
<b>Subtotal</b>		<b>36,180,716</b>	<b>48,486,567</b>	<b>130,082,327</b>	<b>178,568,894</b>	<b>105,486,567</b>	<b>47,721,407</b>	<b>1.03%</b>
<b>ADMINISTRATION</b>								
Office of the Secretary	0186	15,442,950	15,590,252	33,977	15,624,229	15,590,252	15,603,867	0.34%
Public Employees Insurance Agency	0200	21,000,000	21,000,000	0	21,000,000	21,000,000	21,000,000	0.45%
Division of Finance	0203	675,321	753,000	37,838	790,838	753,000	773,423	0.02%
General Services Division	0230	11,179,990	27,769,219	25,737,436	53,506,655	31,769,219	27,906,883	0.60%
Purchasing Division	0210	865,985	1,047,714	0	1,047,714	1,047,714	1,081,298	0.02%
Travel Management	0615	1,041,921	1,260,842	400	1,261,242	1,360,842	1,282,021	0.03%
Comm on Uniform State Laws	0214	38,040	45,550	0	45,550	45,550	45,550	0.00%
Public Employees Grievance Board	0220	1,071,035	1,124,712	0	1,124,712	1,124,712	1,154,968	0.02%
Ethics Commission	0223	604,266	719,844	0	719,844	719,844	737,544	0.02%
Public Defender Services	0226	42,168,211	36,135,646	12,014,513	48,150,159	38,270,748	36,223,388	0.78%
Comm Purchase for Handicapped	0233	114	4,055	0	4,055	4,055	4,055	0.00%
WV Prosecuting Attorneys Institute	0557	241,631	246,653	32,243	278,896	246,653	252,704	0.01%
Real Estate Division	0610	803,083	831,866	0	831,866	831,866	854,255	0.02%
Division of Personnel	0206	0	500,000	0	500,000	0	0	0.00%
<b>Subtotal</b>		<b>95,132,548</b>	<b>107,029,353</b>	<b>37,856,407</b>	<b>144,885,760</b>	<b>112,764,455</b>	<b>106,919,956</b>	<b>2.30%</b>

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

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2021	Total Appropriations FY 2022*	Plus: Reappropriated FY 2022	Total Available FY 2022	Total Request FY 2023 **	Governor's Recommendation FY 2023	Percentage of Total
<b>COMMERCE</b>								
Office of the Secretary	0606	1,061,720	1,252,209	0	1,252,209	1,810,059	1,822,161	0.04%
Tourism Office***	0246	723,495	0	0	0	0	0	0.00%
Forestry	0250	4,557,213	5,449,668	4,122	5,453,790	5,449,668	5,668,145	0.12%
Geological & Economic Survey	0253	1,980,076	2,883,338	1,381,890	4,265,228	2,883,338	2,980,156	0.06%
Development Office***	0256	42,118,058	0	0	0	0	0	0.00%
Division of Labor	0260	1,649,858	1,815,528	0	1,815,528	1,815,528	1,885,116	0.04%
Division of Natural Resources	0265	22,414,862	23,273,350	44,470,515	67,743,865	27,273,753	24,211,308	0.52%
Miners' Health, Safety & Training	0277	9,509,562	11,450,820	0	11,450,820	11,450,820	11,744,301	0.25%
Board of Coal Mine Health & Safety	0280	194,686	355,599	0	355,599	355,599	361,650	0.01%
Division of Rehabilitation Services	0310	14,822,895	14,886,464	0	14,886,464	14,886,464	15,340,300	0.33%
WorkForce West Virginia	0572	307	58,473	0	58,473	58,473	58,473	0.00%
Division of Energy***	0612	978,844	0	0	0	0	0	0.00%
<b>Subtotal</b>		<b>100,011,576</b>	<b>61,425,449</b>	<b>45,856,527</b>	<b>107,281,976</b>	<b>65,983,702</b>	<b>64,071,610</b>	<b>1.38%</b>
<b>TOURISM***</b>								
Department of Tourism	0246	0	7,000,000	28,438,285	35,438,285	14,000,000	14,000,000	0.30%
<b>ECONOMIC DEVELOPMENT***</b>								
Office of the Secretary	0256	0	21,429,708	5,581,819	27,011,527	43,407,461	11,926,591	0.26%
Office of Energy	0612	0	1,285,603	0	1,285,603	0	0	0.00%
<b>Subtotal</b>		<b>0</b>	<b>22,715,311</b>	<b>5,581,819</b>	<b>28,297,130</b>	<b>43,407,461</b>	<b>11,926,591</b>	<b>0.26%</b>
<b>EDUCATION</b>								
School Lunch Program	0303	2,016,180	2,466,907	0	2,466,907	2,466,907	2,479,009	0.05%
State Department of Education	0313	83,999,700	117,911,779	12,427,944	130,339,723	217,199,364	119,944,849	2.58%
Aid for Exceptional Children	0314	29,399,713	32,423,093	3,610,764	36,033,857	32,423,093	33,229,590	0.72%
State Aid to Schools	0317	1,839,571,303	1,752,591,362	0	1,752,591,362	1,752,363,727	1,821,620,585	39.21%
State Board of Ed-Vocational Division	0390	35,117,479	34,478,299	5,856,370	40,334,669	40,825,187	40,939,685	0.88%
WV Schools for the Deaf & the Blind	0320	11,631,884	14,677,888	1,988,089	16,665,977	14,677,888	15,021,801	0.32%
<b>Subtotal</b>		<b>2,001,736,259</b>	<b>1,954,549,328</b>	<b>23,883,167</b>	<b>1,978,432,495</b>	<b>2,059,956,166</b>	<b>2,033,235,519</b>	<b>43.77%</b>
<b>ARTS, CULTURE, AND HISTORY</b>								
Culture and History	0293	4,685,714	5,348,281	2,609,514	7,957,795	5,790,239	5,445,479	0.12%
Library Commission	0296	1,334,004	1,508,659	0	1,508,659	1,496,124	1,557,068	0.03%
Educational Broadcasting Authority	0300	3,830,666	3,775,033	93,757	3,868,790	4,045,033	3,905,133	0.08%
<b>Subtotal</b>		<b>9,850,384</b>	<b>10,631,973</b>	<b>2,703,271</b>	<b>13,335,244</b>	<b>11,331,396</b>	<b>10,907,680</b>	<b>0.23%</b>
<b>ENVIRONMENTAL PROTECTION</b>								
Environmental Quality Board	0270	112,576	113,483	0	113,483	113,483	119,534	0.00%
Environmental Protection	0273	6,322,278	6,401,002	0	6,401,002	6,401,002	6,586,199	0.14%
Air Quality Board	0550	73,912	76,053	0	76,053	76,053	76,053	0.00%
<b>Subtotal</b>		<b>6,508,766</b>	<b>6,590,538</b>	<b>0</b>	<b>6,590,538</b>	<b>6,590,538</b>	<b>6,781,786</b>	<b>0.15%</b>

# General Revenue Fund Overview by Functional Category (Continued)

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2021	Total Appropriations FY 2022*	Plus: Reappropriated FY 2022	Total Available FY 2022	Total Request FY 2023 **	Governor's Recommendation FY 2023	Percentage of Total
<b>HEALTH AND HUMAN RESOURCES</b>								
Office of the Secretary	0400	401,911	667,244	0	667,244	726,364	673,296	0.01%
Division of Health-Central Office	0407	66,649,987	73,863,941	27,803,242	101,667,183	74,483,713	76,225,716	1.64%
Consolidated Medical Service Fund	0525	206,211,391	225,133,154	54,512,110	279,645,264	238,623,063	226,972,222	4.89%
WV Drinking Water Treatment	0561	647,500	647,500	0	647,500	647,500	647,500	0.01%
Human Rights Commission	0416	1,231,301	1,419,645	0	1,419,645	1,419,645	1,462,003	0.03%
Human Services	0403	842,867,772	882,511,249	1,386,499	883,897,748	1,018,413,993	876,605,511	18.87%
<b>Subtotal</b>		<b>1,118,009,862</b>	<b>1,184,242,733</b>	<b>83,701,851</b>	<b>1,267,944,584</b>	<b>1,334,314,278</b>	<b>1,182,586,248</b>	<b>25.46%</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>								
Office of the Secretary	0430	1,545,323	3,799,515	5,539,385	9,338,900	3,853,765	4,066,079	0.09%
Parole Board	0440	929,225	1,365,488	0	1,365,488	1,365,488	1,395,744	0.03%
Emergency Management	0443	10,454,509	6,139,666	2,296,962	8,436,628	6,139,666	6,254,637	0.13%
Corrections Central Office	0446	430,280	378,977	0	378,977	378,977	378,977	0.01%
Correctional Units	0450	224,038,132	237,126,578	70,495,356	307,621,934	299,876,578	283,224,672	6.10%
WV State Police	0453	97,660,447	114,290,808	5,877,368	120,168,176	96,297,302	96,673,557	2.08%
Fire Commission	0436	60,842	63,061	0	63,061	63,061	63,061	0.00%
Justice and Community Services	0546	8,908,631	14,370,437	3,027,169	17,397,606	23,297,880	10,407,924	0.22%
Juvenile Services	0570	41,082,133	43,863,542	8,214,343	52,077,885	64,113,542	45,406,587	0.98%
Protective Services Division	0585	2,757,708	3,579,704	2,162,443	5,742,147	4,094,065	3,737,034	0.08%
Administrative Services	0619	2,347,749	5,584,723	0	5,584,723	5,714,723	5,760,206	0.12%
<b>Subtotal</b>		<b>390,214,979</b>	<b>430,562,499</b>	<b>97,613,026</b>	<b>528,175,525</b>	<b>505,195,047</b>	<b>457,368,478</b>	<b>9.85%</b>
<b>REVENUE</b>								
Office of the Secretary	0465	50,595,957	608,699	187,221	795,920	608,699	623,827	0.01%
Tax Division	0470	23,880,121	28,139,291	16,010,613	44,149,904	29,139,291	30,029,628	0.65%
State Budget Office	0595	655,717	923,591	476,505	1,400,096	923,591	947,796	0.02%
Athletic Commission	0523	22,084	36,811	0	36,811	36,811	36,811	0.00%
Office of Tax Appeals	0593	482,411	553,445	38,368	591,813	1,158,278	1,173,406	0.03%
<b>Subtotal</b>		<b>75,636,290</b>	<b>30,261,837</b>	<b>16,712,707</b>	<b>46,974,544</b>	<b>31,866,670</b>	<b>32,811,468</b>	<b>0.71%</b>
<b>TRANSPORTATION</b>								
Division of Highways	0620	150,000,000	0	0				0.00%
State Rail Authority	0506	4,730,477	2,120,894	1,154,935	3,275,829	6,620,894	2,129,971	0.05%
Public Transit	0510	-	2,262,989	4,024,179	6,287,168	2,262,989	2,262,989	0.05%
Public Port Authority	0581	-	30,000	-	30,000		0	
Aeronautics Commission	0582	417,215	820,117	981,238	1,801,355	1,020,117	826,168	0.02%
<b>Subtotal</b>		<b>155,147,692</b>	<b>5,234,000</b>	<b>6,160,352</b>	<b>11,394,352</b>	<b>9,904,000</b>	<b>5,219,128</b>	<b>0.11%</b>
<b>VETERANS ASSISTANCE</b>								
Veterans Affairs	0456	8,584,124	17,547,354	11,047,010	28,594,364	11,493,359	10,906,945	0.23%
Veterans Home	0460	1,495,757	1,464,595	0	1,464,595	1,614,378	1,546,589	0.03%
<b>Subtotal</b>		<b>10,079,881</b>	<b>19,011,949</b>	<b>11,047,010</b>	<b>30,058,959</b>	<b>13,107,737</b>	<b>12,453,534</b>	<b>0.27%</b>
<b>SENIOR SERVICES</b>								
Bureau of Senior Services	0420	29,950,955	29,950,955	0	29,950,955	29,950,955	19,612,957	0.42%

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

DEPARTMENT/Agency	Fund #	Actual Expenditures FY 2021	Total Appropriations FY 2022*	Plus: Reappropriated FY 2022	Total Available FY 2022	Total Request FY 2023 **	Governor's Recommendation FY 2023	Percentage of Total
<b>HIGHER EDUCATION</b>								
HEPC-Administration	0589	72,736,603	74,120,006	3,756,522	77,876,528	84,359,852	74,249,283	1.60%
WVNET	0551	1,747,826	1,747,826	0	1,747,826	1,747,826	1,817,992	0.04%
WVU-School of Medicine	0343	20,716,995	20,652,360	297,257	20,949,617	20,946,037	21,488,856	0.46%
West Virginia University	0344	110,722,124	92,742,558	16,600,172	109,342,730	110,742,558	113,398,048	2.44%
Marshall University-School of Medicine	0347	12,809,788	13,464,687	970,296	14,434,983	13,648,213	14,191,589	0.31%
Marshall University	0348	46,490,998	39,282,632	10,419,386	49,702,018	49,282,632	51,547,701	1.11%
WV School of Osteopathic Medicine	0336	9,453,132	9,463,215	276,461	9,739,676	9,596,404	9,872,974	0.21%
Bluefield State College	0354	6,383,221	6,287,473	95,748	6,383,221	6,383,221	6,648,770	0.14%
Concord University	0357	10,476,415	10,319,269	157,146	10,476,415	10,476,415	10,836,709	0.23%
Fairmont State University	0360	18,600,341	18,600,341	0	18,600,341	18,600,341	19,273,190	0.41%
Glenville State College	0363	6,446,942	6,350,238	96,705	6,446,943	6,446,942	6,768,535	0.15%
Shepherd University	0366	12,683,829	12,493,572	190,257	12,683,829	12,683,829	13,026,830	0.28%
West Liberty University	0370	9,102,662	8,966,122	136,540	9,102,662	9,102,662	9,552,600	0.21%
West Virginia State University	0373	14,292,704	14,122,566	170,138	14,292,704	14,292,704	14,630,290	0.31%
Council for C&T College Education	0596	9,583,237	15,781,754	9,334,147	25,115,901	15,792,838	15,804,928	0.34%
Mountwest C&T College	0599	6,489,307	6,391,967	97,340	6,489,307	6,489,307	6,716,176	0.14%
New River C&T College	0600	5,864,886	5,776,913	87,973	5,864,886	5,864,886	6,088,539	0.13%
Pierpont C&T College	0597	7,820,129	7,820,129	0	7,820,129	7,820,129	8,119,152	0.17%
Blue Ridge C&T College	0601	7,830,842	7,713,379	117,463	7,830,842	7,830,842	8,139,835	0.18%
WVU at Parkersburg	0351	10,291,917	10,164,495	154,789	10,319,284	10,319,284	10,799,686	0.23%
Southern WV C&T College	0380	8,241,823	8,118,196	123,627	8,241,823	8,241,823	8,557,086	0.18%
WV Northern C&T College	0383	7,285,825	7,176,538	109,287	7,285,825	7,285,825	7,580,697	0.16%
Eastern WV C&T College	0587	2,179,912	2,147,213	32,699	2,179,912	2,179,912	2,264,340	0.05%
BridgeValley C&T College	0618	8,098,811	7,977,329	121,482	8,098,811	8,098,811	8,364,587	0.18%
<b>Subtotal</b>		<b>426,350,269</b>	<b>407,680,778</b>	<b>43,345,435</b>	<b>451,026,213</b>	<b>448,233,293</b>	<b>449,738,393</b>	<b>9.68%</b>
<b>MISCELLANEOUS BOARDS &amp; COMMISSIONS</b>								
Adjutant General - State Militia	0433	15,829,074	17,634,268	5,414,814	23,049,082	19,159,268	17,971,742	0.39%
Adjutant General - Military Fund	0605	51,147	157,775	0	157,775	157,775	157,775	0.00%
<b>Subtotal</b>		<b>15,880,221</b>	<b>17,792,043</b>	<b>5,414,814</b>	<b>23,206,857</b>	<b>19,317,043</b>	<b>18,129,517</b>	<b>0%</b>
<b>TOTAL GENERAL REVENUE</b>		<b>\$4,603,570,624</b>	<b>\$4,512,035,015</b>	<b>\$604,045,150</b>	<b>\$5,116,080,165</b>	<b>\$4,957,727,334</b>	<b>\$4,645,423,992</b>	<b>100%</b>

\* Total Appropriations FY 2022 include supplemental appropriations from 2022 1st, 2nd, and 3rd Special Sessions

\*\* Total Request FY 2023 is Current-Level Request plus General Revenue Improvement Requests.

\*\*\*Departments were formerly organized under the Department of Commerce

# Lottery Fund

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

(Nearest Dollar)

Balance @ July 1, 2020	\$	55,181,692
Less: Reserve for Cash Flow / Contingencies		(40,000,000)
Plus: FY 2021 Actual Revenue		161,409,051
Less: Veterans Fund - Actual Transfers		(655,378)
Less: FY 2021 Appropriations (FY 2021 Budget Bill) (SB 150)		(127,808,000)
Less: FY 2021 Surplus Appropriation (FY 2021 Budget Bill) (\$16,750,000 appropriated)		(15,099,101)
Less: FY 2021 Surplus Appropriation (FY 2019 1st Extraordinary Session HB 151)		(70,000)
Plus: Cash not needed for FY 2021 Appropriations (Debt Service Actual)		<u>12,350</u>
Unappropriated Balance @ July 1, 2021	\$	32,970,614
Plus: FY 2022 Revenue Estimate		125,832,930
Less: Veterans' Fund		<u>(400,000)</u>
Revenue Available for FY 2022 Appropriations	\$	158,403,544
Less: FY 2022 Appropriations (FY 2022 Budget Bill) (HB 2022)		(125,433,000)
Less: FY 2022 Surplus Appropriation (FY 2022 Budget Bill) (HB 2022)		(16,750,000)
Plus: Cash not needed for FY 2022 Appropriations (Debt Service Actual)		10,350
Less: <b>Recommended</b> FY 2022 Supplemental Appropriations - Salary Enhancement (2022 Regular Session)		(93,786)
Less: <b>Recommended</b> FY 2022 Supplemental Appropriations - Expiration to General Revenue Surplus (2022 Regular Session)		<u>(125,000)</u>
Estimated Unappropriated Balance @ June 30, 2022	\$	16,012,108
Plus: FY 2023 Revenue Estimate		134,545,880
Less: Veterans Fund		<u>(400,000)</u>
Revenue Available for FY 2023 Appropriations		150,157,988
Less: <b>Recommended</b> FY 2023 Appropriations (FY 2023 Budget Bill)		(134,145,880)
Less: <b>Recommended</b> FY 2023 Surplus Appropriations (FY 2023 Budget Bill)		<u>(16,000,000)</u>
Estimated Unappropriated Balance @ June 30, 2023	\$	<b>12,108</b>

# Lottery Fund: Overview by Functional Category

## FY 2021 through FY 2023

(Nearest Dollar)

DEPARTMENT/Agency Description	Fund #	Actual Expenditures FY 2021	Total Appropriations FY 2022 *	Plus: Reappropriated FY 2022	Total Available FY 2022	Total Request FY 2023 **	Governor's Recommendation FY 2023	Percentage of Total
<b>ADMINISTRATION</b>								
Education, Arts, Sciences, & Tourism Debt Service Fund	2252	\$9,996,240	\$10,000,000	\$0	\$10,000,000	\$10,000,000	\$10,000,000	7.45%
<b>COMMERCE</b>								
Division of Tourism***	3067	3,297,322	0	8,526,979	8,526,979			0.00%
Division of Natural Resources	3267	2,932,663	3,443,151	2,073,473	5,516,624	3,443,151	3,591,404	2.68%
<b>Subtotal</b>		<b>6,229,985</b>	<b>3,443,151</b>	<b>10,600,452</b>	<b>14,043,603</b>	<b>3,443,151</b>	<b>3,591,404</b>	<b>2.68%</b>
<b>TOURISM***</b>								
Department of Tourism	3067	0	6,732,425	0	6,732,425	6,732,425	6,844,371	5.10%
<b>EDUCATION</b>								
State Department of Education	3951	12,491,495	14,357,370	17,121,325	31,478,695	14,357,370	14,371,893	10.71%
School Building Authority	3963	20,766,136	18,000,000	0	18,000,000	18,000,000	18,000,000	13.42%
<b>Subtotal</b>		<b>33,257,631</b>	<b>32,357,370</b>	<b>17,121,325</b>	<b>49,478,695</b>	<b>32,357,370</b>	<b>32,371,893</b>	<b>24.13%</b>
<b>ARTS, CULTURE, AND HISTORY</b>								
Culture and History	3534	2,797,142	4,266,162	1,665,652	5,931,814	4,366,162	4,273,727	3.19%
Library Commission	3559	11,244,335	11,513,700		11,513,700	21,863,700	11,513,700	8.58%
Educational Broadcasting Authority	3587	0	0	4,897,973	4,897,973			0.00%
<b>Subtotal</b>		<b>14,041,477</b>	<b>15,779,862</b>	<b>6,563,625</b>	<b>22,343,487</b>	<b>26,229,862</b>	<b>15,787,427</b>	<b>11.77%</b>
<b>SENIOR SERVICES</b>								
Bureau of Senior Services	5405	56,446,460	61,606,127	6,513	61,612,640	44,856,127	53,200,238	39.66%
<b>HIGHER EDUCATION</b>								
CTC - Capital Improvement Fund	4908	4,993,250	5,000,000	2,530,449	7,530,449	5,000,000	5,000,000	3.73%
Higher Education Policy Commission	4925	2,174,067	3,018,744	1,104,613	4,123,357	3,018,744	3,023,161	2.25%
West Virginia University	4185	2,014,308	3,646,625	1,632,317	5,278,942	3,646,625	3,718,367	2.77%
Marshall-School of Medicine	4896	421,983	598,436	185,625	784,061	598,436	609,019	0.45%
<b>Subtotal</b>		<b>9,603,608</b>	<b>12,263,805</b>	<b>5,453,004</b>	<b>17,716,809</b>	<b>12,263,805</b>	<b>12,350,547</b>	<b>9.21%</b>
<b>TOTAL LOTTERY</b>		<b>\$129,575,401</b>	<b>\$142,182,740</b>	<b>\$39,744,919</b>	<b>\$181,927,659</b>	<b>\$135,882,740</b>	<b>\$134,145,880</b>	<b>100.00%</b>
*Total Appropriations FY 2022 include surplus appropriations of \$16,750,000.								
**Total Request FY 2023 is Current-Level Request plus Improvement Requests.								
***Tourism formerly organized under the Department of Commerce								

# Excess Lottery Fund

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

(Nearest Dollar)

	Balance @ July 1, 2020	\$	60,097,549
Less:	Reserve for Cash Flow / Contingencies		(6,600,000)
Less:	Catastrophic Event Contingency		(30,000,000)
Plus:	FY 2021 Actual Revenue		397,553,433
Less:	FY 2021 Appropriations (FY 2021 Budget Bill)		(340,257,000)
Less:	FY 2021 Surplus Appropriation (FY 2021 Budget Bill)		(17,000,000)
Less:	FY 2021 Surplus Appropriation (FY 2021 Regular Session HB 2788)		(6,497,548)
Plus:	Cash not needed for FY 2021 Appropriations (Debt Service Actual)		<u>26,583</u>
	Unappropriated Balance @ June 30, 2021	\$	57,323,017
Plus:	FY 2022 Revenue Estimate		<u>290,257,000</u>
	Available for FY 2022 Appropriations	\$	347,580,017
Less:	FY 2022 Appropriations (FY 2022 Budget Bill)		(290,257,000)
Less:	FY 2022 Surplus Appropriation (FY 2022 Budget Bill)		(17,800,000)
Plus:	Cash not needed for FY 2022 Appropriations (Debt Service Actual)		31,496
Less:	<b>Recommended</b> FY 2022 Supplemental Appropriations - Expiration to General Revenue Surplus (2022 Regular Session)		<u>(22,500,000)</u>
	Estimated Unappropriated Balance @ June 30, 2022	\$	17,054,513
Plus:	FY 2023 Revenue Estimate		300,652,000
Less:	Recommended FY 2023 Appropriations (2023 Budget Bill)		(300,652,000)
Less:	FY 2023 Surplus Appropriations (FY 2023 Budget Bill)		<u>(17,000,000)</u>
	Estimated Unappropriated Balance @ June 30, 2023		<u><u>\$ 54,513</u></u>

# Excess Lottery Fund: Overview by Functional Category

## FY 2021 through FY 2023

(Nearest Dollar)

