

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

*Fiscal Years 2023 through 2025*

**January 17, 2023**

**Prepared for the Vermont Emergency Board**

PREPARED BY:



400 Cornerstone Drive, Suite 310 | P.O. Box 1660 | Williston, VT 05495-1660  
(802) 878-0346 | (800) 765-1377 | [info@epreconomics.com](mailto:info@epreconomics.com) | [www.epreconomics.com](http://www.epreconomics.com)

**ECONOMIC, POLICY, AND FINANCIAL ANALYSTS**

❖ **Updated Staff Consensus Forecast Update Recommendations for Fiscal Year 2023, 2024 and 2025 along with Consensus Fiscal Planning Revenue Estimates for Fiscal Year 2026 through Fiscal Year 2028.**

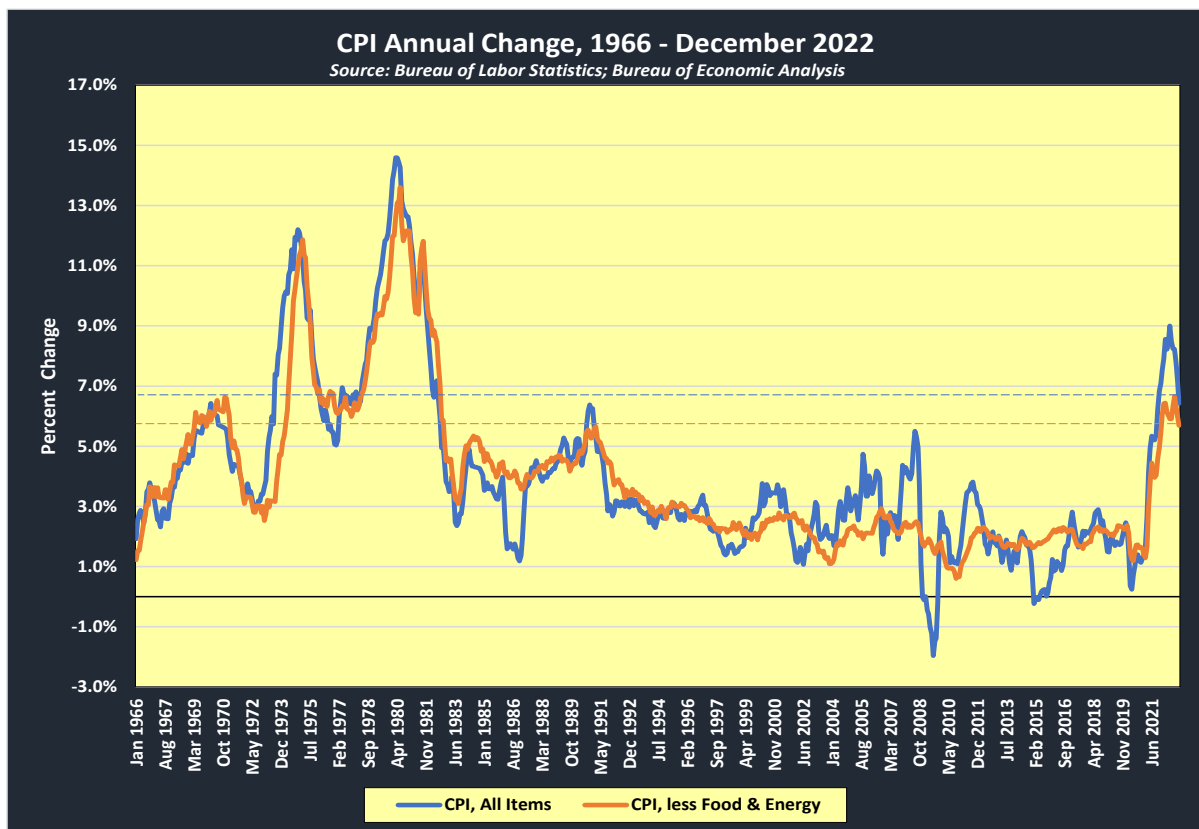
- With another six months of strong overall state revenue receipts now in the rearview mirror, this latest consensus revenue forecast update for January 2023 reflects what is expected for the next phase of the state’s recent extraordinary fiscal journey.
  - Through December of 2022, the state’s economy and revenues have largely been underpinned by an unprecedented amount of federal economic stimulus monies—ostensibly designed to address what otherwise would have been a catastrophic economic downturn tied to the onset of the COVID-19 pandemic.
- Now as the state moves into the second half of fiscal year 2023, the multi-year period of extraordinary, largely deficit-financed, federal fiscal stimulus monies received since the onset of the pandemic has resulted in a clash of opposing macro forces.
  - On one side has been a set of “foot on the accelerator” expansionary federal fiscal and monetary policies that has provided the state with more than \$10 billion in federal financial aid<sup>1</sup>—totaling in excess of \$16,200 per person in Vermont
  - On the other side is the recent implementation of a set of restrictive federal monetary policies which have evolved away from an initial set of highly accommodative measures (which also were designed to forestall a pandemic induced downturn,<sup>2</sup> to a current and increasingly harsh set of “slam on the brakes” contractionary monetary policies.<sup>3</sup>
- The shift in monetary policy shift has come about as the U.S. economy has recently experienced a run up in inflation—unlike any that the economy has experienced in the last 40 years (using the CPI inflation rate as an example—see the chart below).

---

<sup>1</sup> From federal legislation such as the Cares Act, the American Rescue Plan Act, the Bipartisan Infrastructure Investment and Jobs Act legislation, the recently passed Inflation Reduction Act, and other major federal legislation.

<sup>2</sup> Which included a long period of essentially zero interest rates and a broad set of measures designed to provide the financial system with adequate amounts of liquidity,

<sup>3</sup> Including a historically fast pace to short-term interest rate increases and sharp cutbacks in long-term securities purchases—among some others.



- To many analysts, the recent jump in U.S. inflation is directly attributable to the extraordinary pike in aggregate demand that was brought about by those trillions of dollars in extraordinary federal stimulus measures and a number of constraints on supply side that have emerged over the past two years of the pandemic.
  - In particular, those supply side constraints included:
    1. Disruptions in shipping and other supply chain components that have slowed delivery times and resulted in a surge in shipping-delivery costs),
    2. A significant decline in labor force participation—as health concerns and a period of high asset prices have made it possible for some “at risk” workers to separate from the labor force,
    3. Significant production bottlenecks in China as the Chones Communist Party pursued its only recently abandoned “Zero COVID” policy, and
    4. The effects of Russia’s invasion and war in Ukraine—which disrupted global commodity markets and pushed prices of key commodities (such as food and oil-gas) to extraordinarily high levels even though energy prices have backed off somewhat lately).

- To-date, the “foot on the accelerator” federal fiscal policy measures have continued to dominate, and they have underpinned the extraordinarily fast paced economic recovery and also have helped to fuel the exceptional recovery in state revenues.
  - Moreover, that dominance by the economically upside aspects of the extraordinary federal fiscal policy stimulus side of the above-referenced policy “tug-of-war” has continued for a much longer period of time than was initially expected.
- As such, the chief questions going forward as part of this consensus forecast updated is understanding when the dynamics of this policy clash may change, and potentially even be reversed, and what that transition away from those expansionary policies and back to the economy’s underlying fundamentals might look like.
  - What does seem clear at this point is that there will be a time in the not-too-distant future when as this epic and unprecedented amount of federal fiscal pandemic assistance, which has been so instrumental to supporting the economy and state revenues, will eventually run its course.
  - The only questions that still remain a bit of a mystery is are: (1) the precise timing of just when this change will occur?, and (2) How much the economy and state revenues are then likely to pull-back as this change unwinds.
- To see the impact of this extraordinary federal fiscal assistance on state revenues, one only has to look back at fiscal year 2022 and first half 2023 state revenue collections.
  - For fiscal year 2022, total state revenues out-performed consensus revenues by a staggering \$225.9 million or by 7.9 % higher than consensus expectations of nearly \$2,9 billion.
  - Revenues in the General Fund were particularly robust for fiscal year 2022 at +\$222.4 million (or 13.8%) ahead of \$1.6 billion in consensus expectations.
  - Within the General Fund, receipts in the two income taxes tracked at a whopping \$208.6 million (or 16.3%) ahead of \$1.3 billion in consensus expectations—as those federal pandemic assistance monies contributed to

asset price increases across the economy resulting in non-wage income realizations that drove exceptionally strong Spring filing seasons for both income tax sources.

- Consumption taxes also were up robustly across all funds, as those federal monies (including stimulus checks to households and payroll support monies paid to businesses boosted income and encouraged households and businesses to continue with their consumption and investment spending activities.
- This momentum in state revenue collections continued over the first half of fiscal year 2023. Schedule 2 results last month showed that December receipts activity represented yet another upbeat month for revenues in the G-Fund (at +\$12.1 million or +6.9% versus monthly consensus expectations), the E-Fund (at +\$0.9 million or +1.6% versus December monthly consensus expectations), and for the T-Fund (at +\$0.5 million or +2.3% versus monthly consensus expectations (see Table 1 below).
- Overall, total G-Fund, E-Fund, and T-Fund revenues including TIB receipts were up by another +\$13.6 million versus monthly consensus expectations of \$254.6 million across all three funds.

**Table 1: Monthly Schedule 2 Receipts by Fund Aggregate versus Monthly Consensus Expectations for December of Fiscal Year 2023**

<b>Analysis of Monthly Receipts--v. MONTHLY TARGETS-DECEMBER</b>		
<i>FINAL Schedule 2 Revs-As of December 31st</i>	Dollar	Percent of the
<b>Fund/Component (\$000s)</b>	<b>Difference</b>	<b>MO. TARGET</b>
<b>GENERAL FUND w/Health Care Revs</b>	<b>\$ 12,071.8</b>	<b>6.9%</b>
<b>MEMO: Health Care Revenues</b>	<b>\$ 175.5</b>	<b>0.6%</b>
<b>EDUCATION FUND</b>	<b>\$ 882.0</b>	<b>1.6%</b>
<b>TRANSPORTATION FUND</b>	<b>\$ 538.6</b>	<b>2.3%</b>
<b>TIB</b>	<b>\$ 43.8</b>	<b>2.3%</b>
<b>THREE FUND TOTAL-MONTHLY TARGETS-DEC. 2023</b>	<b>\$ 13,536.3</b>	<b>5.3%</b>

- That overall revenue performance across the state's fund aggregates corresponded to the sixth month in a row where overall monthly receipts activity exceeded the monthly consensus cash flow target for total combined state revenues.

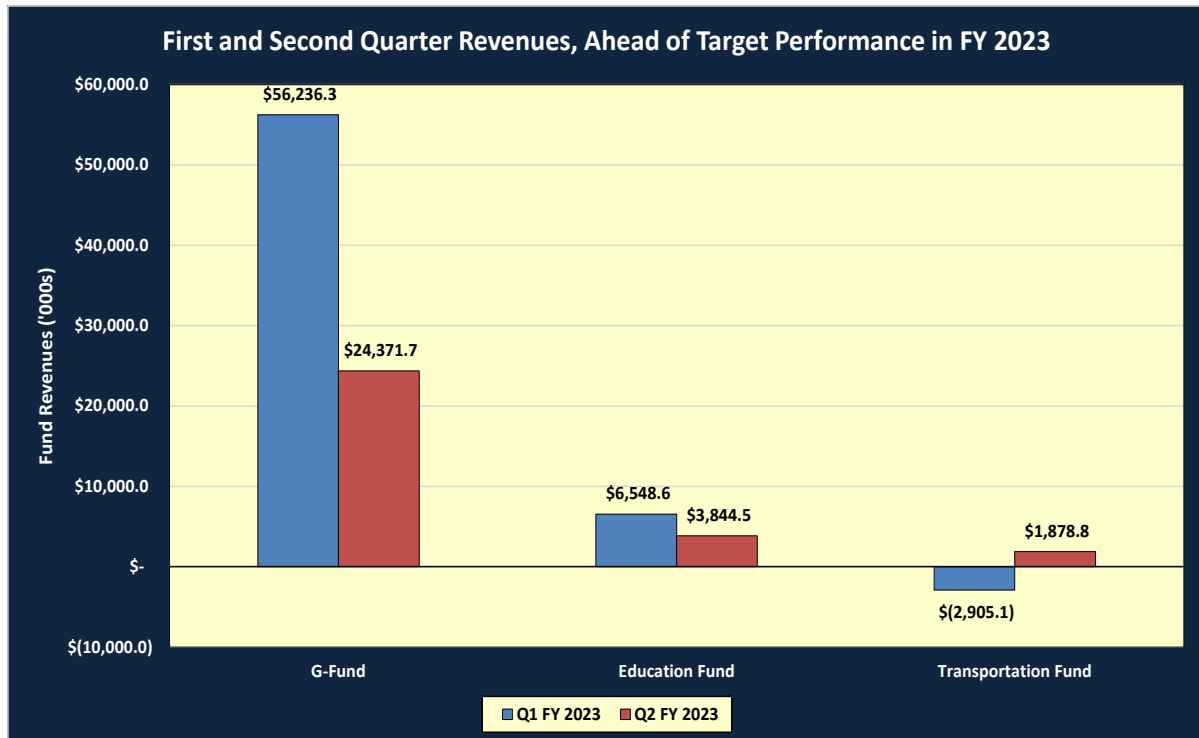
- Looking individually at the month-to-month performances of the various individual revenue aggregates, the data showed that monthly revenues in the G-Fund also went “six-for-six” in terms of exceeding monthly consensus cash flow expectations across the first half of fiscal year 2023.
- In addition, receipts in the E-Fund and the T-Fund each went “five for six” in terms of exceeding their respective monthly consensus cash flow targets over the first half of fiscal year 2023—missing on the downside during the month of September versus consensus expectations).
- In contrast and generally reflecting high fuel prices, revenues in the T-Fund TIB categories still went “three for six” over the first half of fiscal year 2023 in terms of exceeding monthly consensus expectations.
  - Over the first half, T-Fund TIB receipts under-performed during the months of July and September during the first quarter and during the month of November during the second quarter of fiscal year 2023.
- Over the first half of the 2023 fiscal year, cumulative receipts in the G-Fund were up by a healthy +\$80.6 million (or 8.8%) ahead of cumulative consensus expectations of \$918.6 million (See Table 2 below).

**Table 2: Cumulative Schedule 2 Receipts by Fund Aggregate versus Cumulative Consensus Expectations through December of Fiscal Year 2023**

<b>Analysis of Cumulative Receipts--v. CUM. TARGETS THRU DECEMBER</b>		
<i>FINAL Schedule 2 Revs-As of December 31st</i>	Dollar	Percent of the
<b>Fund/Component (\$000s)</b>	<b>Difference</b>	<b>CUMM. TARGET</b>
<b>GENERAL FUND w/Health Care Revs</b>	\$ 80,608.1	8.8%
MEMO: Health Care Revenues	\$ (418.5)	-0.3%
<b>EDUCATION FUND</b>	\$ 10,393.1	2.9%
<b>TRANSPORTATION FUND</b>	\$ (1,026.3)	-0.7%
<b>TIB</b>	\$ 87.6	0.7%
<b>3-FUND TOTAL v. CUM. TARGETS-DEC. 2023</b>	<b>\$ 90,062.5</b>	<b>6.28%</b>

- Cumulative E-Fund revenues were up by +\$10.4 million (or 2.9%) ahead of consensus expectations through December of \$353.3 million.

- In addition, the slightly positive monthly December receipts performance in the T-Fund again last month resulted in another narrowing of the negative cumulative under-performance by revenues in the T-Fund to just over -\$1.0 million—corresponding to the third month in a row where T-Fund receipts have made progress at reducing the previous large downside miss in the T-Fund which occurred during the month of September.
- Over the last half of fiscal year 2022 and into the first half of fiscal year 2023, relatively high energy prices—particularly for fossil fuels—have adversely impacted fuel consumption and this has significantly reduced the amount of fuel gallons sold and the resulting taxes.
  - While Gas Tax has an off-setting price mechanism ostensibly designed to blunt the impact of price increases on reduced consumption, the price mechanism was not sufficient to off-set the more immediate and negative effect on fuel tax receipts due to those reductions in consumption.
- Across the October to December quarter (corresponding to the second quarter of fiscal year 2023), G-Fund receipts added a total of +\$24.4 million to the ahead of consensus target bottom line across the quarter.
  - However, that positive performance by the G-Fund over the second quarter of fiscal year 2023 amounted to less than half (or 43.3%) of the +\$56.2 million ahead of target total for the G-Fund that was accumulated by the end of the July to September quarter this fiscal year (corresponding to the first quarter of fiscal year 2023—see the chart below).
- In the E-Fund, the story of the first half receipts activity performance was similar to the G-Fund—with second quarter receipts adding another +\$3.8 million to the E-Fund’s ahead of consensus target receipts position. That performance, however, corresponded to just under 59% of the +\$6.5 million in accumulated ahead of target receipts run up during the first quarter of fiscal year 2023.
  - Cumulative E-Fund receipts over the first half of fiscal year 2023 ended at the level of +\$10.4 million (or +2.9%) ahead of cumulative consensus expectations \$353.3 million as of December of fiscal year 2023—even though there was a noticeable deceleration in receipts activity during the second quarter of fiscal year 2023 versus the first quarter.



