

Consensus Revenue Forecast Update for the General Fund, Transportation Fund, and Education Fund [Partial]

Fiscal Years 2022 through 2023

July 30, 2021

Prepared for the Vermont Emergency Board

PREPARED BY:



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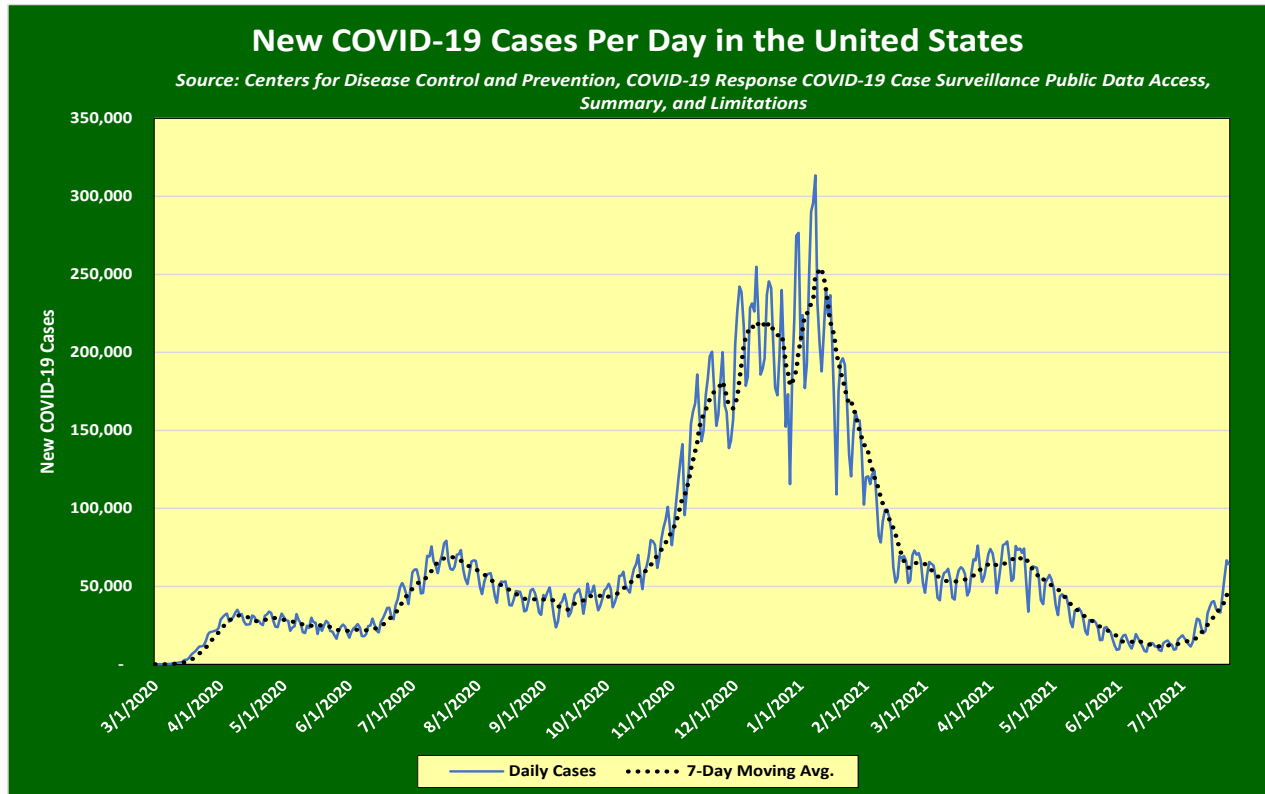
ECONOMIC, POLICY, AND FINANCIAL ANALYSTS

❖ **Background and Context: Discussion of the Updated Staff Recommended July 2021 Consensus Economic and Revenue Forecast Update for Fiscal Year 2022 and Fiscal Year 2023¹**

- The July 2021 staff recommended consensus revenue forecast includes a third comprehensive revision using updated data and information relative to the previous two, COVID pandemic-impacted, Emergency Board-approved consensus revenue forecasts of August 12, 2020 and January 19, 2021.
 - As with the previous two COVID-impacted consensus revenue forecast updates, this latest update comes against a backdrop of an unprecedented amount of uncertainty for much of the forecast update period.
- The uncertainty is unprecedented due to two main factors that continue to dominate the outlook: (1) the continuing, but evolving COVID pandemic, including the recently increasing case numbers associated with the more highly transmissible variants (e.g. the Delta variant) of the COVID virus in areas where COVID vaccination rates remain low; and (2) the uncertainty surrounding the on-going, unprecedented flow of federal deficit spending dollars along with the highly accommodative stance of monetary policy that are presently being employed at the federal level to combat the pandemic.
 - Both factors have had significant impacts on the economy and revenues over the past roughly year and one-half. Both are expected to continue to exert an out-sized influence on the future path of the national and State economies, and corresponding State revenues, for a significant portion of the forecast-outlook time frame—and particularly so during the near-term time horizon.
- Regarding the first, although the case numbers are down overall due to increasing numbers of vaccinated residents in Vermont and other places, the latest data assembled and reported by the Centers for Disease Control (“CDC”) and the Vermont Department of Health on case numbers show that new COVID cases are on the rise nationally, and have recently been increasing somewhat in parts of the State with lower vaccination rates. Many of these new cases in Vermont and elsewhere appear to be tied to the more highly transmissible variants of the virus (including the Delta variant). Cases have been concentrated in areas with higher percentages of unvaccinated population.

¹ With fiscal planning forecasted numbers by fund aggregate through Fiscal Year 2026.

- Nationally, the 7-day average of new cases through last week looked to be building towards yet another wave of infections in the country.

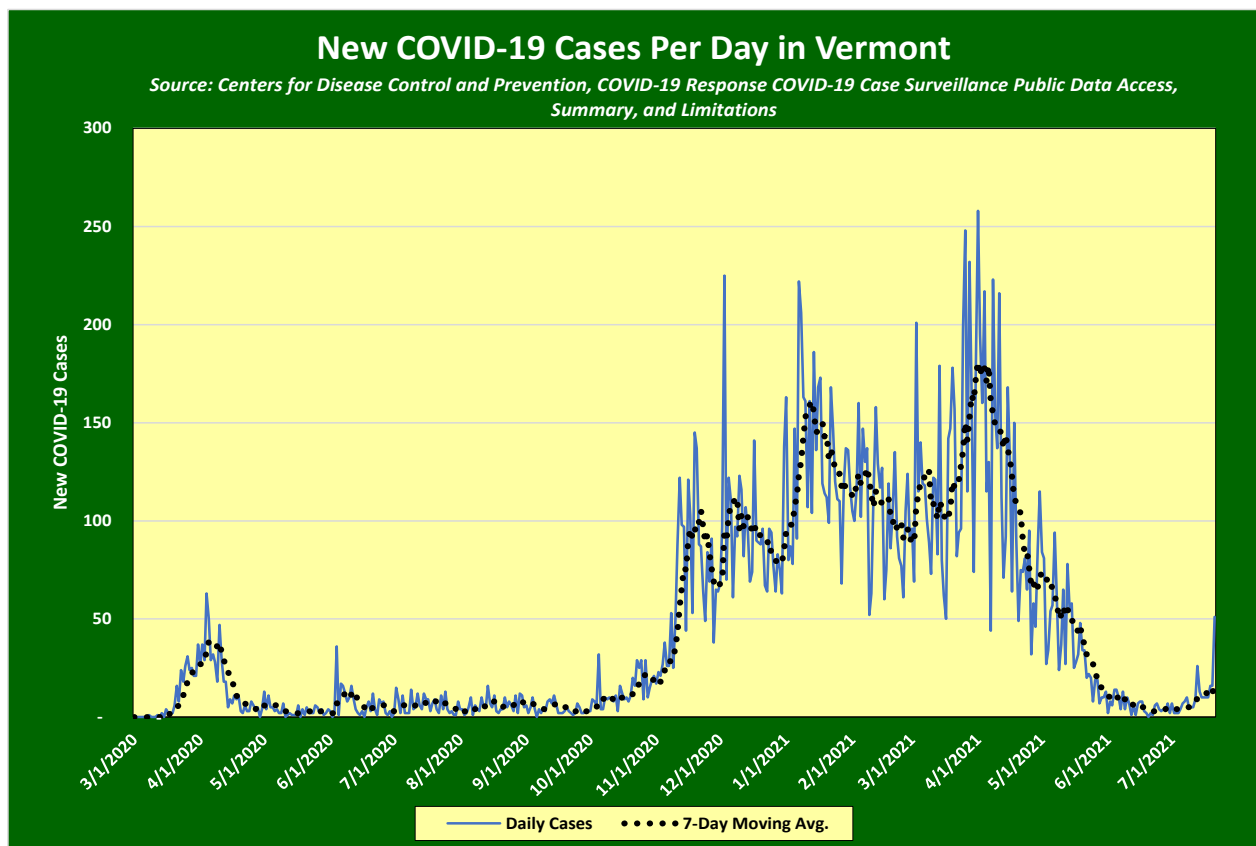


- Through July 29th nationally (as of 3:00 PM in the afternoon), there have been roughly 34,711,200 cases of COVID and a total of 611,974 deaths. There has been a total of 4,193,900 deaths from COVID globally through mid-afternoon on July 29th.
 - New case activity in the U.S. has a distinctly southern and western U.S. character, with Florida, California, and Texas leading the 7-day total for new cases through July 29th. Additionally, there is a new-case-spike up the Mississippi River region and into the State of Missouri, where lower-than-the-national-average vaccination rates appear to be correlated with the increase in infection rates.²
- Through July 28th, new cases of COVID in Vermont remain relatively low (in the

² 66.9% of the total U.S. population ages 12 and above have received at least one dose, compared with 85.4% in Vermont, 46.3% in Mississippi, 49.5% in Louisiana, 52.0% in Tennessee, 54.5% in Arkansas, 56.7% in Missouri, 61.7% in Texas, 65.8% in Florida, and 75.7% in California.

teens in terms of the number of new cases per day) but they have recently begun to show an increase over the previous long-term average.

- Total confirmed COVID cases in Vermont dating back to the start of the pandemic now total 24,804 and total deaths attributable to COVID currently number 259. A total of 5 patients are in the hospital with a confirmed case of COVID as of July 28th.
- A total of 85.4% of the State's population aged 12 years and older have received at least one dose of the COVID vaccine.
 - That amounts to a total of 420,798 Vermonters fully vaccinated (or 75.4% of the eligible population) and another 49,699 have been partially vaccinated (or another roughly 7% of the eligible population).



- While Vermont's response to the COVID-19 pandemic still ranks among the nation's best by state responses to-date, the threat of the Delta variant and other more highly transmissible variants of the COVID virus in combination with the on-going, significant level of resistance to the COVID vaccines in some states and

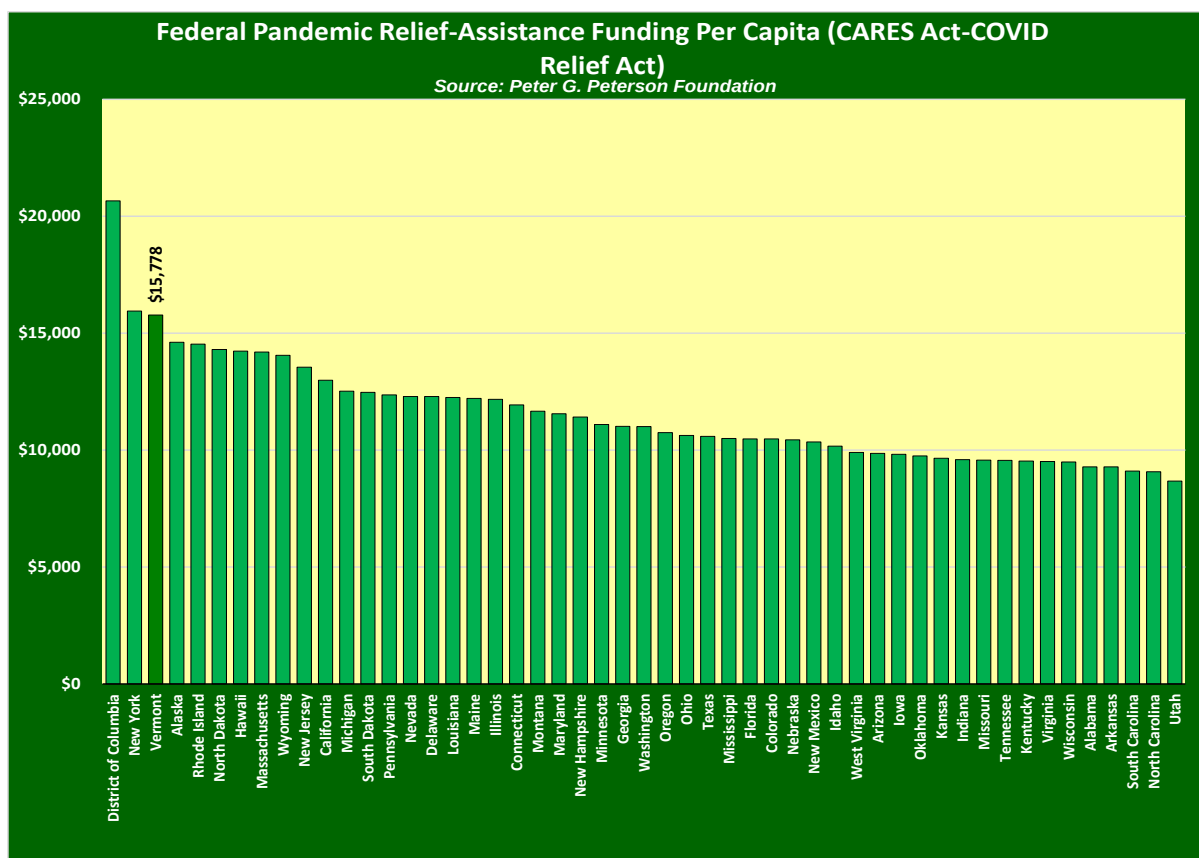
sub-regional populations still means we are not out-of-the-woods in terms of the pandemic's on-going threat to the public health and the economy.

- From the very beginning of the pandemic, it was widely recognized that the various economic challenges could not get to resolution unless or until there was the successful outcome to the public health challenges posed by the COVID pandemic.
- While recent epidemiological trends nationally, regionally, and in Vermont show that we are at a significantly better place than was the case as recently as a year ago, some difficult epidemiological challenges still remain.
 - These issues will continue to influence developments in the economy and State revenues unless or until the vaccine resistance among a significant part of the population can be resolved. Without additional shots, it will be challenging to achieve a population-wide vaccination level that would help to provide an effective block to the further replication-mutation of this dangerous virus.
- Regarding the second major factor and looking at the latest numbers on the flow of federal deficit spending dollars to the State from federal COVID assistance-relief legislation, data tracked by the Peter G. Peterson Foundation for the states and U.S. territories through mid-July³ show that the State's continues to fare well in amount of federal COVID relief-assistance funds received.
 - Through mid-July, the running total of federal funds received from all of the various federal COVID financial relief-assistance bills to date to the State of Vermont show that Vermont has received a total of \$9.845 billion, ranking the state 3rd highest among the 50 states and the District of Columbia in terms of per person federal COVID relief-assistance fund received.
 - On a per capita basis through mid-July, that aggregate amount of funding corresponds to an amount of \$15,778 per person of federal COVID financial aid-assistance aid. That total corresponds to an amount that is roughly equal to about 27% of the average nominal dollar per capita personal income of \$58,650 per Vermont resident received in calendar year 2020.
- Since this assistance has been nearly all federal deficit financed, this is going to

³ For the roughly 20 federal programs where state-by-state data are available.

continue to have a very highly stimulative effect on the Vermont economy (and on most states and territories throughout the U.S. economy)—given the very high “multiplier effect” this type of federal deficit spending typically has, and is likely going to continue to have, on State and northeastern U.S. regional economic activity going through much of fiscal year 2022 and well into fiscal year 2023—if not beyond.