DEPARTMENT/Agency Description	Fund #	Actual Expenditures FY 2021	Total Appropriations FY 2022 *	Plus: Reappropriated FY 2022	Total Available FY 2022	Total Request FY 2023 **	Governor's Recommendation FY 2023	Percentage of Total
<b>STATUTORY APPROPRIATIONS:</b>								
<b>DEBT SERVICE AND CAPITAL PROJECTS (State Parks Improvements, Public Education Facilities, and Infrastructure Projects)</b>								
Economic Development Authority	9065	\$18,986,150	\$19,000,000	\$0	\$19,000,000	\$19,000,000	\$19,000,000	6.32%
Higher Education Improvement Fund	4297	15,000,000	15,000,000	0	15,000,000	15,000,000	15,000,000	4.99%
School Building Authority	3514	18,994,021	19,000,000	0	19,000,000	19,000,000	19,000,000	6.32%
Division of Natural Resources	3277	170,644	1,505,000	8,812,849	10,317,849	1,505,000	1,505,000	0.50%
Cacapon & Beech Fork Debt Service Fund	9067	2,028,750	2,032,000	0	2,032,000	2,032,000	2,032,000	0.68%
State Parks Debt Service Fund	9068	4,391,500	4,395,000	0	4,395,000	4,395,000	4,395,000	1.46%
Infrastructure Council	3390	46,000,000	46,000,000	0	46,000,000	46,000,000	46,000,000	15.30%
<b>Subtotal</b>		<b>105,571,065</b>	<b>106,932,000</b>	<b>8,812,849</b>	<b>115,744,849</b>	<b>106,932,000</b>	<b>106,932,000</b>	<b>35.57%</b>
<b>TRANSFERS</b>								
Refundable Credit	7207	10,000,000	10,000,000	0	10,000,000	10,000,000	10,000,000	3.33%
General Revenue	7206	65,000,000	65,000,000	0	65,000,000	65,000,000	65,000,000	21.62%
PROMISE Scholarship	4295	29,000,000	29,000,000	0	29,000,000	29,000,000	29,000,000	9.65%
Racing Commission-Special Breeders Compensation	7308	-	2,800,000	0	2,800,000	2,000,000	2,000,000	0.67%
<b>Subtotal</b>		<b>104,000,000</b>	<b>106,800,000</b>	<b>0</b>	<b>106,800,000</b>	<b>106,000,000</b>	<b>106,000,000</b>	<b>35.26%</b>
<b>TOTAL STATUTORY APPROPRIATIONS:</b>		<b>209,571,065</b>	<b>213,732,000</b>	<b>8,812,849</b>	<b>222,544,849</b>	<b>212,932,000</b>	<b>212,932,000</b>	<b>70.82%</b>
<b>APPROPRIATIONS ABOVE EXCESS LOTTERY STATUTORY REQUIREMENTS:</b>								
Office of Technology	2532	0	0	9,706,480	9,706,480	0	0	0.00%
Office of the Governor	1046	0	0	65,575	65,575	0	0	0.00%
Distributions to Statutory Funds and Purposes	7213	61,022,040	61,022,040	0	61,022,040	61,022,040	61,022,040	20.30%
WV Development Office	3170	0	0	887,548	887,548	0	0	0.00%
Division of Corrections-Capital	6283	0	0	210,968	210,968	0	0	0.00%
Human Services-Medical Services	5365	83,302,960	33,302,960	0	33,302,960	16,302,960	26,697,960	8.88%
Higher Education-Advanced Technology Centers	4932	0	0	111,323	111,323	0	0	0.00%
<b>TOTAL APPROPRIATIONS ABOVE STATUTORY REQUIREMENTS:</b>		<b>144,325,000</b>	<b>94,325,000</b>	<b>10,981,894</b>	<b>105,306,894</b>	<b>77,325,000</b>	<b>87,720,000</b>	<b>29.18%</b>
<b>TOTAL EXCESS LOTTERY</b>		<b>\$353,896,065</b>	<b>\$308,057,000</b>	<b>\$19,794,743</b>	<b>\$327,851,743</b>	<b>\$290,257,000</b>	<b>\$300,652,000</b>	<b>100.00%</b>

\* Total Appropriations FY 2022 include surplus appropriations of \$17,800,000.

\*\* Total Request FY 2023 is Current-Level Request plus Improvement Requests.



# State Road Fund

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

(Nearest Dollar)

	Cash and Investment Balance - July 1, 2021	\$ 175,975,382
Plus:	Revenue estimates - FY 2022	1,420,700,000
Plus	Revised Revenue Estimate - FY 2022 (From DOH)	<u>118,000,000</u>
	Total Estimated Receipts and Balance	\$ 1,714,675,382
Less:	FY 2022 Appropriations (FY 2022 Budget Bill - Regular Session):	
	Division of Highways	\$ (1,382,650,000)
	Division of Motor Vehicles	(53,051,919)
	Office of Administrative Hearings	(45,000)
	Claims Against the State Road Fund	(621,765)
Less:	1st special session Division of Highways	(150,000,000)
Less:	3rd special session Office of Administrative Hearings	<u>(250,000)</u>
	Estimated Unappropriated Balance @ June 30, 2022	\$ 128,056,698
Plus	Revenue Estimate - FY 2023	\$ 1,445,700,000
Less:	Recommended FY 2023 Appropriations (FY 2023 Budget Bill) - Highways	(1,429,209,537)
Less:	Recommended FY 2023 Appropriations (FY 2023 Budget Bill) - Motor Vehicles	(63,147,244)
Less:	Claims Against the State Road Fund (FY 2023 Budget Bill)	<u>(535,000)</u>
	Estimated Unappropriated Balance @ June 30, 2022	<u><u>\$ 80,864,917</u></u>

State Road Fund  
Statement of Revenues by Source  
FY 2019 Through FY 2027  
(Expressed in Thousands)

Source of Revenue	FY 2019 Actual Collections	FY 2020 Actual Collections	FY 2021 Actual Collections	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate
Motor Carrier									
Fuel Tax	\$443,428	\$427,273	\$399,542	\$430,000	\$430,000	\$425,000	\$435,000	\$435,000	\$435,000
Registration Fees	168,785	122,724	136,484	174,000	174,000	170,000	170,250	170,500	170,750
Registration Fee:									
Highway Litter Control	1,666	1,483	1,878	1,700	1,700	1,800	1,850	1,900	1,900
Sales Tax	236,137	265,516	300,975	300,000	300,000	300,000	275,000	275,000	275,000
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	122,671	33,861	223,090	50,000	50,000	50,000	40,000	40,000	40,000
Federal Reimbursement:	366,920	405,496	374,422	583,000	490,000	495,000	495,000	500,000	500,000
<b>Total</b>	<b>\$1,336,607</b>	<b>\$1,253,353</b>	<b>\$1,433,391</b>	<b>\$1,535,700</b>	<b>\$1,442,700</b>	<b>\$1,438,800</b>	<b>\$1,414,100</b>	<b>\$1,419,400</b>	<b>\$1,419,650</b>

# Cash and Investment Balances of All Funds

## Fiscal Year Ending June 30, 2021

(Nearest Dollar)

	<b>Fund No.</b>	<b>Cash Balance</b>	<b>Investments</b>	<b>Total Balance</b>
General Revenue	01	\$788,440,293	\$0	\$788,440,293
State Road Fund	02	31,228,005	\$148,280,344	\$179,508,349
Natural Resources Fund	03	9,194,413	\$135,837,829	\$145,032,242
Consolidated Investment Pool	09	(2,630,182,754)	\$3,369,921,120	\$739,738,366
Consolidated Federal Funds (Special Revenue)	12	282,612,392	\$1,117,470,754	\$1,400,083,146
Special Revenue Department	13	1,563,810,209	\$9,441,527,041	\$11,005,337,250
Special Revenue Higher Education	14	93,401,525	\$297,728,799	\$391,130,324
Health and Human Resources	16	333,437,392	\$5,280,729	\$338,718,121
Public Employees' Retirement	17	(5,330,495)	\$8,537,511,697	\$8,532,181,202
Teachers' Retirement Fund	18	17,641,014	\$9,589,781,927	\$9,607,422,941
WVU Medical School	20	749,996	\$1,767,134	\$2,517,130
<b>Total</b>		<b>\$485,001,990</b>	<b>\$32,645,107,373</b>	<b>\$33,130,109,363</b>

# Detailed Investments Special Revenue

## Fiscal Year Ending June 30, 2021

(Nearest Dollar)

Attorney General	808,411.14
Auditor's Office	8,922,581.34
Board of Risk and Insurance Management	224,942,929.51
Budget Office	106,712,969.30
Court of Claims	6,211,737.27
CPRB	1,701,739,089.40
Culture & History	786,606.45
Secretary of State	39,065.31
Department of Administration	1,737,487,067.64
Department of Education	1,931,856.99
Division of Financial Institutions	116,011.49
Secretary of Revenue	876,644,404.01
Department of Transportation	1,804,893,930.66
WV Economic Development Authority	66,400,384.00
Division of Health & Human Services	17,204,806.63
Division of Labor	2,043,475.34
Division of Natural Resources	45,252,768.34
Department of Environmental Protection	563,439,997.95
Division of Forestry	1,592,698.92
Insurance Commission	1,450,888,935.13
Lottery Commission	127,900,646.19
Municipal Bond Commission	209,957,027.68
Municipal Pension Oversight Board	29,644,077.89
Public Employees Insurance Agency	286,159,519.59
Regional Jail Authority	13,736,785.51
State Police	726,656.76
State Rail Authority	6,362,158.03
Treasurer's Office	98,964,759.27
Water Development Authority	50,015,682.81
	50,015,682.81
	\$9,441,527,041

# Summary of Primary Government Long-Term Debt Outstanding as of June 30, 2021

(Expressed in Thousands)

	Actual 6/30/19*	Actual 6/30/20*	Actual 6/30/21*	Estimated 6/30/22*	Estimated 6/30/23*
<b>General Obligation Debt</b>					
Safe Road Bonds	\$118,390	\$100,830	\$67,570	\$55,650	\$43,130
Roads to Prosperity	782,305	1,364,455	1,559,880	1,533,690	1,490,735
Infrastructure Bonds	147,020	131,721	115,723	96,735	77,688
SUBTOTAL	1,047,715	1,597,006	1,743,173	1,686,075	1,611,553
<b>Revenue Bonds</b>					
School Building Authority	-	-	-	-	-
School Building Authority (Lottery)	129,105	119,965	110,375	100,335	89,805
School Building Authority (Excess Lottery)	77,760	71,800	65,550	59,005	52,135
School Building Authority, QSCBs (Excess Lottery)	150,480	150,480	150,480	150,480	150,480
Tobacco Settlement Finance Authority	851,495	805,067	783,939	783,939	783,939
Highways, Commissioner of	283,485	265,720	246,745	226,815	205,895
2010 EAST Fund (Lottery)	141,560	133,780	129,595	125,200	120,585
Economic Development Authority (Excess Lottery)	190,165	176,850	161,165	144,755	127,375
WV Infrastructure and Jobs Development Council	157,280	151,545	145,560	139,305	132,740
SUBTOTAL	1,981,330	1,875,207	1,793,409	1,729,834	1,662,954
<b>Capital Leases &amp; Notes Payable</b>					
Governmental Funds	168,743	156,768	140,245	129,423	129,423
Internal Service**	55,030	53,255	51,435	49,570	47,650
Notes Payable**	16,211	21,472	12,998	10,956	10,956
SUBTOTAL	239,984	231,495	204,678	189,949	188,029
<b>TOTAL</b>	<b>\$3,269,029</b>	<b>\$3,703,708</b>	<b>\$3,741,260</b>	<b>\$3,605,858</b>	<b>\$3,462,536</b>

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

\*\*6/30/21 figures are estimated for those items.

# Major Reserve/Stabilization Accounts

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

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

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

Since the fund was created in 1994, \$996.3 million 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 2022 budgets used no Rainy Day funding. The Governor recommends no transfer in his FY 2023 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, 2021, the balance in the Rainy Day Fund was \$464.3 million, 10.3% of FY 2022 appropriations.

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

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

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

On December 31, 2021, the balance in the Rainy Day Fund—Part B was \$561.5 million, 12.4% of FY 2022 appropriations.

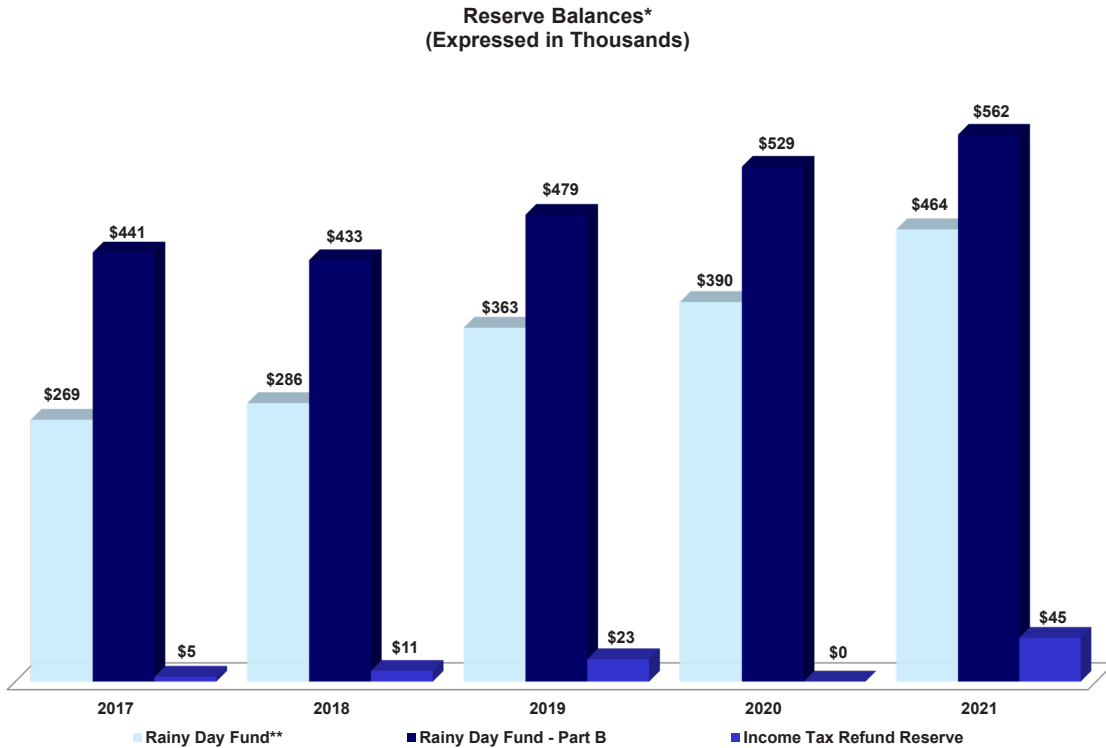
## ***Income Tax Refund Reserve Fund***

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

## Major Reserve/Stabilization Accounts

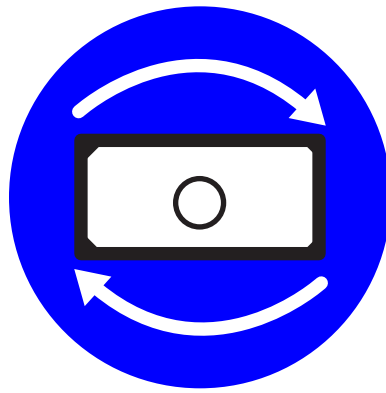
items as the Legislature so desires. The State Tax Commissioner is responsible for determining the balance needed in the fund to ensure timely income tax refunds.

The balance in the Income Tax Refund Reserve Fund at the end of FY 2021 was \$45 million. As of December 31, 2021, the balance of the Income Tax Refund Reserve Fund remains at \$45 million.



\*Balances of December 31 each year

# BUDGET PLANNING





# Long-Term Issues

## **Infrastructure Projects/Improvements**

### **Highway Infrastructure**

The Department of Transportation uses revenue from the State Road Fund to operate the Division of Highways (DOH) and the Division of Motor Vehicles. The State Road Fund receives its revenue from dedicated tax sources. Overall, tax revenues increased during FY 2021 by \$21.8 million (2.68%). Motor Fuel Excise Tax collections decreased by \$27.7 million (6.49%). Registration Fee collections increased by \$13.7 million (11.21%) and Privilege Tax collections showed an increase for FY 2021 of \$35.5 million (13.35%). Highway Litter Fee collections increased in by \$396,000 (26.70%).

Past revenues were inadequate to permit DOH to completely achieve its mission of maintaining a safe and efficient highway system. The passage of Senate Bill 1006 allowed the average wholesale price for motor fuel to increase, as well as rates for the Motor Vehicle Sales Tax and Registration Fees. The enhanced revenue collections have allowed DOH to address activities which had been deferred due to lack of funding. However, long-term forecasts show a decline in overall fuel consumption due to increased fuel efficiency and possible shifts in post-Pandemic driver behavior.

In addition to revenue collections, DOH issued \$1.6 billion dollars in General Obligation (GO) bonds. The final sale of the GO bonds occurred in FY 2021. These resources have allowed the Division to better carry out its mission and address large construction projects which in years past would not have had adequate funding. Although the funding from the bond sales have been secured, the projects financed from the proceeds will continue for many years.

Moving forward, the DOH expects substantial federal funding from 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. It also reauthorizes the Federal-aid Highway Program that provides more than \$400 million per year to the DOH.

### **Public Transportation**

Public transportation systems that serve all individuals are critical to the State's citizens who are elderly, ill, economically disadvantaged, or for other reasons cannot or choose not to drive a vehicle. More than 3.2 million

rides, nearly twice the State's population, were provided on West Virginia public transit systems in FY 2021, making public transit an often used, reliable, and safe alternative transportation option.

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

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

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

## **Public Education**

### **School Building Authority**

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

Since then, the number of requests for construction has exceeded \$2.5 billion due to the continued rise in construction costs and the deterioration of buildings. The SBA's goal is to provide grants each year for projects which, along with local school district funding, will average approximately a \$100 million investment

## Long-Term Issues (Continued)

in our State annually. West Virginia schools have benefitted greatly by having more funding available for improvements; however, there is a tremendous funding gap.

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

The SBA receives approximately \$59 million annually for school construction, which includes funding for the Needs 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.

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

### Health Care

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

In addition to these national trends, West Virginia faces other obstacles unique to the Mountain State. According to the most recent report of resident deaths reported to the Centers for Disease Control and Prevention (CDC),

National Center for Health Statistics by the West Virginia Health Statistics Center, in 2019 West Virginia had the highest age-adjusted mortality rate per 100,000 people of all states including the District of Columbia for all causes. West Virginia also had the highest age-adjusted mortality rates for all accidental deaths, diabetes, and drug overdose deaths (regardless of intent). West Virginia also ranked 3rd in mortality from cancer and chronic lower respiratory diseases; 4th in chronic liver disease and cirrhosis; 7th in influenza/pneumonia; 8th in heart disease and accidental motor vehicle accidents; 12th in nephritis, nephrotic syndrome and nephrosis; 14th in suicides; and 15th in cerebrovascular disease mortality. Finally, West Virginia ranked 25th in Alzheimer’s Disease deaths by rate during 2019. Along with known risk factors, age is a factor in many types of death. West Virginia’s population has the 4th oldest median age in the nation and the 3rd highest percentage population aged 65 and older.

West Virginia has an ongoing problem with drug overdose deaths. In 2001, there were 212 drug overdose deaths in West Virginia, climbing steadily to a then-record peak of 656 in 2011. There was a drop off in 2012, thought largely due to the closing down of “pill mills.” Overdose deaths, first led by heroin and later combined with fentanyl, climbed much higher in 2017, peaking at 1,019. Overdose deaths fell to 909 occurrences in 2018 and continued to decline with 881 deaths in 2019 (preliminary figure).

According to the West Virginia Health Statistics Center, which collects data for the Behavioral Risk Factor Surveillance System (BRFSS) in conjunction with CDC, 2020 data indicates that West Virginia ranks high among all states in the adult prevalence of several chronic diseases and risk factors for disease. West Virginia had the highest prevalence in the nation of arthritis (38.0%), cardiovascular disease (13.8%), chronic obstructive pulmonary disease (13.6%), coronary heart disease (7.0%), depression (26.4%), heart attack (7.6%), asthma (17.0%), current smoking (22.6%), and kidney disease (4.7%). West Virginia had the 2nd highest prevalence in the nation of fair or poor health (24.3%), obesity (39.1%), smokeless tobacco use (8.5%), diabetes (14.9%), and cancer (14.6%). The prevalence of adults reporting poor mental health (17.5%) was the 3rd highest and adults reporting no physical activity (31.5%) ranked the 5th highest in the nation. On a positive note, the State’s heavy drinking prevalence was 4.4%, the 2nd lowest in the nation; the prevalence of binge drinking was 11.2%, the lowest in the nation.

## Long-Term Issues (Continued)

For 2020, approximately 15.8% of West Virginia adults reported poor physical health for at least 14 days in the past 30 days, and 17.5% reported poor mental health at least 14 days in the past 30 days. Additionally, the prevalence of reporting poor physical health in the past 14 days was significantly higher in West Virginia (15.8%) than the U.S. (10.5%) and was the 2nd highest among all 53 BRFSS participants. The prevalence of reporting poor mental health in the past 14 days was significantly higher in West Virginia (17.5%) than the national prevalence (13.6%) and was the highest among all 53 BRFSS participants. West Virginia also had 5th highest prevalence of cognitive impairment (15.1%), was the 6th highest for hearing impairment (9.3%), and ranked 12th for the prevalence of vision impairment (6.2%).

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

Focusing on two particularly problematic areas in West Virginia's poor population health statistics, smoking rates and obesity significantly impair our citizens' quality of life and cost West Virginians billions of dollars each year. The West Virginia Department of Health and Human Resources, through the leadership of the Bureau for Public Health (BPH) in partnership with a broad array of stakeholders, has set goals to mitigate these problems. If successful, West Virginians could save millions of dollars annually.

In 2020, approximately 312,928 West Virginians smoked cigarettes. BPH estimates that our extraordinarily high smoking rates cost West Virginia more than \$1 billion each year.

A George Washington University School of Public Health and Health Services Department of Health Policy study (Dor, Cost Per Person, 2010), estimates that if obesity in West Virginia is reduced by 1%, the State could save \$52,613,430 (2009 dollars) in direct and indirect expenses annually. BPH's 2020 State obesity rate target is 35.5% which would result in a 10.0% decrease from 2019.

### Medicaid

The West Virginia Medicaid Program provides insurance coverage to approximately 600,000 West Virginians over the course of a year and approximately 575,000 at any point in time. Children comprise 35% of the Medicaid population, while 14% are categorized as blind and disabled, 45% as adults, and the remaining 6% defined as elderly. Effective January 1, 2014, the West Virginia Medicaid Program expanded coverage under the Affordable Care Act. In FY 2020, there were approximately 163,000 members due to expansion (included in the total above). The expansion population consists of individuals aged 19 to 64, representing the working poor, who earn up to 138% of the Federal Poverty Level (FPL). The Federal Medical Assistance Percentages (FMAP) for the expansion population gradually decreased from 100% to 90% during calendar years 2017 through 2020.

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

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

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

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

## Long-Term Issues (Continued)

strategies. Program benefits, provider reimbursement, and utilization parameters continue to be judiciously managed for State dollar savings.

It is currently estimated that without any program changes, the cost for the Medicaid program will increase at a rate of approximately 2% per year. A few noteworthy long-term budgetary risks to the Medicaid program relate to inflationary 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 projected decrease in the FMAP for FY 2023 by 0.66%, and changes in federal regulations that become unfunded mandates. Assuming the Provider Tax, trust fund, and lottery sources of State match remain relatively constant, the General Revenue fund will have to supply the additional funds to cover future increases in cost. Any future increase or decrease in non-General Revenue funding sources will impact the amount of General Revenue required to cover the total state match cost. DHHR leadership will maintain vigilance to ensure fiscal integrity and optimization of member benefits.

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

WVCHIP provides full-range health insurance coverage to children of working families with incomes up to 300% of the FPL. WVCHIP also provides coverage to pregnant women over the age of 19 up to 300% of the FPL. As of September 30, 2021, 19,403 children and 176 pregnant women were enrolled. Average monthly enrollment decreased 10.1% in FY 2021 compared to FY 2020. The WVCHIP Premium group that includes children and pregnant women in households with incomes between 211% and 300% FPL decreased 10.7% in enrollment and represents 31% of the total enrolled population. Enrollment decreases were due to enrollment data cleanup and closing members who have other health insurance and therefore are not eligible for WVCHIP. WVCHIP transitioned to managed care on January 1, 2021. Approximately 91% of WVCHIP’s monthly membership is enrolled in managed care.