- In the T-Fund, receipts experienced a bit of a turnaround during the second quarter of fiscal year 2023, and finished +\$1.9 million higher than consensus expectations for the October to December quarter of \$73.0 million.
  - As a result, the -\$2.9 million behind cumulative consensus expectations performance by T-Fund receipts as of the end of the first quarter was reduced by nearly two-thirds (or 64.3%).
  - Cumulative receipts in the T-Fund therefore finished the first half of fiscal year 2023 at just over -\$1.0 million (or -0.7%) below cumulative consensus expectations of \$150.9 million through December overall.
- For the overall combined G-Fund, E-Fund and T-Fund revenue receipts total, combined receipts across all three fund aggregates through the first half finished at an impressive +\$90.1 million (or +6.3%) above cumulative consensus expectations of just over \$1.4 billion.
  - Clearly, combined receipts through the first half of fiscal year 2023 have been an unexpected positive for the state as we now enter the much more uncertain second half to fiscal year 2023. and progress towards what could eventually turn out to be a very risky fiscal year 2024.

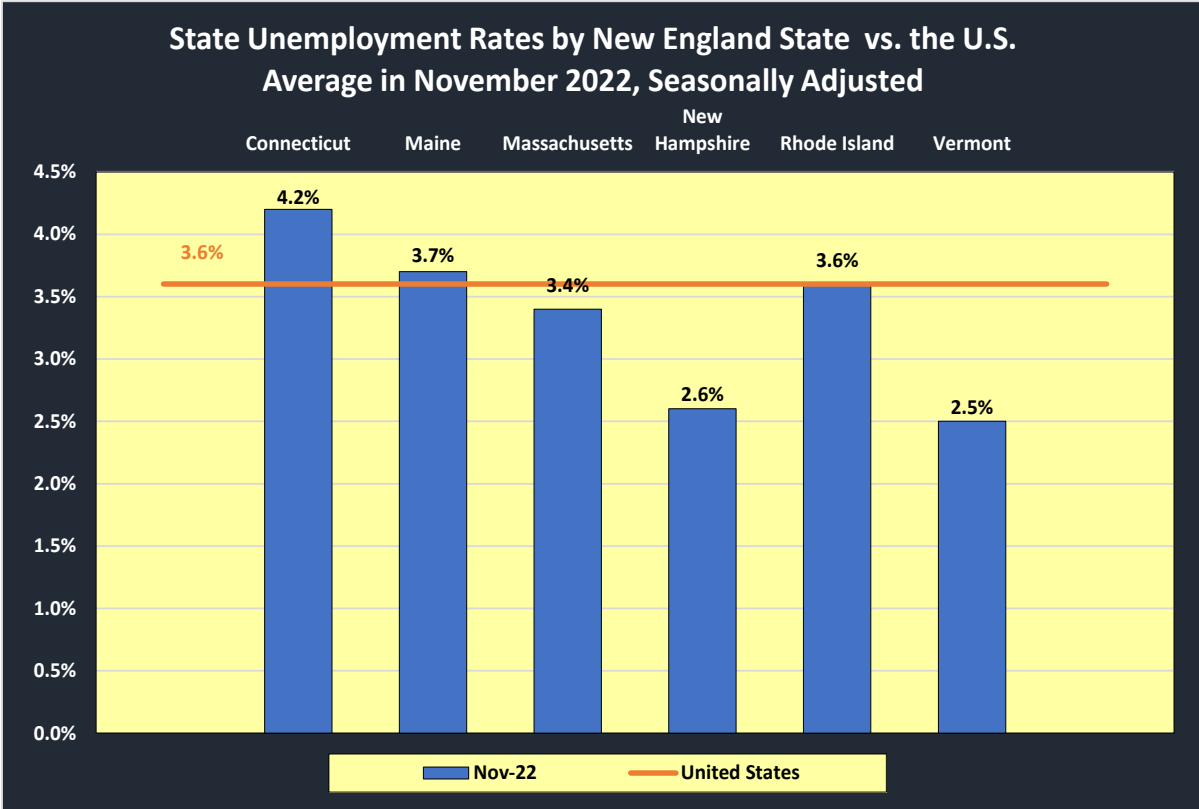
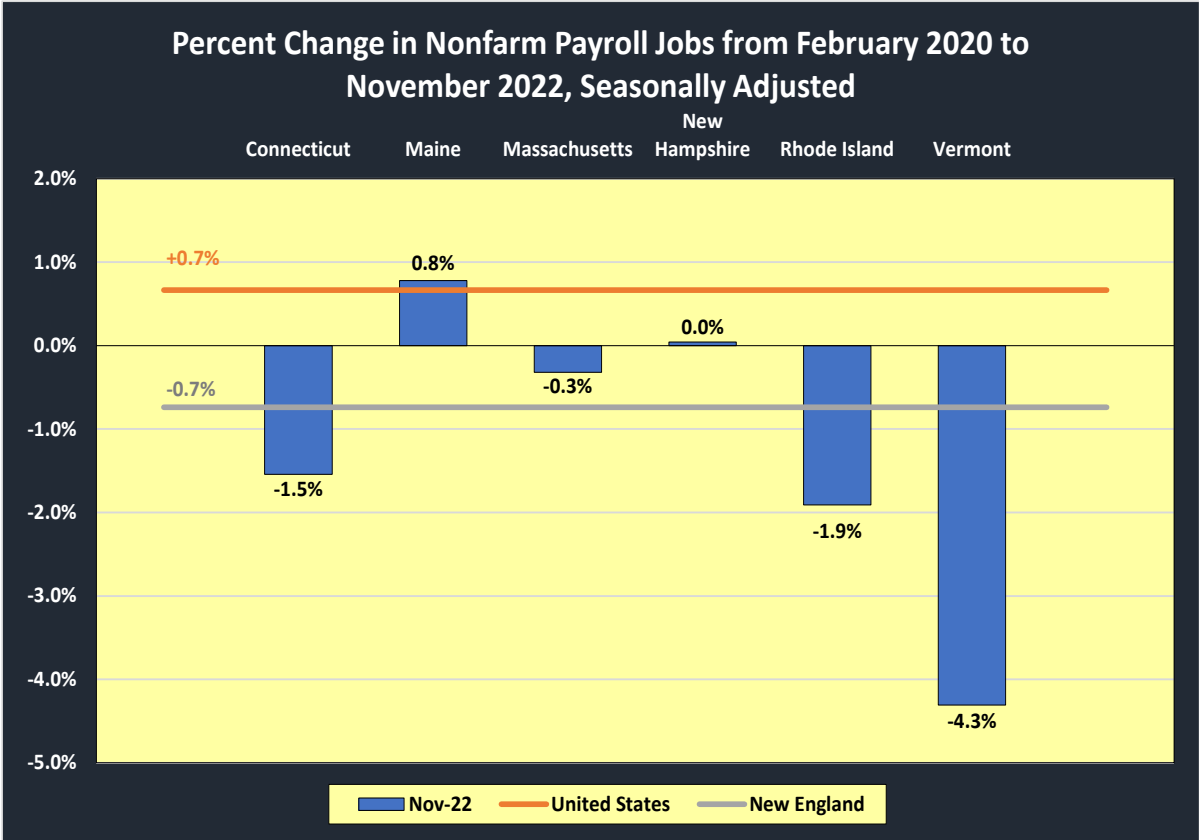


- For the most part, first half receipts were somewhat unexpected because the continuation of their above consensus track performance has occurred against an economic backdrop where nonfarm payroll job levels were still well below pre-pandemic levels (see Table 3 below).
  - As of November of 2022 (the latest month where state level labor market data are available), the data for the Vermont economy show that the state still had had a total of 13,600 fewer nonfarm payroll jobs relative to its pre-pandemic level back in February 2020. This has left state job counts 4.3% below its pre-pandemic average, even though the state continues to have a low unemployment rate through last November (see the charts below).
  - That meant that as of November, Vermont had recovered only a total of 52,200 (or 79.3%) of the 65,800 jobs that were lost during the last, sharp but short pandemic induced economic recession.
  - At 13,600 fewer jobs on nonfarm payrolls across the state, Vermont through November of 2022 still had 20.7% (or roughly 1 in 5) of the jobs it lost during the COVID-induced economic downturn left to recover—even though the economy is now almost two years out from the bottom of that pandemic-induced recession.

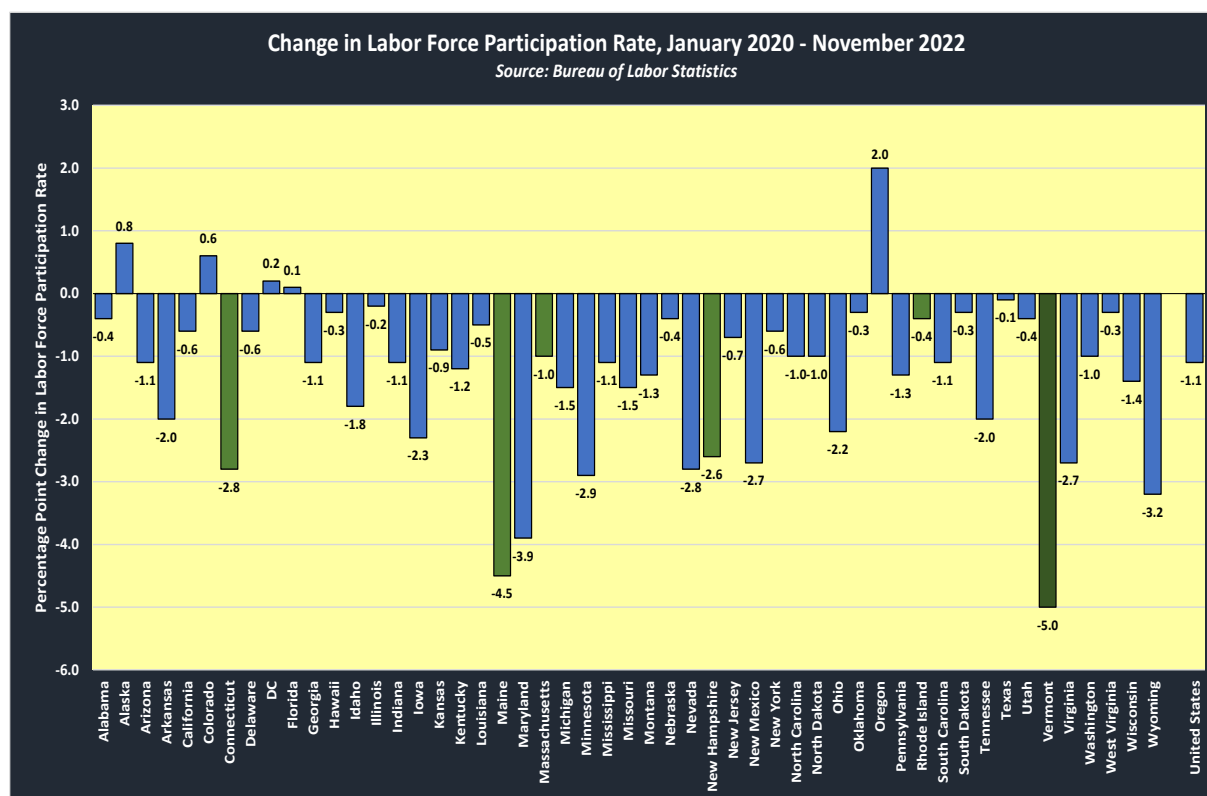
**Table 3: Overview of Recession Job Losses and Job Recoveries by State, February 2020 through November 2022—Seasonally-Adjusted**

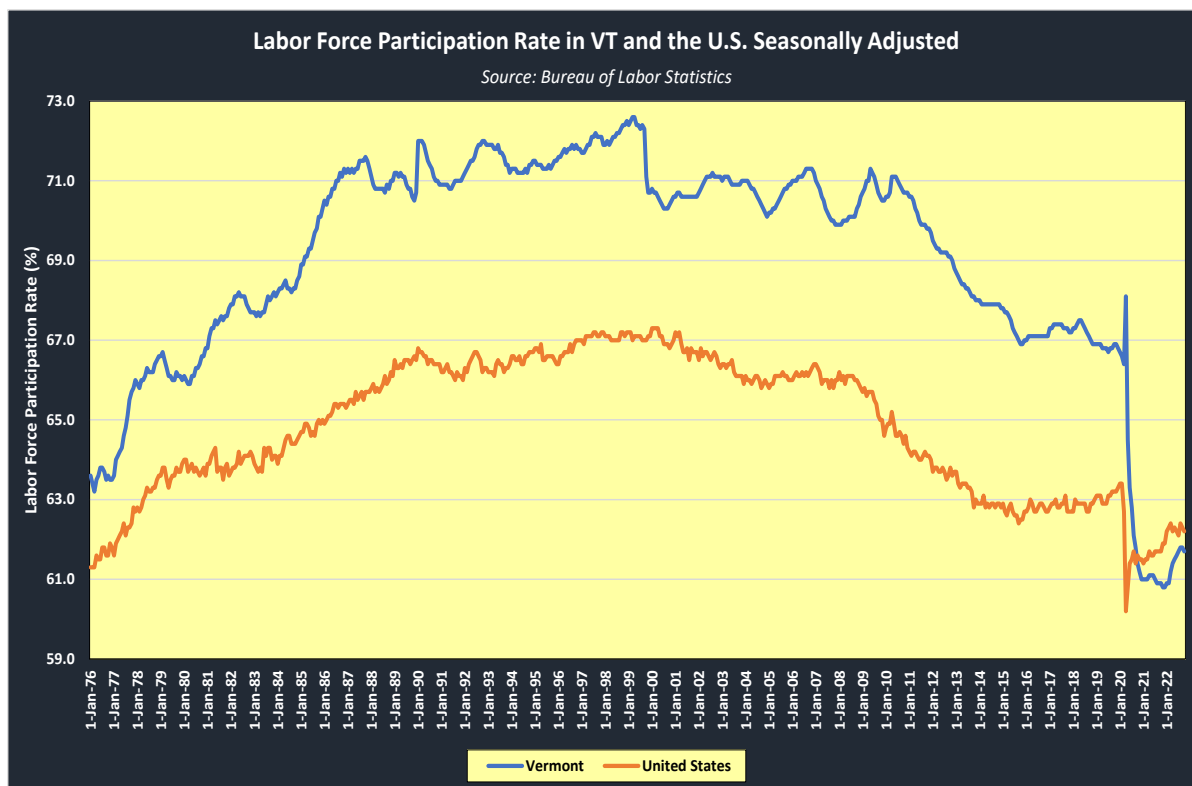
Payroll Jobs-Recession Losses (Feb.-April)/Recovered (April 2020-November 2022)								
	Lost	% of Total	Recovered	% of Total	% Recovered	% Left-to-Go	Left-to-Go	
Connecticut	(289.4)	-17.0%	263.2	18.7%	90.9%	9.1%	(26.2)	
Maine	(95.3)	-14.9%	100.3	18.4%	105.2%	--	5.0	
Massachusetts	(689.1)	-18.4%	677.1	22.2%	98.3%	1.7%	(12.0)	
New Hampshire	(117.6)	-17.1%	117.9	20.6%	100.3%	--	0.3	
Rhode Island	(108.1)	-21.3%	98.4	24.6%	91.0%	9.0%	(9.7)	
Vermont	(65.8)	-20.8%	52.2	20.9%	79.3%	20.7%	(13.6)	
United States	(21,991.0)	-14.4%	23,007.0	17.6%	104.6%	--	1,016.0	
N.E. TOTAL	(1,365.3)	-18.0%	1,309.1	21.0%	95.9%	4.1%	(56.2)	

- The fact that state revenues have come back as strongly as they have through the end of calendar year 2022 and have now risen above pre-pandemic levels despite the significantly lower number of nonfarm payroll jobs in the state is a testament to the more than \$10 billion in federal financial pandemic assistance monies that have come to the state during the recovery from the pandemic.

