

**STATE OF WEST VIRGINIA**

**EXECUTIVE DEPARTMENT**

**At Charleston**

**EXECUTIVE ORDER NO. 7-15**

**By the Governor**

**WHEREAS**, the Secretary of the Department of Revenue has submitted to the Governor a monthly General Revenue Fund Collections Report for the first three months of fiscal year 2016 as prepared by the State Budget Office; and

**WHEREAS**, this report indicates the State of West Virginia has experienced a revenue shortfall of approximately \$67.8 million as compared to revenue estimates; and

**WHEREAS**, this shortfall of approximately \$67.8 million in revenue through September 2015 exists as a result of particular revenue source shortfalls including Personal Income Tax (\$18.9 million), Consumer Sales and Use Tax (\$3.9 million), and Severance Tax (\$43.4 million), despite actual collections exceeding estimated collections in a few other tax categories; and

**WHEREAS**, current economic and fiscal trends will result in projected year-end revenue deficits, including potential significant shortfalls in Severance Tax and Personal Income Tax and potential smaller shortfalls in Consumer Sales and Use Tax; and

**WHEREAS**, projected year-end revenue surpluses in various other General Revenue sources will only offset a small portion of these deficits; and

**WHEREAS**, the total projected year-end revenue deficit for the General Revenue Fund under a best case scenario is estimated at more than \$250 million; and

**WHEREAS**, the Constitution of the State of West Virginia requires that the State's estimated revenues and expenditures for each fiscal year as provided in the approved budget do not result in the creation of a deficit; and

**WHEREAS**, the Secretary of the Department of Revenue has reviewed the expenditures of various State agencies to date during fiscal year 2016, as compared with the agencies' initial appropriations, and has projected a potentially significant budget deficit for the fiscal year ending June 30, 2016, unless a minimum of \$93,379,526 in spending reduction occurs, which together with available fiscal year 2016 unappropriated general revenue funds of \$9,136,597, the availability of \$8,000,000 in the Personal Income Tax Reserve Fund, and other available special revenue balances would close the currently estimated total projected year-end revenue deficit for the General Revenue Fund; and

**WHEREAS**, the Legislature has agreed to take immediate action voluntarily to effect a four percent spending reduction of its General Revenue appropriations for fiscal year 2016 as follows: the Senate by a minimum of \$238,088; the House of Delegates by a minimum of \$356,161; and Joint Expenses by a minimum of \$343,818; and

**WHEREAS**, on December 17, 2013, I issued a memorandum to Cabinet Secretaries implementing a temporary restriction on general revenue funded hiring to help reduce expenditures and close the anticipated budget gap in fiscal year 2014; and on July 1, 2014 this temporary restriction on general revenue funded hiring was extended; and

**WHEREAS**, this temporary restriction on general revenue funded hiring is being extended into fiscal year 2016 along with additional cost saving measures, including eliminating all nonessential state employee travel and cancelling the annual holiday parties; and

**WHEREAS**, after careful analysis of fiscal year 2016 spending trends to date, other budget items also appear to be available for targeted reduction to aid in the balancing of the fiscal year 2016 budget.

**NOW, THEREFORE, I, EARL RAY TOMBLIN**, by virtue of the authority vested in me as the Governor of West Virginia, do hereby **DECLARE** and **ORDER** that:

1. All departments, agencies, bureaus, sections, boards, commissions, and other organizational units within the Executive Branch of State Government shall take immediate action to effect a spending reduction of their General Revenue appropriations for fiscal year 2016 as provided in paragraph two, below, effective October 22, 2015.

2. The Governor's Office by a minimum of \$215,266; the Auditor's Office by a minimum of \$127,268; the Treasurer's Office by a minimum of \$129,033; the Department of Agriculture by a minimum of \$452,179; the West Virginia Conservation Agency by a minimum of \$333,396; the Attorney General's Office by a minimum of \$206,569, the Secretary of State's Office by a minimum of \$45,439; the Department of Administration by a minimum of \$682,068; the Department of Commerce by a minimum of \$2,390,972; the State Board of Education excluding State Aid to Schools (fund 0317) by a minimum of \$4,962,926; the State Board of Education, State Aid to Schools, Basic Foundation Allowances (fund 0317) by \$11,491,278, to be implemented as described in instructions provided by the Secretary of the Department of Revenue; the Department of Education and the Arts by a minimum of \$720,300; the Department of Environmental Protection by a minimum of \$276,370; the Department of Health and Human Resources excluding social services but including Medicaid by a minimum of \$41,490,440; the

Department of Military Affairs and Public Safety by a minimum of \$13,780,784; the Department of Revenue by a minimum of \$1,012,858; the Department of Transportation by a minimum of \$245,194; the Department of Veterans' Assistance by a minimum of \$441,657; the Bureau of Senior Services by a minimum of \$562,537; the Council for Community and Technical College Education by a minimum of \$2,619,477; and the Higher Education Policy Commission by a minimum of \$11,193,515.

3. The Secretary of the Department of Revenue will supply instructions on the implementation of this spending reduction.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of West Virginia to be affixed.



DONE at the Capitol, in the City of Charleston, State of West Virginia, this twenty-second day of October, in the year of our Lord, Two Thousand Fifteen, and in the One Hundred Fifty-third year of the State.

*Earl Ray Tomblin*  
GOVERNOR

By the Governor

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SECRETARY OF STATE