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State of West Virginia
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March 3, 2011

The Honorable Jeffrey Kessler, Acting President
Senate of West Virginia
State Capitol
Office of the President
Charleston, West Virginia 25305

The Honorable Richard Thompson, Speaker
West Virginia House of Delegates
State Capitol
Building 1, Room 462-M
Charleston, West Virginia 25305

Dear President Kessler and Speaker Thompson:

After submission of my recommended FY 2012 Executive Budget on January 12, 2011, there have been a few areas that require adjustments and, therefore, I would like to provide you with several recommended revisions to the TITLE II – APPROPRIATIONS:

Section 1. Appropriations from general revenue.

Judicial

Supreme Court, Fund 0180, Fiscal Year 2012, Org 2400

(To adjust the appropriations to the January 21, 2011 actuarial estimation for JRS.)

- Decrease "Judges' Retirement System," Activity 110 by $160,000.
- Increase "Retirement Systems - Unfunded Liability," Activity 775 by $160,000.

Executive

Auditor's Office - General Administration, Fund 0116, Fiscal Year 2012, Org 1200

(To add reappropriation language for funding related to the Volunteer Fire Department's Worker's Compensation subsidy program supplemental funding from FY 2011.)

- Add reappropriation language for Unclassified - Surplus, Activity 097.

Department of Commerce

West Virginia Development Office, Fund 0256, Fiscal Year 2012, Org 0307

(To provide onetime funding for infrastructure projects.)

- Add "Infrastructure Projects," Activity 079 for $785,186.

Division of Miners' Health, Safety and Training, Fund 0277, Fiscal Year 2012, Org 0314

(To provide additional funding for salary increases for Mine Inspectors.)

- Increase "Personal Service," Activity 001 by $580,000.
- Increase "Employee Benefits," Activity 010 by $170,000.

Department of Education

State Department of Education, Fund 0313, Fiscal Year 2012, Org 0402

(To add new line items of appropriation for programs that were originally recommended in the State Aid Formula, Fund 0317.)

- Add "Math and Science Teacher Loan Assistance Program," Activity NEW for $490,800.
- Add "Local Solutions Dropout Prevention and Recovery," Activity NEW for $2,230,000.
- Insert the following language:
  "The above appropriation for Math and Science Teacher Loan Assistance Program shall be transferred to the Math and Science Teacher Loan Assistance Fund."
  "The above appropriation for Local Solutions Dropout Prevention and Recovery shall be transferred to the Local Solutions Dropout Prevention and Recovery Fund."

State Department of Education - State Aid to Schools, Fund 0317, Fiscal Year 2012, Org 0402

(To adjust the State Aid Formula related to the movement of funding for the Math and Science Teacher Loan Program and Dropout Prevention and Recovery program funding to fund 0313 and Salary Equity allocation.)

- Increase "Other Current Expenses," Activity 022 by $2,804.
- Decrease "Professional Educators," Activity 151 by $4,238,389.
- Increase "Service Personnel," Activity 152 by $4,260,818.
- Increase "Fixed Charges," Activity 153 by $1,974.

(To adjust Local Share to estimated need based on February 17, 2011 calculations.)

- Increase "Less Local Share," line by $14,455,760 from ($367,378,063) to ($381,833,823).

(To adjust the appropriation to the January 21, 2011 actuarial estimation for TRS and adjustments to the state aid formula.)

- Decrease "Teachers' Retirement System," Activity 019 by $2,311,225.
- Increase "Retirement Systems - Unfunded Liability," Activity 775 by $3,487,350.

Department of Education and the Arts

Department of Education and the Arts - Office of the Secretary, Fund 0294, Fiscal Year 2012, Org 0431

(To adjust recommendation to the Governor's Honor Academy and Center for Professional Development.)

- Decrease "Center for Professional Development," Activity 115 for $100,000.
- Increase "Governor's Honor Academy," Activity 478 for $100,000.

Department of Health and Human Resources

Division of Human Services, Fund 0403, Fiscal Year 2012, Org 0511

(To add funding for Home Care reimbursement rates.)

- Increase "Title XIX Waiver for Seniors," Activity 533 by $2,087,500.

(To add new funding for Traumatic Brain Injury waiver.)

- Add "Traumatic Brain Injury Waiver," Activity NEW by $800,000.

Department of Military Affairs and Public Safety

Adjutant General - State Militia, Fund 0433, Fiscal Year 2012, Org 0603

(To provide onetime funding.)

- Increase "Unclassified," Activity 099 by $3,000,000.

West Virginia State Police, Fund 0453, Fiscal Year 2012, Org 0612

(To adjust the appropriation to the January 21, 2011 actuarial estimation for Plan A Retirement.)

- Decrease "Retirement Systems - Unfunded Liability," Activity 775 by $649,000.

Division of Justice and Community Services, Fund 0546, Fiscal Year 2012, Org 0620

(To add funding for Meth lab clean up.)

- Add "Meth Lab Clean Up," Activity NEW, for $500,000.