- The chart below sets forth the ranking of the various states and the District of Columbia in descending order of federal financial pandemic aid-assistance received per person to-date (or through mid-July of 2021).



- Looking at the chart of federal COVID funds received through mid-July 2021 per capita, it is notable that five of the top twenty states and District of Columbia were New England states. Among the other New England states aside from Vermont, the state of Rhode Island ranked 5th, Massachusetts ranked 8th, Maine ranked 18th, and the state of Connecticut ranked 20th.
 - Three additional states in the northeastern U.S. region were also ranked high, and were among the “top twenty” states in COVID financial aid-

assistance received. The state of New York ranked 2nd, New Jersey ranked 10th, and the state of Pennsylvania ranked 14th, rounded out the leading federal pandemic financial aid-assistance receiving states.

- Only the state of New Hampshire among the New England states ranked outside of the “top twenty” —with a ranking of 23rd among the 50 states and the District of Columbia (and the other U.S. territories).
- The above dollar amounts detail the unprecedented amount of highly-stimulative, federal deficit spending dollars not only present within the Vermont economy but also circulating around the surrounding northeastern regional economy.
 - Since the northeastern region of the U.S. is a primary source of visitors for the Vermont tourism economy, these dollars promise to underpin elevated levels of visitor and associated economic activity—which will also likely positively impact State revenue collections—over at least the near-term time-period and probably longer.
 - Moreover, the significant portion of these COVID financial aid-assistance dollars that have been saved⁴ and or invested by households in financial and other hard assets (which has helped to boost asset values and tax receipts relative to those asset values when they are converted to income) since the pandemic began. This situation promises to position households with additional consumption firepower that could conceivably be used to boost consumption to historically elevated levels for some time to come.
 - This is specially so given the significant amount of “pent up demand” out in the economy—which has been brought on by the pandemic restrictions and the recent friction in many supply chains that has curtailed a significant amount of household spending due to “lack of inventory.”
- As a result, the staff-recommended consensus forecast update also comes against a backdrop of where State revenues overall have consistently performed in a significantly better than was initially expected.
 - This has been especially surprising, given the fact that the national economy

⁴ The household savings rate has remained elevated since the onset of the pandemic.

that lost 22.4 million jobs during the COVID-induced economic free-fall of early last calendar year and through June of 2021 still remained below pre-pandemic levels by a total of roughly 6.7 million nonfarm payroll jobs.

- The positive fiscal year 2021 State revenue performance also was a surprising development, given the fact that the Vermont economy had similarly lost an eye-opening total of 63,500 nonfarm payroll jobs due to the pandemic early last year, and through June still had a total of 19,200 nonfarm payroll jobs left-to-recover relative to the State's pre-pandemic nonfarm payroll job peak (see Table 1 below).⁵

Table 1: Charting the Seasonally-Adjusted Nonfarm Payroll Job Change (in 000s) by New England State, April 2020 through June 2021

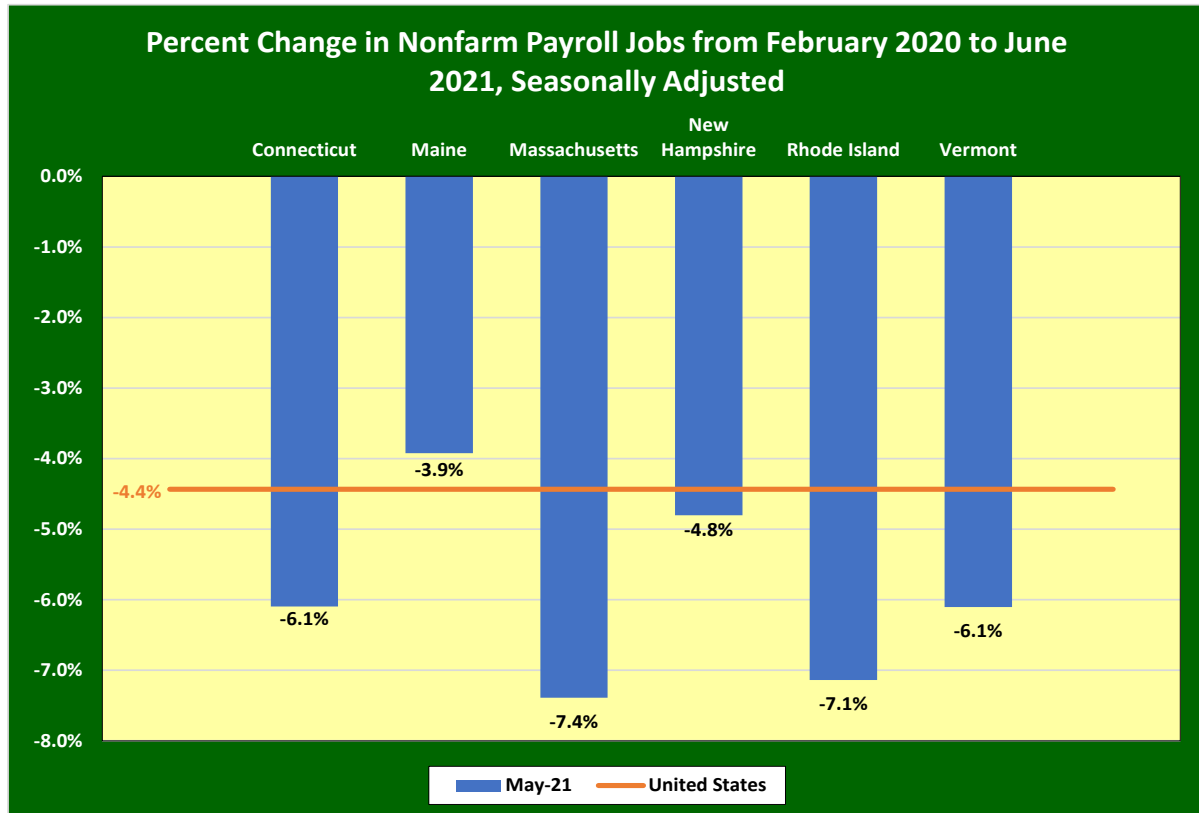
Payroll Jobs-Recession Losses (Feb.-April)/Recovered (April 2020-June 2021)					%	%	
	Lost	% of Total	Recovered	% of Total	Recovered	Left-to-Go	Left-to-Go
Connecticut	(292.4)	-17.2%	189.0	13.5%	64.6%	35.4%	(103.4)
Maine	(94.6)	-14.8%	69.5	12.7%	73.5%	26.5%	(25.1)
Massachusetts	(691.9)	-18.5%	416.0	13.7%	60.1%	39.9%	(275.9)
New Hampshire	(116.4)	-16.9%	83.3	14.5%	71.6%	28.4%	(33.1)
Rhode Island	(108.0)	-21.3%	71.8	18.0%	66.5%	33.5%	(36.2)
Vermont	(63.5)	-20.2%	44.3	17.6%	69.8%	30.2%	(19.2)
United States	(22,362.0)	-14.7%	15,598.0	12.0%	69.8%	30.2%	(6,764.0)
N.E. TOTAL	(1,366.8)	-18.0%	873.9	14.1%	63.9%	36.1%	(492.9)

- Under “more normal circumstances,” a consensus revenue forecast update completed against a labor market backdrop that included a cumulative loss of greater than 6% of the State's nonfarm payroll job base roughly a year and one half prior to the date of the revenue forecast update would almost assuredly have a decidedly more negative character and tone.
 - In fact, a cumulative job loss of more than 6.0% in nonfarm payroll jobs across the State's labor markets would ordinarily be a cause of great alarm, and would hardly be expected to result in a consensus forecast upgrade of any kind.
- Over the last 18 months, the heretofore unparalleled combination of the COVID-19 pandemic, the unprecedented federal fiscal and monetary response taken to address it, and the unusual steps taken by State policymakers in Vermont⁶ to

⁵ Which represented 30.2% of the 63,500 jobs lost in total due to the pandemic at its peak versus its pre-recession peak versus the 30.2% of the national cumulative payroll job loss of 22.4 million nonfarm payroll jobs left-to-recover for the U.S. economy as a whole and the 36.1% of the New England regional cumulative payroll job loss of 1.4 million nonfarm payroll jobs left-to-recover for the New England region as a whole.

⁶ Using COVID relief dollars.

address the economic pain experienced in many of the virus-sensitive sectors of the State economy, has for the most part enabled State revenues to continue to flow to the State Treasury on a significantly higher-than-expected level.



- At the same time, that combination of factors also appears to have altered—at least temporarily—the way that many sources of State revenues are raised and flow into the state Treasury.
- The new relationships between the economy and State revenues in many cases will be temporary, and the ones that might potentially be more enduring are only beginning to be understood.
- As such, the still evolving character of the potentially permanent changes and the re-setting of older relationships between the economy and State revenues make the current staff recommended forecast update numbers prone to significant down-side, but also significant up-side, risk.
 - Moreover, the level of forecast risk—both up and down—increases markedly the farther the forecast update recommendation goes out into the future through fiscal year 2026.

- During the near-term part of the consensus forecast update period,⁷ revenue prospects will likely continue to be driven by these extraordinary federal fiscal and monetary policy COVID-relief/assistance actions that have been taken to-date to provide extensive amounts of federal COVID financial relief-assistance to those households and employers in the parts-sectors of the economy that have been hit hard by the COVID virus.
 - However, during the course of this consensus forecast update period, the effect of the various public sector interventions will likely begin to ease and be slowly withdrawn over time during the forecast update period.
 - Although it is likely there will be additional federal spending for various forms of infrastructure, at least some of the federal assistance programs that have been providing pandemic relief-support over the last year and one half will be ending in the near-term future—the new refundable child credit notwithstanding.⁸
- How precisely those extraordinary federal fiscal and monetary policy actions may eventually ease and potentially be entirely withdrawn from the economic and revenue landscape will likely have an out-sized impact on State revenue collections and the performance of the U.S. and State economies—especially as the time frame moves to the out-years of the forecast update time horizon.
 - These issues will be tracked closely over the next 24 to 48 months and will likely result in some surprises—both up and down.
- The above discussion is all reflected in the new, updated consensus economic outlook metrics that will be employed in the July Legislative JFO-Administration consensus revenue forecast update as set forth in Tables 2 and 3 below.

⁷ Likely over at least the fiscal year 2022 and 2023 period.

⁸ For example: (1) federal housing program assistance (e.g. the federal eviction moratorium and many the state eviction moratoriums shortly thereafter) ending by July 31; (2) most expanded unemployment insurance benefits that paid roughly \$200 more per week are mostly ending by Labor Day; (3) the 15% increase in SNAP (food stamp) payments is expected to end by September 30th of this year, and (4) the federal student loan payment moratorium is set to expire in September 30th of this year as well. That means that student borrowers will need to re-start payments after having no payments dating back to February 2020.

**Table 2: Comparison of Recent Administration and JFO Consensus
U.S. Macroeconomic Forecasts**
December 2019 through June 2021, Selected Variables, Calendar Year Basis

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real GDP Growth									
December-19	2.9	1.6	2.4	2.9	2.3	1.8	1.9	2.5	2.1
July-20	2.9	1.6	2.4	2.9	2.3	-5.9	3.2	5.2	2.7
December-20	3.1	1.7	2.3	3.0	2.2	-3.5	4.1	4.7	3.2
June-21	3.1	1.7	2.3	3.0	2.2	-3.5	6.7	5.0	2.9
S&P 500 Growth (Annual Avg.)									
December-19	6.8	1.5	17.0	12.1	6.1	-2.0	1.8	6.3	5.0
July-20	6.8	1.5	17.0	12.1	6.1	-3.0	-2.9	12.4	4.9
December-20	6.8	1.5	17.0	12.1	6.1	9.7	12.8	1.7	-3.9
June-21	6.8	1.5	17.0	12.1	6.1	10.5	26.3	-3.5	-2.7
Employment Growth (Non-Ag)									
December-19	2.1	1.8	1.6	1.7	1.6	1.0	0.2	0.8	0.6
July-20	2.1	1.8	1.6	1.6	1.4	-5.9	0.5	3.5	3.2
December-20	2.1	1.8	1.6	1.6	1.4	-5.8	1.2	2.5	2.4
June-21	2.1	1.8	1.6	1.6	1.3	-5.7	3.0	4.6	2.1
Unemployment Rate									
December-19	5.3	4.9	4.3	3.9	3.7	3.8	4.1	4.3	4.4
July-20	5.3	4.9	4.3	3.9	3.7	9.2	8.1	6.6	4.9
December-20	5.3	4.9	4.3	3.9	3.7	8.1	6.9	6.0	4.6
June-21	5.3	4.9	4.4	3.9	3.7	8.1	5.4	3.7	3.5
NYMEX Light Sweet Crude \$/Bbl									
December-19	49	43	51	65	57	57	59	59	60
July-20	49	43	51	65	57	37	45	54	60
December-20	49	43	51	65	57	38	45	54	60
June-21	49	43	51	65	57	39	67	63	58
Prime Rate									
December-19	3.26	3.51	4.10	4.90	5.27	4.60	4.70	5.53	6.05
July-20	3.26	3.51	4.10	4.90	5.29	3.50	3.25	3.25	3.63
December-20	3.26	3.51	4.10	4.90	5.29	3.54	3.25	3.25	3.33
June-21	3.26	3.51	4.10	4.90	5.29	3.54	3.25	3.25	3.64
Consumer Price Index Growth									
December-19	0.1	1.3	2.1	2.4	1.9	2.2	2.4	2.4	2.4
July-20	0.1	1.3	2.1	2.4	1.8	0.4	1.6	2.3	2.4
December-20	0.1	1.3	2.1	2.4	1.8	1.2	2.0	2.6	2.7
June-21	0.1	1.3	2.1	2.4	1.8	1.2	3.4	2.8	2.6
Average Home Price Growth									
December-19	5.2	5.5	6.0	6.5	4.9	4.4	4.1	3.9	3.7
July-20	5.2	5.4	5.9	6.2	5.1	3.5	1.8	3.1	5.2
December-20	5.2	5.3	5.8	5.8	4.8	4.7	4.5	4.8	5.1
June-21	5.2	5.3	5.5	5.6	4.6	5.1	8.6	10.4	8.4