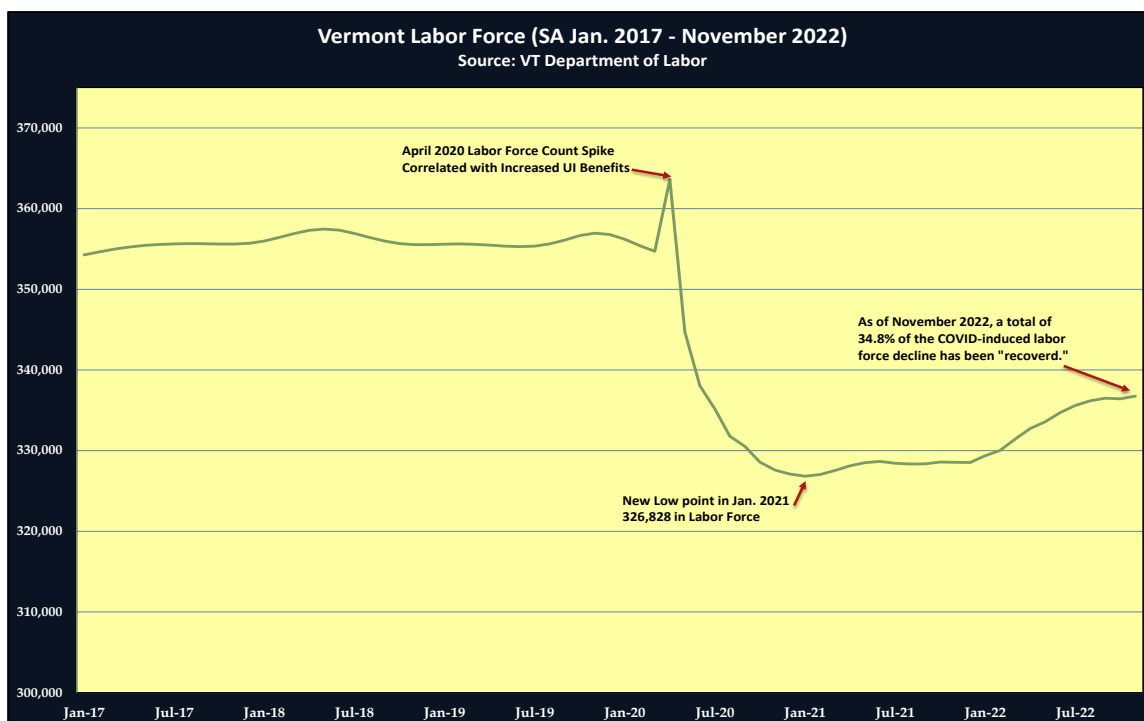


- It also likely reflects the spillover effect from the many additional billions of dollars that came to the New England region overall, along with the additional federal funds that have flowed and continue to flow from subsequently passed federal legislation (see above).
- However, it is worth noting that the state’s comparative under-performance in terms of the pace of its labor market recovery appears to be a reflection of a lack of available workers versus a sign of economic weakness (see the charts below).
  - This decline in the availability of workers in all likelihood reflects a mix of factors—including health concerns on the part of a least some workers about on-going COVID virus variants and the extraordinary period (and amounts) of federal fiscal pandemic financial assistance and high asset prices that has provided some previous labor force participants with the financial means-assets to at least temporarily leave the labor force.
- As a result, Vermont (and the other northern New England states) have experienced among the largest declines in their respective labor forces among the 50 states over the post-pandemic period.

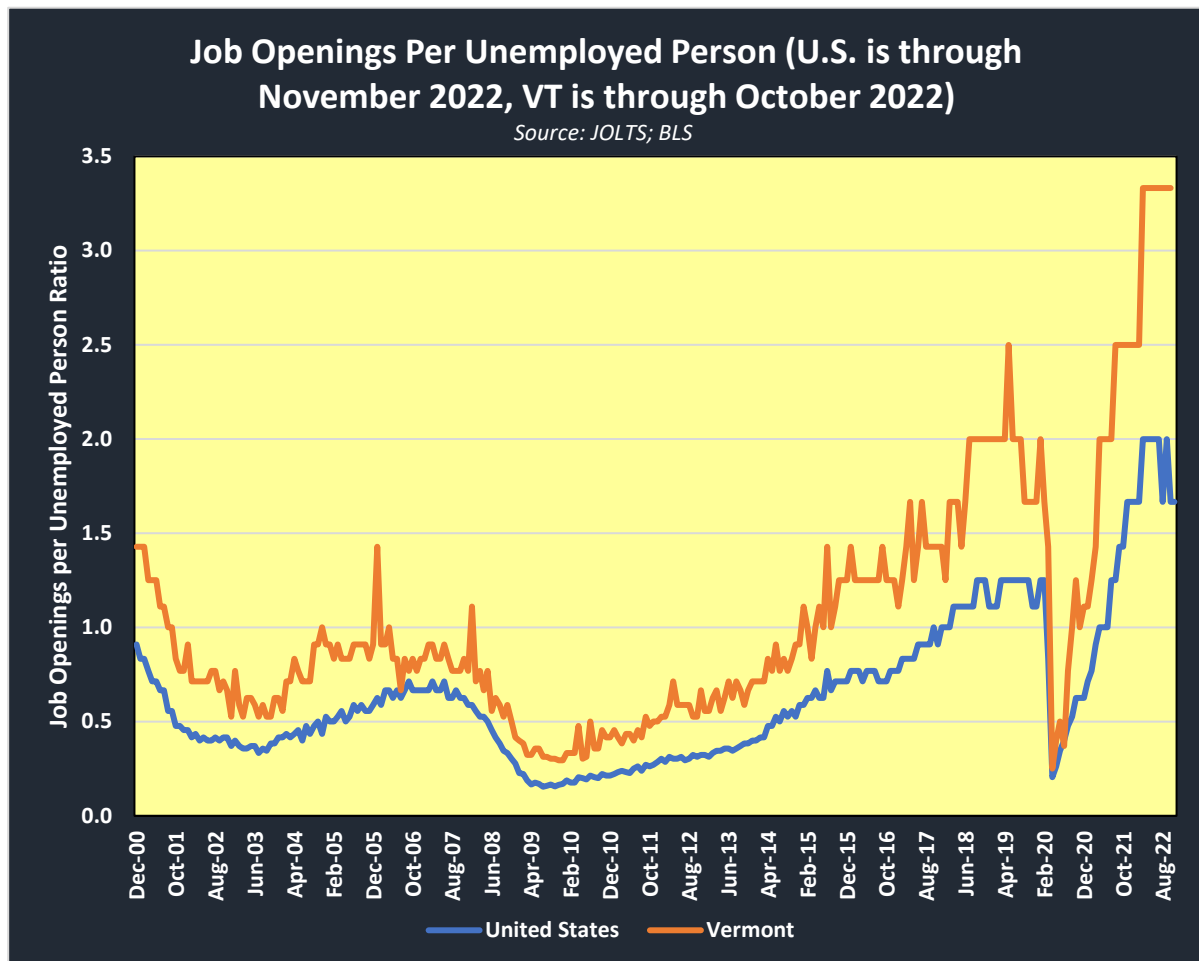




- In addition, since Vermont's post-pandemic labor force trough, the state has only been able to recover just over one-third (or 34.8%) of the pandemic-induced labor force decline between February 2020 and December of 2021.



- As it is often said, it is hard to fill a job that is available if there are not enough willing labor force participants to take those available jobs.
  - As of October 2022 (as the latest month where data are available), the latest JOLTS data showed there were still more than three available jobs for every unemployed worker across Vermont in comparison of 2.0 jobs per unemployed person nationally (See the fourth chart below).



- Although this extraordinary level of federal expenditures will eventually run its course at some point in the future, these monies have recently been—currently are—and will likely continue to circulate and re-circulate throughout the Vermont and New England regional economies over at least the near-term future.
  - These federal dollars will likely continue to prop up and stimulate additional economic and business activities (such as consumption and business capital

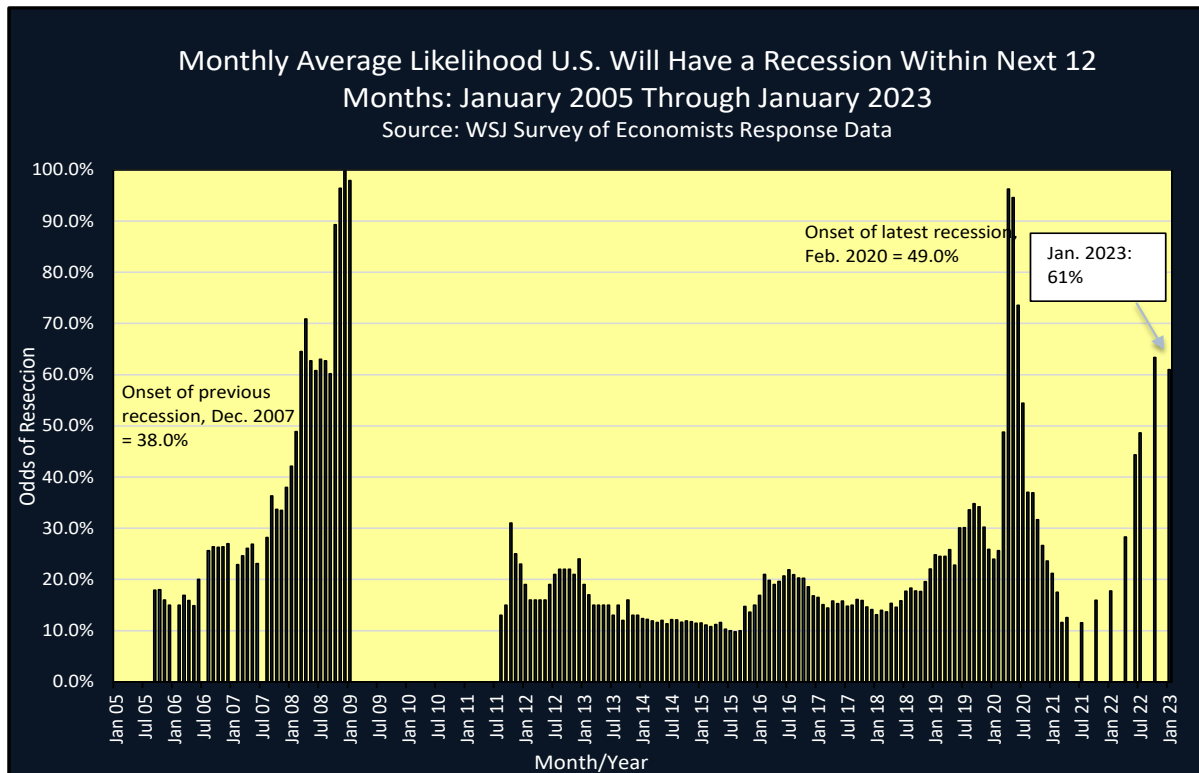
investment spending) and the tax and other revenues that will flow from those activities over at least the short-term time horizon.

- However, this situation will run its course, and these epic, extraordinary federal stimulus dollars will no longer be relied upon to underpin economic activity.
  - While these monies have been unprecedented in terms of their support for a historic downdraft in economic activity at a very troubling time, these monies were likely well in excess of what was actually needed to off-set the actual pandemic-induced economic decline and they are clearly unsustainable.
  - They cannot be relied upon to continue to undergird state revenues much more beyond the near-term time horizon.
- Therefore, the state’s economic and revenue outlook continues to be highly uncertain and volatile.
  - The generally upbeat performances by the economy and state revenues during fiscal year 2022 and so far over the first half of fiscal year 2023 have in fact been positives—but there is no guarantee this performance is going to continue through the rest of fiscal years 2023 and 2024.
  - This updated staff recommended consensus revenue forecast expects the second half of fiscal year 2023 will have to contend with some additional headwinds—with an expected “soft landing” for the economy as this policy “tug of war” starts to be resolved.
  - At the minimum, with state revenues and economy now slowing,<sup>4</sup> this transition is likely not be that far off into the future.
- In addition, it should also be noted that the Fed’s demand-side oriented measures are not particularly effective in addressing supply side inflationary pressures, and the typically long time lags associated with tangibly seeing the impact of its demand side approach may cause the Federal Reserve to overdo its inflation fighting effort and cause a recession—as many economic forecasters now expect (see the chart below).

---

<sup>4</sup> And particularly those parts of the economy and state revenues that are sensitive to the recent increases in interest rates—such as the housing sector, the financial industry, and high tech—where high-profile, high-tech employers have recently announced a number of layoffs nationally.

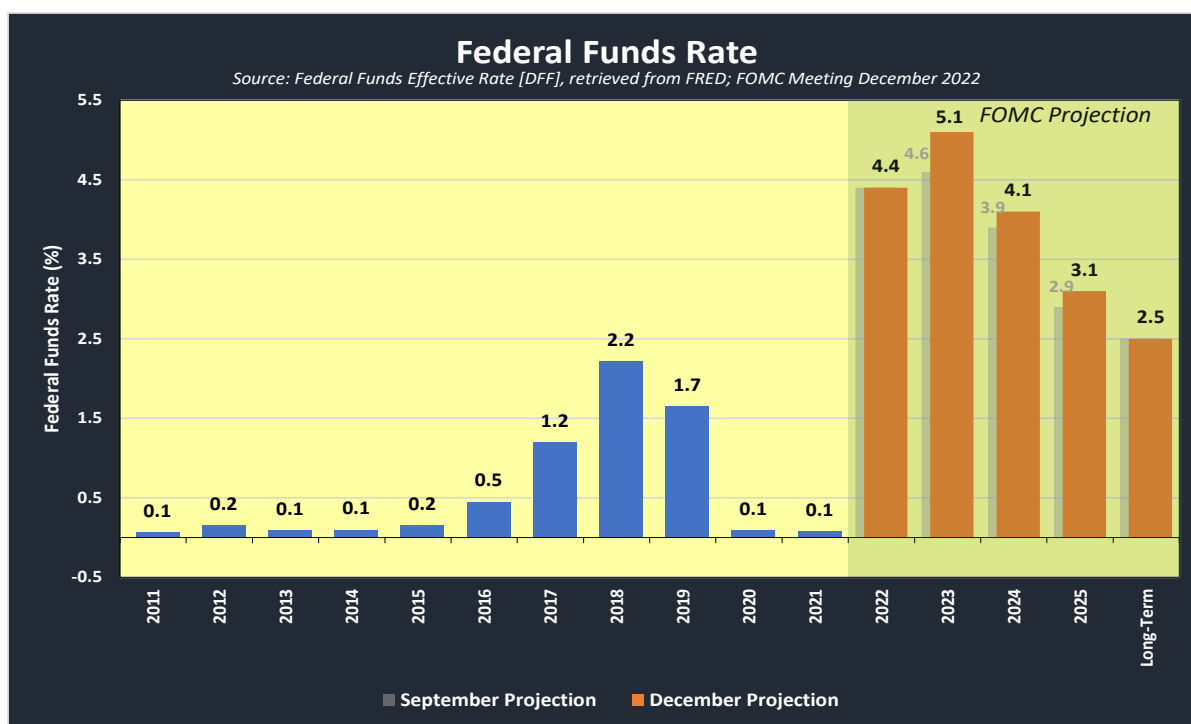
- If the U.S. and Vermont economies fail to achieve an economic “soft-landing” that is expected in this most recent consensus economic and revenue forecast update, (see the chart below<sup>5</sup>), fiscal year 2024 could end up being one of the most challenging fiscal years for the state in recent memory.



- The higher than usual level of uncertainty in the economic and revenue outlook was recently highlighted by the latest tightening action by the Federal Reserve at its mid-December Federal Open Market Committee (“FOMC”) meeting where it released its latest batch of forward-looking forecasts as it seeks to continue to be more fully transparent concerning its policy actions.
- While some economic observers were looking for evidence that the Fed might ease up on its inflation fighting efforts sometime in the near-term future, it seemed clear from those updated more pessimistic forecasts (although these forecasts tend to be conservative) that the Fed was far from done in its inflation fighting efforts.