The West Virginia Children’s Health Insurance Board oversees WVCHIP’s benefit plan and finances to ensure funding is sufficient to support the services covered by the insurance program.

COVID-19 impacted both enrollment and finances. WVCHIP, along with Medicaid, suspended program disenrollment to help address the pandemic.

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

On March 18, 2020, the President signed H.R. 6021, the “Families First Coronavirus Response Act” (FFCRA), into law. Section 6008 of the FFCRA provides a 6.2% increase in FMAP to each qualifying state and territory. This increase was effective retroactively to January 1, 2020 and extends through the end of the quarter in which the COVID-19 public health emergency ends. This 6.2% increase in FMAP indirectly increased the CHIP FMAP to 98.3% through September 30, 2020. Beginning October 1, 2020, the CHIP FMAP is 85% and will continue through the end of the public health emergency that has been extended through January 2022. The first day of the quarter after the public health emergency ends, the CHIP FMAP will return to its normal amount, which is 82.28% through September 30, 2022.

WVCHIP estimates it needs \$8.8 million in State matching funds for FY 2022 and \$10.9 million in FY 2023. These estimates are based on current program enrollment and the expectation that enrollment levels will remain stable.

In addition, CHIP funding is used to cover expenses for certain children on Medicaid. State funds for this population are estimated to be \$4.8 million in FY 2022 and \$4.9 million in FY 2023.

### **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,

## *Long-Term Issues (Continued)*

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, 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 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 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Medical</b>	<b>6.0%</b>	<b>7.0%</b>	<b>7.5%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Drug</b>	<b>13.5%</b>	<b>14.0%</b>	<b>14.5%</b>	<b>15.0%</b>	<b>15.0%</b>

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

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Medical</b>	<b>\$24 million</b>	<b>\$32 million</b>	<b>\$38 million</b>	<b>\$43 million</b>	<b>\$48 million</b>
<b>Drug</b>	<b>\$21 million</b>	<b>\$8.5 million</b>	<b>\$27 million</b>	<b>\$33 million</b>	<b>\$39 million</b>

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

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>Reserve</b>	<b>\$175 million</b>	<b>\$108 million</b>	<b>\$89 million</b>	<b>\$60 million</b>	<b>\$107 million</b>

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

### **Retiree Health Benefits Trust Fund**

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

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

The retiree plan must be subsidized by the active policy premiums. The rate of subsidization estimated for FY 2023 is approximately 30%. 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

## Long-Term Issues (Continued)

State's share contributed to retiree premium subsidies, allowing increases in subsidies of no more than 3% per year. Additionally, the 2012 regular session of the West Virginia Legislature passed Senate Bill 469 to provide supplemental funding to the OPEB liability. These changes resulted in a reduction in the unfunded liability by approximately \$4 billion.

Not including the annual required contribution to fully fund OPEB, the current financial plan projects net asset growth through FY 2026. The Trust completed FY 2021 with total net assets of \$1.8 billion, total claims expense of \$72 million, and capitations of \$106 million. Current claim expense trend assumptions for FY 2022 through FY 2026 go from 6.0% for medical and 13.5% for drugs to 8.5% for medical and 15.5% for drugs. These trend assumptions result in increases of \$28 million in expenses for the Trust over the next four fiscal years. Fiscal year results remain positive, however, as the board anticipates interest revenue, benefit changes, and premium increases to offset these increases. The trust is forecast to have an ending reserve of \$1.2 billion by fiscal year end 2026. This represents a 90% funded status of the OPEB Accrued Actuarial Liability (AAL).

### Pensions

#### State Retirement Systems

The Consolidated Public Retirement Board (CPRB) was created by legislation passed in 1990 and effective July 1, 1991, to administer all of the State's public retirement plans. In 1992, CPRB completed actuarial studies on the various retirement systems of the State of West Virginia to determine the amount of the systems' unfunded 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.
- 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 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 expired on July 1, 2019.
- Public Safety Retirement System (Plan A)—Instituted a 30-year payment plan to be completed by June 30, 2025. Legislation passed in 2005 further prohibited any increases to benefits for active members and required any increases for retirees to be less than 1% of the actuarial 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, 2020, is amortized on a level-dollar basis over seven years and gains or losses and assumption changes going forward are amortized separately on a level-dollar basis over five years.

## Long-Term Issues (Continued)

- 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. Legislation passed in 2005 acted to prohibit 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.
- 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 creates 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 unfunded actuarial liability for each plan is as follows:

	July 1, 2020, Actuarial Valuation Unfunded Actuarial Liability		July 1, 2021, Actuarial Valuation Unfunded Actuarial Liability (Estimated) <sup>3</sup>	
PERS	\$377,513,000	(95.0% funded)	\$217,905,000	(97.3% funded)
TRS	\$3,038,518,000	(72.8% funded) <sup>1</sup>	\$2,787,901,000	(75.8% funded)
JRS	\$(116,888,000)	(218.3% funded) <sup>1</sup>	\$(167,037,000)	(251.9% funded)
Public Safety—Plan A	\$97,516,000	(87.4% funded) <sup>1</sup>	\$(38,633,000)	(104.8% funded)
State Police—Plan B	\$29,047,000	(88.4% funded) <sup>1</sup>	\$(9,430,000)	(103.3% funded)
NRPORS <sup>2</sup>	\$3,607,000	(85.6% funded) <sup>1</sup>	\$3,759,000	(86.8% funded)

<sup>1</sup> 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 and TRS. 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.

<sup>2</sup> For NRPORS, the July 1, 2020, actuarial valuation unfunded actuarial liability and funded status are calculated as of the effective date of the plan, January 2, 2021.

<sup>3</sup> For all plans, the July 1, 2021 estimated actuarial valuation unfunded actuarial liability and funded status are calculated using a discount rate assumption of 7.25% per year and inflation rate assumption of 2.75% per year. The July 1, 2020 actuarial valuation unfunded actuarial liability and funded status were calculated using a discount rate assumption of 7.50% per year and inflation rate assumption of 3.00% per year.

# 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 2023 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 2022) less any onetime appropriations. For the FY 2023 budget request, the department/bureau/commission/division is permitted to move funds between appropriations, programs, or agencies within the department. However, there can be no increase in the total request over the current year's appropriation with the exception of the legislative and judicial budgets and statutory increases (such as for the Department of Education). The "current level" request allows department/bureau/commission/division heads to redirect their limited resources to the highest priority areas without an increase in their total budget. Consistent with our commitment to provide a balanced budget and long-term fiscal stability, we as a State must take measures to minimize the overall FY 2023 expenditure growth, and position the State to structurally balance budgets in the years that follow. For the FY 2023 budget, the Governor has recommended most agencies be funded at the FY 2022 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 2022 "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 2023,

agencies were asked that any requests for improvements or requests for FY 2022 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 2023 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 their 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 their appropriation requests. These plans summarize projects budgeted for the current fiscal year, requested for the next fiscal year, and estimated for future years. This allows the State to apply sound financial planning for future capital needs.

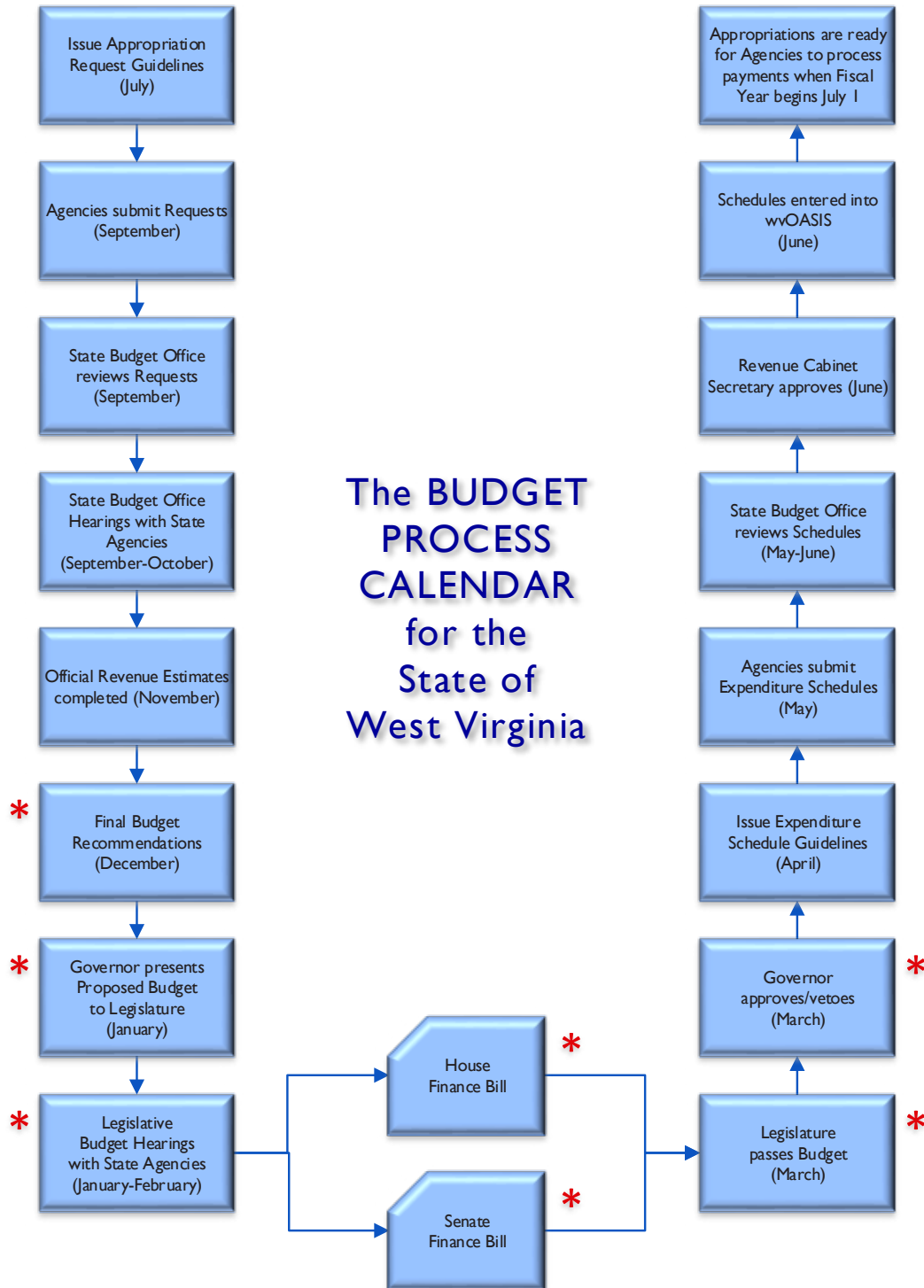
## **Balanced Budget**

After the budget meetings, the official revenue estimates for the upcoming FY 2023 budget are finalized. The Governor then makes budget recommendations based upon program priorities, requirements, court orders, and the availability of funds. The Governor, under the authority of the Constitution of West Virginia, has the sole responsibility to establish the official revenue estimates of the State. The budget is developed on a cash basis, including only revenues and expenditures expected to be realized during the fiscal year plus any surplus balance from the previous fiscal year available for appropriation. The Governor is not legally required to submit a balanced budget; however, as a matter of practice, the Governor submits a budget that is balanced. A "balanced budget" recommends and appropriates only those revenues recognized in the "official revenue estimates" as provided by the Governor, and may also include any unappropriated surplus balances available from the prior year.



## Budget Overview (Continued)

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



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

## *Budget Overview (Continued)*

The budget is presented in four separate documents. The Budget Report contains the executive message; financial statements that include the official revenue estimates for the State along with available fund balances, actual prior year expenditures, current year budgeted amounts, and the Governor's recommendations for the next fiscal year; an economic forecast; and the budget plan. The Operating Detail contains organizational charts; descriptive narrative information for every department/bureau/commission/division, and program; summarized financial information related to actual expenditures, current budget, and requested appropriations by program and by fund; and capital projects. The Budget Bill includes the language required to legally enact the budget or appropriations bill. The Account Detail provides the detailed budgetary information for FY 2021 Actual Expenditures, FY 2022 Budgeted Expenditures, FY 2023 Current-Level Request, and the Governor's FY 2023 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.

### ***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

## *Budget Overview (Continued)*

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.
- Any spending unit in any fund to transfer between “current expenses,” “repairs and alterations,” “buildings,” “land,” “equipment,” and “other assets.”
- The Budget Bill also requires the payment for the Board of Risk and Insurance Management (BRIM) premiums and payments for employee benefits to be paid or transferred from various sources should the appropriations be insufficient.

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

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

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

The cabinet secretary of the Department of Health and Human Resources may also transfer up to 5% of funds appropriated to one item to another item(s) within the Division of Human Services, provided, however, that

funding for “Personal Services” (salaries) may not be increased.

### **Legislative and Judicial Amendments**

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

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

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

#### *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

## *Budget Overview (Continued)*

been anticipated and included in the budget approved by the Legislature, the Governor may authorize, in writing, the expenditure of such funds in the same manner as Special Revenue funds described above. However, the Governor may not authorize the expenditure of such funds received for the creation of a new program or for a significant alteration of an existing program. A mere new source of funding of federal money for a program that has been approved by legislation is not considered a new program or a significant alteration of an existing program, and the Governor may authorize the expenditure of such funds.

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

### ***Financial Related Policies***

#### **Accounting and Auditing Procedures**

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

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

sufficient to cover the expenditure, and evidence of services rendered or materials received that supports the claim against the State.

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

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

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

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

Budgeted general government activities are summarized into the following budgetary funds: General Revenue Fund, State Road Fund, Federal Funds, and Special Revenue Funds. As required by W.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.

## Budget Overview (Continued)

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

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

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

### Cash Management and Investment Procedures

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

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

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 nine investment pools and accounts. Three main pools are utilized for investing excess State cash and local government money. The West Virginia Money Market Pool and the West Virginia Government Money Market Pool are both rated AAAM by Standard and Poor’s. The West Virginia Short-Term Bond Pool is a bond mutual fund used for investments that have a perceived longer investment horizon.

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

### Evaluation and Monitoring Procedures

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

The budget is predicated on revenue source estimates which are evaluated on a monthly basis. Subsequent to the passage of the Budget Act, the Department of Revenue monitors and forecasts revenues to evaluate their flow and the accuracy of the estimates. The State Budget Office issues monthly revenue reports that reflect collections compared to the estimate and to the prior fiscal year. Various monitoring techniques, such as daily cash flow review, are used to ensure the revenue collections are sufficient to support the appropriations made by the Legislature. If the Governor believes the revenues may fall short of estimates, he may direct the State Budget Office to reduce all General Revenue appropriations to the

## *Budget Overview (Continued)*

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.

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

## Budget Overview (Continued)

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 2023 performance measures is to show the agency's performance for the most current fiscal year (FY 2021) and the performance-level objectives the program is trying to achieve in FY 2022 and FY 2023 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 leadership. PERD follows Generally Accepted Government Auditing Standards (GAGAS) in its evaluation of State agencies. PERD's reports are generally reported to the Joint Committee on Government Operations, the Joint Committee on Government Organization, and other legislative committees at their request.

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

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

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

**Regulatory board reviews** are conducted on regulatory boards established under Chapter 30 of the West Virginia Code that regulate certain professions. A regulatory

## Budget Overview (Continued)

board must be reviewed at least once every 12 years. PERD's review makes several determinations including the following:

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

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

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

- \* 2021, Department of Administration
- \* 2022, Department of Education
- \* 2022, Higher Education Policy Commission
- \* 2022, West Virginia Council for Community and Technical College Education
- \* 2023, Department of Veterans' Assistance
- \* 2023, Department of Arts, Culture, and History

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

- \* 2021, Board of Dental Examiners
- \* 2021, Board of Medicine
- \* 2021, Board of Pharmacy
- \* 2022, Board of Chiropractic Examiners
- \* 2022, Board of Osteopathy
- \* 2022, Board of Physical Therapy
- \* 2023, Board of Occupational Therapy
- \* 2023, Board of Examiners for Speech-Language Pathology and Audiology

- \* 2023, Medical Imaging and Radiation Therapy Board of Examiners
- \* 2024, Board of Professional Surveyors
- \* 2024, Board of Registration for Foresters
- \* 2024, Board of Registration for Professional Engineers
- \* 2025, Board of Examiners for Licensed Practical Nurses
- \* 2025, Board of Examiners for Registered Professional Nurses
- \* 2025, Massage Therapy Licensure Board
- \* 2026, Board of Architects
- \* 2026, Board of Embalmers and Funeral Directors
- \* 2026, Board of Landscape Architects
- \* 2027, Board of Registration for Sanitarians
- \* 2027, Real Estate Appraiser Licensure and Certification Board
- \* 2027, Real Estate Commission



# Human Resources

As of November 30, 2021, the State had approximately 36,094 filled, permanent, full-time equivalent employees, including approximately 10,924 employed by the Higher Education Policy Commission and approximately 1,235 employed by the Council for Community and Technical College Education.

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

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

## ***Notable position changes in FY 2022***

- The Department of Agriculture added three field inspectors to the Meat Inspection unit.
- The Office of Tourism and the Development Office became their own cabinets (the Department of Tourism and the Department of Economic Development), transferring their respective FTE from the Department of Commerce.
- The Office of Energy moved from Commerce to the Department of Economic Development.
- Added one FTE to the Department of Economic Development, Office of the Secretary for the Cabinet Secretary.
- The Department of Economic Development is creating new positions related to Broadband.

- Workforce West Virginia, via SB 421, is permitted to hire up to 100 exempt positions.
- Division of Health added new positions to William R. Sharpe Jr. Hospital, for Epidemiology services, and other positions related to the current State of Emergency.
- The Division of Human Services added four Social Service Supervisors to the Adoption and Home Finding units and four CPS workers under the Foster Care Ombudsman.
- Department of Corrections and Rehabilitation moved positions to the Division of Administrative Services.
- DMV created 22 positions for the eastern regional offices.
- Office of Administrative Hearings dissolved.

## ***Recommended position changes FY 2023***

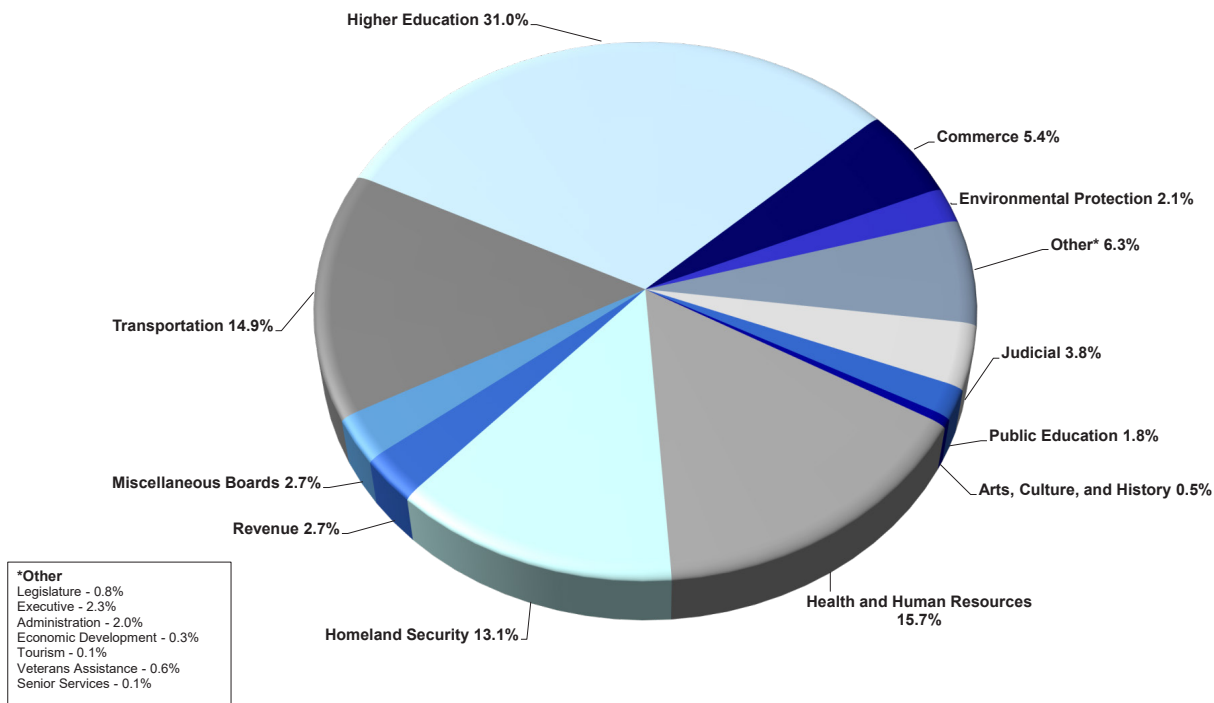
- Move 11 administrative staff FTEs from the Department of Economic Development to the Department of Commerce, Secretary's Office.
- Add two FTEs to the Commerce Secretary's Office for the Governor's reactivated Public Energy Authority.
- Remove three FTEs from the Library Commission as the positions have been consolidated.
- Add four FTEs to the Department of Agriculture to hire more meat inspectors.
- Add two FTEs to the Department of Agriculture to hire outreach staff to support the Fresh Food Act.
- Add eight FTEs to Tax Appeals to support the additional workload created by HB 2581.
- Add one FTE to the Board of Medicine to eliminate paying overtime and hiring temporary staff to

handle the increased licensing caseload created by COVID-19.

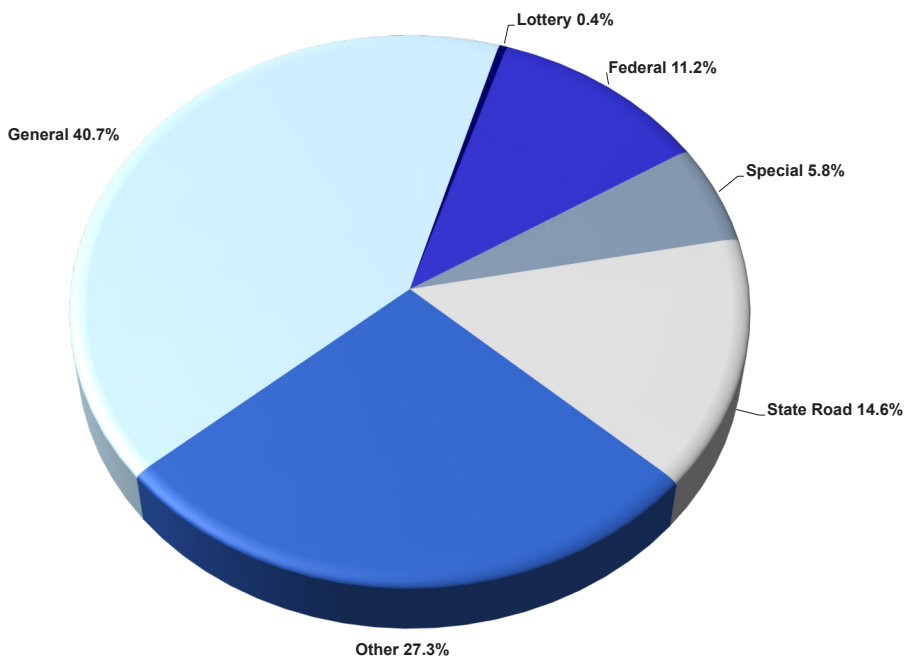
- Add up to one FTE for The Herbert Henderson Office of Minority Affairs to assist with the additional tasks assigned to the office.
- Add six FTEs to the State Treasurer's Office for various scholarship and savings programs created by legislation in the 2021 Legislative Session.
- Add one FTE to Public Defender Services to hire a program coordinator responsible for the implementation and oversight of PDS's abuse and neglect proceeding representation programs.
- Add three FTEs for the Division of Emergency Management.
- Division of Emergency Management requested additional federally-funded positions.
- Schools for the Deaf and Blind requested reduced FTEs for FY 2023 to fund HVAC updates on campus.

