



State of Vermont
OFFICE OF THE GOVERNOR

**Emergency Board Meeting Minutes
January 19, 2017 – 10:00 a.m.**

Pursuant to notice, the Emergency Board met in the State House Ceremonial Office, 115 State Street, Montpelier, Vermont, on Thursday, January 19, 2017, at 10:00 a.m.

Members present: Governor Philip Scott, Chair; Senator Jane Kitchel; Senator Ann Cummings; Representative Janet Ancel; Representative Catherine (Kitty) Toll

The items on the agenda were as follows:

ITEM 1. Private Activity Bond Allocation (32 VSA Sec. 992(b))
Presentation by Treasurer Beth Pearce

Representative Ancel made the following motion, seconded by Senator Jane Kitchel:

Motion was made to allocate Vermont's Private Activity Bond Allocation of \$305,315,000 for calendar year 2017 as follows:

Vermont Housing Finance Authority (VHFA)	\$	0
Vermont Student Assistance Corporation	\$	0
Vermont Economic Development Authority (VEDA):	\$	40,000,000
Vermont Municipal Bond Bank: (VMBB)	\$	20,000,000
Contingency:	\$	<u>245,315,000</u>
TOTAL	\$	305,315,000

The allocation to the Vermont Municipal Bond Bank includes such governmental units as defined in 24 V.S.A. § 4551, that are recipients of proceeds issued by VMBB during calendar year 2017, to which the VMBB assigns any portion of such 2017 volume cap.

It was further moved that discussion of the allocations, including the contingency, and delegation of reallocation authority to the Governor, as provided for in 32 V.S.A. Sec. 992(b), be placed on the July, 2017 Emergency Board meeting agenda.

The motion was passed unanimously.

ITEM 2. Medicaid Report (32 VSA Sec. 305a)

Presentation of Medicaid Report by Stephanie Barrett and Emily Byrne

Senator Jane Kitchel made the following motion, seconded by Representative Kitty Toll:

Moved: That the Vermont Medicaid Program estimated caseloads and estimated per member per month expenditures for FY 2017 and FY 2018 as follows:

Projected Enrollment and Per Member Per Month Expenditures

Eligibility Category ¹	Enrollment		PMPM Expenditures ²	
	SFY '17 Projected	SFY '18 Projected	SFY '17 Projected	SFY '18 Projected
Full Coverage/Primary				
Aged, Blind, or Disabled (ABD) Adults	8,791	8,636	1,528.22	1,621.69
General Adults	15,848	15,222	513.58	553.67
New Adult - began 1/1/2014	59,021	59,063	409.61	439.58
Blind or Disabled (BD) Kids	2,490	2,459	2,427.42	2,510.47
General Kids	60,003	61,159	390.14	392.76
SCHIP (Uninsured) Kids	5,280	5,562	189.35	179.15
Caseload Subtotal -Full/Primary	151,434	152,101		
Partial Coverage/Supplemental				
Choices for Care (LTC=Nursing Home, HCBS etc)	4,310	4,350	4,365.80	4,411.90
Dual Eligible	17,758	18,007	1,129.14	1,147.01
Rx -Pharmacy Only Programs ³	11,640	11,640	44.82	45.72
VPA-Vermont Premium Assistance	17,915	16,854	28.21	28.21
CSR-Cost Sharing Reduction - subset of VPA	5,646	5,646	18.19	18.19
Underinsured Kids (ESI)	833	831	287.44	294.96
Caseload Subtotal -Partial/Supplemental	52,455	51,682		
Caseload Total	203,889	203,783		
Buy In			\$38,581,613	\$40,911,973
Disproportionate Share Hospital (DSH)			\$37,448,781	\$37,448,781
Clawback (Medicare Part D provision)			\$33,750,064	\$36,207,593

NOTES¹ Excludes Federal Only Ladies First Program (approx. 700)² PMPMs do not include administration or Global Commitment Waiver Investment expenditures.³ Pharmacy Only includes both Global Commitment and State Only spending and is net of rebates**Reimbursement rate increase estimated cost**

32 V.S.A. § 305a(c) was amended to include the requirement that information on health care inflation be provided for Emergency Board consideration each January.

The estimated cost of a one percent (1%) increase in Medicaid payment rates effective July 1, 2017 for SFY2018 is \$14.9 million, of this total \$5.97 million would be the state match requirement. This estimate excludes nursing homes which have a rate setting process and statutory inflation factor, and school-based services, which are determined by the schools.

The motion was passed unanimously.