**Table 3: Comparison of Consensus Administration and JFO Vermont
State Forecasts**

December 2018 through June 2021, Selected Variables, Calendar Year Basis

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real GSP Growth									
December-18	0.7	1.5	1.1	2.2	1.9	0.6	1.9	2.2	
June-19	1.1	1.6	1.3	1.2	1.1	1.4	1.8	2.1	
December-19	1.3	1.6	0.1	1.2	2.6	1.7	1.8	2.4	2.2
July-20	1.3	1.6	0.1	1.2	2.5	-5.1	2.0	4.8	4.0
December-20	1.3	1.1	0.4	0.9	0.8	-6.2	3.4	4.9	3.4
June-21	1.3	1.1	0.4	0.9	0.8	-5.4	6.2	4.6	2.8
Pop. Growth-Adj. 2020 Census									
December-18	0.0	-0.2	0.1	0.3	0.1	0.2	0.2	0.2	
June-19	0.0	-0.3	0.1	0.3	0.1	0.2	0.2	0.2	
December-19	0.0	-0.3	0.1	0.0	-0.1	0.1	0.1	0.1	0.1
July-20	0.0	-0.3	0.1	0.0	-0.1	0.1	0.2	0.2	0.1
December-20	0.0	-0.2	0.1	-0.1	-0.1	-0.1	0.1	0.1	0.1
June-21	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Employment Growth									
December-18	0.8	0.3	0.3	-0.1	0.4	0.2	-0.2	0.5	
June-19	0.8	0.3	0.6	0.1	0.8	0.6	-0.2	0.5	
December-19	0.8	0.3	0.6	0.1	0.8	0.5	0.1	0.6	0.5
July-20	0.9	0.3	0.6	0.2	0.1	-8.0	1.3	3.2	2.6
December-20	0.9	0.3	0.6	0.2	0.1	-9.3	2.0	2.7	2.4
June-21	0.9	0.3	0.6	0.3	0.1	-9.4	2.7	3.8	1.8
Unemployment Rate									
December-18	3.6	3.2	3.0	2.8	2.7	3.2	3.6	3.9	
June-19	3.6	3.2	3.0	2.7	2.4	2.6	3.3	3.6	
December-19	3.6	3.2	3.0	2.7	2.2	2.5	3.2	3.4	3.6
July-20	3.6	3.2	2.9	2.6	2.4	7.9	6.1	4.9	3.9
December-20	3.6	3.2	2.9	2.6	2.4	6.1	3.4	3.3	3.1
June-21	3.5	3.1	3.0	2.6	2.3	5.6	2.8	2.3	2.4
Personal Income Growth									
December-18	3.5	2.3	3.2	3.0	2.8	2.6	2.5	3.0	
June-19	3.5	2.3	3.2	3.1	2.5	3.0	2.2	3.1	
December-19	3.7	2.2	2.5	4.5	4.9	3.1	2.5	3.2	3.0
July-20	3.7	2.2	2.5	4.5	4.2	4.0	-1.1	4.3	4.9
December-20	3.3	1.8	2.6	3.5	3.2	8.6	2.3	4.1	5.2
June-21	3.3	1.8	2.6	3.5	3.2	6.0	3.5	1.3	4.6
Home Price Growth (JFO)									
December-18	1.9	1.6	2.6	4.5	5.3	6.2	6.1	5.4	
June-19	1.9	1.5	2.6	3.4	4.1	5.6	5.3	4.9	
December-19	1.8	1.7	2.5	3.6	3.8	4.2	4.6	4.8	4.5
July-20	1.8	1.6	2.4	3.5	4.1	4.9	5.2	6.0	5.8
December-20	1.8	1.5	2.2	3.3	3.7	4.9	5.9	6.2	5.7
June-21	1.8	1.6	2.2	3.1	3.6	5.2	8.7	10.2	8.9

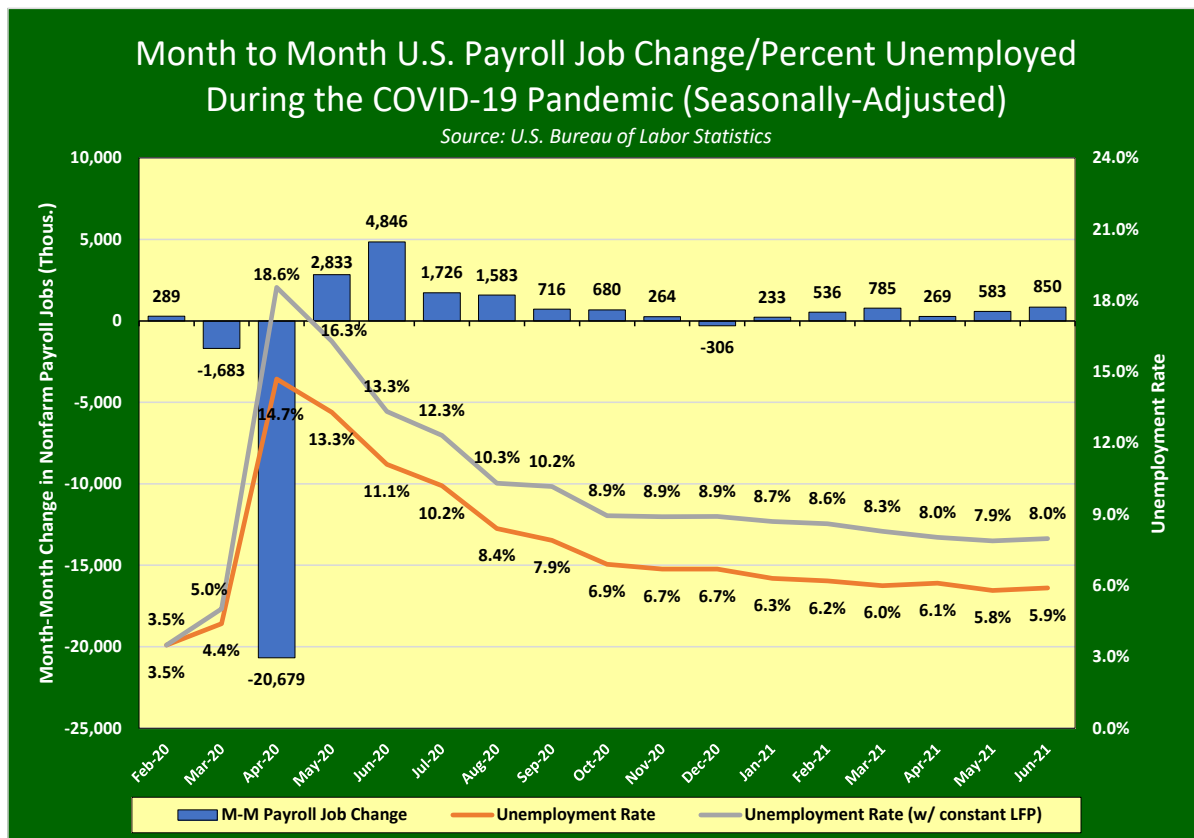
- Overall, Tables 2 and 3 show that the updated staff-recommended Legislative JFO-Administration consensus economic forecast calls for the eventual spend-out of the federal deficit-spending dollars associated with the federal pandemic relief-assistance will likely underpin very strong levels of economic recovery and eventually a renewal of economic expansion activity through much of calendar year 2023—even if the near-term upswing in calendar years 2021 and 2022 is expected to take a bit out of calendar year 2023 (and likely beyond) activity in the latest forecast update.
 - If some of this federal deficit spending results in at least some amount of forward-looking investment in areas that end up boosting productivity, there is the possibility of prolonging the higher level of activity associated with the renewed economic upturn for even longer than calendar year 2023.
 - At some point, after the federal deficit spending effect begins to wind down, the U.S. and Vermont economies will again have to make a successful transition back to the world where forward economic progress will be driven by the economy’s underlying fundamentals.
- This is likely to be a somewhat “tricky transition” when it in fact occurs—back to a more normal, but changed world in the aftermath of the COVID pandemic and any permanent changes that arise from a very unusual three to four year period for the economy where there has been no “playbook” to assess what has been going on and what is likely to continue to transpire over the next several years.
 - The staff-recommended Legislative JFO-Administration consensus economic forecast update does expect the economy to make this transition out towards the end of the State fiscal planning time frame in calendar year 2024-26 timeframe.
 - Whether or not that sequence of events for that transition actually comes to pass remains to be seen, and it represents one of the most important keys to the State’s near-term/intermediate term economic forecast.

❖ **Updated Staff Consensus Forecast Update Recommendations for Fiscal Year 2021 through Fiscal Year 2023 and Planning Estimates for Fiscal Years 2023 through Fiscal Year 2026**

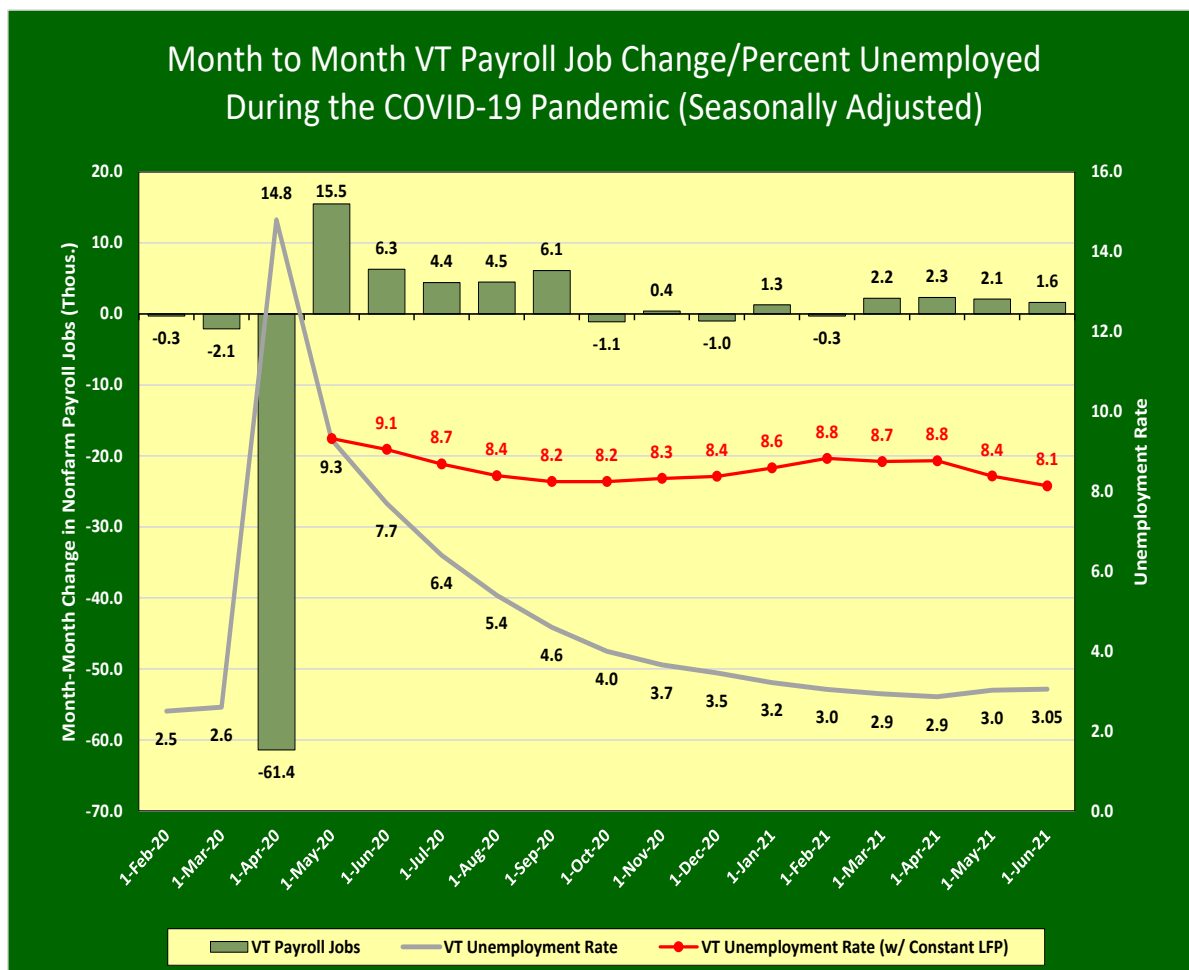
- The updated July 2021 staff recommended consensus revenue forecast includes both an updated consensus economic forecast and consensus revenue forecast for the period and extends through calendar year and fiscal year 2026 as developed over late-June/early July 2021.
 - This staff recommended consensus revenue forecast update takes into account all of the most current information regarding the economic and fiscal effects of the pandemic, the resulting substantial federal fiscal and monetary policy interventions made to-date, and the passage of additional, significant federal spending initiatives along the lines of what has been debated recently between the Administration and the Congress as of the date of this report.
 - The forecast also incorporates the latest actual State revenue collections data through June 30th and into the mid-July period, including adjustments for all of the so-called ‘fiscal shift’ of receipts for FY 2020 which were actually be received during July of FY 2021 (in the first month of FY 2021) and recent efforts to incorporate the massive amount of federal deficit spending dollars that have come into Vermont via the pandemic financial relief-assistance conduit through the three federal acts—including Cares Act-01 and Cares Act-02, and the American Recovery Plan Act—and the likely passage of an infrastructure package along the lines of what was being debated in June sometime during calendar year 2021.
 - It is also expected that some of the “package” of federal infrastructure initiatives discussed above may be passed on a bi-partisan basis, but in the end could also be done via the budget reconciliation process if the bipartisan effort fails to pass.
- Within the above-described and forecasted macroeconomic environment and considering recent collections trends the G-Fund, T-Fund, and E-Fund revenues through fiscal year 2021, the staff recommended consensus revenue forecast for G-Fund, T-Fund and E-Fund [Partial] revenues for fiscal years 2022 and 2023 have been significantly upgraded.
 - This upgrade to a lesser extent is also recommended to be extended into the outyears of the five-year fiscal planning period including fiscal years 2024

through fiscal year 2026—reflecting significantly better than expected track of recent revenue collections and the upgraded economic forecast outlook through the entire forecast update period.⁹

- The still evolving pandemic, the on-going and improving nature of the U.S. and Vermont economic recoveries (see the charts below), along with the continuation of the unprecedented flow of federal fiscal pandemic assistance-aid (primarily through federal deficit spending) and the accommodative monetary policy stance through at least the near-term time frame underpins this significant forecast upgrade.



⁹ The was also somewhat reinforced by the second quarter reading of U.S. Gross Domestic Product, which increased at a 6.5% annual rate in the second quarter, up slightly from a 6.3% growth rate in the first three months of calendar year 2021. While the reading was below most economists’/analysts’ expectations for the April to June 2021quarter, it was notable that the second quarter of calendar year 2021’s output increase estimates pushed the size of the U.S. economy’s output above its pre-pandemic level—a milestone that was a tribute to the speed in which the U.S. economy’s output recovery has transpired since it began back in May 2020.



- On an “apples-to-apples” basis and using the previously discussed consensus “fiscal shift” revenue estimate of \$181.1 million,^{10,11} the size of the staff recommended consensus revenue forecast changes in the “Available to the G-Fund” total +\$190.2 million for fiscal year 2022, and +\$199.1 million for fiscal year 2022—including Health Care revenues as presented in Table 4 (below).