# Schedule of Recommended Budgeted Full-Time Equivalents (FTE) Permanent Positions FY 2023

By Department



By Fund



# Schedule of Budgeted Full-Time Equivalents All Funds Permanent Positions FY 2021 through FY 2023

Department/Agency	FY 2021 11-30-2020	FY 2022 11-30-2021	FY 2023 Recommended
<b>TOTAL BUDGETED FTE PERMANENT POSITIONS</b>	<b>40,663.46</b>	<b>41,047.78</b>	<b>41,016.66</b>
<b>LEGISLATURE</b>			
Senate	58.66	58.66	58.66
House of Delegates	108.47	107.00	107.00
Joint Expenses	134.49	143.49	146.49
<b>TOTAL - LEGISLATURE</b>	<b>301.62</b>	<b>309.15</b>	<b>312.15</b>
<b>TOTAL - JUDICIAL</b>	<b>1,522.00</b>	<b>1,541.00</b>	<b>1,572.00</b>
<b>EXECUTIVE</b>			
Governor's Office	45.25	46.00	46.25
State Auditor's Office	181.00	179.00	177.00
Treasurer's Office	135.80	135.80	137.80
Agriculture, Department of	355.00	369.00	369.00
Attorney General's Office	195.60	194.60	194.60
Secretary of State	52.00	52.00	52.00
<b>TOTAL - EXECUTIVE</b>	<b>964.65</b>	<b>976.40</b>	<b>976.65</b>
<b>DEPARTMENT OF ADMINISTRATION</b>			
Office of the Secretary	7.50	7.50	7.50
Consolidated Public Retirement Board	100.00	100.00	100.00
Finance, Division of	36.00	37.00	37.00
Information Services & Communications, Division of	266.50	267.50	267.50
General Services, Division of	116.00	116.00	116.00
Purchasing, Division of	41.00	40.00	40.00
Surplus Property	13.00	14.00	14.00
Travel Management	9.00	9.00	9.00
Fleet Management Division	9.00	9.00	9.00
Board of Risk and Insurance Management	28.00	28.00	28.00
Education & State Employees' Grievance Board	12.00	12.00	12.00
Ethics Commission	7.00	7.00	7.00
Public Defender Services	31.00	32.00	32.00
Personnel, Division of	68.50	65.50	65.50
Public Employees Insurance Agency	55.70	55.70	55.70
Prosecuting Attorneys Institute	5.00	5.00	4.99
Office of Technology	4.00	4.00	4.00
Retiree Health Benefits Trust Fund	3.00	3.00	3.00
Real Estate Division	21.00	19.00	20.00
<b>TOTAL - ADMINISTRATION</b>	<b>833.20</b>	<b>831.20</b>	<b>832.19</b>

*FTE Schedule of All Funds (Continued)*

<b>Department/Agency</b>	<b>FY 2021 11-30-2020</b>	<b>FY 2022 11-30-2021</b>	<b>FY 2023 Recommended</b>
<b>DEPARTMENT OF COMMERCE</b>			
Office of the Secretary	29.00	33.00	45.00
Tourism, Office of	46.00	-	-
Forestry, Division of	92.75	93.75	92.75
Geological and Economic Survey	34.00	34.00	34.00
Development Office	117.00	-	-
Labor, Division of	89.00	89.00	89.00
Natural Resources, Division of	806.00	806.00	807.00
Miners' Health, Safety and Training, Division of	135.00	135.00	135.00
Board of Coal Mine Health and Safety	2.00	2.00	2.00
WorkForce West Virginia	457.20	500.20	463.20
Energy, Office of	4.00	-	-
Rehabilitation Services, Division of	551.50	550.50	550.50
<b>TOTAL - COMMERCE</b>	<b>2,363.45</b>	<b>2,243.45</b>	<b>2,218.45</b>
<b>TOTAL - DEPARTMENT OF TOURISM</b>	<b>-</b>	<b>46.00</b>	<b>46.00</b>
<b>DEPARTMENT OF ECONOMIC DEVELOPMENT</b>			
Office of the Secretary	-	120.00	112.00
Office of Energy	-	5.00	-
<b>TOTAL - ECONOMIC DEVELOPMENT</b>	<b>-</b>	<b>125.00</b>	<b>112.00</b>
<b>DEPARTMENT OF EDUCATION</b>			
Education, State Department of	578.00	576.00	581.00
WV Schools for the Deaf & the Blind	183.87	182.87	156.00
School Building Authority	13.00	13.00	13.00
<b>TOTAL - EDUCATION</b>	<b>774.87</b>	<b>771.87</b>	<b>750.00</b>
<b>DEPARTMENT OF ARTS, CULTURE, AND HISTORY</b>			
Culture and History, Division of	118.00	117.50	116.50
Library Commission	29.00	29.00	26.00
Educational Broadcasting Authority	60.00	60.00	60.00
<b>TOTAL - ARTS, CULTURE, AND HISTORY</b>	<b>207.00</b>	<b>206.50</b>	<b>202.50</b>
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			
Environmental Protection, Division of	888.45	874.65	864.10
Environmental Quality Board	2.00	2.00	2.00
Solid Waste Management Board	10.00	10.00	10.00
Oil and Gas Conservation Commission	1.00	1.00	1.00
<b>TOTAL - ENVIRONMENTAL PROTECTION</b>	<b>901.45</b>	<b>887.65</b>	<b>877.10</b>

*FTE Schedule of All Funds (Continued)*

Department/Agency	FY 2021 11-30-2020	FY 2022 11-30-2021	FY 2023 Recommended
<b>DEPARTMENT OF HEALTH AND HUMAN RESOURCES</b>			
Office of the Secretary	5.00	5.00	5.00
Health, Division of	2,624.26	2,680.76	2,657.76
Health Care Authority	9.00	8.00	8.00
Human Rights Commission	27.00	27.00	27.00
Human Services, Division of	3,752.53	3,766.48	3,757.71
<b>TOTAL - HEALTH AND HUMAN RESOURCES</b>	<b>6,417.79</b>	<b>6,487.24</b>	<b>6,455.47</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Office of the Secretary	27.00	27.00	28.00
Emergency Management, Division of	76.50	95.50	103.50
Corrections and Rehabilitation, Division of	3,974.00	3,895.00	3,879.00
WV State Police	1,087.50	1,099.50	1,098.50
Fire Commission	58.00	58.00	58.00
Protective Services, Division of	56.00	56.00	56.00
Administrative Services, Division of	42.00	115.00	133.54
<b>TOTAL - DEPARTMENT OF HOMELAND SECURITY</b>	<b>5,321.00</b>	<b>5,346.00</b>	<b>5,356.54</b>
<b>DEPARTMENT OF REVENUE</b>			
Office of the Secretary	8.00	8.00	8.00
Tax Division	426.00	427.00	427.00
State Budget Office	8.00	11.00	11.00
Insurance Commissioner	248.00	249.00	248.00
Lottery Commission	194.00	194.00	194.00
Racing Commission	36.00	34.00	72.00
Alcohol Beverage Control Administration	82.00	82.00	82.00
Office of Tax Appeals	6.00	6.00	14.00
Municipal Bond Commission	4.00	4.00	4.00
Financial Institutions, Division of	30.00	30.00	30.00
<b>TOTAL - REVENUE</b>	<b>1,042.00</b>	<b>1,045.00</b>	<b>1,090.00</b>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Motor Vehicles, Division of	639.00	661.00	661.00
Highways, Division of	5,393.00	5,401.00	5,417.00
State Rail Authority	17.00	17.00	17.00
Public Transit, Division of	11.00	11.00	11.00
Public Port Authority	-	-	-
Aeronautics Commission	3.00	3.00	3.00
Office of Administrative Hearings	27.00	-	-
<b>TOTAL - TRANSPORTATION</b>	<b>6,090.00</b>	<b>6,093.00</b>	<b>6,109.00</b>
<b>DEPARTMENT OF VETERANS ASSISTANCE</b>			
Veterans Affairs	219.89	208.09	214.09
Veterans Home	47.00	49.00	47.00
<b>TOTAL - VETERANS ASSISTANCE</b>	<b>266.89</b>	<b>257.09</b>	<b>261.09</b>

*FTE Schedule of All Funds (Continued)*

<b>Department/Agency</b>	<b>FY 2021 11-30-2020</b>	<b>FY 2022 11-30-2021</b>	<b>FY 2023 Recommended</b>
<b>TOTAL - BUREAU OF SENIOR SERVICES</b>	<b>34.00</b>	<b>34.00</b>	<b>34.00</b>
<b>HIGHER EDUCATION POLICY COMMISSION</b>			
HEPC - Administration	71.60	73.00	72.00
West Virginia University	6,765.64	6,913.48	6,938.89
Marshall University	1,745.56	1,844.14	1,775.93
Osteopathic School of Medicine	317.00	320.00	317.00
Bluefield State College	191.27	205.98	198.34
Concord University	266.58	257.74	256.27
Fairmont State University	441.23	446.07	438.76
Glennville State College	206.00	212.00	215.00
Shepherd University	433.32	423.65	431.74
West Liberty University	312.50	330.58	326.50
West Virginia State University	337.53	322.00	326.53
WVNET	56.00	55.53	56.00
<b>TOTAL - HIGHER EDUCATION POLICY COMMISSION</b>	<b>11,144.23</b>	<b>11,404.17</b>	<b>11,352.96</b>
<b>COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION</b>			
Council - Administration	14.00	15.00	15.00
Mountwest Community and Technical College	109.00	111.00	111.00
New River Community and Technical College	145.00	141.00	147.00
Pierpont Community and Technical College	127.00	123.80	122.00
Blue Ridge Community and Technical College	195.92	195.06	200.03
West Virginia University at Parkersburg	204.12	210.65	204.12
Southern West Virginia Community and Technical College	173.00	171.00	173.00
West Virginia Northern Community and Technical College	141.02	145.55	145.02
West Virginia Eastern Community and Technical College	38.00	37.80	42.40
BridgeValley Community and Technical College	184.75	184.75	187.75
<b>TOTAL - COUNCIL FOR C&amp;T COLLEGE EDUCATION</b>	<b>1,331.81</b>	<b>1,335.61</b>	<b>1,347.32</b>
<b>MISCELLANEOUS BOARDS AND COMMISSIONS</b>			
Barbers and Cosmetologists, Board of	8.00	8.00	8.00
Adjutant General	701.50	649.50	654.00
Board of Medicine	16.00	16.00	17.00
Courthouse Facilities Improvement Authority	1.00	1.00	1.00
Hospital Finance Authority	1.00	1.00	1.00
Licensed Practical Nurses	5.00	5.00	5.00
Public Service Commission	268.30	273.00	271.80
Real Estate Commission	6.00	7.00	6.00
Registered Nurses	17.00	17.00	17.00
Water Development Authority	18.00	17.00	19.49
West Virginia Economic Development Authority	10.00	13.00	12.00
Enterprise Resource Planning Board	38.00	38.00	38.00
Other Boards	57.70	61.95	60.95
<b>TOTAL - MISC. BOARDS AND COMMISSIONS</b>	<b>1,147.50</b>	<b>1,107.45</b>	<b>1,111.24</b>

*FTE Schedule of All Funds (Continued)*

By Department/Funding Source	FY 2021 11-30-2020	FY 2022 11-30-2021	FY 2023 Recommended
<b>ALL DEPARTMENTS/AGENCIES</b>			
General	16,819.73	16,882.56	16,681.43
Federal	4,616.20	4,675.02	4,604.79
Lottery	213.80	149.53	147.74
Special	2,299.64	2,290.29	2,360.97
State Road Fund	5,989.00	5,992.00	6,008.00
Nonappropriated Special	10,725.09	11,058.38	11,213.74
<b>TOTAL</b>	<b>40,663.46</b>	<b>41,047.78</b>	<b>41,016.66</b>
<b>LEGISLATURE</b>			
General	296.62	304.15	307.15
Federal	-	-	-
Lottery	-	-	-
Special	5.00	5.00	5.00
Nonappropriated Special	-	-	-
<b>TOTAL</b>	<b>301.62</b>	<b>309.15</b>	<b>312.15</b>
<b>JUDICIAL</b>			
General	1,522.00	1,541.00	1,572.00
Federal	-	-	-
Lottery	-	-	-
Special	-	-	-
Nonappropriated Special	-	-	-
<b>TOTAL</b>	<b>1,522.00</b>	<b>1,541.00</b>	<b>1,572.00</b>
<b>EXECUTIVE</b>			
General	481.16	475.75	474.82
Federal	57.89	63.89	63.89
Lottery	-	-	-
Special	253.07	258.92	259.32
Nonappropriated Special	172.52	177.83	178.63
<b>TOTAL</b>	<b>964.65</b>	<b>976.40</b>	<b>976.66</b>
<b>DEPARTMENT OF ADMINISTRATION</b>			
General	148.05	150.25	148.25
Federal	-	-	-
Lottery	-	-	-
Special	382.44	378.24	379.43
Nonappropriated Special	302.72	302.72	304.52
<b>TOTAL</b>	<b>833.20</b>	<b>831.20</b>	<b>832.19</b>
<b>DEPARTMENT OF COMMERCE</b>			
General	906.00	815.70	827.70
Federal	970.09	980.89	941.89
Lottery	99.00	59.00	59.00
Special	224.51	222.66	224.66
Nonappropriated Special	163.85	165.20	165.20
<b>TOTAL</b>	<b>2,363.45</b>	<b>2,243.45</b>	<b>2,218.45</b>

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

## Permanent Positions FY 2021 through FY 2023

By Department/Funding Source	FY 2021 11-30-2020	FY 2022 11-30-2021	FY 2023 Recommended
<b>DEPARTMENT OF TOURISM</b>			
General	-	-	-
Federal	-	-	-
Lottery	-	46.00	46.00
Special	-	-	-
Nonappropriated Special	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>46.00</b>	<b>46.00</b>
<b>DEPARTMENT OF ECONOMIC DEVELOPMENT</b>			
General	-	62.40	82.40
Federal	-	53.10	20.10
Lottery	-	-	-
Special	-	1.00	7.00
Nonappropriated Special	-	8.50	2.50
<b>TOTAL</b>	<b>-</b>	<b>125.00</b>	<b>112.00</b>
<b>DEPARTMENT OF EDUCATION</b>			
General	572.21	633.03	608.61
Federal	94.30	97.55	97.00
Lottery	71.67	6.00	6.70
Special	13.00	13.00	13.00
Nonappropriated Special	23.69	22.29	24.69
<b>TOTAL</b>	<b>774.87</b>	<b>771.87</b>	<b>750.00</b>
<b>DEPARTMENT OF ARTS, CULTURE, AND HISTORY</b>			
General	135.22	135.22	131.22
Federal	25.45	25.45	25.45
Lottery	5.50	5.50	5.50
Special	4.08	4.08	4.08
Nonappropriated Special	36.75	36.25	36.25
<b>TOTAL</b>	<b>207.00</b>	<b>206.50</b>	<b>202.50</b>
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			
General	77.22	76.53	76.40
Federal	341.05	330.26	329.91
Lottery	-	-	-
Special	241.93	236.53	242.84
Nonappropriated Special	241.25	244.33	227.95
<b>TOTAL</b>	<b>901.45</b>	<b>887.65</b>	<b>877.10</b>



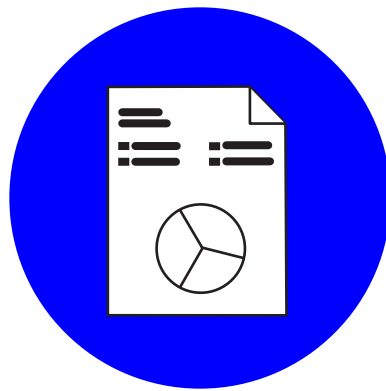
*FTE Schedule by Source of Funds (Continued)*

By Department/Funding Source	FY 2021 11-30-2020	FY 2022 11-30-2021	FY 2023 Recommended
<b>DEPARTMENT OF HEALTH AND HUMAN RESOURCES</b>			
General	3,805.82	3,837.24	3,823.51
Federal	2,328.44	2,363.09	2,345.43
Lottery	-	-	-
Special	83.92	83.92	82.92
Nonappropriated Special	199.61	202.99	203.61
<b>TOTAL</b>	<b>6,417.79</b>	<b>6,487.24</b>	<b>6,455.47</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
General	3,992.02	4,010.05	3,998.22
Federal	37.50	45.84	68.80
Lottery	-	-	-
Special	131.91	135.33	131.87
Nonappropriated Special	1,159.57	1,154.78	1,158.65
<b>TOTAL</b>	<b>5,321.00</b>	<b>5,346.00</b>	<b>5,357.54</b>
<b>DEPARTMENT OF REVENUE</b>			
General	371.10	375.10	383.10
Federal	-	-	-
Lottery	-	-	-
Special	422.85	419.85	456.85
Nonappropriated Special	248.05	250.05	250.05
<b>TOTAL</b>	<b>1,042.00</b>	<b>1,045.00</b>	<b>1,090.00</b>
<b>DEPARTMENT OF TRANSPORTATION</b>			
General	7.00	7.00	7.00
Federal	11.00	11.00	11.00
Lottery	-	-	-
Special	66.00	66.00	66.00
State Road Fund	5,989.00	5,992.00	5,986.00
Nonappropriated Special	17.00	17.00	17.00
<b>TOTAL</b>	<b>6,090.00</b>	<b>6,093.00</b>	<b>6,087.00</b>
<b>DEPARTMENT OF VETERANS ASSISTANCE</b>			
General	192.92	185.51	188.84
Federal	73.97	71.58	73.25
Lottery	-	-	-
Special	-	-	-
Nonappropriated Special	-	-	-
<b>TOTAL</b>	<b>266.89</b>	<b>257.09</b>	<b>262.09</b>
<b>BUREAU OF SENIOR SERVICES</b>			
General	-	-	-
Federal	10.14	10.57	10.12
Lottery	3.47	3.36	3.41
Special	2.40	2.27	2.27
Nonappropriated Special	17.99	17.80	18.20
<b>TOTAL</b>	<b>34.00</b>	<b>34.00</b>	<b>34.00</b>

*FTE Schedule by Source of Funds (Continued)*

By Department/Funding Source	FY 2021 11-30-2020	FY 2022 11-30-2021	FY 2023 Recommended
<b>HIGHER EDUCATION POLICY COMMISSION</b>			
General	3,230.58	3,232.89	3,011.82
Federal	134.67	83.04	87.99
Lottery	34.16	29.67	27.13
Special	129.18	124.14	142.03
Nonappropriated Special	7,615.65	7,934.43	8,083.99
<b>TOTAL</b>	<b>11,144.23</b>	<b>11,404.17</b>	<b>11,352.96</b>
<b>COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION</b>			
General	929.07	919.45	909.86
Federal	10.48	19.67	16.67
Lottery	-	-	-
Special	-	-	-
Nonappropriated Special	392.27	396.49	420.80
<b>TOTAL</b>	<b>1,331.81</b>	<b>1,335.61</b>	<b>1,347.33</b>
<b>MISCELLANEOUS BOARDS AND COMMISSIONS</b>			
General	152.75	121.29	132.54
Federal	521.22	519.09	513.29
Lottery	-	-	-
Special	339.35	339.35	338.70
Nonappropriated Special	134.18	127.72	126.71
<b>TOTAL</b>	<b>1,147.50</b>	<b>1,107.45</b>	<b>1,111.24</b>

# REVENUE SOURCES



# Revenue Sources

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

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

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

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

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

All General Revenue Fund expenditures, except refunds or overpayments, must be specifically appropriated by the Legislature and may be appropriated for any purpose the Legislature desires. The appropriations from the General Revenue Fund expire at the end of the state's fiscal year on June 30, with a few exceptions. Obligations may be paid through July 31 for goods and services that were incurred on or before June 30 of the expiring fiscal year. The Legislature may reappropriate any General Revenue Fund account by adding language in the Budget Act that allows any unexpended balances to be carried forward and expended in the following fiscal year. For

capital outlay appropriations, W.Va. Code §12-3-12 states, in part, that “appropriations for buildings and land or capital outlay shall remain in effect, and shall not be deemed to have expired until the end of three years . . .”

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

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

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

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

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.

## Revenue Sources

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

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

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

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

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

**Special Revenue funds** consist of individual accounts created for a specific purpose and the revenues may be expended only for that specific purpose unless otherwise directed by the Legislature. These accounts generate revenue derived from permits, licenses, and established rates or fees for services provided either to the public,

other state agencies, or non-state governmental entities. These accounts are generally “from collections” and the spending is limited to the amount collected or the amount appropriated by the Legislature, whichever is less. Proprietary funds and trust funds are included in the budget as Special Revenue funds.

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

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

### Revenue Estimates

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

The final forecast for an upcoming fiscal year is derived from the November economic forecasts approximately seven months prior to the beginning of a fiscal year. The forecast is adjusted at the conclusion of each Regular Legislative Session to incorporate any fiscal changes associated with tax law modifications. Even though numerous economic events and other changes occur seven to 19 months after the development of the final fiscal year forecast, the Official Revenue Estimates seldom change. However, staff monitor actual revenue collections on a daily and monthly basis. If the revenue estimates ever appear to be too optimistic given tax collection trends and economic conditions, such determinations are immediately forwarded to policymakers. Projected

## Revenue Sources

revenue shortfalls do result in midyear budget reductions, as was the case for FY 2010, then 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 33%.

### **Economic Development Tax Expenditure Budget - FY 2023**

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 2023.

### **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 “transferrable tax credits,” where a taxpayer can “sell” excess tax credit for some discounted amount (e.g., 90 cents on the dollar). The taxpayer receives a benefit of 90 cents, but the State incurs a tax expenditure of one full dollar when the credit is ultimately taken by the credit purchaser. The timing lag for transferable programs is even longer than the normal lag associated with many tax expenditures. Tax expenditure timing is also affected by differences in tax year versus budget year. In most cases, a taxpayer’s tax year corresponds with a calendar year as opposed to the State’s fiscal year that runs from July 1st to June 30th.

Finally, the filing of tax returns documenting the actual use of tax expenditures generally occurs long after the expiration of both the fiscal year of the tax expenditure grant and the calendar year of claim for the taxpayer. Both the uncertainty of taxpayer behavior and the timing of tax return filings related to tax expenditure claims pose significant forecasting challenges.

In many cases, the full cost of a tax expenditure program may stretch out over several fiscal years. Therefore, prospective policy changes to eliminate such a program may only gradually decrease the expenditure or gradually increase revenue freed up for other expenditure programs.

For purposes of the FY 2023 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)

## Revenue Sources

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

### **Tax Credits**

For purposes of the tax expenditure budget, there are 28 active tax credit programs in the State Tax Code with a total FY 2023 value of \$108.0 million. Programs classified as economic development-related account for \$61.6 million in value, an amount equal to roughly 57% 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 \$46.4 million.

The largest single tax credit in terms of cost (19% of the total) is the Industrial Expansion and Revitalization Tax Credit for electric power producers. This tax credit is largely tied to pollution abatement investment at coal-fired generating plants in the state. Tax credit benefits for each year of investment are prorated for use over a 10-year period beginning with the year of investment. West Virginia uniquely taxes electric power generation rather than final sales to consumers. Public utilities pass on their costs to final consumers in a rate-regulated environment. Therefore, final consumers are the principal beneficiaries of the Industrial Expansion and Revitalization Tax Credit.