ITEM 3. Official State Revenue Estimate (32 VSA Sec 305a (a))
Presentation of Revenue Report by Jeff Carr and Tom Kavet

Representative Janet Ancel made the following motion, seconded by Senator Jane Kitchel:

Moved: That the state revenue estimates pursuant to 32 VSA Sec. 305a (a) for FY 2017, FY 2018 and FY 2019 are as follows:

	Fiscal 2017 Estimate (Millions)	Fiscal 2018 Estimate (Millions)	Fiscal 2019 Estimate (Millions)
General Fund	\$ 1,455.9	\$ 1,510.2	\$ 1,548.4
Transportation Fund	\$ 274.5	\$ 279.7	\$ 282.9
Transportation Infrastructure Bond (TIB) Fund	\$ 14.6	\$ 14.7	\$ 15.2
Education Fund	\$ 193.0	\$ 199.6	\$ 204.7
State Health Care Resource Fund	\$ 292.9	\$ 291.8	\$ 292.8
Global Commitment Fund	\$ 1,546.0	\$ 1,510.4	----
Federal Funds	\$ 2,020.6	----	----

The motion was passed unanimously.

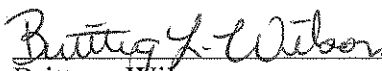
ITEM 4. Pursuant to 32 V.S.A. §5402b(c) the Emergency Board will review the Education Fund Outlook.

The attached Preliminary Education Fund Outlook prepared by the Joint Fiscal Office was distributed for review. No motions were made.

The meeting was adjourned at 11:10 a.m.

A true record,

ATTEST:


Brittney Wilson
Secretary of Civil and Military Affairs

/kp

1/19/17

c: Board Members

Auditor of Accounts

State Treasurer

Preliminary Education Fund Outlook - December 1st
(millions of dollars)

	FY2016 Final	FY2017 After Estimated BAA	FY2018 Projections
a Base Homestead Property Tax Rate	\$0.99	\$1.00	\$1.00
Average Homestead Property Tax Rate	\$1.525	\$1.527	\$1.510
b Uniform Non-Residential Property Tax Rate	\$1.535	\$1.535	\$1.550
c Base Tax Rate on Household Income	1.80%	2.00%	2.00%
Average Tax Rate on Household Income	2.74%	2.70%	2.53%
d Base Education Amount Per Equalized Pupil	\$9,459		
e Property Yield Per Equalized Pupil		\$9,701	\$10,076
Income Yield Per Equalized Pupil		\$10,870	\$11,875
f Total Equalized Pupil Count	89,163	88,982	87,997
g Statewide Education Grand List Growth Rate	0.8%	1.4%	1.4%
h Statewide Education Spending Growth Rate	2.8%	1.5%	3.2%

Sources

1 Homestead Education Tax	578.6	586.3	590.2
1a Income Sensitivity Adjustment	(157.8)	(164.2)	(164.1)
1b Homeowner Rebate - EF share only*	Included in line 1a	(7.3)	(7.2)
2 Non-Homestead Education Tax	630.7	634.5	648.4
3 Sales & Use Tax	129.8	134.1	137.9
4 Purchase & Use Tax (see note)	33.4	34.9	36.3
5 General Fund Transfer	303.3	303.6	314.7
5a Supplemental Property Tax Relief	-	2.3	-
6 Lottery Transfer	26.4	24.2	24.5
7 Medicaid Transfer	9.6	9.6	9.6
8 Other Sources (Wind & Solar, Fund Interest, Other)	1.3	1.1	1.2
9 Total Sources	1,555.3	1,559.1	1,591.5

Uses (appropriations)

10 Education Payment	1,290.5	1,311.1	1,349.6
11 Special Education	179.8	180.7	180.7
12 State-Placed Students	16.4	16.7	17.5
13 Transportation	17.7	18.2	18.7
14 Technical Education	13.3	13.5	13.7
15 Small Schools	7.6	7.7	7.8
16 Essential Early Education	6.4	6.4	6.4
17 Adult Education & Literacy	5.8	1.8	1.8
18 Flexible Pathways		4.8	5.7
19 Community HS of Vermont (Corrections)	3.9	3.1	3.1
20 Renter Rebate (General Gov't) - EF share only**	6.5	8.0	7.4
21 Reappraisal & Listing (General Gov't)	3.7	3.4	3.5
22 Other Uses (Accounting & Auditing, Other)	1.1	1.1	1.1
23 Total Uses	1,552.7	1,576.5	1,617.2

Allocation of Revenue Surplus/(Deficit)

24 Revenue Surplus/(Deficit)	2.6	(17.4)	(25.7)
25 Prior-Year Reversions	(16.8)	(10.7)	-
26 Transfer to/(from) Stabilization Reserve	0.6	0.7	0.8
27 Transfer to/(from) Unreserved/Unallocated	18.8	(7.4)	(26.5)

Stabilization Reserve

28 Prior-Year Stabilization Reserve	32.0	32.6	33.3
29 Current-Year Stabilization Reserve	32.6	33.3	34.1
30 Percent of Prior-Year Net Appropriations	5.0%	5.0%	5.0%
31 Maximum Reserve Target @ 5.0%	32.6	33.3	34.1
32 Minimum Reserve Target @ 3.5%	22.8	23.3	23.9

Available Funds

33 Prior-Year Unreserved/Unallocated	15.1	33.9	26.5
34 Current-Year Unreserved/Unallocated	33.9	26.5	0.0

* GF share of homeowner rebate: 16.9 16.2 16.9
** GF share of renter rebate: 2.9 3.4 3.2