Higher Education

West Virginia Council for Community and Technical College Education - Control Account, Fund 0596, Fiscal Year 2012, Org 0420

(To add onetime funding for various Community and Technical College projects.)

- Add "Unclassified," Activity 099 for $2,000,000

Higher Education Policy Commission - System - Control Account, Fund 0586, Fiscal Year 2012, Org 0442

(To add onetime funding for various higher education projects.)

- Add "Unclassified," Activity 099 for $2,000,000

Section 3. Appropriations from other funds.

Department of Administration

Department of Administration - Office of the Secretary Employee Pension and Health Care Benefit Fund, Fund 2044, Fiscal Year 2012, Org 0201

(To adjust the spending authority due to a January 2011 actuarial estimation for TRS.)

- Decrease "Unclassified - Total," Activity 096 by $1,184,000.

Department of Health and Human Resources

West Virginia Health Care Authority - West Virginia Health Information Network Account, Fund 5380, Fiscal Year 2012, Org 0507

(To increase the spending authority to provide state matching dollars and proof of sustainability for the program.)

- Increase "Unclassified," Activity 099 by $500,000.

West Virginia Health Care Authority - Revolving Loan Fund, Fund 5382, Fiscal Year 2012, Org 0507

(To add language allowing a transfer of cash to match the federal grant to the West Virginia Health Information Network for the start-up costs of the statewide Health Information Exchange.)

"The Health Care Authority is authorized to transfer up to $4,000,000 from this fund to the West Virginia Health Information Account (fund 5380) as authorized by W.Va. Code §16-29G-4."

Department of Military Affairs and Public Safety

West Virginia State Police - Surplus Transfer Account, Fund 6519, Fiscal Year 2012, Org 0612

(To add reappropriation language for the Unclassified appropriation.)

"Any unexpended balance remaining in the appropriation for Unclassified (fund 6519, activity 099) at the close of fiscal year 2011 is hereby reappropriated for expenditure during the fiscal year 2012."

Department of Revenue

Lottery Commission - Revenue Center Construction Fund, Fund 7209, Fiscal Year 2012, Org 0705

(To adjust the spending authority for renovations.)

- Increase "Unclassified - Total," Activity 096 by $9,645,343.

Miscellaneous Boards and Commissions

WV Board of Examiners for Registered Professional Nurses, Fund 8520, Fiscal Year 2012, Org 0907

(To increase spending authority for a new position, Nurse Investigator, with the board.)

- Increase "Unclassified - Total," Activity 096 by $90,000.

Section 5. Appropriations from state excess lottery revenue fund.

Please replace the second paragraph of section 5 with the following to reflect the priority order of appropriations in the excess lottery:

> *"After first funding the appropriations required by W.Va. Code §29-22-18a, the director of the lottery shall provide funding from the state excess lottery revenue fund for the remaining appropriations in this section to the extent that funds are available. In the event that revenues to the state excess lottery revenue fund are not sufficient to meet all the appropriations made pursuant to this section, then the director of the lottery shall first provide the necessary funds to meet the appropriation for Fund 7208, activity 482 of this section; next, to provide the funds necessary for Fund 3517, activity 775 of this section; next, to provide the funds necessary for Fund 7208, activity 095 of this section. Allocation of the funds for each appropriation shall be allocated in succession before any funds are provided for the next subsequent appropriation."*

Lottery Commission - Excess Lottery Revenue Fund Surplus, Fund 7208, Fiscal Year 2012, Org 0705
(To adjust the appropriation due to a January 2011 actuarial estimation for TRS.)

- Decrease "Teachers' Retirement Savings Realized," Activity 095 by $1,184,000.

State Department of Education, Fund 3517, Fiscal Year 2012, Org 0402
(To adjust the appropriation to the required funding per the January 21, 2011 actuarial estimation for TRS and add funding above that required for TRS.)

- Increase "Retirement Systems - Unfunded Liability," Activity 775 by $1,184,000.

Section 6. Appropriations of federal funds.

Department of Education and the Arts

Department of Education and the Arts - Office of the Secretary, Fund 8841, Fiscal Year 2012, Org 0431
(To reflect an increase in spending authority for a grant from the U.S. Department of Health and Human Services to support early childhood development.)

- Increase "Federal Economic Stimulus," Activity 891 by $350,000.

Section 8. Awards for claims against the state.

Please amend the language to read as follows:

> *"There are hereby appropriated for fiscal year 2012, from the funds as designated, in the amounts as specified, general revenue funds in the amount of $5,957,942, special revenue funds in the amount of $97,929, and state road funds in the amount of $2,389,260 for payment of claims against the state."*

Thank you for your time and consideration in this matter. Your cooperation is always appreciated. Should you have any questions or require additional information, please call me at any time.

Sincerely,

Earl Ray Tomblin
Governor

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cc: The Honorable Roman Prezioso, Chairman
The Honorable Harry Keith White, Chairman
State Budget Office