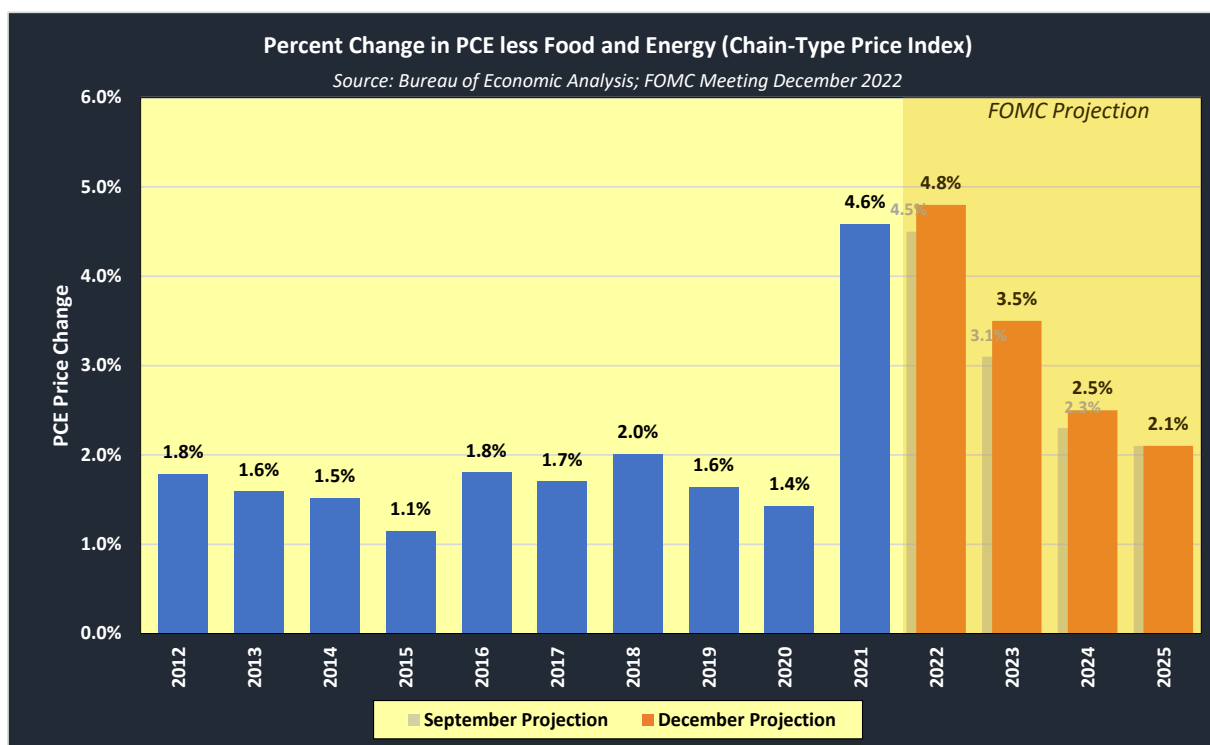
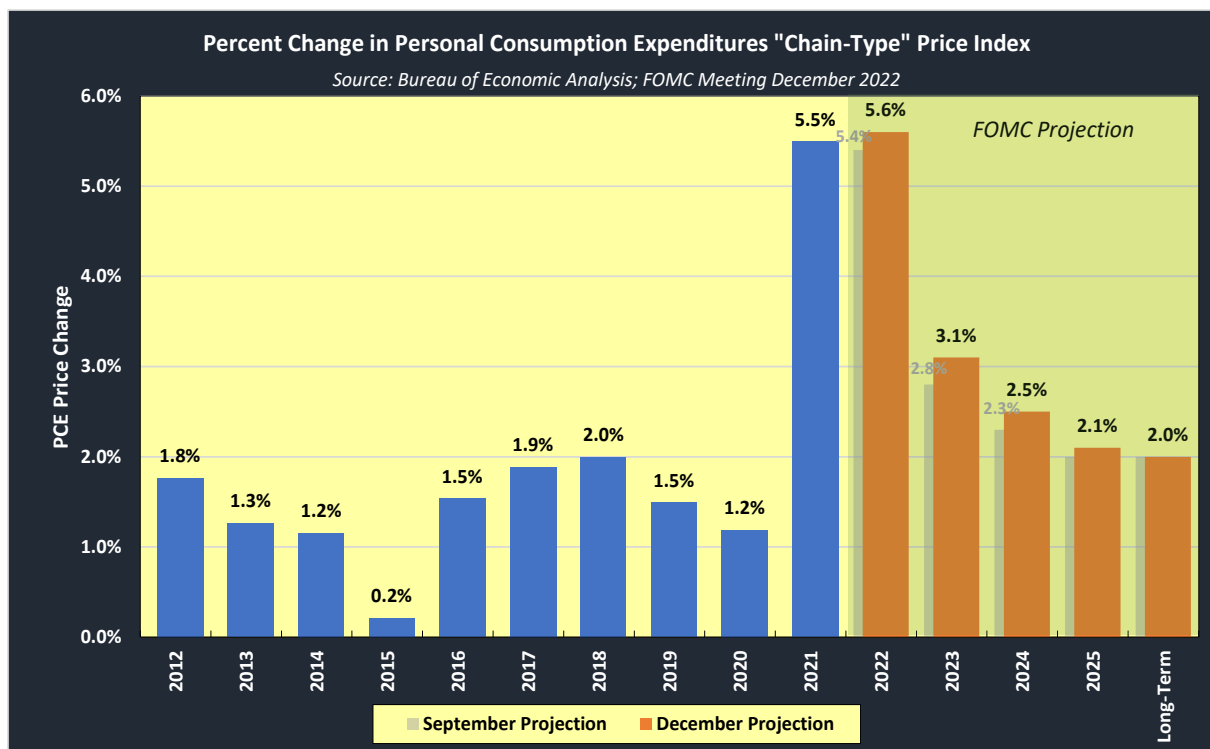
<sup>5</sup> Please note that the Wall Street Journal with the results of the latest Wall Street Journal poll of economic forecasters where 61% in early January of 2023 expected that the U.S. economy will fall into a recession within one year—essentially unchanged from the 63% reading for this same survey taken last Fall.

- In its updated forecasts, the Fed staff expects that: (1) U.S. inflation was likely to increase to a higher peak and remain persistently higher than what was expected last September; (2) short-term interest rates will be raised higher and remain elevated for a longer period of time than was expected last September, and (3) output growth would be somewhat lower and the unemployment rate somewhat higher than was expected in the last round of Fed projections last September.
  - More specifically, the new forecasts indicated that the Fed would likely raise short-term rates to a peak level of over 5.0% during calendar year 2023 (averaging 5.1% on an annual basis for all of calendar year 2023); and holding to that level until sometime in calendar year 2024 (see the chart below).



- The Fed forecast of interest rates is not surprising because they now also expect the PCE inflation rate to be higher and stay higher than was the case from their expectations last September.
  - This is true looking at either the overall PCE Price Index or the “Core” PCE Price Index—with the latter Core PCE Price Index excluding the volatile food and energy categories of the overall PCE Price Index (see the two charts below).

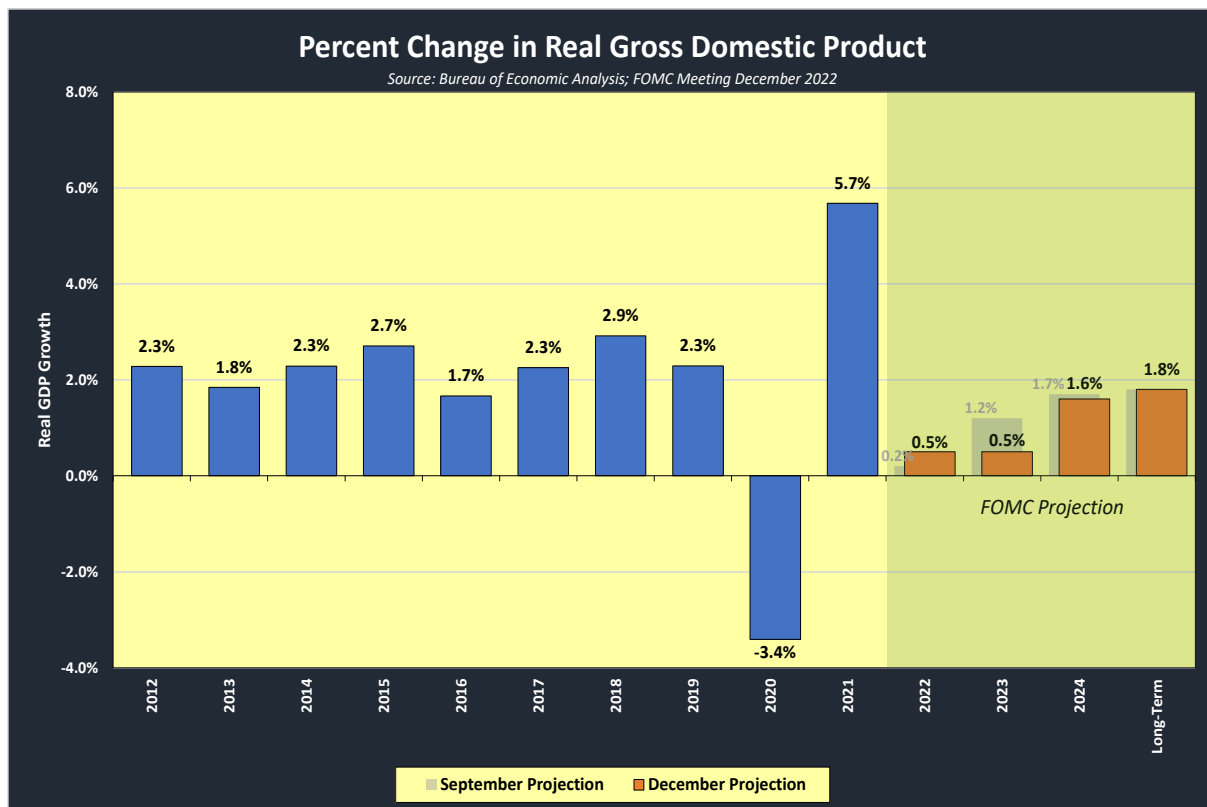


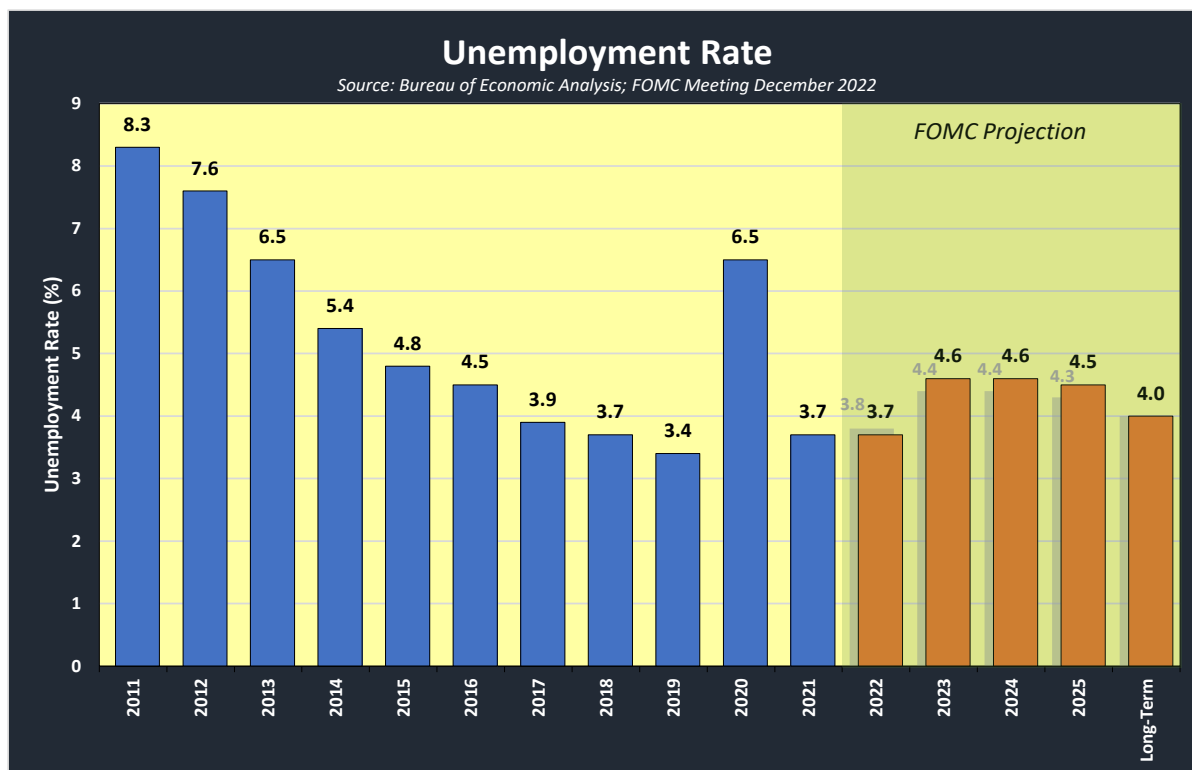


- As has become clear over the course of past Fed "tightening cycles," the impact of the Fed's tightening measures (such as increases in short-term interest rates that make it more expensive for borrowers to borrow) can have long and varying time

lags—depending on the conditions and circumstances in credit markets and the economy overall.

- This means that the central bankers recommending and implementing all of the recent short-term interest rates increases may not know for quite some time—potentially up to a year or more—whether they have tightened policy too much or not enough to adequately curb inflation.
- What these charts do show however, is that the Federal Reserve’s staff does think they understand that the Fed’s current tightening will result in a significant and negative impact on U.S. output and on U.S. labor markets.
  - This is true even if Fed policymakers are successful in engineering the “soft landing” for the U.S. economy that they are now predicting. In fact, it now appears that the expected “soft landing” will be somewhat harder than the Fed’s staff expected last September.





- The above, in combination with the more widely held view among economists and analysts that the U.S. economy will experience at least a mild economic downturn at some point during calendar year 2023 (see above), underpins the view that the economy and revenues will have more headwinds to deal with over the second half of fiscal year 2023 and for at least a significant part of fiscal year 2024.
  - While that was not in any way a new revelation to be considered as part of this consensus revenue forecast update—as at least the past two consensus forecast updates have warned of this transition.
  - However, the reality is that the period of more difficult period for the economy and a prospective deceleration in state revenue performance may now be almost upon us.
  - In fact, looking at the staff recommended consensus forecast for fiscal years 2023 and 2024, revenues available to the “Available to the General Fund” excluding Health Care revenues results in a year-to-year change that is negative at -8.9% year-to-year (versus -7.2% year-t-year including Health Care revenues).

- That year-to-year decline in General-Fund revenues from fiscal year 2023 to 2024 is as significant as the largest year-to-year decline during the Great Recession years.

❖ **Updated Staff Recommended Consensus Forecast Update for Fiscal Year 2023 through Fiscal Year 2025 and Planning Estimates for Fiscal Years 2026 through Fiscal Year 2028**

- Against the backdrop of the above-described at extraordinary federal fiscal policy posture in response to the onset of the COVID-19 pandemic and the current fiscal policy and monetary policy “tug-of-war” where the former remains dominant, this staff recommended consensus revenue forecast update calls for another significant forecast upgrade for state revenues overall.
  - Among the three fund aggregates, this consensus forecast update calls for significant upgrades for the General Fund and Education Fund aggregates—with a modest recommended consensus forecast downgrade recommended for the state’s energy price sensitive Transportation Fund aggregate.
- More specifically, staff recommends that this January 2023 updated consensus revenue forecast for expected revenues “Available to the General Fund” of +\$120.3 million in fiscal year 2023, +\$45.3 million in expected revenues for fiscal year 2024, and +\$29.6 million in expected revenues for fiscal year 2025.
  - For the years beyond fiscal year 2025 (covering the fiscal policy planning time frame of fiscal years 2026 through 2028), the staff recommends an increase of +\$30.8 million and +\$32.6 million in additional revenues “Available to the General Fund” for fiscal years 2026 and 2027, respectively. For fiscal year 2028, staff recommends a consensus forecast of \$2,364.4 million.
- For expected revenues “Available to the Education Fund,” staff recommends an increase of +\$29.2 million in fiscal year 2023, +\$11.2 million in fiscal year 2024, and another +\$6.2 million in expected revenues for fiscal year 2025.
  - For the years beyond fiscal year 2025 (covering the fiscal policy planning time frame of fiscal years 2026 through 2028), the staff recommends revenues “Available to the Education Fund” of +\$4.8 million, and +\$5.2 million in additional revenues “Available to the Education Fund” for fiscal years 2026 and 2027, respectively. For fiscal year 2028, staff recommends a consensus forecast of \$807.2 million.

- In contrast to the General Fund and Education Fund staff recommendation, the staff recommendation for fiscal year 2023, 2024, and 2025 revenues “Available to the Transportation Fund” calls for forecast downgrade of -\$1.0 million, -\$0.2 million, and -\$0.2 million for fiscal years 2023, 2024, and 2025 respectively.
  - For the fiscal planning out-years covering the 2026-2028 fiscal year period, staff recommends a consensus forecast downgrade of “Available to the T-Fund” revenues of -\$0.7 million for fiscal year 2026, a staff recommended forecast downgrade of “Available to the T-Fund” revenues of -\$1.8 million for fiscal year 2027 corresponding to the two fiscal years where previous consensus forecasts were available. For fiscal year 2028, staff recommends a consensus forecast of “Available to the T-Fund” revenues of \$320.2 million, on a current law basis.
- All of the above itemized forecasted numbers include Health Care Revenues that are allocated to the G-Fund.
  - In fact, excluding Health Care revenues from these change numbers reflects a significantly more modest forecast upgrade of +\$110.5 million in fiscal year 2023, +\$37.7 million in fiscal year 2024, and +\$17.8 million in fiscal year 2026.
  - This continues into the out years at the level of +\$15.39 million for fiscal year 2026 and +\$12,.4 million if fiscal year 2027.