¹⁰ Consisting of \$162.0 million in fiscal shift revenues in the Personal Income Tax (at +\$33.4 million in higher PI Estimated Payments, \$122.7 million in higher final return and extension return payments, a total of \$4.5 million in higher refunds, and a total of \$10.3 million in higher Fiduciary Tax payments—which are part of the Personal Income Tax in Vermont. For Corporate Tax receipts, the consensus estimate of fiscal shift revenues included \$19.2 million in higher Corporate Tax receipts that were received in July but shifted back to fiscal year 2020 revenues. These included a mix of Corporate Estimated Tax payments that were deemed otherwise due during the January 2020 to June 2020 time frame and final payment or extension payments made by corporate taxpayers whose fiscal year end payments would have otherwise been paid prior to June 30th, “but for” the federal (and conforming State) extension of the filing and payment due dates to July 15th.

¹¹ That resulted in that revenue total to be collected in July fiscal year 2021 that would have otherwise likely have been collected during fiscal year 2020 “but for” the federally-directed filing and payment “due dates” being delayed to July 15th which Vermont followed.

**Table 4: Staff Recommended Consensus Revenue Forecast Update—
Change from the January 2021 Consensus Forecast (FY 2022-FY 2023)
Current Law (Including Health Care Revenues)**

Differences-July 2021 Proposed Consensus Forecast versus the January 2021 Consensus Forecast (By Fund)				
	2022		2023	
Current Law	Dollars	Percent	Dollars	Percent
General Fund	\$190.2	10.3%	\$199.1	10.5%
Available to the General Fund--Incl. Health Care Revenues				
Transportation Fund	\$13.3	4.7%	\$14.7	4.8%
Available to the Transportation Fund				
Education Fund	\$39.0	5.9%	\$54.3	8.0%
Partial-Including all Recent Fund Allocation Changes				
Total--"Big 3 Funds"	\$242.5	8.6%	\$268.1	9.3%
MEMO #1: Health Care Revenues (STILL NOT FINAL)	\$6.4	2.2%	\$6.8	2.3%
MEMO #2: TIB [3]				
Gasoline	\$3.0	20.2%	\$2.3	15.3%
Diesel	\$0.0	1.9%	\$0.0	2.3%
Total TIB	\$3.1	18.0%	\$2.3	13.7%
Notes:				
[1] Current Law (Incl. Healthcare Taxes-Fees).				
[2] Totals in the TIB may not add due to rounding.				
Prepared by: Economic & Policy Resources, Inc.				

- For fiscal years 2024 through 2026, this updated “staff recommended” consensus revenue forecast for the “Available to the G-Fund” revenues are expected to increase by +\$185.6 million, +\$175.7 million, and +\$171.3 million, for fiscal years 2024, 2025, and 2026, respectively. while these forecasted totals are expected to remain elevated in those outyears, it should be noted that the rigor of the analysis for those out-year “staff recommended” forecasted numbers is lower than the thoroughness of the forecasted numbers for fiscal years 2022 and 2023. Out-year revenue performance can therefore be subject to significant revision—both in the upward and/or downward direction.
- Excluding Health Care revenues, the staff recommended consensus forecast changes in the G-Fund over the next two fiscal years total +\$183.8 million for fiscal year 2022, and +\$192.4 million for fiscal year 2023 as the macroeconomic effects of the unprecedented level of federal fiscal deficit-spending likely wanes. The staff recommends a forecast update of non-health care revenues “Available to the General Fund” of +\$177.3 million, +\$166.0 million, and +\$161.0 million, for fiscal years 2024, 2025, and 2026, respectively.
- For the Health Care revenues portion of the updated consensus revenue forecast, the staff recommended Health Care revenues forecast change includes a +\$.4 million upgrade for fiscal year 2022, and a +\$6.8 million forecast upgrade

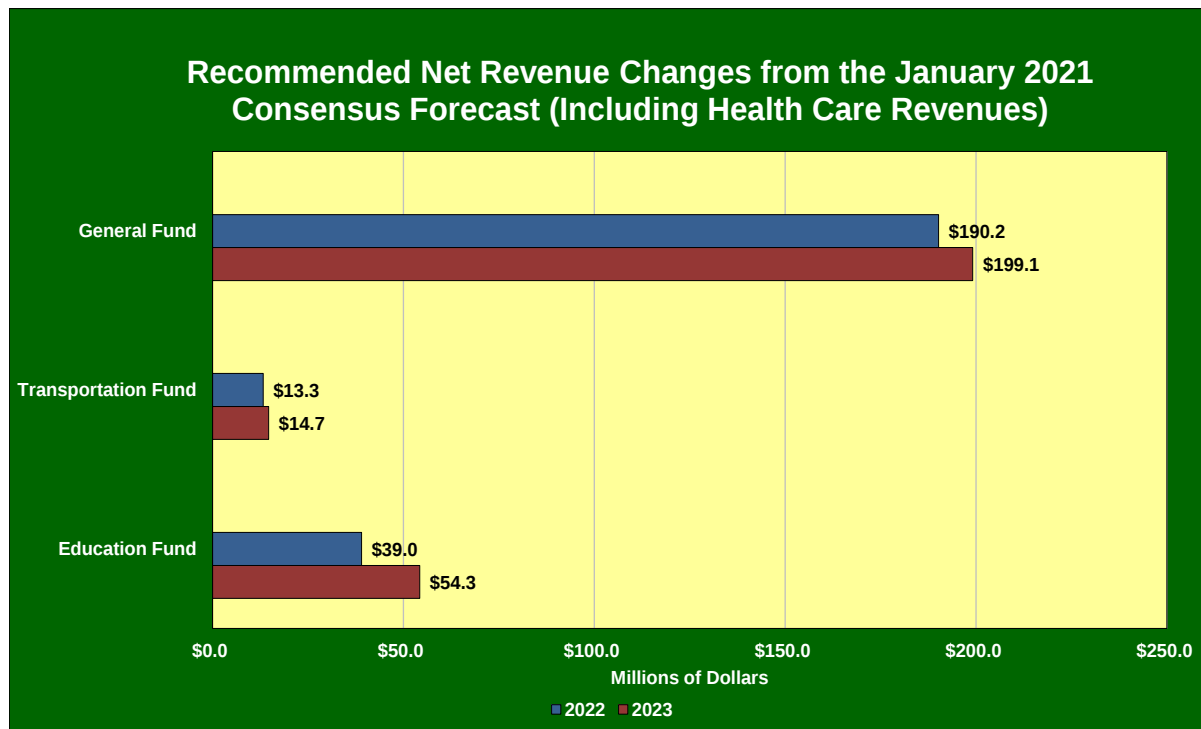
for fiscal year 2023—relatively minor forecast upgrades relative to the significant forecast upgrades elsewhere for those fiscal years.

- The staff also recommends a forecast upgrade for health care revenues “Available to the General Fund” of +\$8.4 million, +\$9.7 million, and +\$10.4 million for fiscal years 2024, 2025, and 2026, respectively.
- The staff recommended forecast for revenues “Available to the Transportation Fund” includes a forecast upgrade of +\$13.3 million for fiscal year 2022, and a +\$14.7 million forecast increase for fiscal year 2023—on a current law basis. The staff also recommends a forecast upgrade for revenues “Available to the Transportation Fund” of +\$9.1 million, +\$3.8 million, and +\$3.0 million for fiscal years 2024, 2025, and 2026, respectively.
 - The staff recommended consensus forecast also includes an upward adjustment in the staff-recommended consensus revenue forecast for the Gasoline TIB revenues from a near-term high of +\$3.0 million in fiscal year 2022 and +\$2.3 million in fiscal year 2023—declining in the out-years of the fiscal planning forecast time horizon from +\$1.6 million in fiscal year 2024 to a +\$1.2 million upward adjustment for in fiscal year 2026.¹²
 - The updated staff-recommended consensus forecast for Diesel TIB revenues is recommended to range +1.9% and +2.5% in fiscal year 2022 and 2023—with a staff-recommended upward forecast adjustment less than 0.5% (or generally under \$0.05 million per year throughout the forecast time frame—including the outyears fiscal planning period.
 - The staff recommended forecast upgrades for the T-Fund’s two TIB categories combined total from a high of +\$3.1 million in fiscal year 2022 and +\$2.3 million in fiscal year 2023 to a low of +\$1.2 million in fiscal year 2026—down from a staff recommended +\$1.6 million in fiscal year 2024.¹³
- For the E-Fund [Partial], this updated staff recommended consensus forecast on an apples-to-apples basis calls for a forecast upgrade of +\$39.0 million for fiscal year 2022, an upgrade of +\$54.3 million for fiscal year 2023.

¹² With the staff recommended forecast upgrade for fiscal year 2025 in-between, at a forecast upgrade of +\$1.3 million.

¹³ Including a +\$1.3 million staff-recommended upward adjustment for fiscal year 2025. Please note that totals for these small T-Fund TIB revenue categories may not add due to rounding as consensus forecast recommendations are out to two decimal places for the TIB Diesel receipts category.

- For the out-years, staff recommends a consensus forecast upgrade of +\$45.1 million, +\$40.2 million, and +\$39.2 million for fiscal years 2024, 2025, and 2026, respectively, on a current law basis.
- The revised, staff recommended July 2021 staff recommended forecast update for all three fund aggregates is presented graphically below for the next two fiscal years by major fund—including Health Care Revenues.
- Like Table 4 above, the bar chart below presents the changes by fund on a current law basis. It also should be noted that the “Available to the General Fund” revenues totals include Health Care Revenues.



- As mentioned above, one of the most surprising aspects of the revised staff recommended consensus revenue forecast for July 2021 is the degree in which unprecedented federal fiscal and monetary policy interventions have served to offset much of the negative effects of the pandemic and associated public health actions taken to address it.
- State revenue collections over the course of fiscal year 2021 turned out to be substantially higher than consensus expectations relative to either the August 2020 or January 2021 consensus forecast updates.

- Table 5 (below) sets forth actual fiscal year 2021 revenues by fund relative to the January 2021 consensus revenue forecast.

Table 5: Overview of Cumulative Receipts by Fund Aggregate Through June vs. the January 2021 Consensus Revenue Forecast

Analysis of Cumulative Receipts--v. CUMULATIVE TARGETS-JUNE		
<i>FINAL Schedule 2 Results-As of June 30th</i>	Dollar	Percent of the
Fund/Component (\$000s)	Difference	TOTAL
3-FUND TOTAL v. CUMULATIVE TARGETS-JUNE	\$ 216,151.79	100.0%
GENERAL FUND w/Health Care Revs	\$ 177,748.5	82.2%
EDUCATION FUND	\$ 31,122.9	14.4%
TRANSPORTATION FUND (Non-TIB)	\$ 7,748.3	3.6%
TIB	\$ (468.0)	-0.2%

- In the G-Fund, actual receipts over the course of the fiscal year 2021 time frame outperformed consensus expectations through June of fiscal year 2021 by a total +\$177.7 million.
 - The same was true for revenue collections in the T-Fund through June, which outperformed the Emergency Board-approved consensus revenue forecast total for the T-Fund for fiscal year 2021 by +\$7.7 million cumulatively.
 - Actual collections on the E-Fund were also up by \$31.1 million cumulatively versus consensus expectations through June 30. This higher than expected actual revenue receipts performance during fiscal year 2021 came on top of a consensus forecast upgrade in the January 2021 consensus revenue forecast upgrade of \$78.2 million over the consensus forecast approved in August 2020.
- Only fiscal year 2021 actual receipts in the Gasoline TIB category underperformed significantly versus the January 2021 Emergency Board-approved consensus revenue forecast for fiscal year 2021.
 - That performance reflected the very low oil price environment that the global, U.S., and Vermont economies, in addition to a formula error in the quarterly Gasoline TIB collections process during the first half of fiscal year 2021 and into January 2021.
 - This allowed the Gasoline TIB price to fall below its statutory floor for approximately two quarters. This depressed fiscal year 2021 receipts and was corrected early in the second half of fiscal year 2021.

- In fact, relative to the Emergency Board-approved consensus revenue forecast of January 2020 that was completed prior to the onset of the COVID pandemic, the above expectations performance of actual fiscal year 2021 revenue receipts and the staff recommended consensus revenue forecast update for fiscal year 2022 and 2023 indicate that revenues in all three aggregates overall have now achieved a trajectory that now significantly exceeds their respective pre-pandemic revenue growth trajectories.
 - Among the State’s major revenue sources, only actual and expected receipts in the Transportation TIB receipts categories appear to be tracking on a somewhat lower trajectory based on actual collections through the 2021 fiscal year and this updated, staff recommended consensus forecast update for fiscal years 2022 and 2023.
- Table 6 (below) sets forth the receipts data versus the pre-pandemic January 2020 consensus revenue forecast including State Health Care Revenues for fiscal years 2022 and 2023.

**Table 6: Staff Recommended Consensus Revenue Forecast Update—
Change from the January 2020 Consensus Forecast (FY 2022-FY 2023)
Current Law (Including Health Care Revenues)**

Differences-July 2021 Proposed Consensus Forecast versus the January 2020 Consensus Forecast (By Fund)				
Current Law	2022		2023	
	Dollars	Percent	Dollars	Percent
General Fund	\$242.0	15.0%	\$249.0	15.0%
Available to the General Fund--Incl. Health Care Revenues				
Transportation Fund	\$7.2	2.5%	\$10.4	3.5%
Available to the Transportation Fund				
Education Fund	\$70.5	11.9%	\$72.3	11.9%
Partial-Including all Recent Fund Allocation Changes				
Total--"Big 3 Funds"	\$319.7	12.8%	\$331.7	13.0%
MEMO #1: Health Care Revenues	\$1.0	0.4%	\$7.4	2.6%
MEMO #2: TIB [3]				
Gasoline	\$0.4	2.7%	(\$0.2)	-1.3%
Diesel	(\$0.0)	-1.9%	\$0.0	0.0%
Total TIB	\$0.4	2.1%	(\$0.2)	-1.1%
Notes:				
[1] Current Law (Incl. Healthcare Revenues).				
[2] Totals in the TIB may not add due to rounding.				
Prepared by: Economic & Policy Resources, Inc.				

- With respect to the State revenue levels associated with the staff recommended consensus revenue forecast changes for July 2021 outlined above, Table 7 (below) presents the current dollar levels of the staff recommended forecast for the Emergency Board motion for the General Fund, Transportation Fund, and Education Fund [Partial] based on current law.

- For the G-Fund (including Health Care Revenues), the staff recommends a consensus forecast of \$1,853.8 million for fiscal year 20221 and a total of \$1,904.4 million for fiscal year 2023.
- For the T-Fund, the staff recommends a forecast of \$298.4 million for fiscal year 20221, and \$305.2 million in fiscal year 2023.
- For the E-Fund [Partial], the staff recommends a forecast of \$661.4 million for fiscal year 2022, and a staff recommended forecast of \$679.5 million for fiscal year 2023.
- For the TIB funds, the staff recommends a Gas TIB forecast of \$14.9 million for fiscal year 2022, and a forecast of \$15.0 million for fiscal year 2023.
- The staff recommended forecast for Diesel TIB includes a total of \$2.1 million for fiscal year 2022, and \$2.1 million consensus revenue forecast for fiscal year 2023.