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

## Revenue Sources

Article	Tax Credit	Description	FY 2023 Estimate (in millions)
5B-2E	Tourism Development	25% of approved costs over 10 years	\$3.0
11-13D	Industrial Expansion/Revitalization	10% Investment Credit - electric power producers	\$21.0
11-13E	Coal-Loading Facilities	10% Investment Credit - coal loading facilities	\$0.8
11-13F	Low-Income Electric, Gas & Water	Reimburses Utility for Low-Income Resident Discount	\$6.7
11-13G	Low-Income Telephone	Reimburses Utility for Low-Income Resident Discount	\$0.0
11-13J	Neighborhood Investment Program	50% Credit for Charitable Contributions	\$3.0
11-13K	Agricultural Equipment	25% up to \$2,500 - Environmental Equipment	Minimal
11-13L	<b>Natural Gas Jobs Retention</b>	<b>\$1,000/Job - Natural Gas Storage Tax</b>	<b>Minimal</b>
11-13Q	<b>Economic Opportunity</b>	<b>Investment Credit - New Jobs and Select Industries</b>	<b>\$3.0</b>
11-13S	<b>Manufacturing Investment</b>	<b>5% Investment Credit - Manufacturing</b>	<b>\$2.0</b>
11-13W	<b>Apprenticeship Training</b>	<b>\$2/hour or \$2,000/year - Training Tax Credit</b>	<b>\$0.3</b>
11-13Y	<b>Manufacturing Property Adjustment</b>	<b>Manufacturing Inventory Tax Credit</b>	<b>\$2.0</b>
11-13BB	<b>Mine Safety Technology</b>	<b>50% Investment Credit - Mine Safety Equipment</b>	<b>Minimal</b>
11-13DD	Farm to Food Bank Tax Credit	10% value of donated, edible agriculture products up to \$2,500 per year	Minimal
11-13EE	<b>Coal Severance Tax Rebate</b>	<b>35% of Qualified Investment - 80% of Additional Tax</b>	<b>\$12.0</b>
11-13FF	Car Donation Tax Credit	Lesser of 50% of value or \$2,000	\$0.3
11-13GG	<b>Downstream Gas Manufacturing Credit</b>	<b>Investment Credit - New Jobs and Select Industries</b>	<b>\$0.0</b>
11-13HH	<b>Natural Gas Liquids Property Tax Credit</b>	<b>Tangible Personal Property Tax Credit</b>	<b>\$0.5</b>
11-13II	<b>High-Wage Growth Business Tax Credit</b>	<b>Up to 10% of salary paid</b>	<b>\$5.0</b>
11-13KK	<b>Small-Arms Manufacturing</b>	<b>Credit for Federal Excise Tax Paid</b>	<b>Minimal</b>
11-21-8a	<b>Rehabilitated Buildings</b>	<b>25% of qualified costs</b>	<b>\$12.0</b>
11-21-8g	Residential Rehabilitated Buildings	5% of qualified costs	\$0.3
11-21-10a	Nonfamily Adoption	\$2,000 per qualified adoption	\$1.0
11-21-21	Senior Citizen Homestead Credit	Local Tax paid on First \$20,000 of Taxable Valuation	\$11.5
11-21-22	Low-Income Family Tax Credit	Up to 100% of Pre-Credit Income Tax	\$21.0
11-21-23	Excess Property Tax Credit	Excess more than 4% of Gross Income up to \$1,000	\$2.5
11-21-42 & 11-24-12	<b>Military Incentive</b>	<b>30% of first \$5,000 of Wages Paid</b>	<b>Minimal</b>
61-7-4(r)	Gun Safety Training Credit	One-time credit of up to \$50	\$0.1
		<i>Subtotal:</i>	<u>\$108.0</u>



## Revenue Sources

### Tax Increment Financing

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

Nearly all states utilize TIF for economic development. Property taxes are generally imposed by counties, school boards, and municipalities in the state. The total value of TIF is roughly \$21.0 million in FY 2023 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 \$24.0 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 2023 Estimate (in millions)
7-11B	Property Tax Increment Financing Economic Development District	Property Increment-State portion of \$21.0 mil total	\$9.7
7-22	Sales Tax Increment Financing	6% State sales tax re-designated as local tax	\$24.0
		<i>Subtotal:</i>	\$40.4

### 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 64% 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 \$606 million and the state share of this combined value, mainly reflected in the State School Aid Formula, is \$169.2 million.

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

No accurate estimate is available for county-imposed Payment in Lieu of Tax (PILOT) arrangements. Based on

available PILOT payment data, however, the net PILOT tax expenditure is likely similar in magnitude to the value associated with certified capital additions.

The largest non-property tax rate preference program offered in West Virginia is the Thin-Seam Coal Rates Program. Lower regular severance tax rates apply to most underground coal mines with average seam thickness of no more than 45 inches. This \$65 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 2023 Estimate (in millions)
11-3-9	<b>PILOT-County</b>	<b>Payment in Lieu of Tax - New Facilities</b>	<b>Unknown</b>
11-1C	<b>Managed Timberland</b>	<b>Constitutional Preference - State portion of \$12.0 million</b>	<b>\$3.3</b>
11-6A	Pollution Control Salvage Value	State portion of \$72.0 million	\$19.9
11-6B	<b>Homestead Exemption and Tax Rate</b>	Over 65/Disabled - State Portion of \$102 million	\$28.7
11-6E	<b>Manufacturing Production Property</b>	<b>Salvage Value - State Portion of \$2.0 million</b>	<b>\$0.6</b>
11-6F	<b>Certified Capital Additions</b>	<b>Salvage Value-Existing Mfg. - State Portion of \$40.5 million</b>	<b>\$12.0</b>
11-6H	<b>Special Aircraft Property</b>	<b>Salvage Value - State portion of \$1.7 million</b>	<b>\$0.5</b>
11-6J	<b>High-Technology Business Property</b>	<b>Salvage Value - State portion of minimal \$0.1 million</b>	<b>\$0.0</b>
11-6L	<b>Wireless Technology</b>	<b>Salvage value - State Portion of \$0.5 million</b>	<b>\$0.1</b>
11-8-6b	Residential/Farm Preference	50% Tax Rate Preference - State Portion of \$504 million	\$140.5
11-13A-3(f)	<b>Thin-Seam Coal Rates</b>	<b>Reduced Tax Rates on Thin-Seam Coal [60%-80%]</b>	<b>\$65.0</b>
11-13A-3a(a)	<b>Natural Gas/Oil Exclusions</b>	<b>Low-volume/shut-in well gross receipt exclusions</b>	<b>\$5.0</b>
11-13A-3a(b) (2)	<b>Low Volume Natural Gas/Oil</b>	<b>Reduced tax rates on lower volume wells (50%)</b>	<b>\$5.0</b>
11-13A-3(b)	<b>Steam Coal Rates</b>	<b>Reduced tax rates on steam coal [40%]</b>	<b>\$40.0</b>
11-15-9s	Sales Tax Holiday	Back to school sales tax holiday	\$2.5
		<i>Subtotal:</i>	<b>\$323.1</b>

The total sum value of all tax expenditures listed above is \$471.5 million, including \$233.5 million in bolded economic development tax expenditures and \$238.0 million in various other tax expenditures.

### **Additional Revenue Information**

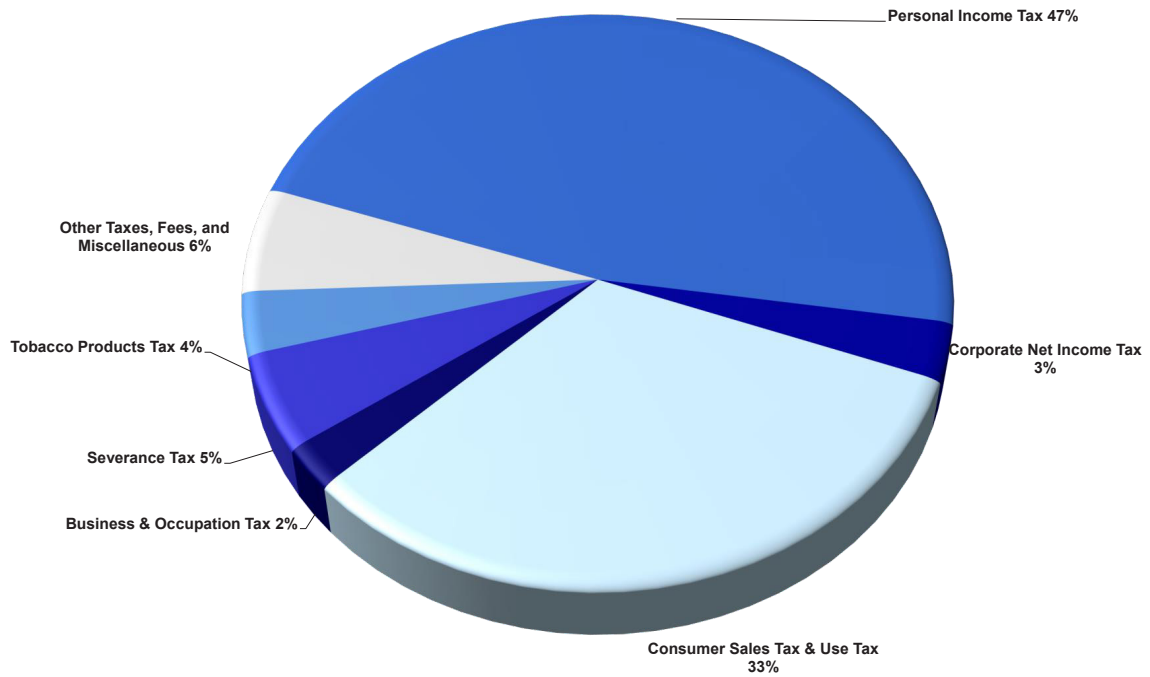
The following pages contain graphs and explanations of the sources of estimated revenues and areas of expenditure for General, State Road, Lottery, and Federal Funds. Due to the multiple sources of revenue, only the

area of estimated expenditures is depicted for 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.

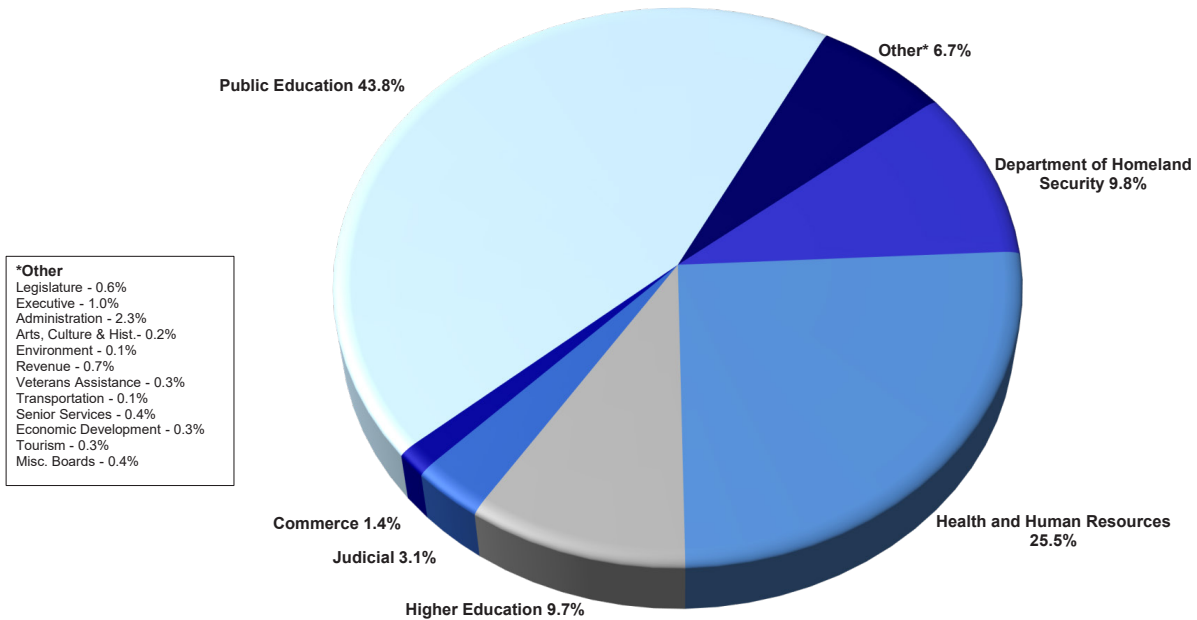
For a graphic presentation of total state revenues by source and expenditures by function, refer to “Where the State Dollar Comes From” and “Where the State Dollar Goes” in the “Summary Financial Statements” chapter.

# General Revenue Fund

**Sources of Revenue  
Fiscal Year 2023  
\$4.645 Billion  
(Estimated)**



**Recommended Expenditures  
Fiscal Year 2023  
\$4.645 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. After rising by 9.9% in FY 2019, Personal Income Tax collections fell by 8.6% in FY 2020 due to a short-term recession associated with efforts to combat the COVID-19 Pandemic and a decision to defer income tax payments due during the fourth quarter of the year to the first quarter of FY 2021. A major spike in unemployment in April 2020 also contributed to a 10.4% decline in fourth quarter wage and salary withholding tax collections. Following a brief recession during the fourth quarter of FY 2020, the State's economy rebounded in FY 2021 with significant gains in employment and wages. FY 2021 collections rebounded sharply with 19.1% growth partially fueled by a carryover of roughly \$144 million in deferred income tax receipts. Absent the revenue carryover, collections were up 4.1% for the year. Economic growth and wage growth further accelerated

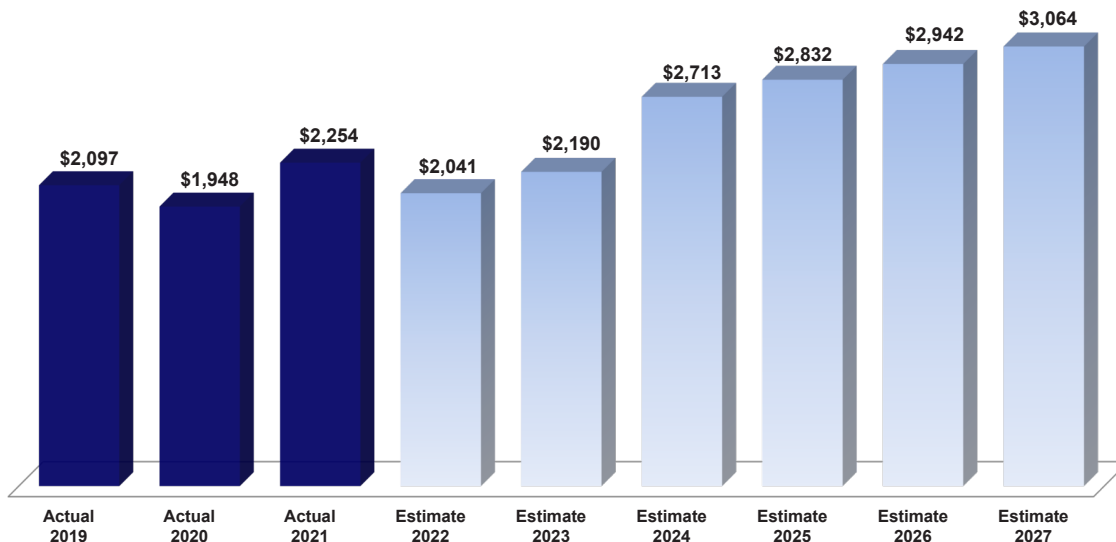
during the first half of FY 2022 with employment rising at an annualized rate of roughly 3%. Following adjustment to remove prior year deferred tax collections, personal income tax collections were 9.5% higher than prior year receipts through November.

According to the most recent forecasts from IHS Markit, payroll employment is expected to grow by roughly 1.3% in 2022, and by 0.5% in 2023. Employment is expected to level out between 2023 and 2027 due to demographic limitations. West Virginia personal income less transfer payments fell by roughly 1.5% in CY 2020 and then subsequently rebounded by an estimated 4.6% in CY 2021. IHS Markit projects West Virginia personal income less transfer payments to increase by 6.1% in 2022, by 5.4% in 2023, and by an annual average of 4.2% between 2023 and 2027. Income tax collections are projected to rise by an average annual rate of nearly 6.0% during the FY 2021 to FY 2027 forecast period.

**Tax on West Virginia taxable income:**

- 3.0% on the first \$10,000 of taxable income.
- 4.0% on taxable income between \$10,000 and \$25,000.
- 4.5% on taxable income between \$25,000 and \$40,000.
- 6.0% on taxable income between \$40,000 and \$60,000.
- 6.5% on taxable income in excess of \$60,000.
- Accounts for roughly 47% of total General Revenue Fund.

**Personal Income Tax  
(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.

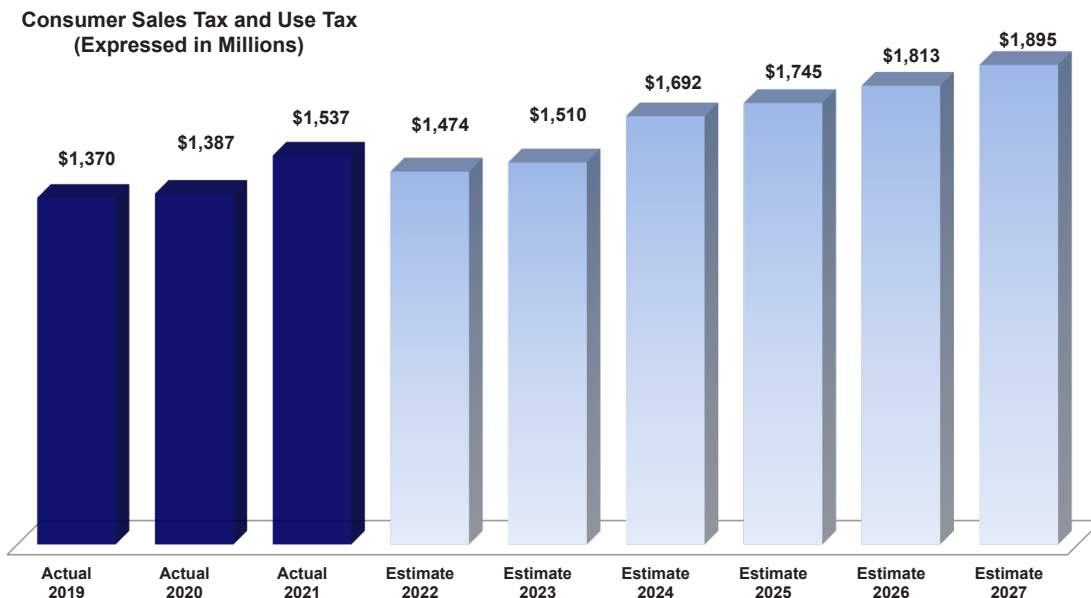
Fluctuations in retail sales are affected by several factors, including changes to population, consumer confidence and debt, inflation and interest rates, and disposable personal income. The West Virginia population has been in decline since 2012, falling an estimated 3.5% between 2012 and 2020. West Virginia disposable personal income was largely unchanged between 2015 and 2016 as compared with national average growth of 2.6%. However, disposable personal income growth rebounded to an average annual increase of more than 3.7% between 2016 and 2019. Due in large part to significant federal fiscal stimulus payments in response to the COVID-19 Pandemic, disposable personal income jumped by more than 6.0% in CY 2020. Disposable personal income is estimated to increase by more than 4.8% in 2021. The jump in disposable personal income was a significant factor in the above average 10.8% growth rate in General Revenue Fund Sales Tax collections in FY 2021 and the 7.1% growth rate through the first five months of FY 2022. IHS Markit forecasts West Virginia disposable personal

income will fall by more than 1.3% in 2022 before growing by nearly 4.5% per year on average from 2022 through 2026.

Overall sales tax collection growth was slightly more than 2.0% in FY 2018 with most of the growth coming in the later part of the year. In FY 2019, collections grew nearly 9.9%. The implementation of federal tax reform in CY 2018 may have provided some spending stimulus. In addition, economic activity associated with an employment gain of roughly 1.5%, higher overall wages, and significant investment in natural gas pipeline infrastructure all contributed to the strong gains in sales tax collections in FY 2019. Collection growth slowed significantly to just 1.2% in FY 2020 in response to the impact of an energy sector slowdown, the loss of employment in pipeline construction and the onset of a sharp recession associated with the COVID-19 Pandemic. In FY 2021, sales tax collections experienced growth of 10.8% over FY 2020. For the first five months of FY 2022 cumulative collections were up more than 7.1% over the same period in FY 2021. Over the long-run, annual collections are expected to rise by an annual average of 4.1% between FY 2019 and FY 2027. Higher inflation in the short term contributes to average annual growth of 4.7% between FY 2019 and FY 2023.

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 33% of total General Revenue Fund.



## General Revenue Fund Severance Tax

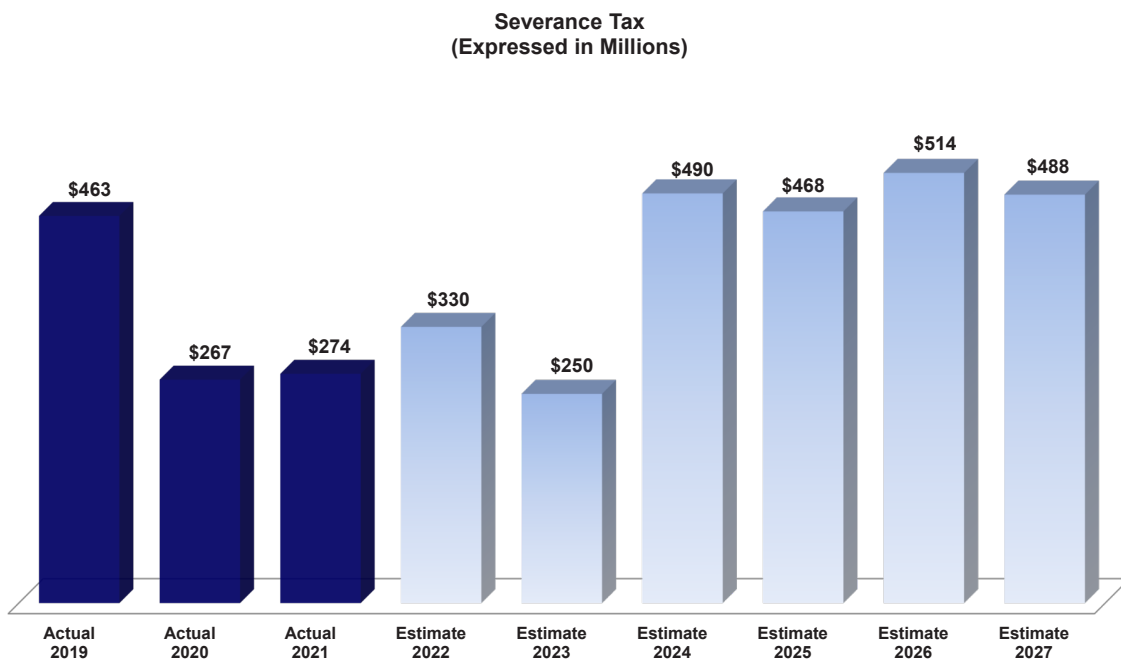
Severance Tax collections are attributable to coal production, natural gas production, and the production of various other natural resource products. Other natural resources products include oil, coal-bed methane, natural gas liquids, gravel, sand, and gob (coal refuse). During FY 2021, regular severance tax receipts were deposited in the State General Revenue Fund (82.2%), the State Infrastructure Fund (6.6%), and local government funds (11.2%.) Under current law, some proceeds from the Severance Tax fund debt service in the Infrastructure Bond Fund of up to a maximum annual amount of roughly \$22.2 million.

Severance tax collection growth depends upon changes in coal and natural gas production and their respective prices. Recent technological advancements led to a tenfold increase in natural gas production in West Virginia since 2010 along with significantly lower natural gas prices. Natural gas has become very competitive with coal as a fuel source in the generation of electric power. After

falling by nearly 34% between CY 2012 and CY 2016, coal production partially rebounded with growth of roughly 16% and 3% in CY 2017 and CY 2018, respectively. The energy sector suffered from the loss of economic activity during the first few months of the COVID-19 Pandemic with coal production declining by nearly 25% in CY 2020 and average coal prices declining by more than 10% in CY 2020. The rapid economic recovery in CY 2021 produced supply shortages relative to demand with significantly higher energy prices. Coal production rebounded with growth of nearly 17% and prices also began surging with average price up roughly 45% in six months between April 2021 and October 2021.

After rising by more than 20% per year in both 2019 and 2020, natural gas production rose at a slower pace of slightly more than 7% in 2021. Annual production growth is forecast to slow toward an average of 5% per year over the forecast period partially due to the need for more pipeline infrastructure to transport product. Average

- Privilege tax on gross receipts with a base rate of 5.0%. (Reduced rates for underground thin seam coal and waste coal.)
- Applies to natural resources (coal, gas, oil, other) production.
- Effective July 1, 2019 the Severance Tax on limestone and sandstone was eliminated.
- The Severance Tax on steam coal was reduced to 4.3% on July 1, 2019; to 3.7% on July 1, 2020; and to 3.0% on July 1, 2021.
- Currently accounts for between 5% and 9% of total General Revenue Fund.



## *General Revenue Fund Severance Tax*

West Virginia natural gas prices fell sharply in 2020 due to lower economic activity associated with the COVID-19 Pandemic. Low natural gas prices also had a negative impact on West Virginia steam coal sales and overall Severance Tax collections. Tax collections fell by nearly 46% between CY 2019 and CY 2020. The rapid economic recovery resulted in a global supply imbalance and a sharp rise in natural gas prices since the end of 2020. The average price in November 2021 of \$4.50 per million BTU was more than four times higher than the average price in November 2020. The U.S. Energy Department of Energy forecasts average annual natural gas prices to double 2021 and then stabilize at an annual average of nearly \$4.00 per million BTU in 2022. Steam coal markets should continue to benefit in 2022 from a competitive price

advantage with natural gas. Metallurgical coal demand will also remain healthy through at least the end of 2022 due to anticipated global economic growth. After falling by nearly 46% in CY 2020 and then rebounding by roughly 115% in CY 2021, overall Severance Tax collections are anticipated to stabilize with more modest growth of roughly 7.5% from current levels through the end of FY 2023. Collection patterns will continue to be highly volatile in future years beyond 2023 with significant downside risk to the steam coal market offset by some potential gains in metallurgical coal, natural gas, and natural gas liquid markets.