**Table 4: Staff Recommended Consensus Revenue Forecast Update-  
Changes from the January 2022 Consensus Forecast for the G-Fund, T-  
Fund, E-Fund and T-Fund TIB (FY 2023-FY 2024, FY 2025-FY 2027)  
Current Law (Including Health Care Revenues in the G-Fund)**

Differences-January 2023 Consensus Forecast versus the July 2022 Consensus Forecast (By Fund)-FINAL											
Current Law	2023		2024		2025		2026		2027		
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	
General Fund (Incl. Health Care Revenues)	\$120.3	5.8%	\$45.3	2.3%	\$29.6	1.4%	\$30.8	1.4%	\$32.6	1.5%	
Transportation Fund Available to the Transportation Fund	(\$1.0)	-0.3%	(\$0.2)	-0.1%	(\$0.2)	-0.1%	(\$0.7)	-0.2%	(\$1.8)	-0.6%	
Education Fund Partial-Including all Recent Fund Allocation Changes	\$29.2	4.2%	\$11.2	1.6%	\$6.2	0.8%	\$4.8	0.6%	\$5.2	0.7%	
Total--"Big 3 Funds"	\$148.4	4.8%	\$56.3	1.9%	\$35.5	1.1%	\$34.9	1.1%	\$36.0	1.1%	
MEMO #1: Health Care Revenues	\$9.8	3.2%	\$7.7	2.4%	\$11.7	3.6%	\$15.9	4.8%	\$20.2	6.1%	
MEMO #2: Change in G-Fund without Health Care	\$110.5	6.3%	\$37.7	2.3%	\$17.8	1.0%	\$14.9	0.8%	\$12.4	0.6%	
MEMO #3: TIB [3]											
Gasoline	(\$1.8)	-8.3%	(\$2.4)	-12.2%	(\$4.2)	-20.6%	(\$4.4)	-21.2%	(\$4.5)	-21.0%	
Diesel	(\$0.0)	-0.5%	\$0.0	0.0%	(\$0.0)	-0.5%	(\$0.0)	-0.5%	(\$0.0)	-0.5%	
Total TIB	(\$1.8)	-8.3%	(\$2.4)	-10.7%	(\$4.2)	-18.4%	(\$4.4)	-18.8%	(\$4.5)	-19.2%	
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.											

- With respect to the G-Fund’s Health Care revenues portion of the “Available to the G-Fund,” the staff recommended changes in the consensus revenue forecast for the G-Fund’s Health Care revenues component includes a +\$9.8 million increase for fiscal year 2023,<sup>6</sup> a +\$7.7 million consensus forecast upgrade for fiscal year 2024, and a +\$11.7 million forecast upgrade for fiscal year 2025, on a current law basis.
  - The staff also recommends a forecast upgrade for Health Care revenues “Available to the General Fund” for the fiscal years 2026 and 2027 of +\$15.9 million in fiscal year 2026 and +\$20.2 million for fiscal year 2027. For fiscal year 2028, the staff recommends a consensus revenue forecast of \$360.2 million on a current law basis.
- The staff recommended forecast for revenues “Available to the Transportation Fund” includes a forecast downgrade of -\$1.0 million for fiscal year 2023, forecast downgrade of -\$0.2 million for fiscal year 2024, and a forecast downgrade of -\$0.2 million for fiscal year 2025, on a current law basis.
  - For two of the three fiscal years for the fiscal planning period covered by fiscal years 2026 and 2028, the staff recommends forecast downgrades for revenues “Available to the Transportation Fund” of -\$0.7 million in fiscal year 2026, and -\$1.8 million for fiscal year 2027 or for the years where revenues were forecasted previously. For fiscal year 2028, staff recommends a \$320.2 million consensus forecast.
- The staff recommended consensus forecast also includes generally downward adjustments in the staff-recommended consensus revenue forecast for combined Gasoline TIB and Diesel TIB revenues in both fiscal year 2023 (at a combined -\$1.8 million), a combined -\$2.4 million in fiscal year 2024, and a combined -\$4.2 million for fiscal year 2025. Across the fiscal planning period of fiscal years 2026 through 2028, the staff recommends a combined Gas TIB and Diesel TIB revenue forecast upgrade of -\$4.4 million in fiscal year 2026, and -\$4.5 million in fiscal year 2027—corresponding to the two years in this period where consensus forecasts have been previously provided. For fiscal year 2028, staff recommends a consensus forecast of \$19.3 million, on a current law basis.
  - For Gas TIB revenues, staff recommends an upward adjustment for Gas TIB revenues of -\$1.8 million in fiscal year 2023, -\$2.4 million in fiscal year 2024,

---

<sup>6</sup> Including Cannabis revenues.

and -\$4.2 million in fiscal year 2025—reflecting the increase in energy prices. For the fiscal planning period of fiscal year 2026 through fiscal year 2028, the staff recommends a Gas TIB forecast downgrade of -\$4.4 million in fiscal year 2026 and -\$4.5 million in fiscal year 2027—corresponding to the two years where consensus forecasts have been provided in the past. For fiscal year 2028, staff recommends a consensus forecast of \$17.2 million in fiscal year 2028, on a current law basis.

- The updated staff-recommended consensus forecast for Diesel TIB revenues recommends small consensus forecast downgrade across the board in fiscal years 2023 through 2025 of less than -\$0.1 million. For the fiscal planning period of fiscal year 2026 through fiscal year 2028, the staff recommends a Diesel TIB revenue forecast downgrade of less than -\$0.1 million each for fiscal years 2026 and 2027. For fiscal year 2028, staff recommends a consensus forecast of \$2.0 million on a current law basis.
- For the E-Fund [Partial], this updated staff recommended consensus forecast calls for a forecast upgrade of +\$29.2 million for fiscal year 2023, +\$11.2 million for fiscal year 2024, and a +\$6.2 million forecast upgrade for fiscal year 2025.
  - Across the fiscal planning timeline corresponding to fiscal year 2026 through 2028, staff recommends a consensus forecast upgrade of +\$4.8 million for fiscal year 2026 and +\$5.2 million for fiscal year 2027—corresponding to the two year where consensus forecasts have been provided previously. For fiscal year 2028, staff recommends a \$807.2 million consensus forecast, on a current law basis.
- The updated January 2023 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 2028 as developed over late-December 2022 time period.
  - This staff recommended consensus revenue forecast update includes all of the best available information regarding the economic and fiscal effects of the still on-going pandemic, the downstream effects and transition by the economy and revenues away from the extended period of highly stimulative federal fiscal and monetary policy—and back to an economy that will again rely on its underlying fundamentals—likely as part of a “new normal” in this regard.
  - The staff recommended consensus forecast update also includes full

consideration of the underlying trends and the actual collections data from the second quarter and the first half of the state’s 2023 fiscal year.

- Within the above-described economic environment, the updated staff recommended consensus forecast update for G-Fund, T-Fund, E-Fund, and T-Fund TIB revenues includes the following dollar levels (See Table 5 below):
  - For the G-Fund overall on a current law basis, the staff recommends an updated consensus forecast of \$2,181.3 million in “Available to the G-Fund” revenues for fiscal year 2023, an updated staff recommended consensus forecast of \$2,023.7 million in “Available to the G-Fund” revenues for fiscal year 2024, and an updated staff recommended consensus forecast of \$2,085.1 million for fiscal year 2025 (see Table 4 below). For the fiscal planning out-years covering the fiscal year 2026-2028 period, staff recommends a consensus forecast of “Available to the G-Fund” revenues of \$2,172.1 million for fiscal year 2026, \$2,272.3 million for fiscal year 2027, and a staff recommended forecast of \$2,364.4 million for fiscal year 2028.
  - With respect to the G-Fund’s Health Care revenues portion of the “Available to the G-Fund” on a current law basis, the staff recommends an updated consensus forecast of \$321.8 million in fiscal year 2023, an updated consensus forecast of \$329.4 million for fiscal year 2024, and an updated consensus forecast of \$336.7 million for fiscal year 2025.
  - The staff also recommends an updated forecast of \$344.3 million for Health Care revenues “Available to the General Fund” for the fiscal year 2026, an updated forecast of \$352.0 million for fiscal year 2027, and a consensus forecast of \$360.2 million for fiscal year 2028.

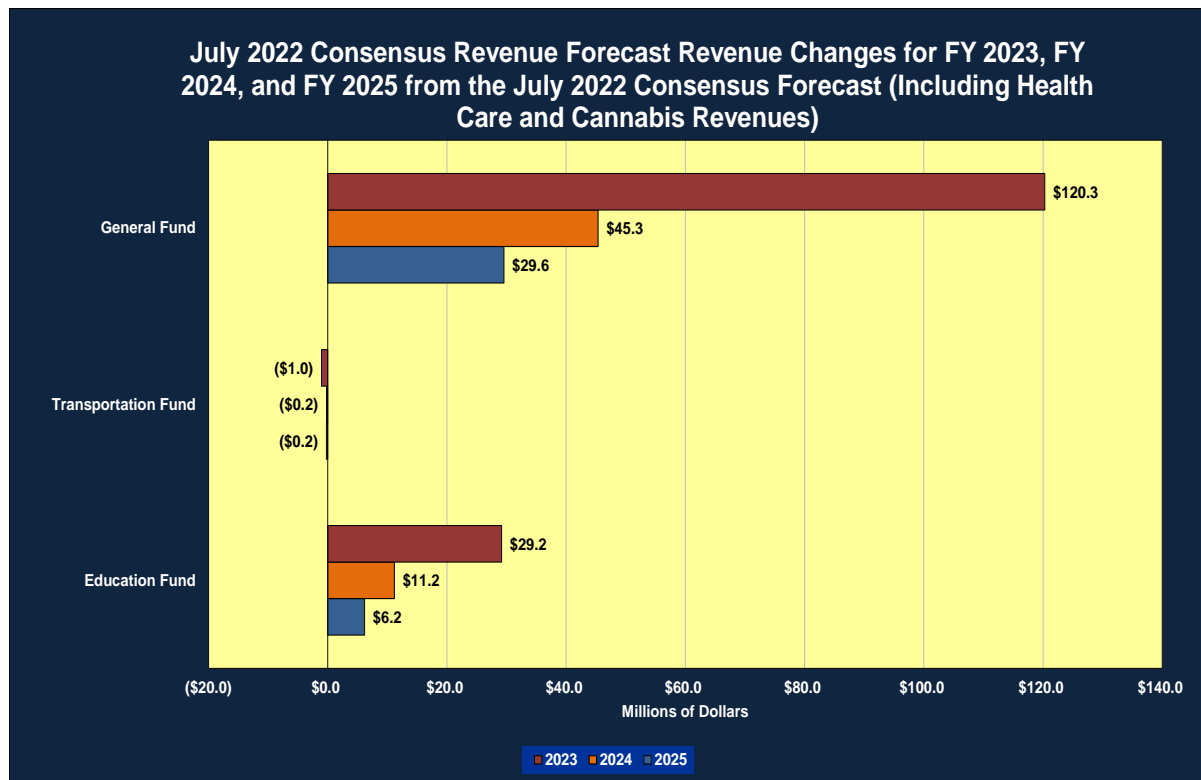
**Table 5: Staff Recommended Consensus Revenue Forecast Update: G-Fund, T-Fund, E-Fund and T-Fund TIB Revenues (FY 2023-FY 2025)**  
**Current Law (Including Health Care Revenues in the G-Fund)**

Revenue Levels by Fiscal Year--January 2023 "Staff Recommended" Consensus			
(\$ Millions)	2023	2024	2025
Available to the General Fund (Including Health Care Revenues)	\$2,181.3	\$2,023.7	\$2,085.1
Available to the Transportation Fund	\$299.1	\$301.2	\$306.1
E-Fund [Partial]	\$728.9	\$718.4	\$734.6
Total--Three Funds	\$3,209.2	\$3,043.2	\$3,125.7
 MEMO: Available Health Care Revenues	 \$321.8	 \$329.4	 \$336.7
TIB Funds:			
Gasoline TIB	\$19.8	\$17.3	\$16.2
Diesel TIB	\$2.0	\$2.0	\$2.1
Total TIB Funds	\$21.8	\$19.3	\$18.3

Prepared by: Economic & Policy Resources, Inc.



- For the T-Fund, staff recommends an updated consensus forecast of “Available to the T-Fund” revenues of \$299.1 million for fiscal year 2023, \$301.2 million for fiscal year 2024, and an updated staff recommended consensus forecast of \$306.1 million in “Available to the T-Fund” revenues for fiscal year 2025, on a current law basis.
  - For the fiscal planning out-years covering the 2026-2028 fiscal year period, staff recommends a consensus forecast of “Available to the T-Fund” revenues of \$310.6 million for fiscal year 2026, a staff recommended forecast of “Available to the T-Fund” revenues of \$315.7 million for fiscal year 2027, and a staff recommended forecast of “Available to the T-Fund” revenues of \$320.2 million for fiscal year 2028, on a current law basis.
- For the T-Fund TIB revenues overall, staff recommends an updated consensus forecast of \$21.8 million for fiscal year 2023, \$19.3 million for fiscal year 2024, and an updated staff recommended consensus forecast of \$18.3 million in T-Fund TIB revenues for fiscal year 2025, on a current law basis.
  - For the fiscal planning out-years covering the 2026-2028 fiscal year period, staff recommends a consensus forecast of T-Fund TIB revenues of \$18.5 million for fiscal year 2026, a staff recommended forecast of T-Fund TIB revenues of \$19.0 million for fiscal year 2027, and a staff recommended forecast of T-Fund TIB revenues of \$19.3 million for fiscal year 2028, on a current law basis.
- For the E-Fund, staff recommends an updated consensus forecast of \$728.9 million in “Available to the E-Fund” revenues for fiscal year 2023, \$718.4 million for fiscal year 2024, and an updated staff recommended consensus forecast of \$734.6 million in “Available to the E-Fund” revenues for fiscal year 2025, on a current law basis.
  - For the fiscal planning out-years covering the 2026-2028 fiscal year period, staff recommends a consensus forecast of “Available to the E-Fund” revenues of \$756.9 million for fiscal year 2026, a staff recommended forecast of “Available to the E-Fund” revenues of \$781.1 million for fiscal year 2027, and a staff recommended forecast of \$807.2 million.
  - The revised, staff recommended January 2023 consensus forecast update for all three fund aggregates is presented graphically below for the current fiscal year 2023 and for fiscal years 2024 and 2025 by major fund aggregate.
  - Like Table 5 above, the bar chart below presents the changes by fund for the three fiscal years that are part of this consensus forecast update.



### ❖ Updated Consensus Economic Forecast

- A key part of the consensus revenue forecast update is the consensus economic forecast update that forms the macroeconomic backdrop for the revenue forecast update.
  - Tables 6 and 7 (below) lists the key U.S. economic metrics whose forecasts were updated as part of the consensus economic forecast update process. Table 11 (also below) presents the key Vermont economic benchmarks that were updated for use in the consensus revenue forecast update.
- Looking at the tables, the updated consensus forecast includes makes a significant change in the short-term outlook from last Summer, that looks to recognize the reality that the U.S. and Vermont economies are going to perform on a lower recovery-growth rate plane and look worse during calendar year 2023 versus calendar year 2022.
  - The revised outlook also includes the expectation that the persistently positive performance by U.S. labor markets will feed back negatively and contribute to the persistence of higher than desired inflation.

- That is expected to keep interest rates higher for longer than was the case expected in earlier consensus economic forecast updates.
  - That is also likely to cause more pain in the housing and financial sectors, and will also likely lead to a bit more damage to the labor markets that remain exceptionally tight.
  - At this point, no general, broad-based economic downturn is expected, although the risk of a recession will remain uncomfortably high until inflation is effectively and conclusively brought under control—no easy task at this point.
- The tables reflect an expected economic outlook scenario where the economy has a “bend-but-don’t break” character to expected economic activity where the output in the economy slows or even declines for a brief period, but the output decline is not enough to result in significant deterioration in labor market conditions given today’s very “tight” labor market.
- This is expected to result in an economic scenario where the economy continues to expand (or continue to recover—whichever applies), even as the pace of economic activity slows overall, contending with significantly higher consumer and producer prices than is typical, significantly higher interest rates (resulting from the Fed’s on-going efforts to constrain inflation), and significantly slower job recovery-growth momentum.
  - The updated consensus economic forecast also expects that the economy could experience a milder, close to “full-employment” downturn in output growth that will likely be a significant slowdown in economic activity (and this will likely have an impact on future revenue receipts activity), but the slowdown will not likely be significant enough to meet the “technical definition” of a full-fledged, economic downturn at any time during the three fiscal year forecast update timeframe. This has resulted in the creation of a new economic term: a “Slo-cession,” in order to more accurately describe what may evolve from the current mix of juxtaposed federal fiscal and monetary policies.