Table 7: Staff Recommended Consensus Forecast Revenue Collections by Fund

Revenue Levels by Fiscal Year--July 2021 "Staff Recommended" Consensus		
(\$ Millions)	2022	2023
Available to the General Fund (Including Health Care Revenues)	\$1,853.8	\$1,904.4
Available to the Transportation Fund	\$298.4	\$305.2
E-Fund [Partial]	\$661.4	\$679.5
Total--Three Funds	\$2,813.6	\$2,889.1
MEMO: Available Health Care Revenues	\$287.7	\$288.7
TIB Funds:		
Gasoline TIB	\$14.9	\$15.0
Diesel TIB	\$2.1	\$2.1
Total TIB Funds	\$17.0	\$17.1

Prepared by: Economic & Policy Resources, Inc.

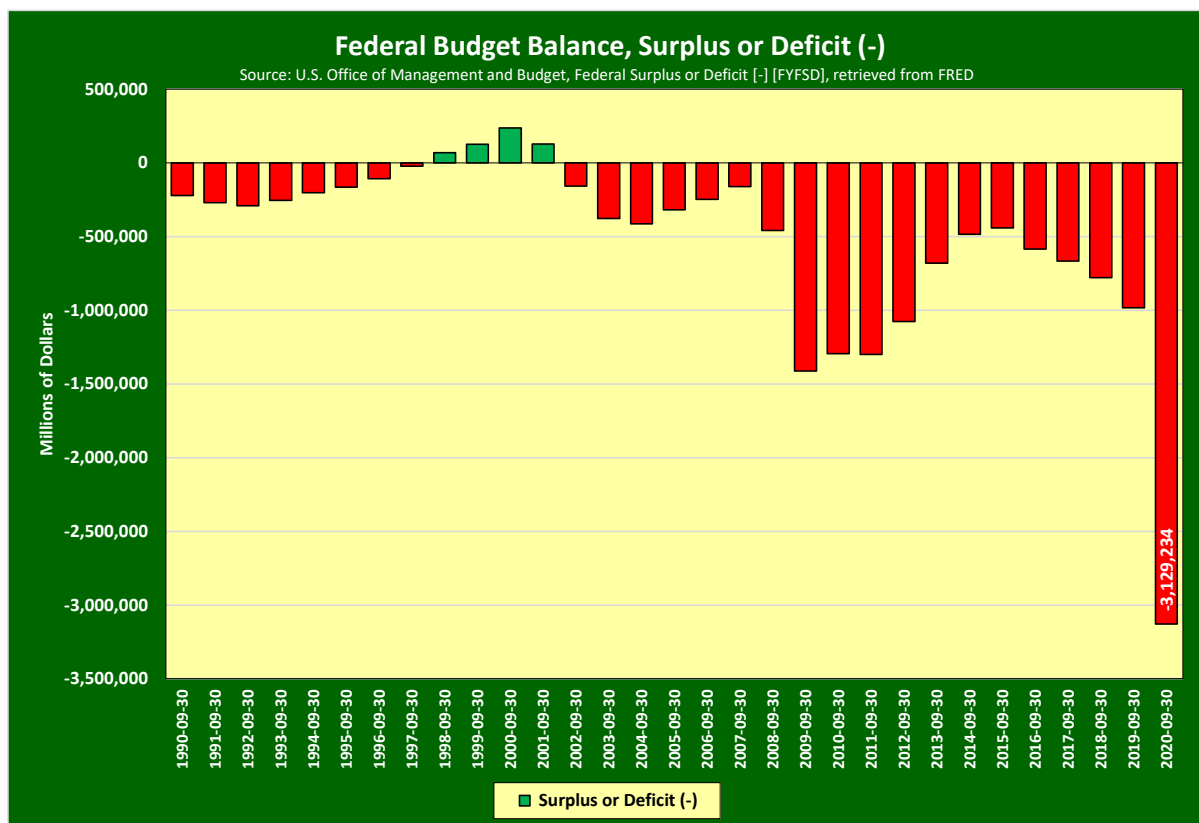
❖ Key Risks to the Updated Staff Consensus Forecast Update Recommendations

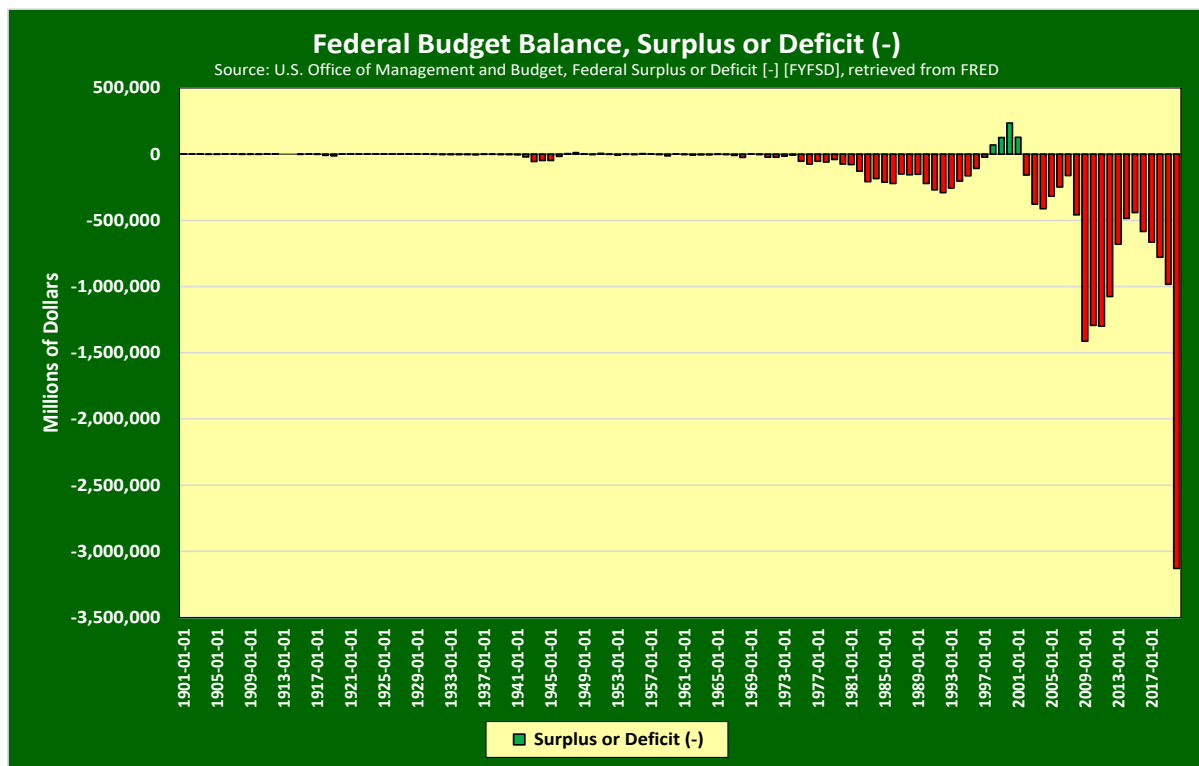
- Like every consensus forecast update, there are a number of risks associated with the specific point estimates as presented in the staff recommended economic and State revenue forecasts.
 - This forecast update is not different in that regard, and in many ways carries a significantly higher level of risk because of the out-sized influence of federal fiscal and monetary policy in moving the economy (and therefore tax revenues) forward.
- Currently, the U.S. and global economies are in the middle of a period of an unprecedented “Keynesian-like” fiscal policy experiment¹⁴—aided and abetted by an equally unprecedented period of “highly accommodative” monetary—that has taken the level of federal intervention in the economy to a level last seen towards the end of World War II.
 - Last federal fiscal year, the federal budget deficit topped \$3 trillion, with little prospect that this year’s or even next year’s federal deficit will improve appreciably.
 - This has again raised concerns about the size of the national debt and the scale of the continuing run-up in accumulating federal debt (see the chart below).
- The policy concern is that the U.S. has run up a significant amount of red ink where the accumulated federal debt total as a percentage of the U.S. GDP now roughly equals the national debt as a percentage of output that existed at the end of World War II—without having gone through such a national-global emergency.
 - Saddled with that level of debt going forward, the COVID pandemic and the roughly two-decade long period of fiscal irresponsibility leading up to it has now reduced the capability of the federal government in the future to take on

¹⁴ Some analysts have suggested that this approach is very close to the prescriptions of the so-called “Modern Monetary Theory” (or MMT) which argues that nations—especially those like the U.S. where the U.S. dollar dominates global trade and the government has the power to issue “fiat money”—can issue as much money as they need to address their various macro problems. This is because—this reasoning goes—the U.S. has no real financial constraints posed by its potential deficit spending activities.

additional debt to address any fiscal emergency that might arise over the next decade or perhaps two.

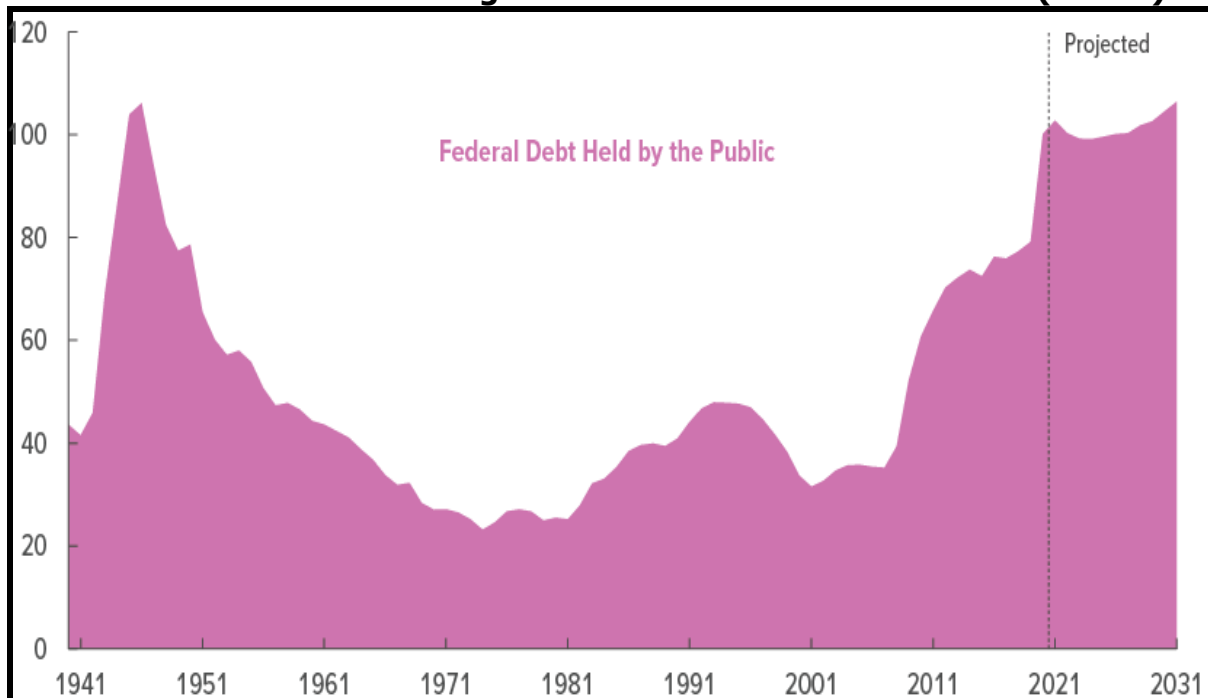
- Modern Monetary Theory (“MMT”) supporters dispute that analysis and suggest that the U.S. is not constrained by deficit spending and can essentially issue as much debt as needed to address any identified problems and/or emergencies as they arise.
- Whether or not the deficit spending hawks or the MMT enthusiasts are substantially correct will be determined over time.
 - The hope is that an emergency like the pandemic will not arise again to fully test either of the above lines of thinking.
- The charts below show the current annual budget balances over two different timelines in order to observe the unprecedented scale (or size) of the recent federal “deficit spending” activities, which has resulted in historically large annual budget deficits and a significant increase in the U.S. national debt that has been added over this unprecedented period of federal fiscal policy intervention.





- The July 2021 Congressional Budget Office (“CBO”) long-term budget update points out the startling implications the annual deficits will have on the Federal debt held by the public. According to the CBO, the national debt outstanding is projected to drop from 103 percent of GDP at the end of 2021 to 99 percent in 2023 and 2024 as growth in the economy outpaces rising debt.
 - Starting in 2025, debt steadily rises in relation to the size of the economy in CBO’s projections.
 - In addition, according to CBO projections, at the end of 2031, federal debt is projected to reach 106 percent of GDP—about equal to its previous peak, recorded in 1946.
 - The chart below presents the data that corresponds to the above findings in the July 2021 CBO update.

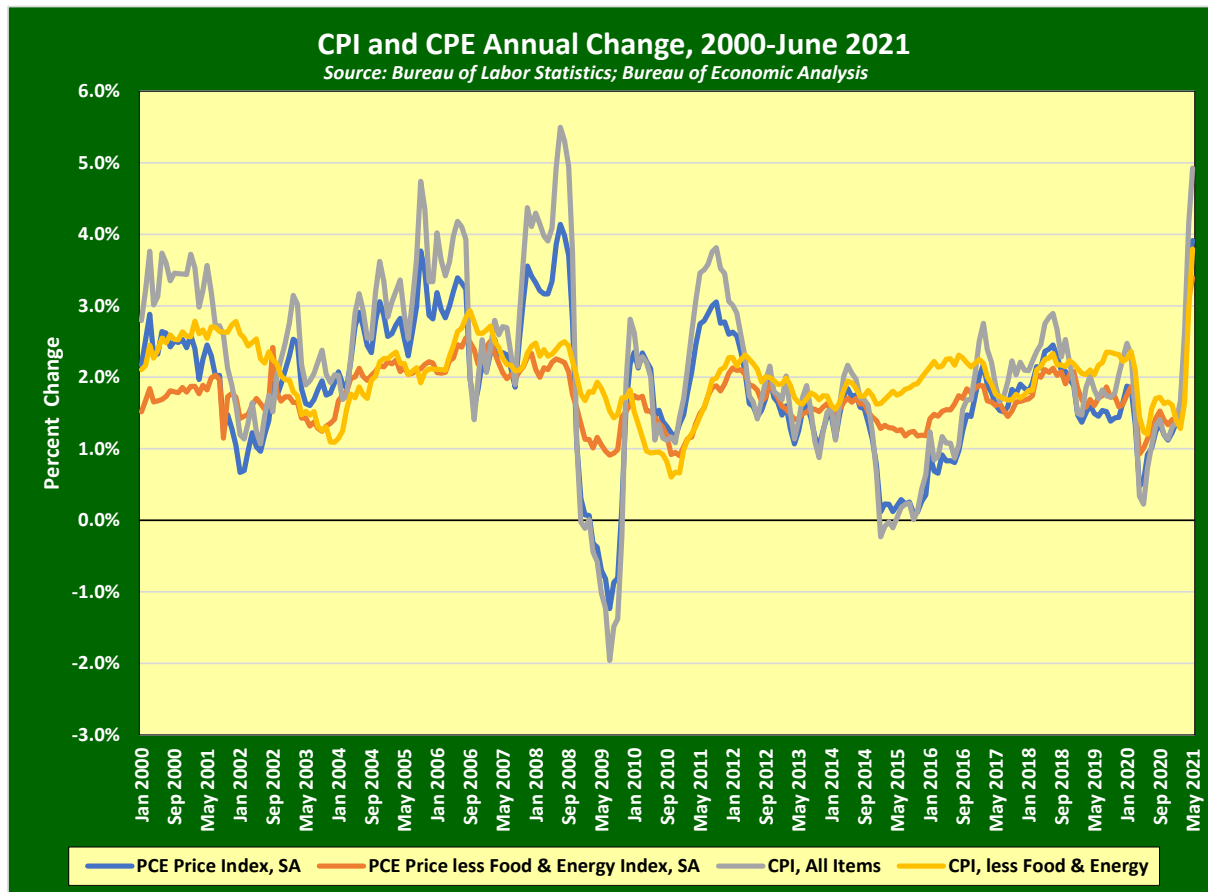
Federal Debt as a Percentage of U.S. Gross Domestic Product ("GDP")



Source: Congressional Budget Office; July 2021 Long-Term Budget Projections

- The second area of recent concern is the issue of inflation, and whether or not this unprecedented fiscal policy and monetary policy intervention will touch off another potentially economically damaging run-up in prices that could derail the current economic recovery-upswing.
- This concern recently came to the forefront of economic discourse following the June inflation data release which showed that CPI inflation reached its highest level in 13 years—at +5.4%—a level that appeared to increase worry in financial markets over the outlook for higher prices.
- In the economy, there are two generally recognized forms of inflation: (1) One that results from demand growing faster than economy's productive capacity to supply that increased demand—or "good inflation"—because that type of inflation is usually linked to a strong economy; and (2) "Bad inflation"—which usually results from supply constraints which can curtail output and drive up prices at the same time which can erode earnings-incomes; that condition, in turn, can lead to a weaker economy.
- A significant part of the current inflation debate concerns whether the current run-up in the inflation rate is a function of a strong economy (e.g. the "good

kind”) or is symptomatic of a weak economy—corresponding to the “bad kind” of inflation.