## 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.

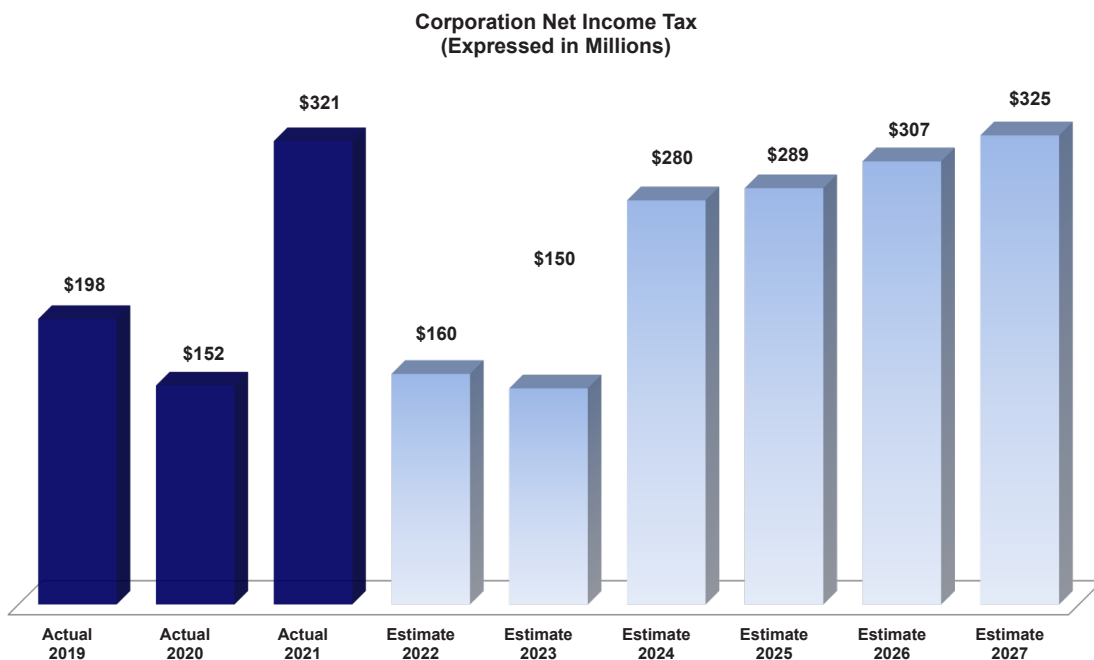
U.S. domestic corporate profits grew by 10.5% in 2018 and 4.4% in 2019 before declining by 5.3% in 2020. Aided by a strong recovery from the COVID-19 Pandemic Recession, corporate profits grew by an estimated 22.7% in 2021. According to IHS Markit, domestic corporate profits are likely to generally level out in 2022 and 2023 before resuming growth of nearly 5% per year beginning in 2024. 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 less than \$152.0 million in FY 2020 to nearly \$320.5 million in FY 2021. After adjustment to account for \$56 million in deferred income tax collections from FY 2020 to FY 2021, revenues grew by nearly 27.2% during the year. Collections continued rising at a hefty pace in the first half of FY 2022 with year-to-date receipts

up more than 60% from the prior year. After peaking in FY 2022, collections are anticipated to decline in FY 2023 and FY 2024 before rebounding beginning in FY 2025. The anticipated decline in collections over the next two years 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. Over the long-term from FY 2019 to FY 2027, Corporation Net Income Tax collections are forecast to increase at an average annual rate of 6.4%.

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

- Corporation Net Income Tax applies to C corporations.
- The tax base is the modified federal taxable income apportioned to West Virginia with a tax rate of 6.5%.
- Accounts for roughly 3% to 5% of total General Revenue Fund.





## General Revenue Fund

# Business and Occupation Tax

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

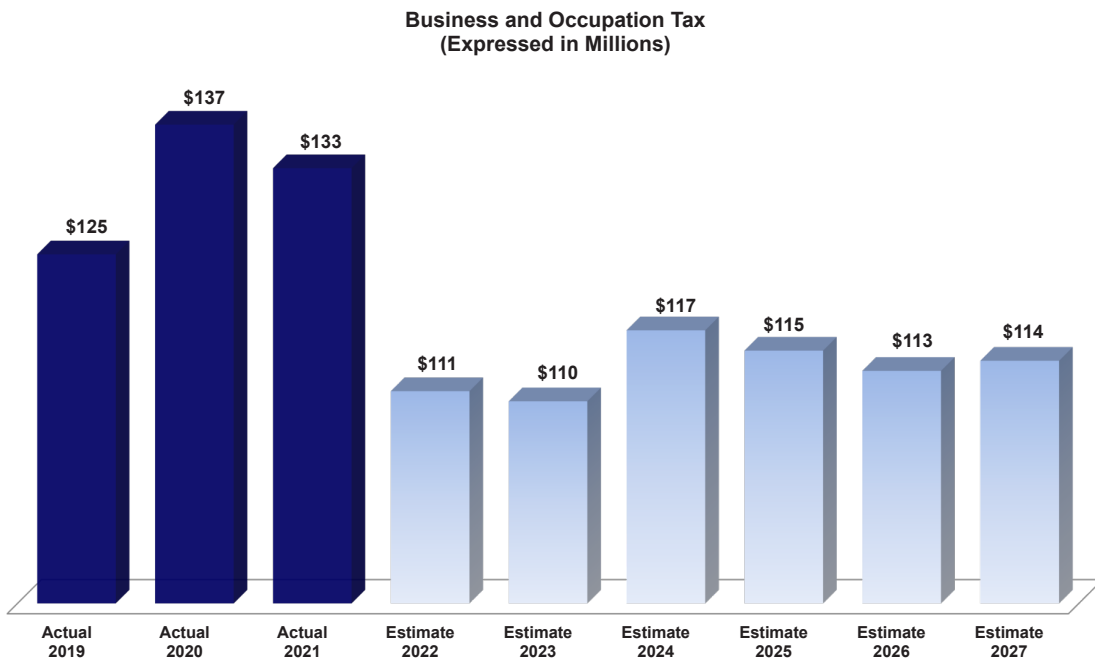
For electric power producers, the general tax rate is \$22.78 per kilowatt of taxable capacity. Plants with flue gas desulfurization systems are subject to a lower tax rate of \$20.70 per kilowatt. An increase in investment tax credits due to environmentally-required capital investments for the installation of flue gas desulfurization systems and other pollution abatement controls, along with the retirement of older power plants, collectively resulted in a reduction in total B&O Tax collections of roughly 40% from FY 2006 to FY 2017. Collections improved in recent years mainly due to the gradual expiration of those investment tax credits.

The tax on natural gas receipts applies only to public utility sales. Exempt non-utility sales represent more than

40% of natural gas sales in West Virginia. In addition to the tax on public utilities, West Virginia imposes a tax on natural gas storage activities. Revenue from this source should remain stable during the forecast period.

After rising by 8.3% in FY 2019 and by 10.3% in FY 2020, collections fell by nearly 3.1% in FY 2021. The decrease in tax collections was largely 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. FY 2022 collections are expected to fall by an additional 16.6% due to a change in law reducing the taxable capacity base for coal-fired generation plants to 45% of nameplate capacity effective July 1, 2021. Tax collections are forecast to subsequently rebound by 6.3% in FY 2023 as a result of higher public utility prices for both natural gas and water. However, long-term collections are forecast to decrease by an annual average of nearly 2.6% between FY 2021 and FY 2027.

- 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.



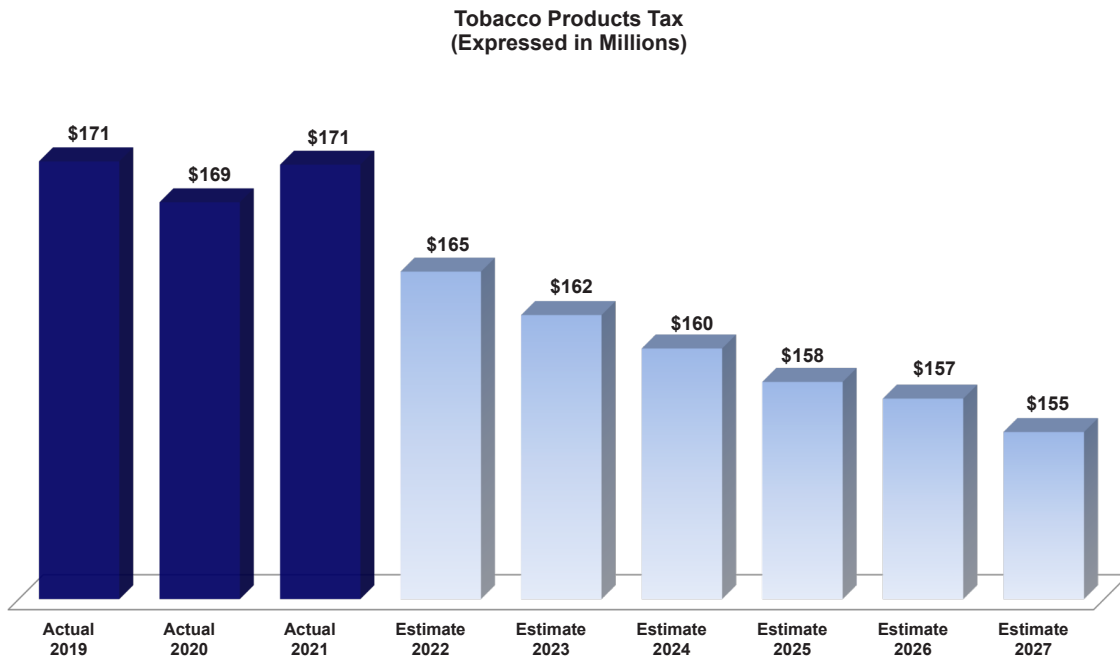
## General Revenue Fund

# Tobacco Products Tax

The Tobacco Products Tax consists of a unit excise tax per pack on cigarettes, a percentage tax on the wholesale price of other tobacco products, and a unit excise tax on e-cigarette liquid. An aging population and continuing efforts to discourage tobacco products consumption tend to create negative revenue growth for this tax over time. However, an increase in the cigarette and other tobacco products taxes and the creation of the tax on e-cigarette liquids during the 2016 special Legislative Session provided a temporary 94% surge in Tobacco Product Tax collections in FY 2017. FY 2018 saw a sharp decline in Tobacco Products Tax collections of 8.6% from the prior

year with 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. Through the first five months of FY 2022, cumulative collections are down more than 1.6% from the prior year. Collections are forecast to decrease by an average annual rate of approximately 1.6% between FY 2021 and FY 2027.

- 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 roughly 4% of total General Revenue Fund.



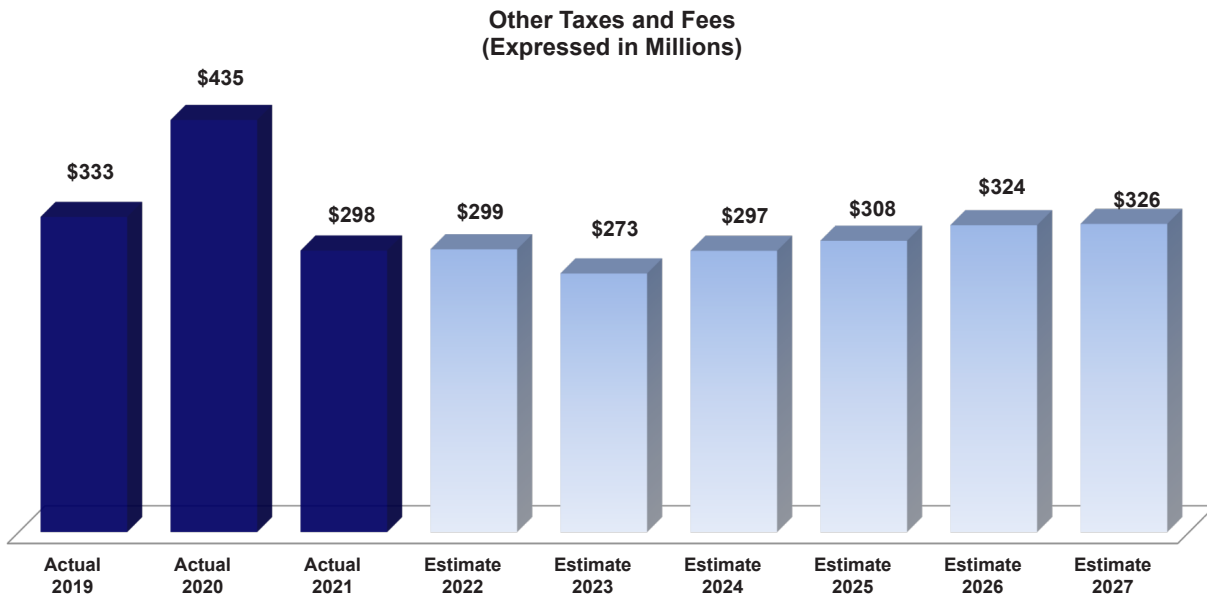
## General Revenue Fund

# Other Taxes and Fees

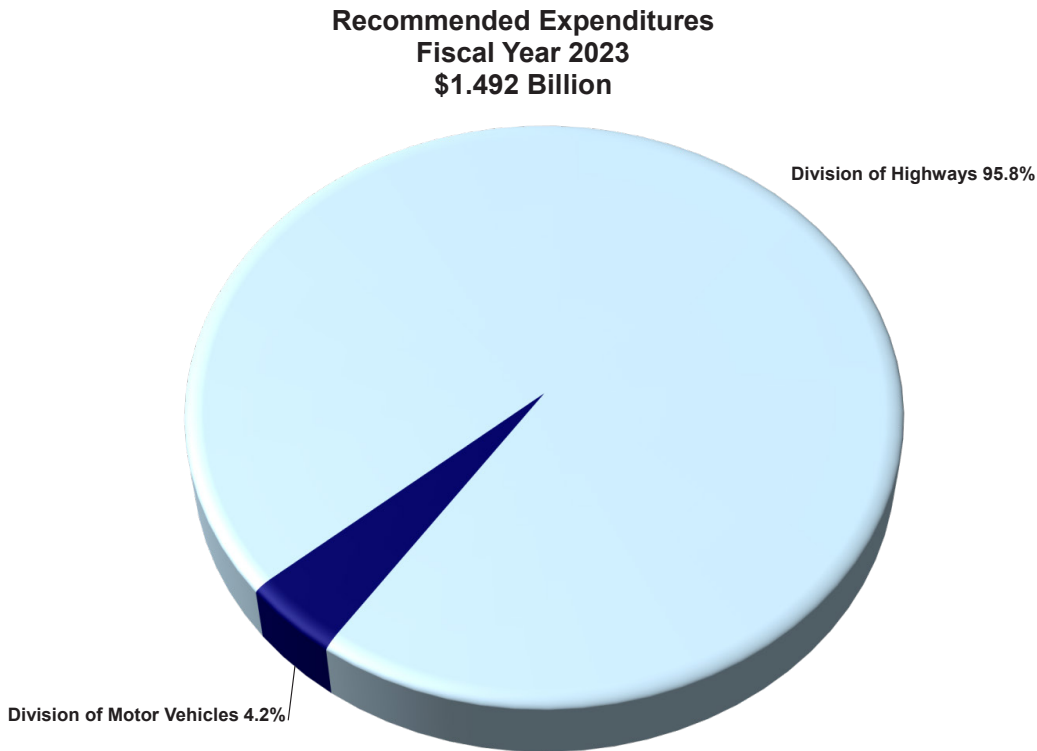
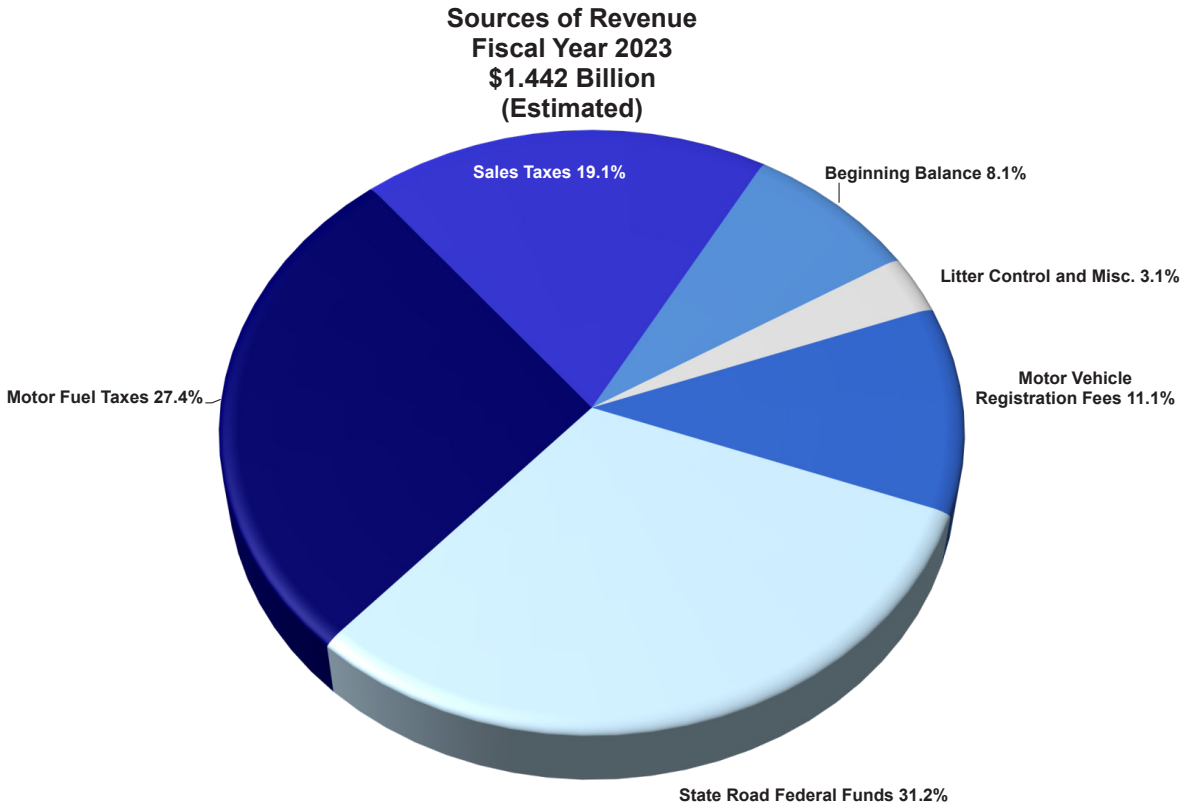
These other taxes, licenses, fees, and receipts consist of Insurance Premiums Tax, Liquor Profit Transfers, Beer Tax and Licenses, Business Franchise Registration Fees, Property Tax, Property Transfer Tax, Departmental Collections, Interest Income, Miscellaneous Receipts, Miscellaneous Transfers, Liquor License Renewal Fees, Video Gaming Revenues, and the Senior Citizen Tax Credit Reimbursement (from Excess Lottery Revenue.)

Most of these other taxes and fees are dependent upon population growth, other demographic trends, and changes in consumer behavior. Recently enacted legislation phases-out the State Property Transfer Tax over a period of 10 years beginning in FY 2022 with tax proceeds gradually transferred to county governments.

- Accounts for less than 6% of total General Revenue Fund.



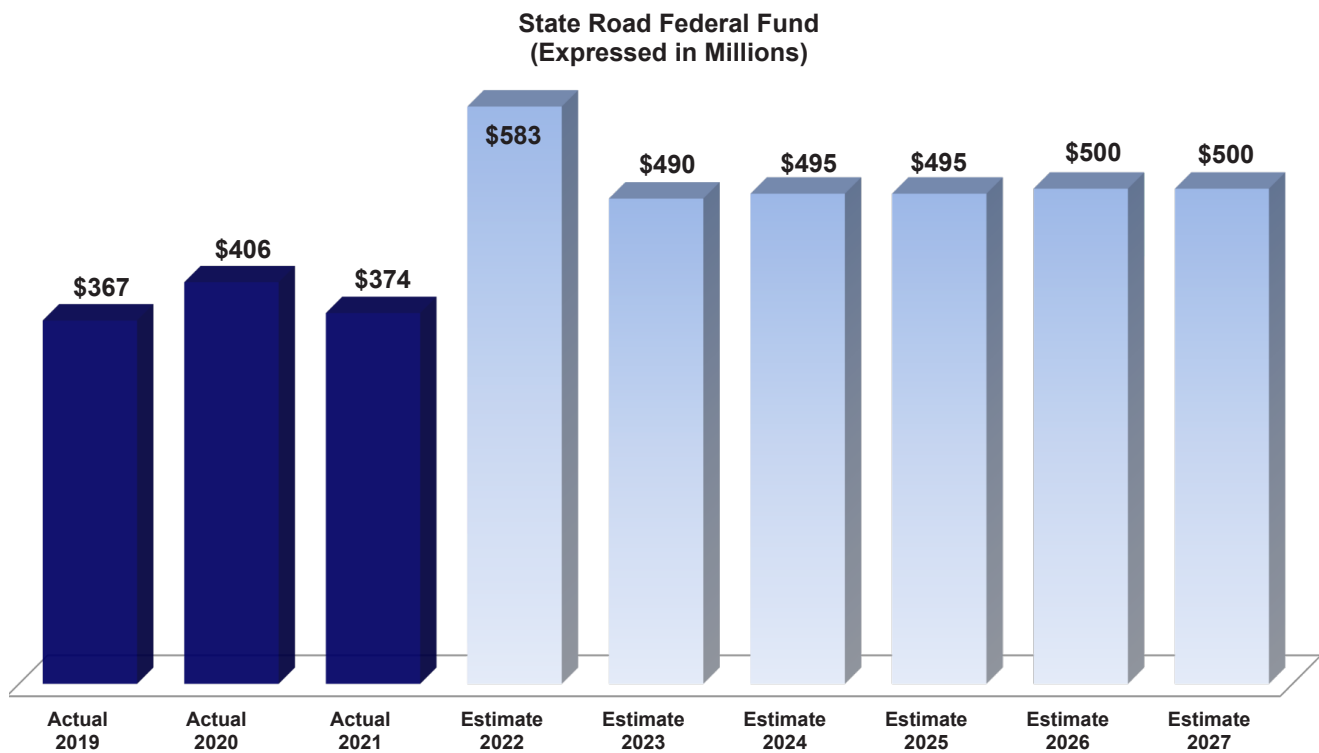
# State Road Fund



## State Road Fund

# State Road Federal Funds

- Federal Funds are received by the Division of Highways for Interstate Construction, Appalachian Programs, and Other Federal Aid programs.
- These funds become part of the State Road Fund and are included in the budgeted amounts.
- Accounts for 31.2% 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

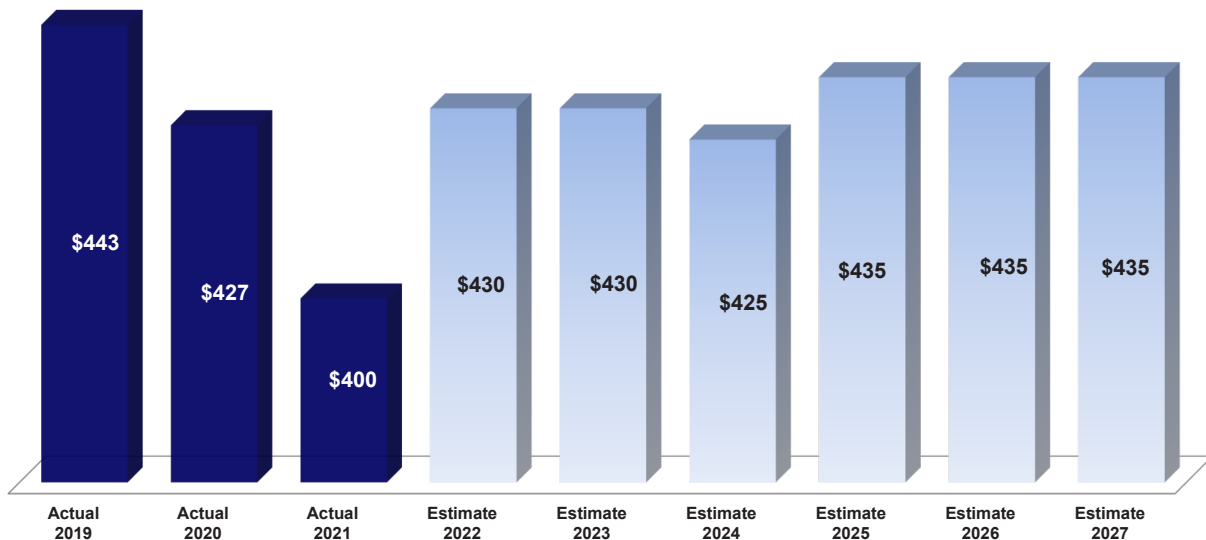
calculated price and calculated rate may not deviate by more than 10% from the prior year.