**Table 6**  
**Comparison of Recent Consensus U.S. Macroeconomic Forecasts**  
**June 2021 through December 2022, Selected Variables, Calendar Year Basis**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Real GSP Growth</b>									
July-20	0.1	1.2	2.5	-5.1	2.9	4.8	4.0	2.5	1.6
December-20	0.4	0.9	0.8	-6.2	3.4	4.9	3.4	2.1	2.2
June-21	0.4	0.9	0.8	-5.4	6.2	4.6	2.8	2.6	2.4
December-21	0.3	0.4	1.0	-4.2	4.4	4.2	3.0	2.8	2.6
June-22	0.3	0.4	1.0	-4.2	3.5	2.4	1.8	2.3	2.5
December-22	0.3	0.4	1.1	-2.9	5.1	2.7	0.5	1.5	2.5
<b>Population Growth</b>									
July-20	0.1	0.0	-0.1	0.1	0.2	0.2	0.1	0.1	0.1
December-20	0.1	-0.1	-0.1	-0.1	0.1	0.1	0.1	0.1	0.1
June-21	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3
December-21	0.3	0.3	0.3	0.3	0.5	0.4	0.3	0.3	0.2
June-22	0.3	0.3	0.3	0.3	0.5	0.3	0.3	0.3	0.3
December-22	0.3	0.3	0.3	0.3	0.6	0.0	0.3	0.3	0.3
<b>Employment Growth</b>									
July-20	0.6	0.2	0.1	-8.0	1.3	3.2	2.6	0.9	0.2
December-20	0.6	0.2	0.1	-9.3	2.0	2.7	2.4	1.1	0.7
June-21	0.6	0.3	0.1	-9.4	2.7	3.8	1.8	0.9	0.6
December-21	0.6	0.3	0.1	-9.4	2.7	3.1	1.6	1.0	0.8
June-22	0.6	0.3	0.1	-9.3	2.4	2.8	1.3	1.0	1.1
December-22	0.6	0.3	0.1	-9.3	2.4	2.5	0.9	0.5	0.6
<b>Unemployment Rate</b>									
July-20	2.9	2.6	2.4	7.9	6.1	4.9	3.9	3.8	3.8
December-20	2.9	2.6	2.4	6.1	3.4	3.3	3.1	3.2	3.4
June-21	3.0	2.6	2.3	5.6	2.8	2.3	2.4	2.7	3.1
December-21	3.0	2.6	2.3	5.6	2.9	2.2	2.3	2.6	2.8
June-22	3.0	2.6	2.3	5.6	3.4	2.5	2.6	2.8	3.1
December-22	3.0	2.6	2.3	5.6	3.4	2.4	2.8	3.1	3.1
<b>Personal Income Growth</b>									
July-20	2.5	4.5	4.2	4.0	-1.1	4.3	4.9	4.5	3.9
December-20	2.6	3.5	3.2	8.6	2.3	4.1	5.2	4.6	4.4
June-21	2.6	3.5	3.2	6.0	3.5	1.3	4.6	4.5	4.4
December-21	2.6	3.2	3.4	6.7	3.6	2.2	4.7	4.6	4.5
June-22	2.6	3.2	3.4	6.7	4.5	2.2	5.2	5.0	4.6
December-22	2.8	3.5	6.0	7.1	4.9	2.1	5.0	4.8	4.3
<b>Average Home Price Growth</b>									
July-20	2.4	3.5	4.1	4.9	5.2	6.0	5.8	5.3	4.4
December-20	2.2	3.3	3.7	4.9	5.9	6.2	5.7	5.2	4.4
June-21	2.2	3.1	3.6	5.2	8.7	10.2	8.9	6.6	3.7
December-21	2.3	3.0	3.8	5.1	13.3	13.5	8.7	3.8	0.4
June-22	2.3	3.0	3.7	5.1	14.0	13.4	5.6	2.6	1.9
December-22	2.2	3.1	3.7	5.1	14.1	17.8	5.9	1.4	-1.1

**Table 7**  
**Comparison of Consensus Administration and JFO Vermont State Forecasts**  
**July 2020 through December 2022, Selected Variables, Calendar Year Basis**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Real GSP Growth</b>									
July-20	0.1	1.2	2.5	-5.1	2.9	4.8	4.0	2.5	1.6
December-20	0.4	0.9	0.8	-6.2	3.4	4.9	3.4	2.1	2.2
June-21	0.4	0.9	0.8	-5.4	6.2	4.6	2.8	2.6	2.4
December-21	0.3	0.4	1.0	-4.2	4.4	4.2	3.0	2.8	2.6
June-22	0.3	0.4	1.0	-4.2	3.5	2.4	1.8	2.3	2.5
December-22	0.3	0.4	1.1	-2.9	5.1	2.7	0.5	1.5	2.5
<b>Population Growth</b>									
July-20	0.1	0.0	-0.1	0.1	0.2	0.2	0.1	0.1	0.1
December-20	0.1	-0.1	-0.1	-0.1	0.1	0.1	0.1	0.1	0.1
June-21	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3
December-21	0.3	0.3	0.3	0.3	0.5	0.4	0.3	0.3	0.2
June-22	0.3	0.3	0.3	0.3	0.5	0.3	0.3	0.3	0.3
December-22	0.3	0.3	0.3	0.3	0.6	0.0	0.3	0.3	0.3
<b>Employment Growth</b>									
July-20	0.6	0.2	0.1	-8.0	1.3	3.2	2.6	0.9	0.2
December-20	0.6	0.2	0.1	-9.3	2.0	2.7	2.4	1.1	0.7
June-21	0.6	0.3	0.1	-9.4	2.7	3.8	1.8	0.9	0.6
December-21	0.6	0.3	0.1	-9.4	2.7	3.1	1.6	1.0	0.8
June-22	0.6	0.3	0.1	-9.3	2.4	2.8	1.3	1.0	1.1
December-22	0.6	0.3	0.1	-9.3	2.4	2.5	0.9	0.5	0.6
<b>Unemployment Rate</b>									
July-20	2.9	2.6	2.4	7.9	6.1	4.9	3.9	3.8	3.8
December-20	2.9	2.6	2.4	6.1	3.4	3.3	3.1	3.2	3.4
June-21	3.0	2.6	2.3	5.6	2.8	2.3	2.4	2.7	3.1
December-21	3.0	2.6	2.3	5.6	2.9	2.2	2.3	2.6	2.8
June-22	3.0	2.6	2.3	5.6	3.4	2.5	2.6	2.8	3.1
December-22	3.0	2.6	2.3	5.6	3.4	2.4	2.8	3.1	3.1
<b>Personal Income Growth</b>									
July-20	2.5	4.5	4.2	4.0	-1.1	4.3	4.9	4.5	3.9
December-20	2.6	3.5	3.2	8.6	2.3	4.1	5.2	4.6	4.4
June-21	2.6	3.5	3.2	6.0	3.5	1.3	4.6	4.5	4.4
December-21	2.6	3.2	3.4	6.7	3.6	2.2	4.7	4.6	4.5
June-22	2.6	3.2	3.4	6.7	4.5	2.2	5.2	5.0	4.6
December-22	2.8	3.5	6.0	7.1	4.9	2.1	5.0	4.8	4.3
<b>Average Home Price Growth</b>									
July-20	2.4	3.5	4.1	4.9	5.2	6.0	5.8	5.3	4.4
December-20	2.2	3.3	3.7	4.9	5.9	6.2	5.7	5.2	4.4
June-21	2.2	3.1	3.6	5.2	8.7	10.2	8.9	6.6	3.7
December-21	2.3	3.0	3.8	5.1	13.3	13.5	8.7	3.8	0.4
June-22	2.3	3.0	3.7	5.1	14.0	13.4	5.6	2.6	1.9
December-22	2.2	3.1	3.7	5.1	14.1	17.8	5.9	1.4	-1.1

- As such, the consensus forecast update does not expect that either the U.S. or Vermont economies will experience a full-fledged economic downturn during the next three fiscal years—although the risk of a general economic downturn will remain exceptionally high throughout the period.
- The revised consensus economic outlook includes an expected scenario where there is a significant slowdown in the pace of the economy’s forward momentum for the reasons listed above, but labor markets will likely remain close to “full employment.”
- Although it is also expected that the economy will avoid a broader economic downturn, the economy may not actually do so if the Federal Reserve does in fact over-shoot in its tightening measures. As a result, the prospects for a full-fledged economic downturn—and all of its associated fiscal problems—will remain higher than usual and will continue to pose a threat over the entire forecast update time frame.

❖ **Acknowledgements, Notes, and Comments on Methods Associated with the Consensus Forecasting Process:**

- All figures presented above reflect current law revenues for the respective funds listed in the consensus forecast estimate for fiscal years 2023 through fiscal year 2025 that are part of the official Emergency Board motion. Fiscal years 2026 through 2028, the staff recommended consensus forecasts are presented for fiscal planning purposes only, and are subject to less rigorous forecasting methods and protocols than the consensus forecasts for the initial fiscal year 2023 through 2025 time frame.
- 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, 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 Rebecca Sameroff, Sharon Asay, Erin Hicks-Tibbles, Jennifer McNall, and Andrew Stein. Special thanks also are due to staff of the Vermont Department of Financial Regulation; Carma Flowers, Bradley Kukenberger, Ann Noelk, and Aaron Brodeur at Vermont Agency of Transportation, Douglas Farnham, John Becker and Peggy Brooks at the Vermont Agency of Administration and Vermont Department of Finance and Management.

- The JFO staff also provided key assistance to this forecast update, including Catherine Benham, Graham Campbell (who is now currently formerly of the JFO staff), Ted Barnett, Stephanie Barrett, Dan Dickenson, Joyce Manchester, Mark Perrault, and Sorsha Anderson. 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 too numerous to mention here.
  
- The consensus forecasting process involves the discussion and agreement of two independent forecasts completed by Thomas E. Kavet of Kavet, Rockler, & Associates (KRA) for the JFO and the staff at Economic & Policy Resources, Inc. (EPR) on behalf of the Administration. 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 the New England Economic Partnership (NEEP). The NEEP forecast for Vermont was historically managed by Economic & Policy Resources, Inc., who currently supports the Vermont Agency of Administration with the Administration's part of the consensus forecasting process. Since October 2001, input and review of initial Vermont NEEP model design and output prior to its release has been provided by Tom Kavet of KRA, as the State Economist and Principal Economic Advisor to the Vermont Legislature.

**Attachments: Consensus Forecast Update 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 - January 2023

**SOURCE G-FUND**

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

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Personal Income	\$875.4	5.2%	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1262.6	-0.4%	\$1137.5	-9.9%	\$1189.2	4.5%
Sales and Use <sup>1</sup>	\$412.5	3.7%	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$589.3	8.1%	\$576.0	-2.3%	\$588.7	2.2%
Corporate	\$134.2	39.3%	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$221.4	-0.8%	\$181.3	-18.1%	\$176.9	-2.4%
Meals and Rooms <sup>3</sup>	\$182.1	5.1%	\$163.6	-10.1%	\$143.8	-12.1%	\$216.8	50.8%	\$232.2	7.1%	\$235.5	1.4%	\$242.6	3.0%
Liquor	\$21.4	8.1%	\$21.6	0.8%	\$28.7	32.8%	\$30.1	5.0%	\$31.8	5.4%	\$33.0	3.8%	\$34.2	3.6%
Insurance	\$56.9	-1.2%	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$67.7	3.1%	\$68.7	1.5%	\$70.2	2.2%
Telephone	\$4.3	-8.8%	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-4.6%	\$2.3	-4.2%	\$2.2	-4.3%
Beverage	\$7.6	6.9%	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.7%	\$7.4	1.4%	\$7.5	1.4%
Estate	\$12.6	-44.9%	\$15.2	20.1%	\$26.9	77.5%	\$14.0	-48.0%	\$16.4	17.2%	\$20.8	26.8%	\$23.6	13.5%
Property	\$41.1	0.6%	\$42.3	2.9%	\$73.9	74.8%	\$77.7	5.1%	\$68.4	-11.9%	\$62.4	-8.8%	\$61.5	-1.4%
Bank	\$12.5	-4.6%	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$18.4	8.6%	\$19.3	4.9%	\$19.9	3.1%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$4.7	NM	\$9.9	112.7%	\$14.4	45.2%
Other Tax	\$2.4	32.9%	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.2	-4.2%	\$1.0	-16.7%	\$1.1	10.0%
<b>Total Tax Revenue</b>	<b>\$1763.0</b>	<b>5.7%</b>	<b>\$1829.7</b>	<b>3.8%</b>	<b>\$2068.5</b>	<b>13.1%</b>	<b>\$2468.2</b>	<b>19.3%</b>	<b>\$2523.7</b>	<b>2.2%</b>	<b>\$2355.1</b>	<b>-6.7%</b>	<b>\$2432.0</b>	<b>3.3%</b>
Business Licenses	\$1.2	-1.0%	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$1.3	4.4%	\$1.33	2.3%	\$1.36	2.3%
Fees	\$47.0	-0.2%	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$43.0	1.9%	\$43.7	1.6%	\$43.6	-0.2%
Services	\$3.4	16.4%	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.3	17.5%	\$3.1	-6.1%	\$3.2	3.2%
Fines	\$3.3	-5.6%	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$3.4	1.6%	\$3.5	2.9%	\$3.6	2.9%
Interest	\$5.0	79.1%	\$4.1	-18.0%	\$0.9	-77.9%	\$2.6	185.2%	\$20.6	696.9%	\$18.2	-11.7%	\$14.1	-22.5%
Special Assessments	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Lottery	\$29.5	8.6%	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$31.1	1.0%	\$32.1	3.2%	\$33.1	3.1%
All Other <sup>3</sup>	\$4.6	92.7%	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$0.8	-16.9%	\$0.8	0.0%	\$0.9	12.5%
<b>Total Other Revenue</b>	<b>\$93.9</b>	<b>7.9%</b>	<b>\$84.8</b>	<b>-9.7%</b>	<b>\$84.1</b>	<b>-0.8%</b>	<b>\$83.9</b>	<b>-0.2%</b>	<b>\$103.5</b>	<b>23.3%</b>	<b>\$102.7</b>	<b>-0.7%</b>	<b>\$99.9</b>	<b>-2.8%</b>
<b>Healthcare Revenue<sup>2</sup></b>	<b>\$276.3</b>	<b>0.2%</b>	<b>\$284.7</b>	<b>3.0%</b>	<b>\$281.0</b>	<b>-1.3%</b>	<b>\$303.5</b>	<b>8.0%</b>	<b>\$326.3</b>	<b>7.5%</b>	<b>\$334.0</b>	<b>2.4%</b>	<b>\$341.6</b>	<b>2.3%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$2133.2</b>	<b>5.1%</b>	<b>\$2199.2</b>	<b>3.1%</b>	<b>\$2433.6</b>	<b>10.7%</b>	<b>\$2855.6</b>	<b>17.3%</b>	<b>\$2953.6</b>	<b>3.4%</b>	<b>\$2791.9</b>	<b>-5.5%</b>	<b>\$2873.4</b>	<b>2.9%</b>

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 - January 2023**

**CURRENT LAW BASIS**

*including all Education Fund  
allocations and other out-transfers*

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>
	<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>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
<b>REVENUE SOURCE</b>														
Personal Income	\$875.4	5.2%	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1262.6	-0.4%	\$1137.5	-9.9%	\$1189.2	4.5%
Sales and Use <sup>1</sup>	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$134.2	39.3%	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$221.4	-0.8%	\$181.3	-18.1%	\$176.9	-2.4%
Meals and Rooms	\$136.5	-21.2%	\$116.1	-15.0%	\$99.2	-14.5%	\$149.6	50.8%	\$160.2	7.1%	\$162.5	1.4%	\$167.4	3.0%
Liquor <sup>6</sup>	\$21.4	8.1%	\$3.6	-83.2%	\$4.8	32.8%	\$5.0	5.0%	\$5.3	5.4%	\$5.5	3.8%	\$5.7	3.6%
Insurance	\$56.9	-1.2%	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$67.7	3.1%	\$68.7	1.5%	\$70.2	2.2%
Telephone	\$4.3	-8.8%	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-4.6%	\$2.3	-4.2%	\$2.2	-4.3%
Beverage	\$7.6	6.9%	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.7%	\$7.4	1.4%	\$7.5	1.4%
Estate <sup>3</sup>	\$12.6	-44.9%	\$15.2	20.1%	\$23.4	54.1%	\$14.0	-40.1%	\$16.4	17.2%	\$20.8	26.8%	\$23.6	13.5%
Property	\$12.5	0.9%	\$12.9	3.0%	\$23.1	79.6%	\$24.3	5.3%	\$21.3	-12.3%	\$19.4	-9.1%	\$19.1	-1.5%
Bank	\$12.5	-4.6%	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$18.4	8.6%	\$19.3	4.9%	\$19.9	3.1%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$4.7	NM	\$0.0	-100.0%	\$0.0	NM
Other Tax	\$2.4	32.9%	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.2	-4.2%	\$1.0	-16.7%	\$1.1	10.0%
<b>Total Tax Revenue</b>	<b>\$1276.4</b>	<b>-14.9%</b>	<b>\$1302.3</b>	<b>2.0%</b>	<b>\$1438.1</b>	<b>10.4%</b>	<b>\$1777.4</b>	<b>23.6%</b>	<b>\$1788.9</b>	<b>0.6%</b>	<b>\$1625.7</b>	<b>-9.1%</b>	<b>\$1682.8</b>	<b>3.5%</b>
Business Licenses	\$1.2	-1.0%	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$1.3	4.4%	\$1.3	2.3%	\$1.4	2.3%
Fees	\$47.0	-0.2%	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$43.0	1.9%	\$43.7	1.6%	\$43.6	-0.2%
Services	\$3.4	16.4%	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.3	17.5%	\$3.1	-6.1%	\$3.2	3.2%
Fines	\$3.3	-5.6%	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$3.4	1.6%	\$3.5	2.9%	\$3.6	2.9%
Interest	\$4.3	87.8%	\$3.3	-24.5%	\$0.8	-75.5%	\$2.3	187.4%	\$18.8	719.2%	\$16.2	-13.8%	\$12.9	-20.4%
All Other <sup>4</sup>	\$4.6	92.7%	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$0.8	-16.9%	\$0.8	0.0%	\$0.9	12.5%
<b>Total Other Revenue</b>	<b>\$63.7</b>	<b>7.4%</b>	<b>\$57.2</b>	<b>-10.3%</b>	<b>\$51.5</b>	<b>-9.9%</b>	<b>\$52.9</b>	<b>2.6%</b>	<b>\$70.6</b>	<b>33.6%</b>	<b>\$68.6</b>	<b>-2.8%</b>	<b>\$65.6</b>	<b>-4.5%</b>
<b>Healthcare Revenue<sup>5</sup></b>	<b>\$272.3</b>	<b>NM</b>	<b>\$280.9</b>	<b>3.1%</b>	<b>\$278.1</b>	<b>-1.0%</b>	<b>\$299.3</b>	<b>7.6%</b>	<b>\$321.8</b>	<b>7.5%</b>	<b>\$329.4</b>	<b>2.4%</b>	<b>\$336.7</b>	<b>2.2%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$1612.5</b>	<b>3.4%</b>	<b>\$1640.4</b>	<b>1.7%</b>	<b>\$1767.7</b>	<b>7.8%</b>	<b>\$2129.5</b>	<b>20.5%</b>	<b>\$2181.3</b>	<b>2.4%</b>	<b>\$2023.7</b>	<b>-7.2%</b>	<b>\$2085.1</b>	<b>3.0%</b>

