

STATE OF
WEST VIRGINIA



2016 1ST Extraordinary Session
Executive Budget - Summary
General and Lottery Funds

www.budget.wv.gov

Earl Ray Tomblin
Governor

Fiscal Year
2017

Governor's Proposed Budget on 1/13/2016
 Compared to Outlook as of 5/16/2016
FY 2016
 (in Thousand \$s)

Estimated Surplus - Governor's Original Recommendation @ 1/13/16	15
Change in estimated revenue shortfall (\$-354.13m up to \$-464.5m)	(110,370)
Cigarette tax increase to \$1/pack (failure of bill)	(17,400)
Other tobacco tax increase (failure of bill)	(1,100)
Impose E Cigarette tax (failure of bill)	(400)
Telecommunications sales tax (failure of bill)	(10,000)
WC - Insurance surcharges (additions to Gov's bill)	16,204
WC - Excess Lottery transfers (additions to Gov's bill)	4,265
Modernization elimination (failure of bill)	(15,200)
HB4155 - expires funds to Medicaid <small>(offset by pending end-of year cut to May Medicaid payments) 0403-189</small>	22,989
Estimated Gap @ 5/16/2016	(110,997)
Attorney General - Consumer Protection Fund transfer to General Revenue	1,565
Additional Remedies Needed - Items Pending Governor & Legislative Action:	
<u>DHHR (Pending end-of-year budget cuts):</u>	
Pending end-yr additional cut to May 2016 Medicaid payments (0403-189)	7,797
Pending end-yr cut to Social Services (0403-195)	8,000
Pending end-yr cut to Behavior Health (R) (0525-219)	15,000
Pending end-yr cut to Institutional Facilities (R) (0525-335)	15,000
<u>Cash Expirations - (Pending Supplemental):</u>	
0175-642 - TRAFFIC	12,150
1509 - AG - Consumer Protection	8,500
5375 - Health Care Authority - Health Care Cost Review Fund	2,500
7005 - Rainy Day Fund	29,000
7152 - Insurance Comm - Admin Fund	5,000
7200 - Lottery - Admin Fund	4,631
8623 - PSC - Admin Fund	2,000
Estimated Balance @ 6/30/2016	147

Governor's Proposed Budget on 1/13/2016
 Compared to Outlook as of 5/16/2016
FY 2017
 (in Thousand \$s)

Estimated Balance - Governor's Original Recommendation @ 1/13/16	0
Change in estimated revenue	(92,775)
Cigarette tax increase by 45c per pack (failure of bill)	(71,500)
Other tobacco tax increase (failure of bill)	(4,700)
Impose E Cigarette tax (failure of bill)	(1,800)
Telecommunications sales tax (failure of bill)	(60,000)
Eliminate Sales tax transfer to Road Fund (failure of bill)	(9,000)
Fireworks bill - passed in 2016 regular session (HB2852)	900
WC - additional Insurance surcharges	0
WC - Excess Lottery transfers	0
Modernization elimination (failure of bill)	(9,000)
Lottery Surpluses - additional available	13,000
General Revenue Surplus	(7,810)
Revised Retirement numbers - Gov's adjustment letter	(15,395)
Revised SAF numbers - Gov's adjustment letter	2,178
Revised Ct of Claim numbers - Gov's adjustment letter	123
SB452 - SAF (failure of bill)	(15,238)
Estimated Gap @ 5/16/2016	(271,017)
Governor's Recommendations to close the Gap:	
Sales Tax - increase by 1%	196,000
Tobacco Tax - increase by 45c per pack	71,500
- other tobacco products - rate from 7% to 12%	4,700
- E Cigarettes - 7.5 cents / milliliter	1,800
State Police - reduce general revenue - move to special revenue - HB4662	1,421
Protective Services - public access	(672)
Rainy Day - general revenue appropriation to partially restore usage	(3,732)
Estimated Balance @ 6/30/2017	0

Note that \$86.824m of base expenditure reductions, included in the Governor's FY17 original budget recommendation, have been assumed in this summary.