### 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.

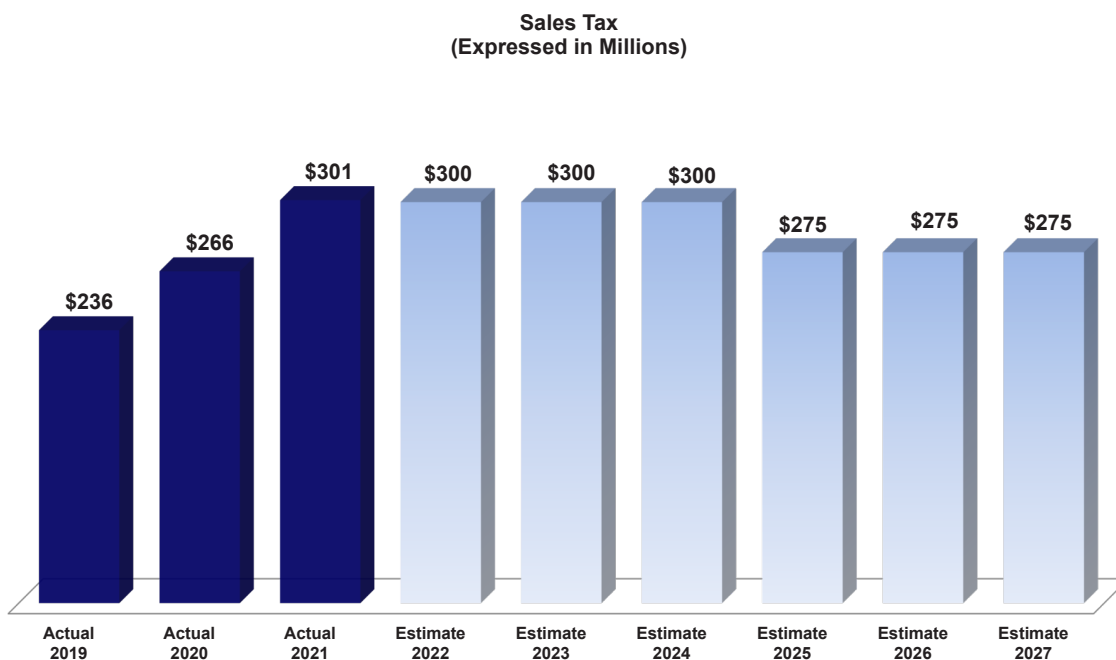
- Accounts for 27.4% of the total State Road Fund.

**Motor Fuel Taxes**  
(Expressed in Millions)



## 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 19.1% of the total State Road Fund.

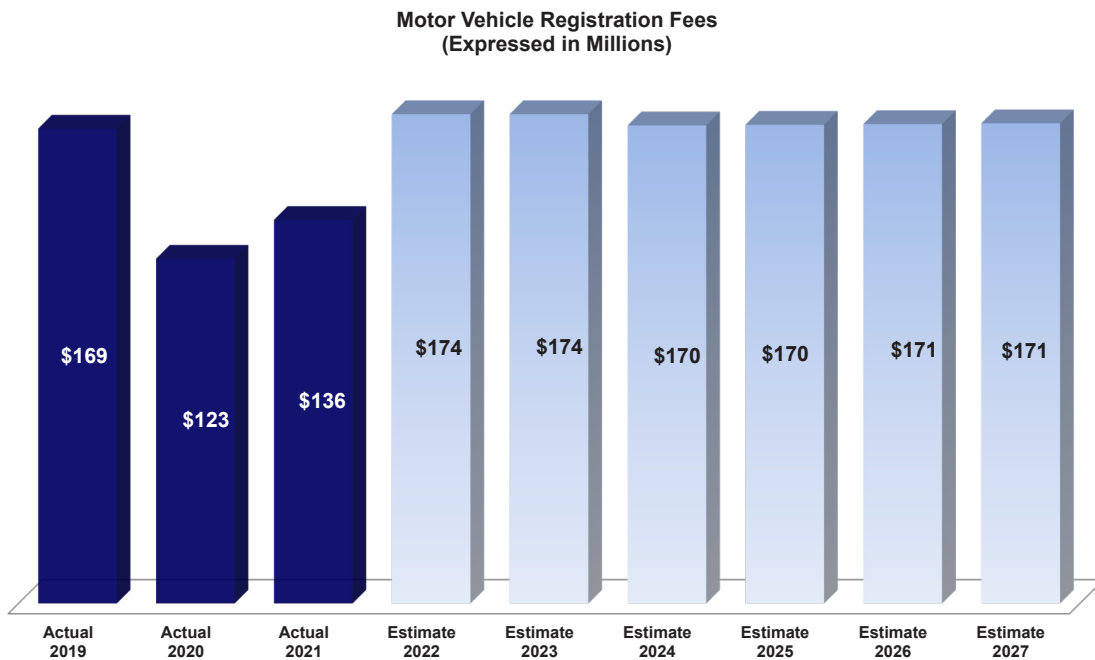


*State Road Fund*

# 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 11.1% of the total State Road Fund.





# West Virginia Lottery

West Virginia Lottery gross revenue decreased by 16.4% in FY 2020 and increased by 23.3% in FY 2021. The decrease was primarily the result of the temporary closure of limited video lottery retailers and casinos in West Virginia in response to the COVID-19 pandemic. Gross revenues include ticket sales of online and instant games, Racetrack Video Lottery, Limited Video Lottery revenue, Table Games, Historic Resort Hotel revenues, and Sports Wagering revenue. Net revenues to the state decreased by 18.8% in FY 2020 and increased by 39% in FY 2021. Racetrack Video Lottery decreased for FY 2020 by 24% and increased by 5% during FY 2021. Limited Video Lottery increased by 45.7% in FY 2021 and decreased by 15.9% in FY 2020.

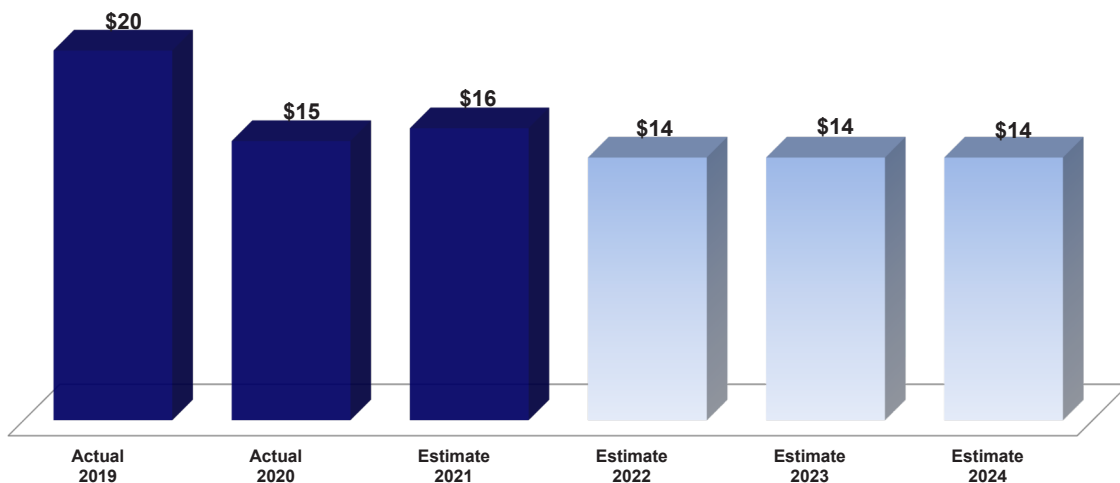
For FY 2022, the official estimate reflects a decrease in gross revenue of 16.8% from FY 2021. Racetrack Video Lottery is projected to increase 9.8%. Limited Video Lottery is projected to decrease by 27.3%. Table games

revenue is projected to increase 9.3%. Historic Resort Hotel revenue is projected to decrease 44.3%. Sports Wagering is projected to decrease by 39%. These decreases are consistent with the Lottery’s practice of conservative forecasting. Online sales are projected to decrease 20.6% and instant ticket sales are projected to decrease 48%.

In FY 2023, the gross revenue estimate is expected to increase by 6.2%. Racetrack Video Lottery is projected to remain level. Limited Video Lottery is projected to increase by 7.3%. Table games revenue is projected to decrease 14.7%. Historic Resort Hotel revenue is projected to increase 30.7%. Sports Wagering is projected to remain level. Online sales are projected to decrease 15.9% and instant ticket sales are projected to increase 27.8%.

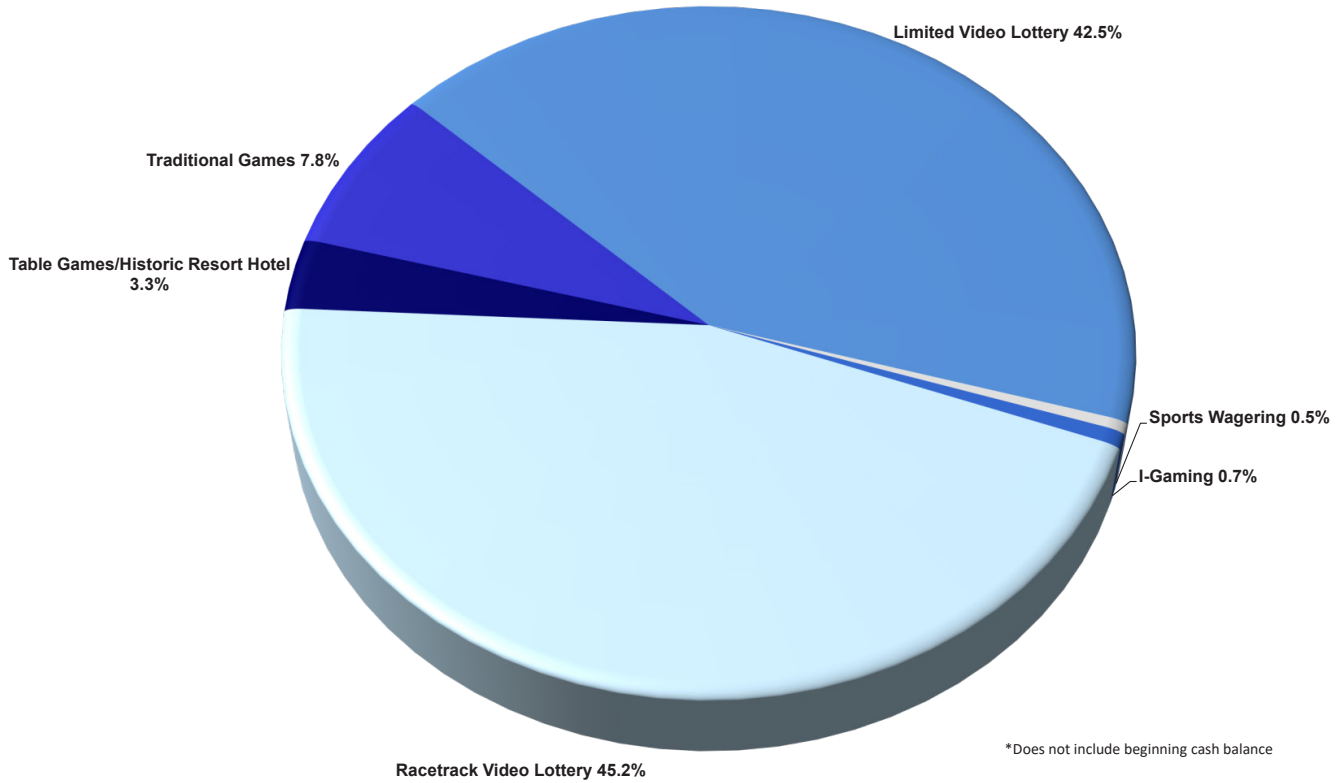
Net revenue, as indicated on the following pages, does not include the portion of lottery profits earmarked by statute for other purposes and not available for appropriation.

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



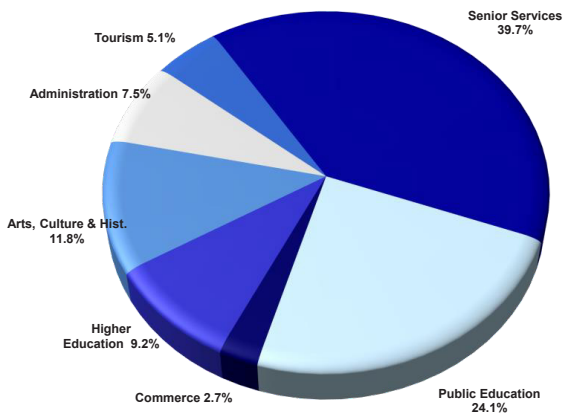
# West Virginia Lottery

**Sources of Revenue**  
**Fiscal Year 2023**  
**\$435 Million\***  
**(Estimated)**

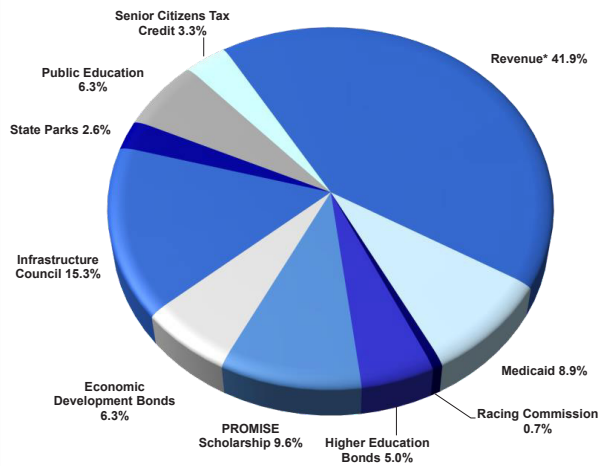


**Recommended Expenditures**  
**Fiscal Year 2023**  
**\$434.8 Million**

**Lottery Fund**  
**\$134.1 Million**

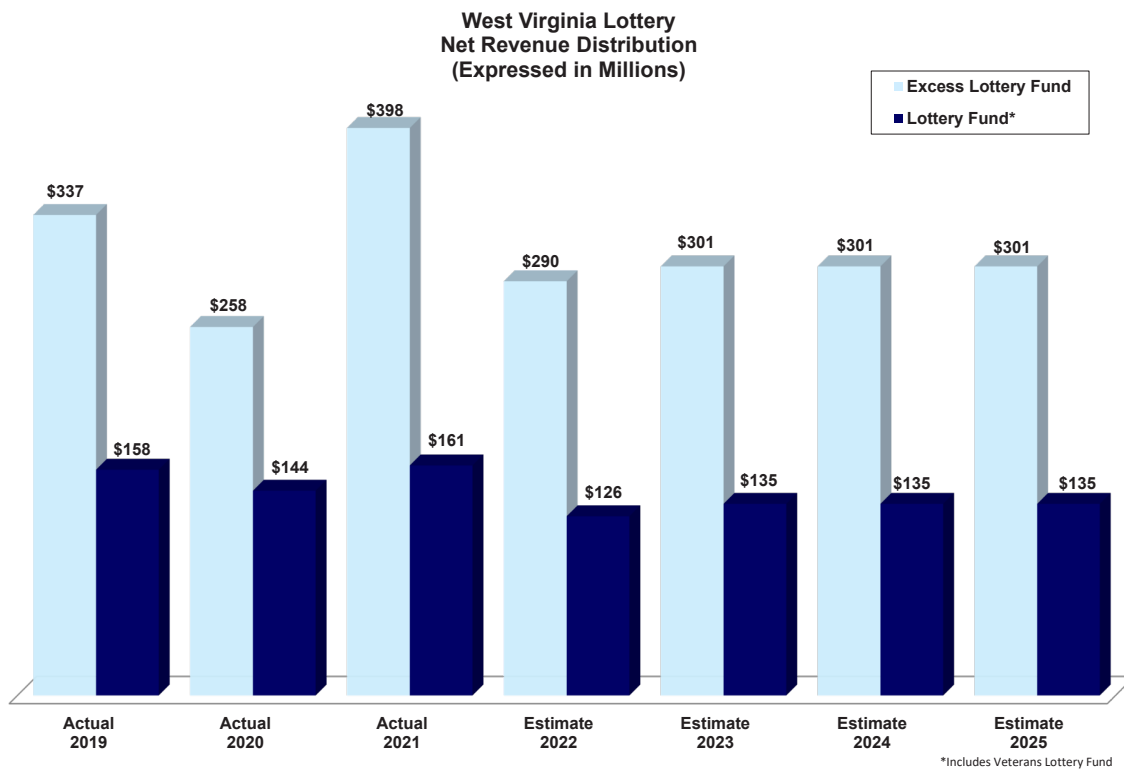
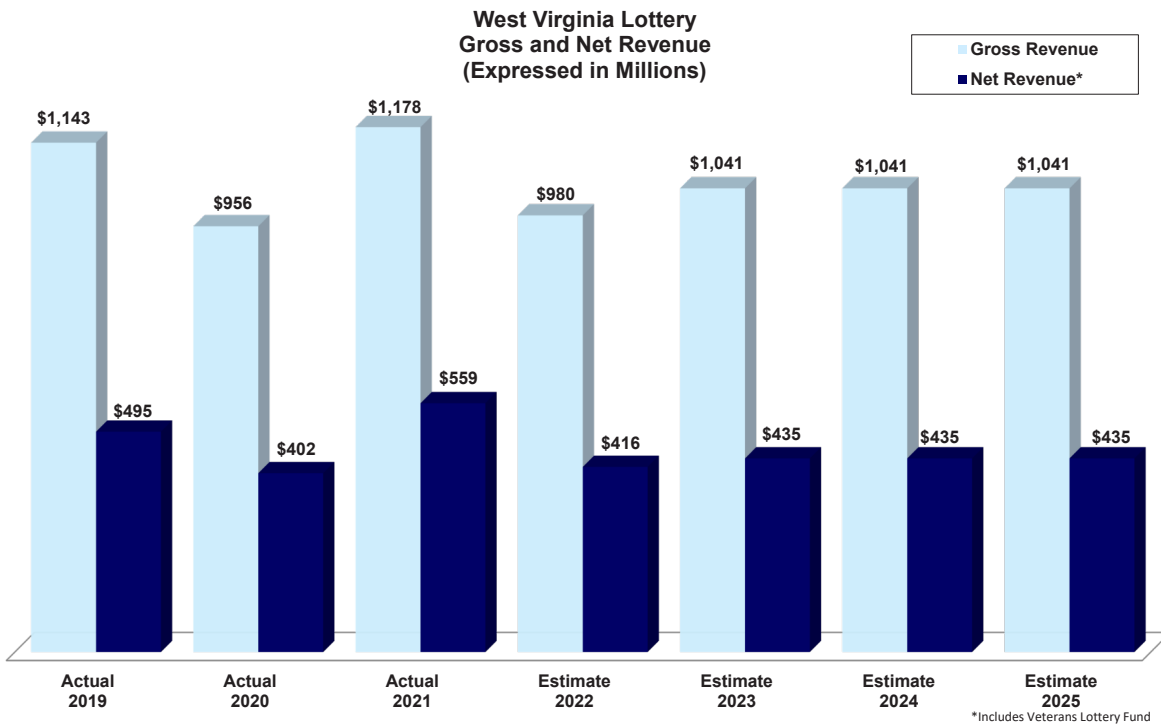


**Excess Lottery Fund**  
**\$300.7 Million**



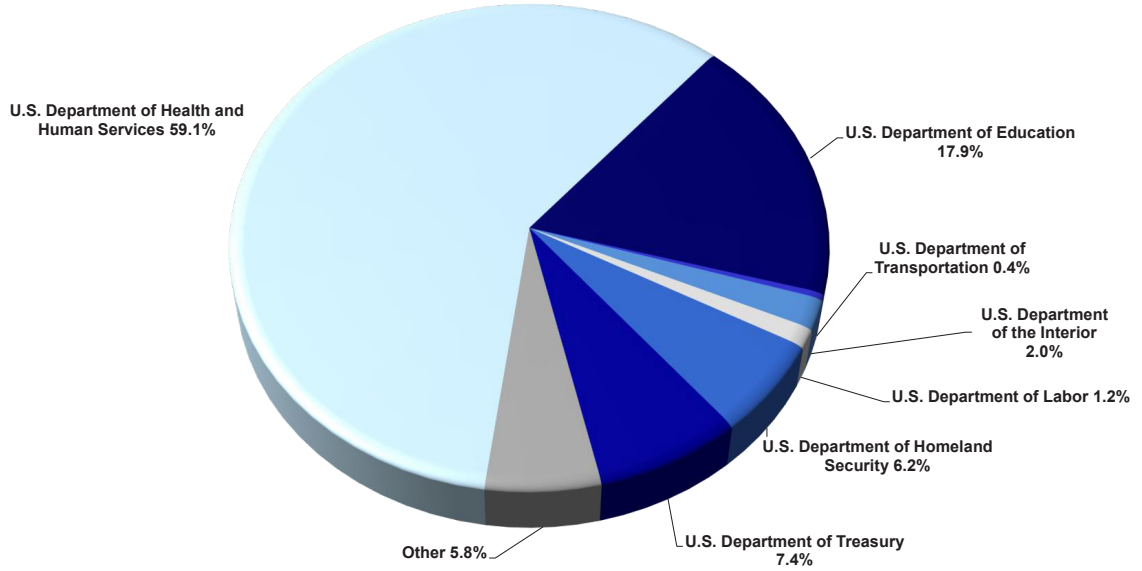
\* Includes \$65,000,000 transfer to General Revenue Fund

## West Virginia Lottery

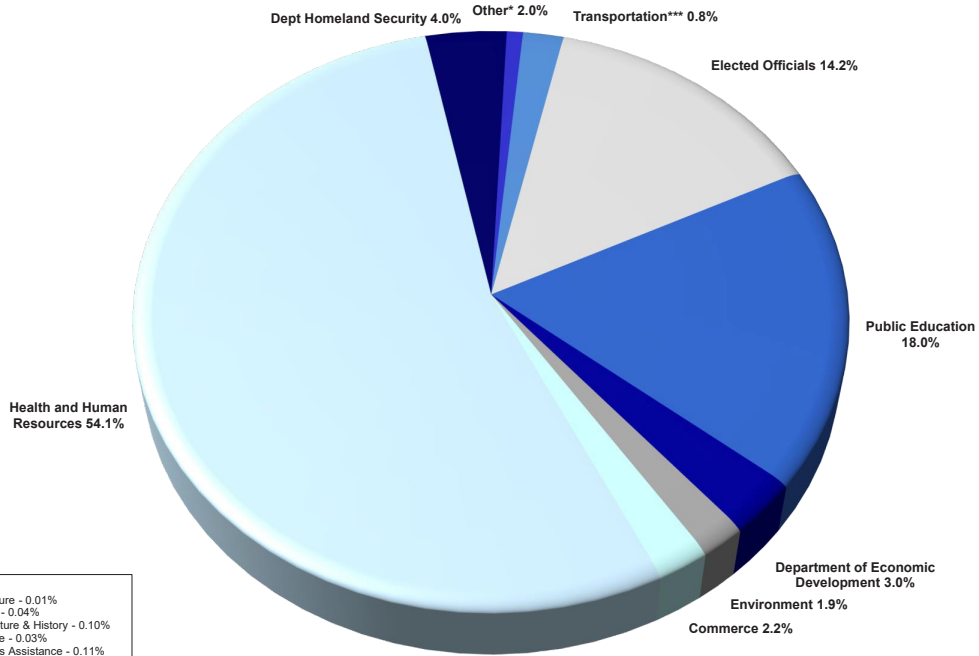


# Federal Funds

**Sources of Revenue**  
**Fiscal Year 2023**  
**\$9.377 Billion**  
**(Estimated)**



**Recommended Expenditures\*\***  
**Fiscal Year 2023**  
**\$10.464 Billion**



**\*Other**  
 Legislature - 0.01%  
 Judicial - 0.04%  
 Arts Culture & History - 0.10%  
 Revenue - 0.03%  
 Veterans Assistance - 0.11%  
 Senior Services - 0.14%  
 Higher Education - 0.44%  
 Misc. Boards - 1.12%

\*\*Expenditures include FY 2023 revenue and beginning balances.  
 \*\*\*Includes Federal Funds that are appropriated as part of the State Road Fund.