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 - January 2023

**SOURCE HEALTHCARE <sup>1</sup>**

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

	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Cigarette, Tobacco, E-Cig	\$68.4	-3.7%	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$73.3	-3.5%	\$72.3	-1.4%	\$71.3	-1.4%
Claims Assessment	\$19.6	-1.3%	\$20.7	5.7%	\$19.7	-4.7%	\$21.7	10.3%	\$22.5	3.5%	\$23.3	3.5%	\$24.1	3.5%
Employer Assessment	\$19.8	-0.5%	\$20.2	2.4%	\$17.9	-11.4%	\$21.9	22.2%	\$24.0	9.5%	\$25.5	6.2%	\$26.4	3.5%
Hospital Provider Tax	\$146.3	2.0%	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$184.2	14.0%	\$190.6	3.5%	\$197.3	3.5%
Nursing Home Provide Tax	\$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%
Home Health Provider Tax	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$5.8	0.2%	\$5.8	0.0%	\$5.9	2.0%
All Other HC Revenues	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$1.9	2.9%	\$1.9	0.0%	\$1.9	1.2%
<b>TOTAL HEALTHCARE</b>	<b>\$276.3</b>	<b>0.2%</b>	<b>\$284.7</b>	<b>3.0%</b>	<b>\$281.0</b>	<b>-1.3%</b>	<b>\$303.5</b>	<b>8.0%</b>	<b>\$326.3</b>	<b>7.5%</b>	<b>\$334.0</b>	<b>2.4%</b>	<b>\$341.6</b>	<b>2.3%</b>

**TABLE 1C - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - January 2023

**CURRENT LAW BASIS**

including all Education Fund  
allocations and other out-transfers

	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Cigarette, Tobacco, E-Cig	\$68.4	-3.7%	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$73.3	-3.5%	\$72.3	-1.4%	\$71.3	-1.4%
Claims Assessment	\$15.6	-1.7%	\$16.9	7.8%	\$16.4	-3.0%	\$17.6	7.3%	\$18.0	2.4%	\$18.6	3.5%	\$19.3	3.5%
Employer Assessment	\$19.8	-0.5%	\$20.2	2.4%	\$18.4	-9.2%	\$21.9	19.2%	\$24.0	9.5%	\$25.5	6.2%	\$26.4	3.5%
Hospital Provider Tax	\$146.3	2.0%	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$184.2	14.0%	\$190.6	3.5%	\$197.3	3.5%
Nursing Home Provide Tax	\$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%
Home Health Provider Tax	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$5.8	0.2%	\$5.8	0.0%	\$5.9	2.0%
All Other HC Revenues	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$1.9	2.9%	\$1.9	0.0%	\$1.9	1.2%
<b>TOTAL HEALTHCARE</b>	<b>\$272.3</b>	<b>0.2%</b>	<b>\$280.9</b>	<b>3.1%</b>	<b>\$278.1</b>	<b>-1.0%</b>	<b>\$299.3</b>	<b>7.6%</b>	<b>\$321.8</b>	<b>7.5%</b>	<b>\$329.4</b>	<b>2.4%</b>	<b>\$336.7</b>	<b>2.2%</b>

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 - January 2023

**SOURCE T-FUND**

revenues are prior to all E-Fund allocations

and other out-transfers; used for

analytic and comparative purposes only

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Gasoline	\$77.8	-0.5%	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$74.2	3.2%	\$73.3	-1.2%	\$73.1	-0.3%
Diesel****	\$18.6	-1.6%	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$18.7	2.2%	\$18.8	0.5%	\$19.0	1.1%
Purchase and Use*	\$111.8	2.2%	\$105.4	-5.7%	\$134.1	27.2%	\$137.1	2.3%	\$145.9	6.4%	\$148.2	1.6%	\$152.8	3.1%
Motor Vehicle Fees	\$85.4	-0.7%	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.8	2.1%	\$88.6	0.9%	\$89.9	1.5%
Other Revenue**	\$24.6	7.0%	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.1	3.9%	\$21.7	2.8%	\$22.2	2.3%
<b>TOTAL TRANS. FUND</b>	<b>\$318.2</b>	<b>0.9%</b>	<b>\$299.2</b>	<b>-6.0%</b>	<b>\$327.4</b>	<b>9.4%</b>	<b>\$333.5</b>	<b>1.9%</b>	<b>\$347.7</b>	<b>4.2%</b>	<b>\$350.6</b>	<b>0.8%</b>	<b>\$357.0</b>	<b>1.8%</b>

**TABLE 2 - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - January 2023

**CURRENT LAW BASIS**

including all Education Fund

allocations and other out-transfers

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>														
Gasoline	\$77.8	-0.5%	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$74.2	3.2%	\$73.3	-1.2%	\$73.1	-0.3%
Diesel	\$18.6	-1.6%	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$18.7	2.2%	\$18.8	0.5%	\$19.0	1.1%
Purchase and Use <sup>1</sup>	\$74.5	2.2%	\$70.3	-5.7%	\$89.4	27.2%	\$91.4	2.3%	\$97.3	6.4%	\$98.8	1.6%	\$101.9	3.1%
Motor Vehicle Fees	\$85.4	-0.7%	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.8	2.1%	\$88.6	0.9%	\$89.9	1.5%
Other Revenue <sup>2</sup>	\$24.6	7.0%	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.1	3.9%	\$21.7	2.8%	\$22.2	2.3%
<b>TOTAL TRANS. FUND</b>	<b>\$280.9</b>	<b>0.7%</b>	<b>\$264.1</b>	<b>-6.0%</b>	<b>\$282.7</b>	<b>7.0%</b>	<b>\$287.8</b>	<b>1.8%</b>	<b>\$299.1</b>	<b>3.9%</b>	<b>\$301.2</b>	<b>0.7%</b>	<b>\$306.1</b>	<b>1.6%</b>

**OTHER (TIB<sup>3</sup>)**

TIB Gasoline	\$14.6	13.1%	\$12.7	-12.8%	\$10.2	-19.5%	\$15.1	48.2%	\$19.8	30.8%	\$17.3	-12.6%	\$16.2	-6.4%
TIB Diesel and Other <sup>4</sup>	\$2.1	3.7%	\$2.0	-2.5%	\$1.9	-4.5%	\$1.9	1.7%	\$2.0	3.8%	\$2.0	1.0%	\$2.1	1.0%
<b>TOTAL OTHER (TIB)</b>	<b>\$16.6</b>	<b>11.9%</b>	<b>\$14.7</b>	<b>-11.6%</b>	<b>\$12.1</b>	<b>-17.5%</b>	<b>\$17.1</b>	<b>40.8%</b>	<b>\$21.8</b>	<b>27.7%</b>	<b>\$19.3</b>	<b>-11.4%</b>	<b>\$18.3</b>	<b>-5.6%</b>

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 FUND<sup>1</sup> REVENUE FORECAST UPDATE**  
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)  
Consensus JFO and Administration Forecast - January 2023

**CURRENT LAW BASIS**

Source General and Transportation

Fund taxes allocated to or associated  
with the Education Fund only

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>GENERAL FUND</b>														
Meals and Rooms	\$45.5	NM	\$40.9	-10.1%	\$36.0	-12.1%	\$54.2	50.8%	\$58.1	7.1%	\$58.9	1.4%	\$60.7	3.0%
Sales & Use <sup>2</sup>	\$412.5	196.3%	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$589.3	8.1%	\$576.0	-2.3%	\$588.7	2.2%
Interest	\$0.7	38.1%	\$0.8	23.9%	\$0.1	-87.1%	\$0.3	169.1%	\$1.8	520.8%	\$2.0	11.1%	\$1.2	-40.0%
Lottery	\$29.5	8.6%	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$31.1	1.0%	\$32.1	3.2%	\$33.1	3.1%
<b>TRANSPORTATION FUND</b>														
Purchase and Use <sup>3</sup>	\$37.3	2.2%	\$35.1	-5.7%	\$44.7	27.2%	\$45.7	2.3%	\$48.6	6.4%	\$49.4	1.6%	\$50.9	3.1%
<b>TOTAL EDUCATION FUND</b>	<b>\$525.4</b>	<b>158.4%</b>	<b>\$536.2</b>	<b>2.0%</b>	<b>\$620.9</b>	<b>15.8%</b>	<b>\$676.2</b>	<b>8.9%</b>	<b>\$728.88</b>	<b>7.8%</b>	<b>\$718.4</b>	<b>-1.4%</b>	<b>\$734.6</b>	<b>2.3%</b>

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 100.0% beginning in FY19; Includes Cannabis Sales tax revenues beginning in FY23

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 - January 2023

**SOURCE G-FUND**

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

	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																				
Personal Income	\$875.4	5.2%	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1262.6	-0.4%	\$1137.5	-9.9%	\$1189.2	4.5%	\$1251.8	5.3%	\$1307.5	4.4%	\$1368.1	4.6%
Sales and Use <sup>1</sup>	\$412.5	3.7%	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$589.3	8.1%	\$576.0	-2.3%	\$588.7	2.2%	\$606.8	3.1%	\$626.0	3.2%	\$646.7	3.3%
Corporate	\$134.2	39.3%	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$221.4	-0.8%	\$181.3	-18.1%	\$176.9	-2.4%	\$191.4	8.2%	\$203.9	6.5%	\$215.9	5.9%
Meals and Rooms <sup>2</sup>	\$182.1	5.1%	\$163.6	-10.1%	\$143.8	-12.1%	\$216.8	50.8%	\$232.2	7.1%	\$235.5	1.4%	\$242.6	3.0%	\$250.8	3.4%	\$259.5	3.5%	\$269.0	3.7%
Liquor	\$21.4	8.1%	\$21.6	0.8%	\$28.7	32.8%	\$30.1	5.0%	\$31.8	5.4%	\$33.0	3.8%	\$34.2	3.6%	\$35.4	3.5%	\$36.6	3.4%	\$37.8	3.3%
Insurance	\$56.9	-1.2%	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$67.7	3.1%	\$68.7	1.5%	\$70.2	2.2%	\$71.9	2.4%	\$73.7	2.5%	\$75.6	2.6%
Telephone	\$4.3	-8.8%	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-4.6%	\$2.3	-4.2%	\$2.2	-4.3%	\$2.1	-4.5%	\$2.0	-4.8%	\$1.9	-5.0%
Beverage	\$7.6	6.9%	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.7%	\$7.4	1.4%	\$7.5	1.4%	\$7.6	1.3%	\$7.7	1.3%	\$7.8	1.3%
Estate	\$12.6	-44.9%	\$15.2	20.1%	\$26.9	77.5%	\$14.0	-48.0%	\$16.4	17.2%	\$20.8	26.8%	\$23.6	13.5%	\$25.0	5.9%	\$26.3	5.2%	\$27.6	4.9%
Property	\$41.1	0.6%	\$42.3	2.9%	\$73.9	74.8%	\$77.7	5.1%	\$68.4	-11.9%	\$62.4	-8.8%	\$61.5	-1.4%	\$63.7	3.6%	\$66.1	3.8%	\$68.7	3.9%
Bank	\$12.5	-4.6%	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$18.4	8.6%	\$19.3	4.9%	\$19.9	3.1%	\$20.4	2.5%	\$20.8	2.0%	\$21.2	1.9%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$4.7	NM	\$9.9	112.7%	\$14.4	45.2%	\$14.2	-1.8%	\$14.5	2.5%	\$14.9	2.5%
Other Tax	\$2.4	32.9%	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.2	-4.2%	\$1.0	-16.7%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%	\$1.3	0.0%
<b>Total Tax Revenue</b>	<b>\$1763.0</b>	<b>5.7%</b>	<b>\$1829.7</b>	<b>3.8%</b>	<b>\$2068.5</b>	<b>13.1%</b>	<b>\$2468.2</b>	<b>19.3%</b>	<b>\$2523.7</b>	<b>2.2%</b>	<b>\$2355.1</b>	<b>-6.7%</b>	<b>\$2432.0</b>	<b>3.3%</b>	<b>\$2542.3</b>	<b>4.5%</b>	<b>\$2645.9</b>	<b>4.1%</b>	<b>\$2756.5</b>	<b>4.2%</b>
Business Licenses	\$1.2	-1.0%	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$1.3	4.4%	\$1.33	2.3%	\$1.36	2.3%	\$1.39	2.2%	\$1.42	2.2%	\$1.42	0.0%
Fees	\$47.0	-0.2%	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$43.0	1.9%	\$43.7	1.6%	\$43.6	-0.2%	\$43.5	-0.2%	\$43.3	-0.5%	\$43.0	-0.7%
Services	\$3.4	16.4%	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.3	17.5%	\$3.1	-6.1%	\$3.2	3.2%	\$3.3	3.1%	\$3.4	3.0%	\$3.5	2.9%
Fines	\$3.3	-5.6%	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$3.4	1.6%	\$3.5	2.9%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%
Interest	\$5.0	79.1%	\$4.1	-18.0%	\$0.9	-77.9%	\$2.6	185.2%	\$20.6	696.9%	\$18.2	-11.7%	\$14.1	-22.5%	\$5.4	-61.7%	\$4.3	-20.4%	\$4.1	-4.7%
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	\$29.5	8.6%	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$31.1	1.0%	\$32.1	3.2%	\$33.1	3.1%	\$34.2	3.3%	\$35.4	3.5%	\$36.6	3.4%
All Other <sup>3</sup>	\$4.6	92.7%	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$0.8	-16.9%	\$0.8	0.0%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%
<b>Total Other Revenue</b>	<b>\$93.9</b>	<b>7.9%</b>	<b>\$84.8</b>	<b>-9.7%</b>	<b>\$84.1</b>	<b>-0.8%</b>	<b>\$83.9</b>	<b>-0.2%</b>	<b>\$103.5</b>	<b>23.3%</b>	<b>\$102.7</b>	<b>-0.7%</b>	<b>\$99.9</b>	<b>-2.8%</b>	<b>\$92.5</b>	<b>-7.4%</b>	<b>\$92.7</b>	<b>0.2%</b>	<b>\$93.7</b>	<b>1.1%</b>
<b>Healthcare Revenue<sup>4</sup></b>	<b>\$276.3</b>	<b>0.2%</b>	<b>\$284.7</b>	<b>3.0%</b>	<b>\$281.0</b>	<b>-1.3%</b>	<b>\$303.5</b>	<b>8.0%</b>	<b>\$326.3</b>	<b>7.5%</b>	<b>\$334.0</b>	<b>2.4%</b>	<b>\$341.6</b>	<b>2.3%</b>	<b>\$349.3</b>	<b>2.3%</b>	<b>\$357.2</b>	<b>2.3%</b>	<b>\$365.5</b>	<b>2.3%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$2133.2</b>	<b>5.1%</b>	<b>\$2199.2</b>	<b>3.1%</b>	<b>\$2433.6</b>	<b>10.7%</b>	<b>\$2855.6</b>	<b>17.3%</b>	<b>\$2953.6</b>	<b>3.4%</b>	<b>\$2791.9</b>	<b>-5.5%</b>	<b>\$2873.4</b>	<b>2.9%</b>	<b>\$2984.0</b>	<b>3.8%</b>	<b>\$3095.8</b>	<b>3.7%</b>	<b>\$3215.7</b>	<b>3.9%</b>

