




State of Vermont
Agency of Administration
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Susanne Young, Secretary

MEMORANDUM

TO: Emergency Board Members
FROM: Susanne R. Young, Secretary of Administration 
DATE: June 5, 2018
SUBJECT: Next Emergency Board Meeting

The Governor is convening an Emergency Board meeting on Tuesday, June 12th, 2018 at 1:00 p.m., Governor's Ceremonial Office, State House, 115 State Street, Montpelier, Vermont.

The agenda item is as follows:

1. Consideration of a revised official revenue forecast reflecting the amount of actual receipts through May and General Fund revenue available for appropriation for fiscal year 2018.

Jeffrey Carr, State Economist for the Agency of Administration
Thomas Kavet, State Economist for the Legislature

Materials for the agenda item will be forthcoming.


cc: Beth Pearce, State Treasurer
Adam Greshin, Commissioner, Department of Finance & Management
Steve Klein, Legislative Joint Fiscal Office
Michael Clasen, Deputy State Treasurer
Jeff Carr, State Economist for the Agency of Administration, Economic & Policy Resources, Inc. (EPR)



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Susanne R. Young, Secretary

TO: Representative Janet Ancel, Chair, House Ways & Means
FROM: Susanne R. Young, Secretary of Administration 
RE: Emergency Board Meeting
DATE: June 5, 2018

Preliminary revenue results for May 2018 show that general fund receipts are approximately \$63.8 million above the FY18 cumulative consensus cash flow target through May. On May 2, the legislative members of the Emergency Board requested a meeting to consider a revision of the revised FY18 forecast in light of the unexpected revenues collected through April. The forecast was revised to reflect \$44.2 million in additional revenues available for appropriation in FY18. The general fund receipts through May reflect \$19.6 million in receipts above the \$44.2 million recognized by the Emergency Board on May 7.

The State economist is of the opinion as of today's Schedule 2s that no less than \$11.3 million of the additional \$19.6 will be available for appropriation in FY18 or FY19. The Governor plans to convene the Emergency Board on Tuesday, June 12 at 1:00 pm to consider a revised official revenue forecast for FY18 that reflects the additional receipts through May and revenues available for appropriation, as the Board did on May 7.

If the consensus forecast is revised by what appears to be an additional \$11.3 million, the Legislature will be able to appropriate this money now. In addition to the existing surplus that the Governor proposes be used to avoid both statewide residential and non-residential property tax rate increases in FY19, this additional surplus could be used by the Legislature for priorities of their choosing, such as a payment on the Vermont Teachers' Pension Retirement unfunded liability or the Teachers' OPEB loan, or to cover the cost of deferral by one year of the income sensitivity provisions passed in H.911, as the Governor requested, should the Legislature choose to include those in the special session yield bill.

If the Legislative members prefer to meet sooner as they continue their work this week, the Governor is available on Thursday, June 7 at 11:00 am or 1:00 pm.

Representative Janet Ancel, Chair, House Ways & Means
June 5, 2018
Page 2 of 2

I will send a public notice and proposed agenda at close of business today so please let me know if you would like to convene earlier than Tuesday.

Thank you very much.

cc: Representative Kitty Toll, Chair, House Appropriations
Senator Jane Kitchel, Chair, Senate Appropriations
Senator Ann Cummings, Chair, Senate Finance
Stephen Kline, Legislative Joint Fiscal Office
Adam Greshin, Commissioner, Department of Finance and Management



STATE OF VERMONT
GENERAL ASSEMBLY

June 8, 2018

Governor, Honorable Philip Scott
109 State Street, Pavilion
Montpelier, VT 05609
Phone: 802 828-3333

RE: Emergency Board Request

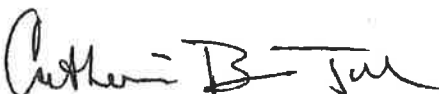
Dear Governor Scott:


We have received your memorandum informing the money chairs that you plan to convene an Emergency Board meeting. Our position is that we generally concur with your assessment that at least \$11,000,000 of additional revenues will come into the State General fund in Fiscal Year 2018. The legislature foresaw and addressed this FY18 revenue surplus in Sec. C.1000 (e) of H.13. Because of this anticipatory action our view is that there is no need to meet before the close of year just weeks before the normal July revenue forecast cycle.

Sincerely,


Rep. Janet Ancel, Chair
House Ways & Means Committee


Sen. Jane Kitchel, Chair
Sen. Appropriations Committee


Rep. Kitty Toll, Chair
House Appropriation Committee


Sen. Ann Cummings, Chair
Sen. Finance Committee

cc: Susanne R. Young, Secretary of Administration
Adam Greshin, Commissioner, Department of Finance & Management
Steve Klein, Legislative Joint Fiscal Office
Michael Clasen, Deputy State Treasurer
Jeff Carr, State Economist for the Agency of Administration,
Tom, Kavet, Economist for the Legislature
Beth Pearce, State Treasurer




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Susanne R. Young, Secretary

TO: Representative Janet Ancel, Chair, House Ways & Means Committee
Representative Kitty Toll, Chair, House Appropriations Committee
Senator Jane Kitchel, Chair, Senate Appropriations Committee
Senator Ann Cummings, Chair, Senate Finance Committee

FROM: Susanne R. Young, Secretary of Administration 

DATE: June 11, 2018

RE: Emergency Board Request

Thank you for your memo of June 8, 2018 informing Governor Scott that you agree that at least \$11 million of additional revenues will come into the General Fund in FY18. Rather than meet so that the Emergency Board can act to formally recognize this surplus as available for appropriation in FY18, you chose to appropriate it instead, in H.13, as a contingency.

With your collective concurrence that the additional revenues will be available, it makes sense to consider re-scheduling the meeting to after June 15. As you know, the May revenues were \$63.8 million above the FY18 cumulative consensus cash flow target through month end, or \$19.6 million over the \$44.2 million recognized in the May 7 upgrade. The actual surplus available above and beyond this conservative \$11 million figure could very well increase.

The Administration will be monitoring receipts closely. With the June 15 Quarterly Personal Income Tax Estimated Payments/Quarterly Corporate Income Tax Estimated Payments deadline at the end of this week, our economists will be able to advise us whether the "not less than \$11 million" figure has increased significantly after the last tax filing deadline of the fiscal year. This will help inform all of us as we find a resolution to the issues remaining in the Special Session.

In lieu of the Emergency Board meeting, the Governor intends to use that time for a briefing from the state economist and the Commissioner of Finance. This briefing will be open to any legislators and members of the public who would like to attend.

Thank you for the courtesy of your reply.

Cc: Adam Greshin, Commissioner, Department of Finance & Management
Steve Klein, Legislative Joint Fiscal Office
Michael Clasen, Deputy State Treasurer
Jeff Carr, State Economist for the Agency of Administration
Tom Kavet, Economist for the Legislature
Beth Pearce, State Treasurer

