# STATE OF WEST VIRGINIA

# EXECUTIVE DEPARTMENT

## At Charleston

# EXECUTIVE ORDER NO. 48-20

## 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 fiscal year 2020 as prepared by the State Budget Office; and

**WHEREAS,** this report demonstrates that the State of West Virginia has suffered a revenue shortfall of approximately $255 million as compared to revenue estimates; and

**WHEREAS,** the state's revenues were on track to achieve a balanced budget if not for the COVID-19 pandemic; and

**WHEREAS,** roughly $200 million in Combined Personal Income Tax and Corporate Income Tax were deferred until Fiscal Year 2021 as a result of COVID-19 in response to a Federal declaration; and

**WHEREAS,** this shortfall of approximately $255 million in revenue through June 2020 exists as a result of particular revenue source shortfalls including the Personal Income Tax ($206 million), and Severance Tax ($93 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 a smaller potential shortfall in Consumer Sales and Service Tax 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 is currently estimated at nearly $255 million; and

**WHEREAS,** the Constitution of the State of West Virginia requires that there be a balance between the State's revenues and expenditures for each fiscal year; and

**WHEREAS,** the Secretary of the Department of Revenue has reviewed the expenditures of various State agencies to date during fiscal year 2020, as compared with the agencies' initial appropriations, and has projected a potentially significant budget deficit for the fiscal year ending June 30, 2020, unless a minimum of $198,000,000 in spending reduction occurs and other adjustments and additional revenues increase a minimum of $57,000,000 beyond projections; and

**NOW, THEREFORE, I, JIM JUSTICE,** 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 organization 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 2020 as provided in paragraph two below, effective June 30, 2020.

2. The Department of Health and Human Resources - a spending reduction of its General Revenue appropriations for fiscal year 2020 by a minimum of $186 million, effective June 30, 2020; The Department of Education – a spending reduction of its General Revenue appropriations for fiscal year 2020 by a minimum of $2 million, effective June 30, 2020; The Department of Commerce – a spending reduction of its General Revenue appropriations for fiscal year 2020 by a minimum of $1 million, effective June 30, 2020; The Department of Military Affairs and

Public Safety - a spending reduction of its General Revenue appropriations for fiscal year 2020 by a minimum of $9 million, effective June 30, 2020;

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 Thirtieth day of June, in the year of our Lord, Two Thousand Twenty in the One Hundred Fifty-eighth year of the State.

**GOVERNOR**

**By the Governor**

**SECRETARY OF STATE**