

STATE OF WEST VIRGINIA

EXECUTIVE DEPARTMENT

At Charleston

EXECUTIVE ORDER NO. 6-13

By the Governor

WHEREAS, the Secretary of the Department of Revenue has submitted to the Office of the Governor a monthly General Revenue Fund Collections Report for the first eleven months of fiscal year 2013 as prepared by the State Budget Office; and

WHEREAS, this report, together with the exhaustion of the cash balance in the Personal Income Tax Reserve Fund, demonstrates that general revenue collections fell short of estimated revenue authorized for current expenditure by approximately \$66.2 million through May 2013; and

WHEREAS, this shortfall of approximately \$66.2 million in revenue through May 2013 exists as a result of particular revenue source shortfalls including the Severance Tax, Consumer Sales and Use Tax, Corporate Net Income / Business Franchise Tax, Interest Income, Insurance Premium Tax, and Personal Income Tax despite actual collections exceeding estimated collections in a few other tax categories; and

WHEREAS, the total projected year-end revenue deficit for the General Revenue Fund is currently estimated to be approximately \$93 million; and

WHEREAS, the Constitution of the State of West Virginia requires a balanced budget for each fiscal year; and

WHEREAS, on March 19, 2013, I issued a memorandum to Cabinet Secretaries implementing temporary restrictions on general revenue funded hiring to help reduce expenditures and close the anticipated budget gap in fiscal year 2013; and

WHEREAS, during the 2013 Regular Session of the Legislature, Senate Bill 664 was introduced by the Governor and passed by the Legislature, and it required a reduction in fiscal year 2013 General Revenue Fund appropriations of \$28 million from various State agencies; and

WHEREAS, Personal Income Tax collections have been offset by the exhaustion of the \$45 million cash balance in the Personal Income Tax Reserve Fund created to make timely refunds of monies to which taxpayers are entitled; and

WHEREAS, notwithstanding the actions already taken, the Secretary of the Department of Revenue has reviewed the fiscal year 2013 general revenue collections, as compared to the agencies' fiscal year 2013 appropriations, and has projected a deficit in the General Revenue Fund for the fiscal year ending June 30, 2013, unless up to \$20 million in additional appropriation reductions occur or revenues increase beyond projections; and

WHEREAS, after careful analysis of fiscal year 2013 spending trends to date, other budget items also appear to be available for targeted appropriation reduction to aid in balancing the fiscal year 2013 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. The Department of Health and Human Resources within the Executive Branch of State Government shall take immediate action to effect a reduction of its appropriated revenue for fiscal year 2013 as provided in paragraph two below, effective June 28, 2013.
2. The Department of Health and Human Resources, Division of Human Services, fund 0403, fiscal year 2013, organization 0511, activity 189, up to \$20,000,000.

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-eighth day of June, in the year of our Lord, two thousand thirteen, and in the One Hundred Fifty-First year of the State.

Earl Ray Tomblin

GOVERNOR

By the Governor

Natalie E. Bennett

SECRETARY OF STATE