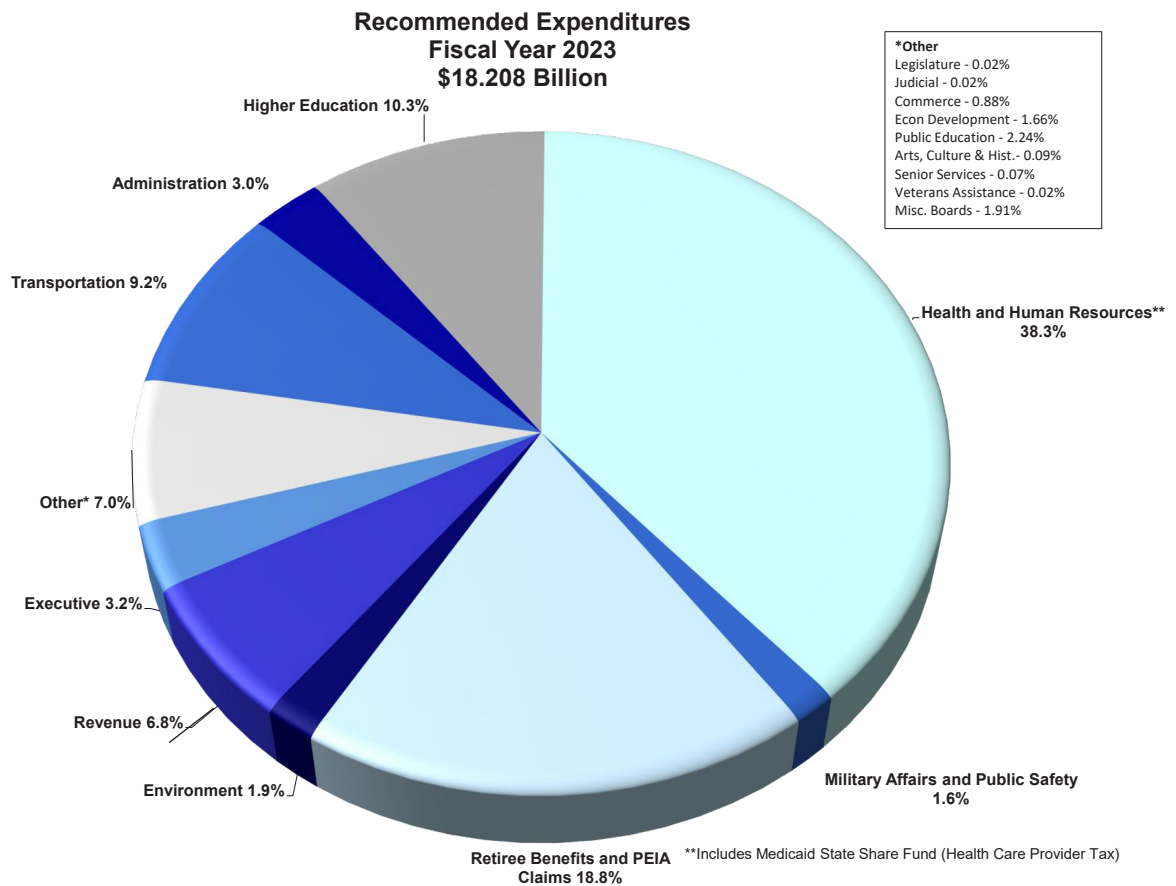
# Special Revenue Funds

**Includes:**

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

**Does not include:**

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



## Special Revenue Funds

# Medicaid State Share Fund

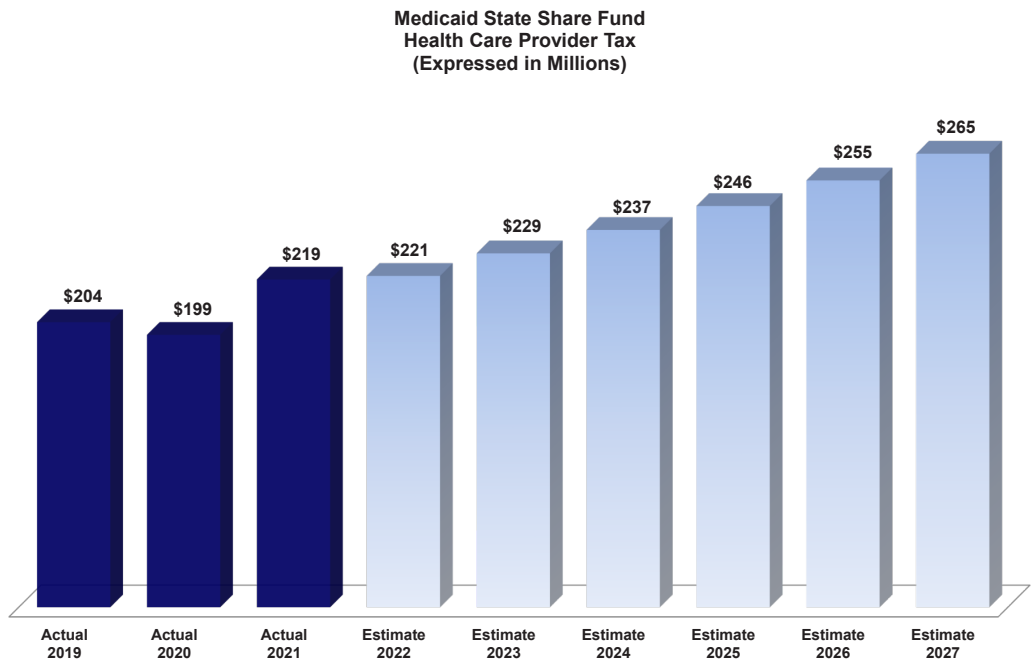
The Medicaid State Share Fund consists of provider taxes, paid by the various health care providers, to be utilized as matching funds for the Federal-State Medicaid Program. The provider taxes were initially enacted in 1993 as a funding mechanism to help supplement the State General Revenue Fund appropriation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

The estimates for FY 2022 through FY 2027 assume that current federal regulations will remain largely unchanged for the forecast period. The Federal Medical Assistance Percentage (FMAP) of 74.99% in Federal FY (FFY) 2021 decreased to 74.68% in FFY 2022 and is scheduled to decrease to 74.02% in FFY 2023. 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 will expire after the declared COVID-19 Public Health Emergency ends. In FY 2021, the Health Care Provider Taxes generated \$219.3 million, or roughly 18% of the state matching funds for the Medicaid Program. As of November 2021, year-to-date collections were 5.2% above last year. From FY 2022 through FY 2027, Health Care Provider Taxes are expected to increase by an average annual rate of 3.7%.

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. In CY 2019, the West Virginia Legislature imposed a separate contingent rate increase on certain eligible acute care hospitals with the proceeds dedicated to the enhancement of acute care hospital practitioner payment fee schedules. 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.
- 0.13% tax on gross receipts of acute care hospitals.
- In total, these taxes accounted for 24% of the State match for Medicaid Program in FY 2021.



# 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 at § 12-6a-1, et. seq.

The Division of Debt Management within the State Treasurer's Office acts as the central repository of information on debt issued by the State and its spending units. Among its duties, the division is authorized to evaluate debt service requirements and cash flow projections for existing debt and proposed issues, act as a liaison with the Legislature, assist in the issuance of debt, monitor continuing disclosure requirements and post-issuance compliance, and issue debt position and capacity reports.<sup>1</sup>

## State Indebtedness

In 1997, the Division of Debt Management began issuing the annual debt capacity report to provide necessary information to the Governor and the Legislature so these entities may prudently manage the State's financial resources by attempting to keep within an average-to-low range of nationally recognized debt limits. Citizens of the State of West Virginia and beyond also have access to this report and that data presented therein

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<sup>1</sup> 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>.

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, 2021, 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 June 14, 2021, Moody's Investors Service released its "2021 State Debt Medians Report" comparing states on various debt ratios. The following tables compare West Virginia with other states of the same rating. These states, of course, differ from West Virginia in their fiscal composition, debt issuance practices, population, income levels, and other economic indicators; however, a comparison of debt ratios of the states demonstrates that West Virginia is currently within a moderate range of these key indicators.



## Debt Summary

Net Tax Supported Debt as a Percentage of Personal Income and Per Capita  
of Similarly Rated States (Rated Aa2 by Moody's Investors Service)  
(taken from Moody's Investors Service, 2021 State Debt Medians, June 2021)

% of Personal Income		Per Capita	
Oklahoma	0.7%	Oklahoma	\$365
Maine	1.9%	New Mexico	\$1,023
New Mexico	2.2%	Maine	\$1,032
Kansas	2.6%	Kansas	\$1,447
California	3.0%	West Virginia	\$1,617
West Virginia	3.6%	Mississippi	\$1,908
Rhode Island	3.9%	California	\$2,144
Mississippi	4.6%	Rhode Island	\$2,398
New York	4.8%	New York	\$3,614
Hawaii	10.1%	Hawaii	\$6,122

### Debt Limits

#### Short-Term Debt

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

#### Long-Term Debt

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

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

General obligation debt for other state purposes may only be authorized by constitutional amendment. Two-thirds of the members of both the Senate and House of Delegates must approve a proposed amendment before

it can be submitted to the voters for ratification or rejection. Upon approval of a constitutional amendment authorizing the issuance of general obligation debt, specific enabling legislation must be passed by both houses of the Legislature providing for the issuance of such debt.

#### Debt Policy

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

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

## Debt Summary

### State of West Virginia Bond Issuing Authorities

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

## Debt Summary

# General Obligation Bonds

General obligation bonds pledging the full faith and credit of the state may be authorized only by constitutional amendment. Each amendment must be approved by two-thirds of both houses of the Legislature before submission to the voters for ratification or rejection. Enabling legislation is then required for amendments receiving voter approval. As of June 30, 2021, \$1,743,173,000 (net of advance refunded bonds) is outstanding in general obligation bonds.

General Obligation Bonds Outstanding June 30, 2021		
Amendment	Principal Outstanding June 30, 2021 (in thousands)	Payable From
Infrastructure Improvement Amendment of 1994	(net) \$115,723	Severance Tax
Safe Roads Amendment of 1996	(net) \$67,570	Road Fund
Roads to Prosperity Amendment of 2017	(net) \$1,559,880	Road Fund

### **Issued General Obligation Bonds**

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

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

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

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

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

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

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

General obligation bonds were authorized to be issued in an amount not to exceed \$500 million, with \$230 million for bridge replacement and improvement, \$130 million for completion of the Appalachian Highway System, \$50

million for upgrading sections of trunkline and feeder systems, \$50 million for upgrading West Virginia Route 2, \$100 million for upgrading state and local service roads, and \$50 million for construction, reconstruction, improving, and upgrading of U.S. Route 52 between Huntington and Bluefield. All outstanding bonds have been retired.

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

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

## *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, 2021, \$67,570,000 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, 2021, \$1,559,880,000 is outstanding. Debt service on these issued bonds is approximately \$102.9 million for FY 2022. 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, 2021**  
 (Expressed in Thousands)

	<b>Final Maturity Date</b>	<b>Interest Rate(s)%</b>	<b>06/30/21 Balance*</b>
<b>Road Bonds</b>			
(Payable from State Road Fund)			
Issued Under:			
1996 Amendment	2025	4.00 - 5.00	67,570
2017 Amendment	2046	2.00 - 5.00	1,559,880
<b>Infrastructure Bonds</b>			
(Payable from dedicated Severance Tax revenues)			
Issued Under:			
1994 Amendment (net)	2027	2.00 - 7.625	115,723
<b>TOTAL</b>			<b>\$1,743,173</b>

### Summary of Debt Service Requirements

Future amounts required to pay principal and interest on general obligation debt at June 30, 2021, were as follows (expressed in thousands):

	<b>Principal</b>	<b>Interest</b>	<b>Amount to be accrued</b>	<b>Total</b>
<b>Year Ending June 30</b>				
2022	57,098	82,852	157	140,107
2023	74,522	80,298	608	155,428
2024	80,367	77,065	1,118	158,550
2025	85,994	73,449	1,556	160,999
2026	66,197	69,673	1,938	137,808
2027-2031	291,240	306,615	2,375	600,230
2032-2036	347,600	230,418	-	578,018
2037-2041	444,830	133,177	-	578,007
2042-2046	295,325	25,870	-	321,195
<b>TOTAL</b>	<b>\$1,743,173</b>	<b>\$1,079,417</b>	<b>\$7,752</b>	<b>\$2,830,342</b>

\* 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 \$1.86 billion in revenue bonds are outstanding at June 30, 2021. 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, 2021, the principal outstanding on the bonds totaled approximately \$784 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, 2021, the principal outstanding on the notes totaled more than \$246 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, source of funding which the project sponsor should pursue, and which projects the State infrastructure agency or agencies should consider an appropriate investment of public funds. Alternatively, the Council may make a determination including: the project or infrastructure project is not eligible for funding assistance from any state infrastructure agency, the infrastructure project is not otherwise an appropriate or prudent investment of state funds, or the project sponsor 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, 2021, the Council’s outstanding bonds totaled more than \$145 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, 2021, \$161 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, 2021, approximately \$130 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, 2021. No new money bonds may be issued utilizing General Revenue appropriations for repayment.

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

The West Virginia School Building Authority (“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 \$110 million at June 30, 2021.

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 \$66 million (net) as of June 30, 2021.

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 \$59 million as of June 30, 2021 (net of debt service sinking funds.)

*Debt Summary*  
**Revenue Bonds**  
**Outstanding at June 30, 2021**  
 (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	110,375
School Building Authority (Excess Lottery)	2010 & 2015	2030	2.48 - 4.39	65,550
School Building Authority QSCBs (Excess Lottery)	2009 & 2010	2027	-	150,480
Tobacco Settlement Finance Authority*	2020	2049	3.94	783,939
Highways, Commissioner of	2017 & 2018	2033	2.15 - 3.03	246,745
WV Infrastructure and Jobs Development Council	2012, 2014 & 2016	2045	2.00 - 5.00	145,560
Education, Arts, Sciences, and Tourism Fund (Lottery)	2017	2040	3.45	129,595
Economic Development Authority (Excess Lottery)	2004, 2017 & 2018	2040	2.03 - 5.63	161,165
Subtotal				1,855,330
Less:				
School Building Authority Debt Service Reserve Fund				(61,921)
Debt Service Sinking Fund - QSCBs (Excess Lottery)				(91,565)
Economic Development Authority Debt Service Reserve Fund (Excess Lottery)				(26,367)
Net revenue bonds outstanding				<u>\$1,675,477</u>

**Summary of Debt Service Requirements**

Future amounts required to pay principal and interest on revenue bonds at June 30, 2021, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	Principal	Interest	Amount to be accreted	Total
2022	92,285	63,892	11,350	167,527
2023	94,480	60,329	12,329	167,138
2024	98,665	56,559	13,411	168,635
2025	98,940	52,579	14,560	166,079
2026	104,059	48,438	15,836	168,333
2027-2031	411,906	185,823	102,310	700,039
2032-2036	386,555	122,507	155,133	664,195
2037-2041	315,886	77,105	235,210	628,201
2042-2046	270,426	48,800	356,635	675,861
2047-2051	356,398	19,692	90,937	467,027
2052-2056	-	-	-	-
	<u>\$2,229,600</u>	<u>\$735,724</u>	<u>\$1,007,711</u>	<u>\$3,973,035</u>

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



*Debt Summary*

# Leases and Notes Payable

The State of West Virginia depends on lease and notes payable obligations to finance projects, such as capital improvements, large purchases of computer equipment, and vehicles. Approximately \$205 million in lease obligations and notes payable are outstanding as of June 30, 2021.

# ECONOMIC FORECAST



# WEST VIRGINIA ECONOMIC FORECAST

The Economic Forecast is excerpted from the  
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# 2022 West Virginia Economic Forecast

## EXECUTIVE SUMMARY

West Virginia's economy continues to rebound from the COVID-19 recession. The pandemic continues to affect public health, particularly as the Delta strain caused large increases in hospitalizations and deaths, and the economy in perceptible ways but the state has managed to record significant improvement over the past 18 months or so. Indeed, several big-picture measures of the State's economy have improved enough that they are within range or have even surpassed levels seen prior to the pandemic and those that are lagging should reach those levels over the next several quarters. Even though the State's near-term prospects are positive on balance, some sectors face challenges due to structural issues that existed long before the pandemic while several regions in West Virginia possess limited potential for growth due to a range of economic and demographic factors. 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 roughly 94,000 in March and April 2020. As of late-summer 2021, nearly 70,000 jobs have been regained leaving the state at roughly 96% of its pre-pandemic level.
- While some sectors have seen activity return to what was considered typical prior to the pandemic, several remain encumbered by supply chain issues, unfilled job openings, and worker isolation/quarantines. West Virginia's healthcare sector has been under significant strain during the pandemic due to high hospitalizations and ICU capacity utilization.
- The State's unemployment rate surged to nearly 16% in April 2020, but has fallen sharply in the months since then, recently falling below 5% for the first time since late-2019.
- Only 55% of West Virginia's adult population is either working or looking for work. Though an improvement from recent years, this remains the lowest rate of labor force participation among all 50 states and represents a major obstacle to future economic prosperity.
- Per capita personal income in West Virginia increased nearly 7% in 2020, with a large share of that increase coming from federal pandemic relief in the CARES Act. Per capita personal income in West Virginia stands at 76% or so of the national average.

FIGURE ES.1: West Virginia and US Forecast Summary

	West Virginia		United States	
	2010-2020	2021-2026	2010-2020	2021-2026
Population (average annual growth, %)	-0.4	-0.2	0.7	0.5
Employment (average annual growth, %)	-0.7	0.9	0.9	1.4
Real GDP (average annual growth, %)	0.0	1.2	1.6	2.7
Unemployment Rate (annual average at end of time period, %)	8.4	4.9	8.1	3.9
Real Per Capita Personal Income (average annual growth, %)*	1.9	0.9	2.3	1.4

Sources: US Census Bureau; US Bureau of Labor Statistics; US Bureau of Economic Analysis; WVU BBER Econometric Model; IHS Markit

- West Virginia's real GDP plunged 5.5% in 2020, which nearly surpassed the cumulative drop in real output that occurred during the State's protracted bout with recession in the early 1980s. Even prior to the pandemic, the State's output growth was quite volatile due to natural gas pipeline construction activity and energy extraction.
- Exports from West Virginia declined in 2020 significantly as a result of the pandemic, but shipments of many of the State's leading exported products have increased sharply during the first half of 2021. Expanding and diversifying the State's export portfolio is of vital importance to economic development in West Virginia over the long run.

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

- Coal output plunged to its lowest levels in decades during 2020, falling to roughly 60 million short tons. Production has rebounded over the past several quarters, however, and should average in the low-to-mid-80-million-ton range during the medium term on the weight of global export demand.
- As domestic demand for West Virginia's coal continues to shrink, the rising reliance on the global coal trade will likely lead to more year-to-year volatility in production going forward.

## 2022 West Virginia Economic Forecast Executive Summary

- Natural gas output posted another strong year of growth in 2020, increasing 20%, and has expanded at a double-digit rate since late-2016. West Virginia recently became the nation's fifth-highest producing state for natural gas in 2021.
- The emergence of downstream manufacturing in the Appalachian Basin is essential to support long-term supply growth in West Virginia's natural gas industry.
- A positive shock to encourage in-migration is essential to lessen 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 opportunities in the State to make West Virginia's workforce more attractive to potential businesses.

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

- Employment in West Virginia is expected to reach pre-pandemic levels by mid- to late-2022, estimated to increase nearly 0.9% per year on average through 2026, compared to an expectation of 1.4% for the nation.
- We anticipate the State's energy sector will rebound over the forecast horizon, but longer-term prospects are better for natural gas. Coal will benefit from recovering global demand, but domestic coal use is expected to weigh on output as more coal-fired power plants retire.
- The construction sector's outlook is mixed but should see some benefits from rising public infrastructure spending, particularly at the federal level. The Virgin Hyperloop project will be one of the State's largest projects on record.
- Manufacturing will trail broader job growth over the five-year forecast horizon, but among the major subsectors, aerospace, automotive equipment, and food/beverage will be the leaders in job growth going forward.
- The State's unemployment situation will likely see smaller changes when compared to the declines observed over the past year. West Virginia's jobless rate is expected to fall to the low- to mid-4% range.
- Real per capita personal income is expected to grow 0.9% annually through 2026, as transfer payments decline significantly after the end of most federal pandemic relief in 2021.

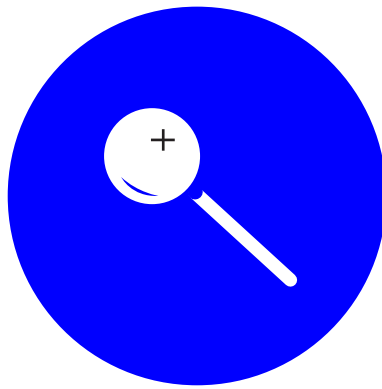
The Mountain State's underlying demographics remain a major limiting factor to growth moving forward. Consider the following:

- West Virginia's population has declined by nearly 73,000 since 2012. Population losses are expected to be smaller in magnitude going forward.

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

- Nearly two dozen counties are expected to lose jobs or record growth that is less than one-half of the statewide average. 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, around 10 counties are expected to add residents during the outlook period. Population gains will be heavily concentrated in North-Central West Virginia and the Eastern Panhandle.
- Policymakers should be keenly aware of significant economic differences across West Virginia and ensure that economic development strategies consider each region's specific strengths and weaknesses.

# APPENDICES



# Glossary

## A

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

**Activity** - (See “Appropriation.”)

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

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

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

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

## B

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

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

## Appendix A/Glossary

### N

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

## Appendix A/Glossary

### 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
ACCT	Association for Challenge Course Technology
ACE	Advanced Career Education
AE	Adult Education
ACEP	Agricultural Conservation Easement Program
ACH	Automated Clearing House
ACP	Address Confidentiality Program
ACT	American College Test
ADA	Americans with Disabilities Act of 1990
AF-DP	Armed Forces Dental Assistance Program
AFIX	Assessment, Feedback, Initiatives, and eXchange
AgEP	Agricultural Enhancement Program
ALJ	Administrative Law Judge
AML&R	Abandoned Mine Lands and Reclamation
AP	Advanced Placement
APHIS	Animal and Plant Health Inspection Service
APSI	Advanced Placement Summer Institute
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
CAFR	Comprehensive Annual Financial Report
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
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
CRTS	Coal Resource Transportation System
CSBG	Community Services Block Grant
CSFP	Commodity Supplemental Food Program
CSTIMS	Commercial Skills Test Information Management System
C&T	Community and Technical
CTE	Career and Technical Education
CTPs	Cooperating Technical Partners

## Appendix B/Glossary of Acronyms

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  
 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  
 FY ..... Fiscal Year

### G

GAAP..... Generally Accepted Accounting Principles

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

### I

ICILS..... International Computer and Information  
 Literacy Study  
 ID ..... Identification  
 IDEA..... Individuals with Disabilities Education Act  
 IELS..... International Early Learning Study  
 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  
 MHT..... Mountain Health Trust  
 MIARRS ..... Mine and Industrial Accident Rapid Response  
 System

## Appendix B/Glossary of Acronyms

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  
 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  
 PHMSA ..... Pipeline and Hazardous Material Safety  
                   Administration  
 PI ..... Personal Income  
 PIECES..... Partners in Implementing an Early Care and  
                   Education System  
 PILOT..... Payment In Lieu Of Tax  
 PIMS ..... Position Information Management System  
 PIRLS ..... Progress in International Reading Literary Study  
 PISA..... Programme for International Student  
                   Assessment  
 PLC ..... Professional Learning Communities  
 PM2.5..... Particulate Matter Less Than 2.5 Microns In  
                   Diameter  
 PPB ..... Preferred Provider Benefit Trust  
 PPS ..... Prospective Payment System  
 PRAMS..... Pregnancy Risk Assessment Monitoring  
                   System  
 PREA ..... Prison Rape Elimination Act  
 PREP ..... Personal Responsibility Education Program  
 PROMISE..... Providing Real Opportunities for Maximizing  
                   In-State Student Excellence  
 PSC..... Public Service Commission  
                   ..... Potomac State College

### Q

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

## Appendix B/Glossary of Acronyms

### R

RBA	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
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

### 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



## Appendix B/Glossary of Acronyms

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  
 WVBTI..... 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  
 WVJDC..... 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  
 WWSAO..... West Virginia State Auditor’s Office  
 WVSDT..... WV Schools of Diversion and Transition  
 WVSIS..... 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