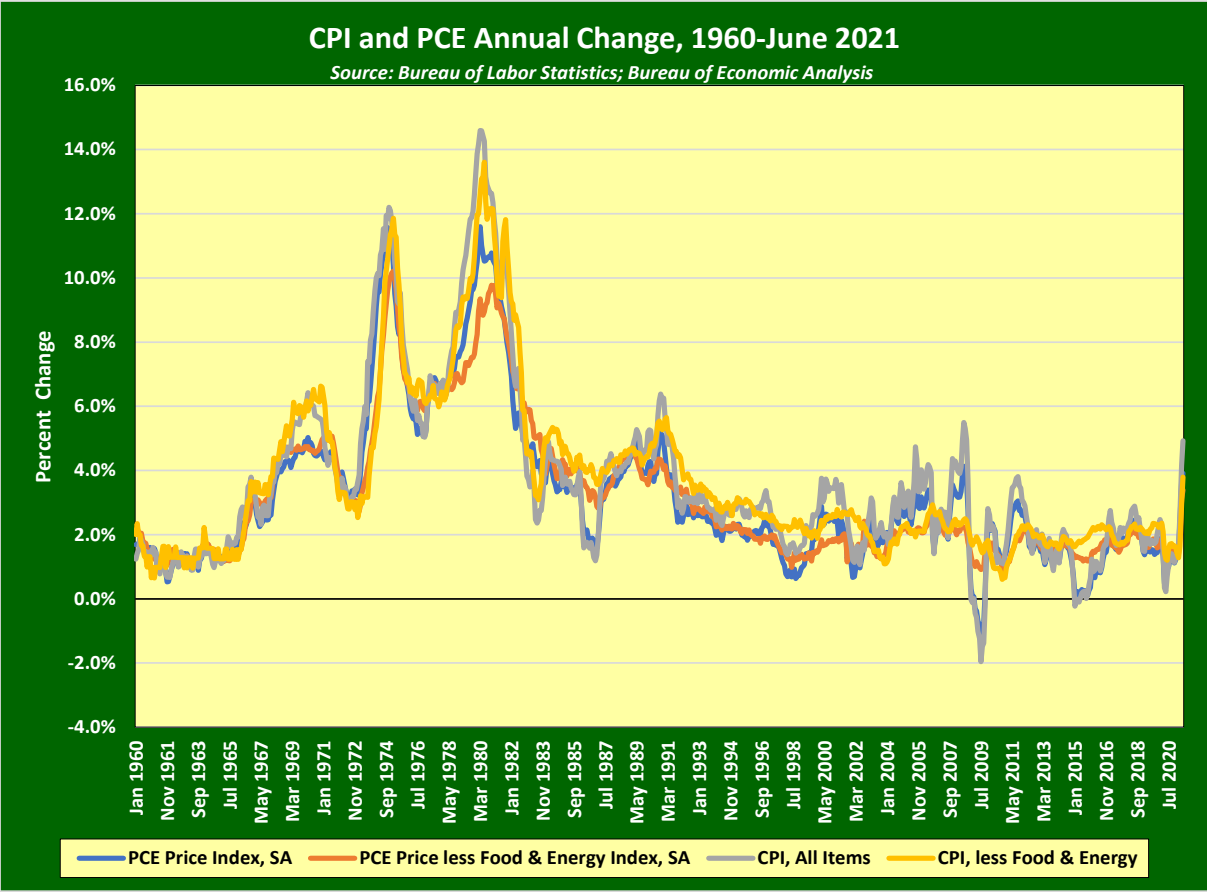
- Currently, the post-pandemic period has included a period where the U.S. economy is experiencing several “supply shocks” all at once, and this is exerting a drag on the pace of the U.S. recovery from the pandemic.
- The question is whether this is understandable “friction” in the supply chain and in labor markets as the economy reemerges from the harsh economic declines and cutbacks related to the pandemic—in which case these price pressure will likely turn out to be largely temporary (or transitory) in nature.
- However, if the above is not the case and the current pronounced supply problems in areas such as housing and autos¹⁵ and other industry sectors turn out to be more persistent in nature, then the current bump up in inflation rates

¹⁵ Which typically lead the U.S. economy during “economic recoveries.

could turn out to be supportive of a more harmful, self-reinforcing wage price spiral.

- This is currently of concern because financial markets realize that Federal Reserve's principal tools to manage inflation and inflation expectations are mainly demand side-oriented, and raising rates in the face of supply side shocks (e.g. to fight "bad inflation") can actually accentuate the economic damage and make future inflation too low as was the case when the European Central Bank raised rates back in 2008 in the wake of a spike in oil prices that made economic conditions worse just prior to the onset of the "Great Recession."
- The hope is that the Fed will resist raising short term interest rates against the backdrop of "constricted supply" and that the Fed will only tighten monetary policy in the U.S. when it sees a priced surge that can fuel a self-reinforcing cycle of wage and price inflation.
- Currently, it is apparent that many actors in U.S. financial markets do not yet see the self-reinforcing price pressures that could result in a self-supporting wage and price escalation cycle.
 - This view is bolstered by the two-year, price change data which correct the current over statement of the actual trend in price changes that come from using the year-over-year change data from calendar year 2020's depressed price levels that occurred during the period of widespread lockdowns during the height and initial recovery from the COVID pandemic-induced business shutdowns (see the chart below).
- At this point, the current price change situation does not yet look like a re-run of "a stagflation-like scenario¹⁶" where a weak U.S. economy would be simultaneously experiencing higher rates of inflation
 - As such, the "best outcome" for the U.S. and Vermont economies on this front is that the current period of higher prices "do what they have "reliably done" in the past—which is to stimulate the production of more supply that can be used to satisfy the otherwise healthy level of unmet demand currently being generated in the U.S. economy.

¹⁶ Stagflation is generally defined as "...a sustained period of both higher inflation and slower economic growth," as articulated by Lawrence Summers, President Emeritus of the Harvard Kennedy School, and former Director of the National Economic Council of the United States.



❖ **Acknowledgements, Notes, and Comments on Methods:**

- All figures presented above reflect current law revenues for the respective funds listed in the consensus forecast estimate for fiscal years 2022 through fiscal year 2023 that are part of the official Emergency Board motion. Fiscal year 2024 through 2026 staff recommended consensus forecasts are presented for fiscal planning purposes only.
- The revenue forecasting process is a collaborative process that involves ongoing involvement by the staff of the Vermont Department of Taxes, VTrans, the Legislative Joint Fiscal Office, Kavet Rockler & Associates, LLC (including Breanna Parker), and many others throughout state government and the staff of Economic & Policy Resources. Special thanks are due to several staff members of the Vermont Department of Taxes, including Sharon Asay, Mary Cox, Jake Feldman, Erin Hicks-Tibbles, Rebecca Sameroff, James Whitehouse, and Jennifer McNall for their assistance. Special thanks also is due to Carma Flowers, Bradley Kukenberger, Douglas Farnham, Kristin Clouser, Christopher Baning, Michael Smith, and Renea Bordeau (at VTrans and the Vermont Agency of Administration).
- The JFO staff also provided key assistance to this forecast update, including Steve Klein, Graham Campbell, Stephanie Barrett, Dan Dickenson, Catherine Benham, Joyce Manchester, and Mark Perrault. Because this process involved the development and tracking of additional data including electricity use, staff at the Vermont Department of Public Service (including former Deputy Commissioner Riley Allen) and at several Vermont public utilities were also helpful in developing and reporting these data on a weekly basis since the COVID-19 pandemic began. There also were many others in both the Administration and the JFO who contributed time and energy to assembling data, providing analysis, or technical assistance that was crucial to completing these forecasts that are simply too numerous to mention here.
- The consensus forecasting process involves the discussion and agreement of two independent forecasts completed by Thomas E. Kavet of the JFO and the staff at Economic & Policy Resources. Agreement on the consensus forecast occurs after a complete discussion-vetting and reconciliation of these independent forecasts.
- The State continues to develop an internal State macroeconomic model which may eventually replace the model maintained at Moody's Analytics through

Attachments: Two-Year Consensus Forecast Tables/Five Year Fiscal Planning Estimates

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021

SOURCE G-FUND

revenues are prior to all E-Fund allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Personal Income	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$925.8	5.8%	\$1069.8	15.5%	\$1071.4	0.2%	\$1102.9	2.9%
Sales and Use ¹	\$376.7	1.6%	\$397.8	5.6%	\$412.5	3.7%	\$432.5	4.8%	\$507.6	17.4%	\$538.6	6.1%	\$551.2	2.3%
Corporate	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$147.9	10.2%	\$133.4	-9.8%	\$175.3	31.4%	\$182.2	3.9%
Meals and Rooms ²	\$165.3	7.3%	\$173.2	4.8%	\$182.1	5.1%	\$163.6	-10.1%	\$143.8	-12.1%	\$179.9	25.1%	\$193.6	7.6%
Liquor	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$21.6	0.8%	\$28.7	32.8%	\$30.0	4.5%	\$31.2	4.0%
Insurance	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$58.0	2.1%	\$60.4	4.0%	\$60.9	0.9%	\$61.4	0.8%
Telephone	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.2	-26.4%	\$2.3	-28.8%	\$1.9	-16.2%	\$1.6	-15.8%
Beverage	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.2	-5.3%	\$7.2	1.3%	\$7.5	3.5%	\$7.6	1.3%
Electric ³	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$15.2	20.1%	\$26.9	77.5%	\$30.2	12.2%	\$32.4	7.3%
Property	\$38.7	8.4%	\$40.9	5.6%	\$41.1	0.6%	\$42.3	2.9%	\$73.9	74.8%	\$79.6	7.7%	\$68.4	-14.1%
Bank	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.1	-3.0%	\$13.9	14.6%	\$12.8	-7.7%	\$14.2	10.9%
Other Tax	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.4	-84.7%	\$0.7	74.6%	\$0.8	22.1%	\$0.9	12.5%
Total Tax Revenue	\$1553.7	1.3%	\$1667.2	7.3%	\$1763.0	5.7%	\$1829.7	3.8%	\$2068.5	13.1%	\$2188.9	5.8%	\$2247.6	2.7%
Business Licenses	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.1	-4.5%	\$1.3	13.9%	\$1.3	-0.2%	\$1.4	7.7%
Fees	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$44.7	-4.7%	\$42.7	-4.5%	\$42.0	-1.7%	\$42.4	1.0%
Services	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$2.4	-27.1%	\$3.0	24.3%	\$3.1	1.9%	\$3.2	1.6%
Fines	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	6.1%	\$3.5	6.1%
Interest	\$1.5	111.5%	\$2.8	80.1%	\$5.0	79.1%	\$4.1	-18.0%	\$0.9	-77.9%	\$1.0	10.3%	\$1.4	40.0%
Special Assessments	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Lottery	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$26.8	-9.0%	\$32.5	21.2%	\$31.2	-4.0%	\$32.3	3.5%
All Other ⁴	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$0.7	-83.6%	\$0.5	-34.4%	\$0.6	22.4%	\$0.7	16.7%
Total Other Revenue	\$87.1	47.9%	\$87.0	-0.1%	\$93.9	7.9%	\$84.8	-9.7%	\$84.1	-0.8%	\$82.5	-1.9%	\$84.9	2.8%
Healthcare Revenue⁵	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$284.7	3.0%	\$281.0	-1.3%	\$291.7	3.8%	\$292.7	0.3%
TOTAL GENERAL FUND	\$1917.4	3.0%	\$2029.8	5.9%	\$2133.2	5.1%	\$2199.2	3.1%	\$2433.6	10.7%	\$2563.1	5.3%	\$2625.1	2.4%

1) Includes Telecommunications Tax; includes \$3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error.

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13; Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and E-Fund.

3) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

4) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

5) Includes Clean Water Fund redirect consisting of 6% of total M&R collections

TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Personal Income	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$925.8	5.8%	\$1069.8	15.5%	\$1071.4	0.2%	\$1102.9	2.9%
Sales and Use ¹	\$244.9	1.6%	\$258.6	5.6%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$147.9	10.2%	\$133.4	-9.8%	\$175.3	31.4%	\$182.2	3.9%
Meals and Rooms	\$165.3	7.3%	\$173.2	4.8%	\$136.5	-21.2%	\$116.1	-15.0%	\$99.2	-14.5%	\$124.1	25.1%	\$133.6	7.6%
Liquor ⁶	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$3.6	-83.2%	\$4.8	32.8%	\$5.0	4.5%	\$5.2	4.0%
Insurance	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$58.0	2.1%	\$60.4	4.0%	\$60.9	0.9%	\$61.4	0.8%
Telephone	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.2	-26.4%	\$2.3	-28.8%	\$1.9	-16.2%	\$1.6	-15.8%
Beverage	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.2	-5.3%	\$7.2	1.3%	\$7.5	3.5%	\$7.6	1.3%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate ³	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$15.2	20.1%	\$23.4	54.1%	\$30.2	29.2%	\$32.4	7.3%
Property	\$12.6	9.0%	\$12.4	-1.5%	\$12.5	0.9%	\$12.9	3.0%	\$23.1	79.6%	\$24.9	8.0%	\$21.3	-14.5%
Bank	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.1	-3.0%	\$13.9	14.6%	\$12.8	-7.7%	\$14.2	10.9%
Other Tax	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.4	-84.7%	\$0.7	74.6%	\$0.8	22.1%	\$0.9	12.5%
Total Tax Revenue	\$1395.7	1.1%	\$1499.5	7.4%	\$1276.4	-14.9%	\$1302.3	2.0%	\$1438.1	10.4%	\$1514.9	5.3%	\$1563.3	3.2%
Business Licenses	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.1	-4.5%	\$1.3	13.9%	\$1.3	-0.2%	\$1.4	7.7%
Fees	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$44.7	-4.7%	\$42.7	-4.5%	\$42.0	-1.7%	\$42.4	1.0%
Services	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$2.4	-27.1%	\$3.0	24.3%	\$3.1	1.9%	\$3.2	1.6%
Fines	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	6.1%	\$3.5	6.1%
Interest	\$1.2	108.2%	\$2.3	96.1%	\$4.3	87.8%	\$3.3	-24.5%	\$0.8	-75.5%	\$0.9	12.7%	\$1.2	33.3%
All Other ⁴	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$0.7	-83.6%	\$0.5	-34.4%	\$0.6	22.4%	\$0.7	16.7%
Total Other Revenue	\$61.2	89.3%	\$59.4	-3.0%	\$63.7	7.4%	\$57.2	-10.3%	\$51.5	-9.9%	\$51.2	-0.6%	\$52.4	2.2%
Healthcare Revenue⁵	\$0.0		\$0.0		\$272.3	NM	\$280.9	3.1%	\$278.1	-1.0%	\$287.7	3.5%	\$288.7	0.3%
TOTAL GENERAL FUND	\$1457.0	3.2%	\$1558.9	7.0%	\$1612.5	3.4%	\$1640.4	1.7%	\$1767.7	7.8%	\$1853.8	4.9%	\$1904.4	2.7%

1) Includes \$2.5M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors; Transfer to the Education Fund increases from 33.3% to 35.0% effective in FY14 and 35.0% to 36.0% effective in FY19.

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13;

Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and Education Fund.

3) Excludes transfer to the Higher Education Trust Fund of \$2.4M in FY05, \$5.2M in FY06 and \$11.0M in FY11.

4) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

5) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

**TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

SOURCE HEALTHCARE¹

revenues are prior to all allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$71.4	4.3%	\$77.5	8.6%	\$78.3	1.1%	\$76.7	-2.1%
Claims Assessment	\$17.7	2.9%	\$19.8	12.1%	\$19.6	-1.3%	\$20.7	5.7%	\$19.7	-4.7%	\$20.0	1.5%	\$20.0	0.0%
Employer Assessment	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.2	2.4%	\$17.9	-11.4%	\$20.5	14.4%	\$21.5	4.9%
Hospital Provider Tax	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$150.2	2.6%	\$143.7	-4.4%	\$150.0	4.4%	\$151.5	1.0%
Nursing Home Provide Tax	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.7	0.0%
Home Health Provider Tax	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.1%	\$6.6	12.8%	\$6.6	0.6%
All other HC revenues	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-3.6%	\$1.7	-7.1%	\$1.8	5.9%
TOTAL HEALTHCARE	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$284.7	3.0%	\$281.0	-1.3%	\$291.7	3.8%	\$292.7	0.3%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$71.4	4.3%	\$77.5	8.6%	\$78.3	1.1%	\$76.7	-2.1%
Claims Assessment	\$14.1	2.1%	\$15.9	13.2%	\$15.6	-1.7%	\$16.9	7.8%	\$16.4	-3.0%	\$16.0	-2.3%	\$16.0	0.0%
Employer Assessment	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.2	2.4%	\$18.4	-9.2%	\$20.5	11.6%	\$21.5	4.9%
Hospital Provider Tax	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$150.2	2.6%	\$143.7	-4.4%	\$150.0	4.4%	\$151.5	1.0%
Nursing Home Provide Tax	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.7	0.0%
Home Health Provider Tax	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.1%	\$6.6	12.8%	\$6.6	0.6%
All other HC revenues	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-3.6%	\$1.7	-7.1%	\$1.8	5.9%
TOTAL HEALTHCARE	\$272.9	2.7%	\$271.7	-0.5%	\$272.3	0.2%	\$280.9	3.1%	\$278.1	-1.0%	\$287.7	3.5%	\$288.7	0.3%

1) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff.

TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021

SOURCE T-FUND

revenues are prior to all E-Fund allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$71.0	-8.7%	\$67.3	-5.3%	\$75.4	12.1%	\$77.4	2.7%
Diesel****	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$17.9	-3.5%	\$17.9	0.2%	\$19.0	5.9%	\$19.6	3.2%
Purchase and Use*	\$103.2	3.1%	\$109.4	6.0%	\$111.8	2.2%	\$105.4	-5.7%	\$134.1	27.2%	\$139.6	4.1%	\$142.1	1.8%
Motor Vehicle Fees	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$83.6	-2.1%	\$87.6	4.7%	\$88.9	1.5%	\$90.0	1.2%
Other Revenue**	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$21.3	-13.5%	\$20.5	-3.4%	\$22.0	7.2%	\$23.5	6.8%
TOTAL TRANS. FUND	\$305.8	2.6%	\$315.4	3.1%	\$318.2	0.9%	\$299.2	-6.0%	\$327.4	9.4%	\$344.9	5.3%	\$352.6	2.2%

TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$71.0	-8.7%	\$67.3	-5.3%	\$75.4	12.1%	\$77.4	2.7%
Diesel	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$17.9	-3.5%	\$17.9	0.2%	\$19.0	5.9%	\$19.6	3.2%
Purchase and Use ¹	\$68.8	3.1%	\$73.0	6.0%	\$74.5	2.2%	\$70.3	-5.7%	\$89.4	27.2%	\$93.1	4.1%	\$94.7	1.8%
Motor Vehicle Fees	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$83.6	-2.1%	\$87.6	4.7%	\$88.9	1.5%	\$90.0	1.2%
Other Revenue ²	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$21.3	-13.5%	\$20.5	-3.4%	\$22.0	7.2%	\$23.5	6.8%
TOTAL TRANS. FUND	\$271.4	2.6%	\$279.0	2.8%	\$280.9	0.7%	\$264.1	-6.0%	\$282.7	7.0%	\$298.4	5.5%	\$305.2	2.3%
OTHER (TIB³)														
TIB Gasoline	\$12.6	-3.3%	\$12.9	2.2%	\$14.6	13.1%	\$12.7	-12.8%	\$10.2	-19.5%	\$14.92	46.0%	\$14.99	0.5%
TIB Diesel and Other ⁴	\$1.7	-11.3%	\$2.0	16.1%	\$2.1	3.7%	\$2.0	-2.5%	\$1.9	-4.5%	\$2.06	7.6%	\$2.13	3.4%
TOTAL OTHER (TIB)	\$14.5	-2.9%	\$14.9	2.4%	\$16.6	11.9%	\$14.7	-11.6%	\$12.1	-17.5%	\$17.0	40.0%	\$17.1	0.8%

1) As of FY04, includes Motor Vehicle Rental tax revenue.

2) Beginning in FY07, includes Stabilization Reserve interest; FY08 data includes \$3.76M transfer from G-Fund for prior Jet Fuel tax processing errors and inclusion of this tax in subsequent years.

3) Transportation Infrastructure Bond revenues

4) Includes TIB Fund interest income (which has never exceeded \$85,000 per year); Includes FY17 adjustment of \$215,000 from reported TIB Diesel revenue to Diesel revenue due to a data entry error

TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2021

CURRENT LAW BASIS

Source General and Transportation
Fund taxes allocated to or associated
with the Education Fund only

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
GENERAL FUND														
Meals and Rooms	\$0.0	NM	\$0.0	NM	\$45.5	NM	\$40.9	-10.1%	\$36.0	-12.1%	\$45.0	25.1%	\$48.4	7.6%
Sales & Use ²	\$131.8	1.6%	\$139.2	5.6%	\$412.5	196.3%	\$432.5	4.8%	\$507.6	17.4%	\$538.6	6.1%	\$551.2	2.3%
Interest	\$0.4	122.7%	\$0.5	30.3%	\$0.7	38.1%	\$0.8	23.9%	\$0.1	-87.1%	\$0.10	-7.2%	\$0.20	100.0%
Lottery	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$26.8	-9.0%	\$32.5	21.2%	\$31.2	-4.0%	\$32.3	3.5%
TRANSPORTATION FUND														
Purchase and Use ³	\$34.4	3.1%	\$36.5	6.0%	\$37.3	2.2%	\$35.1	-5.7%	\$44.7	27.2%	\$46.5	4.1%	\$47.4	1.8%
TOTAL EDUCATION FUND	\$192.2	1.3%	\$203.3	5.8%	\$525.4	158.4%	\$536.2	2.0%	\$620.9	15.8%	\$661.4	6.5%	\$679.5	2.7%

1) Includes only General and Transportation Fund taxes allocated to the Education Fund.

This Table excludes all Education Fund property taxes, which are updated in October/November of each year and are the largest Education Fund tax sources.

2) Includes Telecommunications Tax; Includes \$1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors; Transfer percentage from the General Fund increases from 33.3% to 35.0% effective in FY14 and to 36.0% in F1

3) Includes Motor Vehicle Rental revenues, restated

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021

SOURCE G-FUND

revenues are prior to all E-Fund allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Personal Income	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$925.8	5.8%	\$1069.8	15.5%	\$1071.4	0.2%	\$1102.9	2.9%	\$1132.0	2.6%	\$1158.5	2.3%	\$1192.8	3.0%
Sales & Use ¹	\$376.7	1.6%	\$397.8	5.6%	\$412.5	3.7%	\$432.5	4.8%	\$507.6	17.4%	\$538.6	6.1%	\$551.2	2.3%	\$557.1	1.1%	\$567.2	1.8%	\$580.2	2.3%
Corporate	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$147.9	10.2%	\$133.4	-9.8%	\$175.3	31.4%	\$182.2	3.9%	\$185.4	1.8%	\$191.7	3.4%	\$197.3	2.9%
Meals and Rooms ²	\$165.3	7.3%	\$173.2	4.8%	\$182.1	5.1%	\$163.6	-10.1%	\$143.8	-12.1%	\$179.9	25.1%	\$193.6	7.6%	\$204.7	5.7%	\$215.0	5.0%	\$224.3	4.3%
Liquor	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$21.6	0.8%	\$28.7	32.8%	\$30.0	4.5%	\$31.2	4.0%	\$32.4	3.8%	\$33.6	3.7%	\$34.8	3.6%
Insurance	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$58.0	2.1%	\$60.4	4.0%	\$60.9	0.9%	\$61.4	0.8%	\$61.8	0.7%	\$62.2	0.6%	\$62.5	0.5%
Telephone	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.2	-26.4%	\$2.3	-28.8%	\$1.9	-16.2%	\$1.6	-15.8%	\$1.3	-18.8%	\$1.1	-15.4%	\$0.9	-18.2%
Beverage	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.2	-5.3%	\$7.2	1.3%	\$7.5	3.5%	\$7.6	1.3%	\$7.7	1.3%	\$7.9	2.6%	\$8.0	1.3%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$15.2	20.1%	\$26.9	77.5%	\$30.2	12.2%	\$32.4	7.3%	\$33.6	3.7%	\$34.7	3.3%	\$35.8	3.2%
Property	\$38.7	8.4%	\$40.9	5.6%	\$41.1	0.6%	\$42.3	2.9%	\$73.9	74.8%	\$79.6	7.7%	\$68.4	-14.1%	\$59.7	-12.7%	\$54.2	-9.2%	\$49.9	-7.9%
Bank	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.1	-3.0%	\$13.9	14.6%	\$12.8	-7.7%	\$14.2	10.9%	\$13.9	-2.1%	\$14.1	1.4%	\$13.5	-4.3%
Other Tax	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.4	-84.7%	\$0.7	74.6%	\$0.8	22.1%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%
Total Tax Revenue	\$1553.7	1.3%	\$1667.2	7.3%	\$1763.0	5.7%	\$1829.7	3.8%	\$2068.5	13.1%	\$2188.9	5.8%	\$2247.6	2.7%	\$2290.6	1.9%	\$2341.3	2.2%	\$2401.2	2.6%
Business Licenses	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.1	-4.5%	\$1.3	13.9%	\$1.3	-0.2%	\$1.4	7.7%	\$1.3	-7.1%	\$1.3	-3.1%	\$1.3	3.2%
Fees	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$44.7	-4.7%	\$42.7	-4.5%	\$42.0	-1.7%	\$42.4	1.0%	\$42.6	0.5%	\$42.9	0.7%	\$43.4	1.2%
Services	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$2.4	-27.1%	\$3.0	24.3%	\$3.1	1.9%	\$3.2	1.6%	\$3.2	1.6%	\$3.3	1.6%	\$3.3	1.5%
Fines	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	6.1%	\$3.5	6.1%	\$3.7	5.7%	\$3.8	2.7%	\$3.9	2.6%
Interest	\$1.5	111.5%	\$2.8	80.1%	\$5.0	79.1%	\$4.1	-18.0%	\$0.9	-77.9%	\$1.0	10.3%	\$1.4	40.0%	\$2.8	100.0%	\$3.3	17.9%	\$3.9	18.2%
Special Assessments	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Lottery	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$26.8	-9.0%	\$32.5	21.2%	\$31.2	-4.0%	\$32.3	3.5%	\$33.0	2.2%	\$33.6	1.8%	\$34.2	1.8%
All Other ³	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$0.7	-83.6%	\$0.5	-34.4%	\$0.6	22.4%	\$0.7	16.7%	\$0.8	14.3%	\$0.9	12.5%	\$1.0	11.1%
Total Other Revenue	\$87.1	47.9%	\$87.0	-0.1%	\$93.9	7.9%	\$84.8	-9.7%	\$84.1	-0.8%	\$82.5	-1.9%	\$84.9	2.8%	\$87.4	3.0%	\$89.0	1.8%	\$91.0	2.2%
Healthcare Revenue⁴	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$284.7	3.0%	\$281.0	-1.3%	\$291.7	3.8%	\$292.7	0.3%	\$294.7	0.7%	\$296.9	0.7%	\$298.2	0.4%
TOTAL GENERAL FUND	\$1917.4	3.0%	\$2029.8	5.9%	\$2133.2	5.1%	\$2199.2	3.1%	\$2433.6	10.7%	\$2563.1	5.3%	\$2625.1	2.4%	\$2672.7	1.8%	\$2727.1	2.0%	\$2790.3	2.3%

- 1) Includes Telecommunications Tax; includes \$3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error.
- 2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13; Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and E-Fund.
- 3) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.
- 4) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.
- 5) Includes Clean Water Fund redirect consisting of 6% of total M&R collections

TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021

CURRENT LAW BASIS

including all Education Fund

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
<i>allocations and other out-transfers</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																				
Personal Income	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$925.8	5.8%	\$1069.8	15.5%	\$1071.4	0.2%	\$1102.9	2.9%	\$1132.0	2.6%	\$1158.5	2.3%	\$1192.8	3.0%
Sales and Use ¹	\$244.9	1.6%	\$258.6	5.6%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$147.9	10.2%	\$133.4	-9.8%	\$175.3	31.4%	\$182.2	3.9%	\$185.4	1.8%	\$191.7	3.4%	\$197.3	2.9%
Meals and Rooms	\$165.3	7.3%	\$173.2	4.8%	\$136.5	-21.2%	\$116.1	-15.0%	\$99.2	-14.5%	\$124.1	25.1%	\$133.6	7.6%	\$141.2	5.7%	\$148.4	5.0%	\$154.8	4.3%
Liquor ⁶	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$3.6	-83.2%	\$4.8	32.8%	\$5.0	4.5%	\$5.2	4.0%	\$5.4	3.8%	\$5.6	3.7%	\$5.8	3.6%
Insurance	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$58.0	2.1%	\$60.4	4.0%	\$60.9	0.9%	\$61.4	0.8%	\$61.8	0.7%	\$62.2	0.6%	\$62.5	0.5%
Telephone	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.2	-26.4%	\$2.3	-28.8%	\$1.9	-16.2%	\$1.6	-15.8%	\$1.3	-18.8%	\$1.1	-15.4%	\$0.9	-18.2%
Beverage	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.2	-5.3%	\$7.2	1.3%	\$7.5	3.5%	\$7.6	1.3%	\$7.7	1.3%	\$7.9	2.6%	\$8.0	1.3%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate ³	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$15.2	20.1%	\$23.4	54.1%	\$30.2	29.2%	\$32.4	7.3%	\$33.6	3.7%	\$34.7	3.3%	\$35.8	3.2%
Property	\$12.6	9.0%	\$12.4	-1.5%	\$12.5	0.9%	\$12.9	3.0%	\$23.1	79.6%	\$24.9	8.0%	\$21.3	-14.5%	\$18.5	-13.2%	\$16.7	-9.6%	\$15.3	-8.3%
Bank	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.1	-3.0%	\$13.9	14.6%	\$12.8	-7.7%	\$14.2	10.9%	\$13.9	-2.1%	\$14.1	1.4%	\$13.5	-4.3%
Other Tax	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.4	-84.7%	\$0.7	74.6%	\$0.8	22.1%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%
Total Tax Revenue	\$1395.7	1.1%	\$1499.5	7.4%	\$1276.4	-14.9%	\$1302.3	2.0%	\$1438.1	10.4%	\$1514.9	5.3%	\$1563.3	3.2%	\$1601.8	2.5%	\$1642.0	2.5%	\$1687.9	2.8%
Business Licenses	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.1	-4.5%	\$1.3	13.9%	\$1.3	-0.2%	\$1.4	7.7%	\$1.3	-7.1%	\$1.3	-3.1%	\$1.3	3.2%
Fees	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$44.7	-4.7%	\$42.7	-4.5%	\$42.0	-1.7%	\$42.4	1.0%	\$42.6	0.5%	\$42.9	0.7%	\$43.4	1.2%
Services	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$2.4	-27.1%	\$3.0	24.3%	\$3.1	1.9%	\$3.2	1.6%	\$3.2	1.6%	\$3.3	1.6%	\$3.3	1.5%
Fines	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	6.1%	\$3.5	6.1%	\$3.7	5.7%	\$3.8	2.7%	\$3.9	2.6%
Interest	\$1.2	108.2%	\$2.3	96.1%	\$4.3	87.8%	\$3.3	-24.5%	\$0.8	-75.5%	\$0.9	12.7%	\$1.2	33.3%	\$2.5	108.3%	\$2.8	12.0%	\$3.2	14.3%
All Other ⁴	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$0.7	-83.6%	\$0.5	-34.4%	\$0.6	22.4%	\$0.7	16.7%	\$0.8	14.3%	\$0.9	12.5%	\$1.0	11.1%
Total Other Revenue	\$61.2	89.3%	\$59.4	-3.0%	\$63.7	7.4%	\$57.2	-10.3%	\$51.5	-9.9%	\$51.2	-0.6%	\$52.4	2.2%	\$54.1	3.3%	\$54.9	1.5%	\$56.1	2.2%
Healthcare Revenue⁵	\$0.0		\$0.0		\$272.3	NM	\$280.9	3.1%	\$278.1	-1.0%	\$287.7	3.5%	\$288.7	0.3%	\$290.5	0.6%	\$292.5	0.7%	\$293.7	0.4%
TOTAL GENERAL FUND	\$1457.0	3.2%	\$1558.9	7.0%	\$1612.5	3.4%	\$1640.4	1.7%	\$1767.7	7.8%	\$1853.8	4.9%	\$1904.4	2.7%	\$1946.5	2.2%	\$1989.3	2.2%	\$2037.7	2.4%

1) Includes \$2.5M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors; Transfer to the Education Fund increases from 33.3% to 35.0% effective in FY14 and 35.0% to 36.0% effective in FY19.

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13;

Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and Education Fund.

3) Excludes transfer to the Higher Education Trust Fund of \$2.4M in FY05, \$5.2M in FY06 and \$11.0M in FY11.

4) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

5) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

**TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

SOURCE HEALTHCARE¹

revenues are prior to all allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$71.4	4.3%	\$77.5	8.6%	\$78.3	1.1%	\$76.7	-2.1%	\$75.0	-2.2%	\$73.2	-2.3%	\$71.6	-2.3%
Claims Assessment	\$17.7	2.9%	\$19.8	12.1%	\$19.6	-1.3%	\$20.7	5.7%	\$19.7	-4.7%	\$20.0	1.5%	\$20.0	0.0%	\$21.0	5.1%	\$22.0	4.8%	\$22.2	1.0%
Employer Assessment	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.2	2.4%	\$17.9	-11.4%	\$20.5	14.4%	\$21.5	4.9%	\$22.5	4.7%	\$23.5	4.4%	\$24.5	4.3%
Hospital Provider Tax	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$150.2	2.6%	\$143.7	-4.4%	\$150.0	4.4%	\$151.5	1.0%	\$153.0	1.0%	\$154.5	1.0%	\$156.1	1.0%
Nursing Home Provide Tax	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.1%	\$6.6	12.8%	\$6.6	0.6%	\$6.8	3.0%	\$7.0	2.9%	\$7.2	2.9%
All other HC revenues	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-3.6%	\$1.7	-7.1%	\$1.8	5.9%	\$1.8	0.0%	\$1.9	5.6%	\$1.9	0.0%
TOTAL HEALTHCARE	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$284.7	3.0%	\$281.0	-1.3%	\$291.7	3.8%	\$292.7	0.3%	\$294.7	0.7%	\$296.9	0.7%	\$298.2	0.4%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$71.4	4.3%	\$77.5	8.6%	\$78.3	1.1%	\$76.7	-2.1%	\$75.0	-2.2%	\$73.2	-2.3%	\$71.6	-2.3%
Claims Assessment	\$14.1	2.1%	\$15.9	13.2%	\$15.6	-1.7%	\$16.9	7.8%	\$16.4	-3.0%	\$16.0	-2.3%	\$16.0	0.0%	\$16.8	5.1%	\$17.6	4.8%	\$17.8	1.0%
Employer Assessment	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.2	2.4%	\$18.4	-9.2%	\$20.5	11.6%	\$21.5	4.9%	\$22.5	4.7%	\$23.5	4.4%	\$24.5	4.3%
Hospital Provider Tax	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$150.2	2.6%	\$143.7	-4.4%	\$150.0	4.4%	\$151.5	1.0%	\$153.0	1.0%	\$154.5	1.0%	\$156.1	1.0%
Nursing Home Provide Tax	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.1%	\$6.6	12.8%	\$6.6	0.6%	\$6.8	3.0%	\$7.0	2.9%	\$7.2	2.9%
All other HC revenues	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-3.6%	\$1.7	-7.1%	\$1.8	5.9%	\$1.8	0.0%	\$1.9	5.6%	\$1.9	0.0%
TOTAL HEALTHCARE	\$272.9	2.7%	\$271.7	-0.5%	\$272.3	0.2%	\$280.9	3.1%	\$278.1	-1.0%	\$287.7	3.5%	\$288.7	0.3%	\$290.5	0.6%	\$292.5	0.7%	\$293.7	0.4%

1) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff.

TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021

SOURCE T-FUND

revenues are prior to all E-Fund allocations
and other out-transfers; used for
analytic and comparative purposes only

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Gasoline	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$71.0	-8.7%	\$67.3	-5.3%	\$75.4	12.1%	\$77.4	2.7%	\$77.7	0.4%	\$77.5	-0.3%	\$76.9	-0.8%
Diesel****	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$17.9	-3.5%	\$17.9	0.2%	\$19.0	5.9%	\$19.6	3.2%	\$19.9	1.5%	\$20.1	1.0%	\$20.3	1.0%
Purchase and Use*	\$103.2	3.1%	\$109.4	6.0%	\$111.8	2.2%	\$105.4	-5.7%	\$134.1	27.2%	\$139.6	4.1%	\$142.1	1.8%	\$137.3	-3.4%	\$133.4	-2.8%	\$137.6	3.1%
Motor Vehicle Fees	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$83.6	-2.1%	\$87.6	4.7%	\$88.9	1.5%	\$90.0	1.2%	\$90.8	0.9%	\$91.8	1.1%	\$92.5	0.8%
Other Revenue**	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$21.3	-13.5%	\$20.5	-3.4%	\$22.0	7.2%	\$23.5	6.8%	\$24.2	3.0%	\$24.9	2.9%	\$25.6	2.8%
TOTAL TRANS. FUND	\$305.8	2.6%	\$315.4	3.1%	\$318.2	0.9%	\$299.2	-6.0%	\$327.4	9.4%	\$344.9	5.3%	\$352.6	2.2%	\$349.9	-0.8%	\$347.7	-0.6%	\$352.9	1.5%

TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Gasoline	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$71.0	-8.7%	\$67.3	-5.3%	\$75.4	12.1%	\$77.4	2.7%	\$77.7	0.4%	\$77.5	-0.3%	\$76.9	-0.8%
Diesel	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$17.9	-3.5%	\$17.9	0.2%	\$19.0	5.9%	\$19.6	3.2%	\$19.9	1.5%	\$20.1	1.0%	\$20.3	1.0%
Purchase and Use ¹	\$68.8	3.1%	\$73.0	6.0%	\$74.5	2.2%	\$70.3	-5.7%	\$89.4	27.2%	\$93.1	4.1%	\$94.7	1.8%	\$91.5	-3.4%	\$88.9	-2.8%	\$91.7	3.1%
Motor Vehicle Fees	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$83.6	-2.1%	\$87.6	4.7%	\$88.9	1.5%	\$90.0	1.2%	\$90.8	0.9%	\$91.8	1.1%	\$92.5	0.8%
Other Revenue ²	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$21.3	-13.5%	\$20.5	-3.4%	\$22.0	7.2%	\$23.5	6.8%	\$24.2	3.0%	\$24.9	2.9%	\$25.6	2.8%
TOTAL TRANS. FUND	\$271.4	2.6%	\$279.0	2.8%	\$280.9	0.7%	\$264.1	-6.0%	\$282.7	7.0%	\$298.4	5.5%	\$305.2	2.3%	\$304.1	-0.4%	\$303.2	-0.3%	\$307.0	1.3%

OTHER (TIB³)

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
TIB Gasoline	\$12.6	-3.3%	\$12.9	2.2%	\$14.6	13.1%	\$12.7	-12.8%	\$10.2	-19.5%	\$14.92	46.0%	\$14.99	0.5%	\$15.58	3.9%	\$16.11	3.4%	\$16.59	3.0%
TIB Diesel and Other ⁴	\$1.7	-11.3%	\$2.0	16.1%	\$2.1	3.7%	\$2.0	-2.5%	\$1.9	-4.5%	\$2.06	7.6%	\$2.13	3.4%	\$2.16	1.4%	\$2.18	0.9%	\$2.20	0.9%
TOTAL OTHER (TIB)	\$14.5	-2.9%	\$14.9	2.4%	\$16.6	11.9%	\$14.7	-11.6%	\$12.1	-17.5%	\$17.0	40.0%	\$17.1	0.8%	\$17.7	3.6%	\$18.3	3.1%	\$18.8	2.7%

1) As of FY04, includes Motor Vehicle Rental tax revenue.

2) Beginning in FY07, includes Stabilization Reserve interest; FY08 data includes \$3.76M transfer from G-Fund for prior Jet Fuel tax processing errors and inclusion of this tax in subsequent years.

3) Transportation Infrastructure Bond revenues

4) Includes TIB Fund interest income (which has never exceeded \$85,000 per year); Includes FY17 adjustment of \$215,000 from reported TIB Diesel revenue to Diesel revenue due to a data entry error

TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2021

CURRENT LAW BASIS

Source General and Transportation
Fund taxes allocated to or associated
with the Education Fund only

	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
GENERAL FUND																				
Meals and Rooms	\$0.0	NM	\$0.0	NM	\$45.5	NM	\$40.9	-10.1%	\$36.0	-12.1%	\$45.0	25.1%	\$48.4	7.6%	\$51.2	5.7%	\$53.8	5.0%	\$56.1	4.3%
Sales & Use ²	\$131.8	1.6%	\$139.2	5.6%	\$412.5	196.3%	\$432.5	4.8%	\$507.6	17.4%	\$538.6	6.1%	\$551.2	2.3%	\$557.1	1.1%	\$567.2	1.8%	\$580.2	2.3%
Interest	\$0.4	122.7%	\$0.5	30.3%	\$0.7	38.1%	\$0.8	23.9%	\$0.1	-87.1%	\$0.10	-7.2%	\$0.20	100.0%	\$0.3	50.0%	\$0.50	66.7%	\$0.7	40.0%
Lottery	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$26.8	-9.0%	\$32.5	21.2%	\$31.2	-4.0%	\$32.3	3.5%	\$33.0	2.2%	\$33.6	1.8%	\$34.2	1.8%
TRANSPORTATION FUND																				
Purchase and Use ³	\$34.4	3.1%	\$36.5	6.0%	\$37.3	2.2%	\$35.1	-5.7%	\$44.7	27.2%	\$46.5	4.1%	\$47.4	1.8%	\$45.8	-3.4%	\$44.5	-2.8%	\$45.9	3.1%
TOTAL EDUCATION FUND	\$192.2	1.3%	\$203.3	5.8%	\$525.4	158.4%	\$536.2	2.0%	\$620.9	15.8%	\$661.4	6.5%	\$679.5	2.7%	\$687.3	1.2%	\$699.5	1.8%	\$717.0	2.5%

1) Includes only General and Transportation Fund taxes allocated to the Education Fund.

This Table excludes all Education Fund property taxes, which are updated in October/November of each year and are the largest Education Fund tax sources.

2) Includes Telecommunications Tax; Includes \$1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors; Transfer percentage from the General Fund increases from 33.3% to 35.0% effective in FY14 and to 36.0% in F19.

3) Includes Motor Vehicle Rental revenues, restated