



State of Vermont
OFFICE OF THE GOVERNOR

**Emergency Board Meeting Minutes
July 21, 2017 - 2:00 p.m.**

Pursuant to notice, the Emergency Board met in the 5th floor conference room of the Pavilion Building, 109 State Street, Montpelier, Vermont, on Friday, July 21, 2017, at 2:00 p.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 Scott Baker, Financial Reporting Director, Office of the Treasurer

Senator Jane Kitchel made the following motion, seconded by Senator Ann Cummings:

Moved that Vermont's Private Activity Bond Allocation of \$305,315,000 for calendar year 2017 be allocated 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:	\$ 245,315,000
TOTAL	\$ 305,315,000

It was further moved that pursuant to 32 V.S.A. Sec. 992(b), the Emergency Board hereby delegates to the Governor the power and authority to assign or reallocate after December 20 and on or before December 31, 2017, unused portions of Vermont's calendar year 2017 private activity bond ceiling, including the contingency, among and between the Vermont Housing Finance Agency (VHFA), the Vermont Student Assistance Corporation (VSAC), the Vermont Economic Development Authority (VEDA), and the Vermont Municipal Bond Bank (VMBB). Any calendar year 2017 private activity bond allocations to other eligible recipients will require future Emergency Board action.

The motion was passed unanimously.

Senator Ann Cummings made the following motion, seconded by Representative Janet Ancel:

Moved that pursuant to its authority under 32 V.S.A. § 992, the Emergency Board amend its January 19, 2017 calendar year 2017 apportionment of \$20 million to the Vermont Municipal Bond Bank (VMBB) to grant VMBB the authority to assign and re-assign a portion or all of that apportionment, or any subsequent apportionment to the VMBB, of Vermont’s calendar year 2017 private activity bond ceiling to one or more governmental units, as defined in 24 V.S.A. § 4551, that are recipients of bond proceeds issued by VMBB during calendar year 2017.

The motion was passed unanimously.

Item 2 – Adoption of FY2018 expected corporate tax refunds (Act 85 of 2017 Sec.D.105(a)(1))

- Presentation of Corporate Refunds by Jeff Carr, Economic & Policy Resources and Tom Kavet, Kavet, Rockler & Associates, LLC.

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

Moved that pursuant to Sec. D.105 (a) (1) of Act 85 of 2017 the estimate of the corporate tax refunds above historical trend for fiscal year 2018 is \$16.3 million.

The motion was passed unanimously.

Item 3 – Approval of transfer of funds pursuant to the Administration’s plan to resolve corporate tax refunds

- Presentation of Administration’s plan by Brad Ferland, Deputy Secretary of Administration and Adam Greshin, Commissioner of Finance and Management

Item	Source	Amount	Reference	Fund	Appropriation #
1	1/2 General Fund Balance Reserve	\$5,190,000	Addressed in BAA	10000	
2	1/2 General Fund Balance Reserve	\$5,190,000	32 VSA §308c	10000	
3	Over collection of drug rebates, State Only Program	\$637,866.27	Act 85 Sec D. 105 (a)	10000	3410017000
4	GC Medicaid Program	\$1,862,133.73	Act 85 Sec D. 105 (a)	10000	3400004000
5	Special Fund Balance Transfer	\$1,000,000	Act 85 Sec D. 105 (a)	21005	
6	Special Fund Balance Transfer	\$300,000	Act 85 Sec D. 105 (a)	21970	
7	Special Fund Balance Transfer	\$120,000	Act 85 Sec D. 105 (a)	21125	
8	WB Mason Office Supply Contract	\$1,000,000	No Action Required	10000	
9	General Fund (One Time Transfer from VHCTF)	\$1,000,000	No Action Required	10000	
	Total	\$16,300,000			

Senator Jane Kitchel made the following motion, seconded by Senator Ann Cummings:

Moved: Pursuant to 32 VSA §308c (b) (1), that Fiscal Year 2018, \$5.19 million is unreserved from the General Fund Balance Reserve and pursuant to Act 85, § D. 105(a) (2) (A) in Fiscal Year 2018 the following transfers and reversions are approved:

- Transfer \$1,000,000 from FMS Development Special Fund to the General Fund
- Transfer \$300,000 from Registration Fees Fund to the General Fund
- Transfer \$120,000 from Hazardous Chemical Fund to the General Fund
- Reversion of \$637,866.27 from General Fund appropriation 341001700
- Reversion of \$ 1,862,133.73 from General Fund appropriation 3400004000

The motion was passed unanimously.

Item 4 - Medicaid Report (32 VSA Sec. 305a)

- Presentation of Medicaid Report by Stephanie Barrett, Associate Fiscal Officer, Senate Appropriations, Joint Fiscal Office, and Sarah Clark, Chief Financial Officer, Agency of Human Services.
- No action required

Item 5 - Official State Revenue Estimate

- Presentation of Corporate Refunds by Jeff Carr, Economic & Policy Resources and Tom Kavet, Kavet, Rockler & Associates, LLC.

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 2018 and FY 2019 are as follows:

	Fiscal 2018 Estimate (Millions)	Fiscal 2019 Estimate (Millions)
General Fund	\$ 1,485.5	\$ 1,538.4
Transportation Fund	\$ 276.2	\$ 278.9
Transportation Infrastructure Fund (TRIF)	\$ 14.5	\$ 14.6
Education Fund	\$ 198.0	\$ 206.7
State Health Care Resource Fund	\$ 292.2	\$ 287.7
Federal Funds	\$ 2,030.4	----
Global Commitment Fund	\$ 1,545.8	----

The motion was passed unanimously.

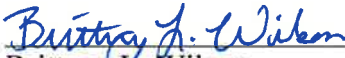
Item 6 – Pursuant to 32 V.S.A. Sec. 5402b(c) the Emergency Board reviewed the Education Fund Outlook.

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

Representative Janet Ancel made a motion to adjourn, seconded by Senator Ann Cummings. The motion was passed unanimously.

The meeting was adjourned at 3:00 p.m.

A true record, ATTEST:



Brittney L. Wilson
Secretary of Civil and Military Affairs

/mmp
7/21/17

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