**Six Year Financial Plan
Through FY 2021
General and Lottery Revenues**
(In Thousands)

Governor's Recommended Budget (1st Extra Session)

	Actual FY 2015	Budgeted FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
Estimated Revenue							
General Revenue	\$4,203,810	\$4,305,776	\$4,088,919	\$4,211,420	\$4,353,640	\$4,551,250	\$4,706,550
General Revenue - estimated shortfall		(462,935)					
General Revenue - reallocations and enhancements		114,619	274,000	295,000	298,000	304,000	310,000
General Revenue - (available from expirations)		122,321					
General Revenue - (Surplus used / from reappropriations & expirations)	53,905	39,744					
Lottery	160,790	136,326	135,561	135,561	135,561	135,561	135,561
Lottery - (Surplus used / available from previous FYs)	6,990	19,810	8,000				
Excess Lottery	254,413	217,026	219,459	219,459	219,459	219,459	219,459
Excess Lottery - (Surplus used / available from previous FYs)	(18,417)	28,090	30,000				
Total Available	\$4,661,491	\$4,520,777	\$4,755,939	\$4,861,440	\$5,006,660	\$5,210,270	\$5,371,570
Estimated Expenditures							
Previous Year's Base Budget			\$4,721,307	\$4,726,414	\$4,956,078	\$5,090,300	\$5,239,921
(Base Budget FY16) and (Base Budget Growth for out-years): *							
Legislature		23,452	0	700	750	1,000	800
Supreme Court		139,572	2,187	4,250	4,500	6,300	5,000
Public Defender		31,712	(65)	15,300	0	0	0
PERS Employer Contribution		57,936	(5,190)	10,512	0	0	0
PEIA Premiums		330,488	41,961	30,000	32,000	35,000	38,000
Teachers' Retirement Savings Realized		34,472	3,184	2,000	0	0	0
Teachers' Retirement System		365,071	23,027	56,993	0	0	0
State Aid to Schools (PEIA and Retirement included above)		1,172,551	(35,729)	(13,293)	(14,386)	(8,837)	(8,793)
Public Education - All Other		193,676	(6,486)	1,495	1,500	1,505	1,510
DHHR- Medicaid		691,403	27,660	40,842	33,328	37,057	31,495
DHHR- All Other		603,479	(17,795)	12,828	13,780	14,846	16,000
Correctional Facilities		196,080	(7,868)	2,000	2,000	2,000	2,000
State Police		80,320	(5,214)	750	750	750	750
Public Safety Retirement Plan A / State Police Plan B		17,459	3,451	9,605	0	0	0
Higher Education		467,549	(14,022)	(1,898)	0	0	0
All Other Items (net)		316,087	(3,994)	80	2,000	2,000	(18,000)
Salary Enhancements **		0	0	52,500	53,000	53,000	53,000
Unanticipated Expenditures		0		5,000	5,000	5,000	5,000
Total Ongoing Base Budget	\$4,808,435	\$4,721,307	\$4,726,414	\$4,956,078	\$5,090,300	\$5,239,921	\$5,366,683
Onetime Expenditures	41,828	18,467	41,809	24,092	32,563	18,667	10,017
Surplus Supplementals		26,909					
Onetime Reductions	(141,092)	(89,365)	(16,016)				
Expirations	(8,887)						
Surplus Transferred to Rainy Day Fund	0	6,417	3,732				
Mid-year cut	(38,907)	(163,105)					
Estimated Balance (Gaps)	\$114	\$147	\$0	(\$118,730)	(\$116,203)	(\$48,318)	(\$5,130)

Note: This six-year financial plan is a tool for analyzing future budgets. Any out-year gaps must be balanced.

* FY 2016-FY 2021 Expenditure Growth is the additional amount required annually to fund existing programs.

** Includes base building pay raises of 2% each year for School Aid Formula professional educators, school service personnel, and State employees in FY 2018 - FY 2021.