- 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 - January 2023**

**CURRENT LAW BASIS**

*including all Education Fund*

*allocations and other out-transfers*

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>
	<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>(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>	<i>(Forecast)</i>	<i>Change</i>
<b>REVENUE SOURCE</b>																				
Personal Income	\$875.4	5.2%	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1262.6	-0.4%	\$1137.5	-9.9%	\$1189.2	4.5%	\$1251.8	5.3%	\$1307.5	4.4%	\$1368.1	4.6%
Sales and Use <sup>1</sup>	\$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
Corporate	\$134.2	39.3%	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$221.4	-0.8%	\$181.3	-18.1%	\$176.9	-2.4%	\$191.4	8.2%	\$203.9	6.5%	\$215.9	5.9%
Meals and Rooms	\$136.5	-21.2%	\$116.1	-15.0%	\$99.2	-14.5%	\$149.6	50.8%	\$160.2	7.1%	\$162.5	1.4%	\$167.4	3.0%	\$173.1	3.4%	\$179.1	3.5%	\$185.6	3.7%
Liquor <sup>6</sup>	\$21.4	8.1%	\$3.6	-83.2%	\$4.8	32.8%	\$5.0	5.0%	\$5.3	5.4%	\$5.5	3.8%	\$5.7	3.6%	\$5.9	3.5%	\$6.1	3.4%	\$6.3	3.3%
Insurance	\$56.9	-1.2%	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$67.7	3.1%	\$68.7	1.5%	\$70.2	2.2%	\$71.9	2.4%	\$73.7	2.5%	\$75.6	2.6%
Telephone	\$4.3	-8.8%	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-4.6%	\$2.3	-4.2%	\$2.2	-4.3%	\$2.1	-4.5%	\$2.0	-4.8%	\$1.9	-5.0%
Beverage	\$7.6	6.9%	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.7%	\$7.4	1.4%	\$7.5	1.4%	\$7.6	1.3%	\$7.7	1.3%	\$7.8	1.3%
Estate <sup>3</sup>	\$12.6	-44.9%	\$15.2	20.1%	\$23.4	54.1%	\$14.0	-40.1%	\$16.4	17.2%	\$20.8	26.8%	\$23.6	13.5%	\$25.0	5.9%	\$26.3	5.2%	\$27.6	4.9%
Property	\$12.5	0.9%	\$12.9	3.0%	\$23.1	79.6%	\$24.3	5.3%	\$21.3	-12.3%	\$19.4	-9.1%	\$19.1	-1.5%	\$19.8	3.7%	\$20.6	3.9%	\$21.4	4.1%
Bank	\$12.5	-4.6%	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$18.4	8.6%	\$19.3	4.9%	\$19.9	3.1%	\$20.4	2.5%	\$20.8	2.0%	\$21.2	1.9%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$4.7	NM	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$14.5	NM	\$14.9	NM
Other Tax	\$2.4	32.9%	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.2	-4.2%	\$1.0	-16.7%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%	\$1.3	0.0%
<b>Total Tax Revenue</b>	<b>\$1276.4</b>	<b>-14.9%</b>	<b>\$1302.3</b>	<b>2.0%</b>	<b>\$1438.1</b>	<b>10.4%</b>	<b>\$1777.4</b>	<b>23.6%</b>	<b>\$1788.9</b>	<b>0.6%</b>	<b>\$1625.7</b>	<b>-9.1%</b>	<b>\$1682.8</b>	<b>3.5%</b>	<b>\$1770.1</b>	<b>5.2%</b>	<b>\$1863.5</b>	<b>5.3%</b>	<b>\$1947.6</b>	<b>4.5%</b>
Business Licenses	\$1.2	-1.0%	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$1.3	4.4%	\$1.3	2.3%	\$1.4	2.3%	\$1.4	2.2%	\$1.4	2.2%	\$1.4	0.0%
Fees	\$47.0	-0.2%	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$43.0	1.9%	\$43.7	1.6%	\$43.6	-0.2%	\$43.5	-0.2%	\$43.3	-0.5%	\$43.0	-0.7%
Services	\$3.4	16.4%	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.3	17.5%	\$3.1	-6.1%	\$3.2	3.2%	\$3.3	3.1%	\$3.4	3.0%	\$3.5	2.9%
Fines	\$3.3	-5.6%	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$3.4	1.6%	\$3.5	2.9%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%
Interest	\$4.3	87.8%	\$3.3	-24.5%	\$0.8	-75.5%	\$2.3	187.4%	\$18.8	719.2%	\$16.2	-13.8%	\$12.9	-20.4%	\$4.8	-62.8%	\$3.8	-20.8%	\$3.6	-5.3%
All Other <sup>4</sup>	\$4.6	92.7%	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$0.8	-16.9%	\$0.8	0.0%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%
<b>Total Other Revenue</b>	<b>\$63.7</b>	<b>7.4%</b>	<b>\$57.2</b>	<b>-10.3%</b>	<b>\$51.5</b>	<b>-9.9%</b>	<b>\$52.9</b>	<b>2.6%</b>	<b>\$70.6</b>	<b>33.6%</b>	<b>\$68.6</b>	<b>-2.8%</b>	<b>\$65.6</b>	<b>-4.5%</b>	<b>\$57.7</b>	<b>-12.0%</b>	<b>\$56.8</b>	<b>-1.5%</b>	<b>\$56.6</b>	<b>-0.4%</b>
<b>Healthcare Revenue<sup>5</sup></b>	<b>\$272.3</b>	<b>NM</b>	<b>\$280.9</b>	<b>3.1%</b>	<b>\$278.1</b>	<b>-1.0%</b>	<b>\$299.3</b>	<b>7.6%</b>	<b>\$321.8</b>	<b>7.5%</b>	<b>\$329.4</b>	<b>2.4%</b>	<b>\$336.7</b>	<b>2.2%</b>	<b>\$344.3</b>	<b>2.2%</b>	<b>\$352.0</b>	<b>2.2%</b>	<b>\$360.2</b>	<b>2.3%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$1612.5</b>	<b>3.4%</b>	<b>\$1640.4</b>	<b>1.7%</b>	<b>\$1767.7</b>	<b>7.8%</b>	<b>\$2129.5</b>	<b>20.5%</b>	<b>\$2181.3</b>	<b>2.4%</b>	<b>\$2023.7</b>	<b>-7.2%</b>	<b>\$2085.1</b>	<b>3.0%</b>	<b>\$2172.1</b>	<b>4.2%</b>	<b>\$2272.3</b>	<b>4.6%</b>	<b>\$2364.4</b>	<b>4.1%</b>

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 - January 2023

**SOURCE HEALTHCARE<sup>1</sup>**

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

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																				
Cigarette, Tobacco, E-Cig	\$68.4	-3.7%	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$73.3	-3.5%	\$72.3	-1.4%	\$71.3	-1.4%	\$70.2	-1.5%	\$69.0	-1.7%	\$67.9	-1.6%
Claims Assessment	\$19.6	-1.3%	\$20.7	5.7%	\$19.7	-4.7%	\$21.7	10.3%	\$22.5	3.5%	\$23.3	3.5%	\$24.1	3.5%	\$24.9	3.5%	\$25.8	3.5%	\$26.7	3.5%
Employer Assessment	\$19.8	-0.5%	\$20.2	2.4%	\$17.9	-11.4%	\$21.9	22.2%	\$24.0	9.5%	\$25.5	6.2%	\$26.4	3.5%	\$27.3	3.5%	\$28.2	3.5%	\$29.2	3.5%
Hospital Provider Tax	\$146.3	2.0%	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$184.2	14.0%	\$190.6	3.5%	\$197.3	3.5%	\$204.2	3.5%	\$211.3	3.5%	\$218.7	3.5%
Nursing Home Provide Tax	\$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%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$5.8	0.2%	\$5.8	0.0%	\$5.9	2.0%	\$6.0	2.0%	\$6.2	2.0%	\$6.3	2.0%
All Other HC Revenues	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$1.9	2.9%	\$1.9	0.0%	\$1.9	1.2%	\$1.9	1.2%	\$2.0	1.2%	\$2.0	1.2%
<b>TOTAL HEALTHCARE</b>	<b>\$276.3</b>	<b>0.2%</b>	<b>\$284.7</b>	<b>3.0%</b>	<b>\$281.0</b>	<b>-1.3%</b>	<b>\$303.5</b>	<b>8.0%</b>	<b>\$326.3</b>	<b>7.5%</b>	<b>\$334.0</b>	<b>2.4%</b>	<b>\$341.6</b>	<b>2.3%</b>	<b>\$349.3</b>	<b>2.3%</b>	<b>\$357.2</b>	<b>2.3%</b>	<b>\$365.5</b>	<b>2.3%</b>

**TABLE 1C - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - January 2023

**CURRENT LAW BASIS**

including all Education Fund  
allocations and other out-transfers

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																				
Cigarette, Tobacco, E-Cig	\$68.4	-3.7%	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$73.3	-3.5%	\$72.3	-1.4%	\$71.3	-1.4%	\$70.2	-1.5%	\$69.0	-1.7%	\$67.9	-1.6%
Claims Assessment	\$15.6	-1.7%	\$16.9	7.8%	\$16.4	-3.0%	\$17.6	7.3%	\$18.0	2.4%	\$18.6	3.5%	\$19.3	3.5%	\$20.0	3.5%	\$20.7	3.5%	\$21.4	3.5%
Employer Assessment	\$19.8	-0.5%	\$20.2	2.4%	\$18.4	-9.2%	\$21.9	19.2%	\$24.0	9.5%	\$25.5	6.2%	\$26.4	3.5%	\$27.3	3.5%	\$28.2	3.5%	\$29.2	3.5%
Hospital Provider Tax	\$146.3	2.0%	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$184.2	14.0%	\$190.6	3.5%	\$197.3	3.5%	\$204.2	3.5%	\$211.3	3.5%	\$218.7	3.5%
Nursing Home Provide Tax	\$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%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$5.8	0.2%	\$5.8	0.0%	\$5.9	2.0%	\$6.0	2.0%	\$6.2	2.0%	\$6.3	2.0%
All Other HC Revenues	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$1.9	2.9%	\$1.9	0.0%	\$1.9	1.2%	\$1.9	1.2%	\$2.0	1.2%	\$2.0	1.2%
<b>TOTAL HEALTHCARE</b>	<b>\$272.3</b>	<b>0.2%</b>	<b>\$280.9</b>	<b>3.1%</b>	<b>\$278.1</b>	<b>-1.0%</b>	<b>\$299.3</b>	<b>7.6%</b>	<b>\$321.8</b>	<b>7.5%</b>	<b>\$329.4</b>	<b>2.4%</b>	<b>\$336.7</b>	<b>2.2%</b>	<b>\$344.3</b>	<b>2.2%</b>	<b>\$352.0</b>	<b>2.2%</b>	<b>\$360.2</b>	<b>2.3%</b>

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 - January 2023

**SOURCE T-FUND**

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

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																				
Gasoline	\$77.8	-0.5%	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$74.2	3.2%	\$73.3	-1.2%	\$73.1	-0.3%	\$72.5	-0.8%	\$71.9	-0.8%	\$71.0	-1.3%
Diesel****	\$18.6	-1.6%	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$18.7	2.2%	\$18.8	0.5%	\$19.0	1.1%	\$19.3	1.6%	\$19.5	1.0%	\$19.7	1.0%
Purchase and Use*	\$111.8	2.2%	\$105.4	-5.7%	\$134.1	27.2%	\$137.1	2.3%	\$145.9	6.4%	\$148.2	1.6%	\$152.8	3.1%	\$157.7	3.2%	\$163.0	3.4%	\$168.3	3.3%
Motor Vehicle Fees	\$85.4	-0.7%	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.8	2.1%	\$88.6	0.9%	\$89.9	1.5%	\$90.9	1.1%	\$92.1	1.3%	\$93.1	1.1%
Other Revenue**	\$24.6	7.0%	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.1	3.9%	\$21.7	2.8%	\$22.2	2.3%	\$22.8	2.7%	\$23.5	3.1%	\$24.2	3.0%
<b>TOTAL TRANS. FUND</b>	<b>\$318.2</b>	<b>0.9%</b>	<b>\$299.2</b>	<b>-6.0%</b>	<b>\$327.4</b>	<b>9.4%</b>	<b>\$333.5</b>	<b>1.9%</b>	<b>\$347.7</b>	<b>4.2%</b>	<b>\$350.6</b>	<b>0.8%</b>	<b>\$357.0</b>	<b>1.8%</b>	<b>\$363.2</b>	<b>1.7%</b>	<b>\$370.0</b>	<b>1.9%</b>	<b>\$376.3</b>	<b>1.7%</b>

**TABLE 2 - STATE OF VERMONT**  
**LEGISLATIVE JOINT FISCAL OFFICE**  
**AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE**  
Consensus JFO and Administration Forecast - January 2023

**CURRENT LAW BASIS**

including all Education Fund  
allocations and other out-transfers

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>REVENUE SOURCE</b>																				
Gasoline	\$77.8	-0.5%	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$74.2	3.2%	\$73.3	-1.2%	\$73.1	-0.3%	\$72.5	-0.8%	\$71.9	-0.8%	\$71.0	-1.3%
Diesel	\$18.6	-1.6%	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$18.7	2.2%	\$18.8	0.5%	\$19.0	1.1%	\$19.3	1.6%	\$19.5	1.0%	\$19.7	1.0%
Purchase and Use <sup>1</sup>	\$74.5	2.2%	\$70.3	-5.7%	\$89.4	27.2%	\$91.4	2.3%	\$97.3	6.4%	\$98.8	1.6%	\$101.9	3.1%	\$105.1	3.2%	\$108.7	3.4%	\$112.2	3.3%
Motor Vehicle Fees	\$85.4	-0.7%	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.8	2.1%	\$88.6	0.9%	\$89.9	1.5%	\$90.9	1.1%	\$92.1	1.3%	\$93.1	1.1%
Other Revenue <sup>2</sup>	\$24.6	7.0%	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.1	3.9%	\$21.7	2.8%	\$22.2	2.3%	\$22.8	2.7%	\$23.5	3.1%	\$24.2	3.0%
<b>TOTAL TRANS. FUND</b>	<b>\$280.9</b>	<b>0.7%</b>	<b>\$264.1</b>	<b>-6.0%</b>	<b>\$282.7</b>	<b>7.0%</b>	<b>\$287.8</b>	<b>1.8%</b>	<b>\$299.1</b>	<b>3.9%</b>	<b>\$301.2</b>	<b>0.7%</b>	<b>\$306.1</b>	<b>1.6%</b>	<b>\$310.6</b>	<b>1.5%</b>	<b>\$315.7</b>	<b>1.6%</b>	<b>\$320.2</b>	<b>1.4%</b>

**OTHER (TIB<sup>3</sup>)**

	<b>FY 2019</b>	<b>%</b>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
TIB Gasoline	\$14.6	13.1%	\$12.7	-12.8%	\$10.2	-19.5%	\$15.1	48.2%	\$19.8	30.8%	\$17.3	-12.6%	\$16.2	-6.4%	\$16.4	1.2%	\$16.9	3.0%	\$17.2	1.8%
TIB Diesel and Other <sup>4</sup>	\$2.1	3.7%	\$2.0	-2.5%	\$1.9	-4.5%	\$1.9	1.7%	\$2.02	3.8%	\$2.0	1.0%	\$2.1	1.0%	\$2.1	1.5%	\$2.1	1.0%	\$2.1	1.4%
<b>TOTAL OTHER (TIB)</b>	<b>\$16.6</b>	<b>11.9%</b>	<b>\$14.7</b>	<b>-11.6%</b>	<b>\$12.1</b>	<b>-17.5%</b>	<b>\$17.1</b>	<b>40.8%</b>	<b>\$21.8</b>	<b>27.7%</b>	<b>\$19.3</b>	<b>-11.4%</b>	<b>\$18.3</b>	<b>-5.6%</b>	<b>\$18.5</b>	<b>1.3%</b>	<b>\$19.0</b>	<b>2.8%</b>	<b>\$19.3</b>	<b>1.7%</b>

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 FUND REVENUE FORECAST UPDATE**  
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)  
Consensus JFO and Administration Forecast - January 2023

**CURRENT LAW BASIS**

Source General and Transportation

Fund taxes allocated to or associated  
with the Education Fund only

	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
<b>GENERAL FUND</b>																				
Meals and Rooms	\$45.5	NM	\$40.9	-10.1%	\$36.0	-12.1%	\$54.2	50.8%	\$58.1	7.1%	\$58.9	1.4%	\$60.7	3.0%	\$62.7	3.4%	\$64.9	3.5%	\$67.3	3.7%
Sales & Use <sup>2</sup>	\$412.5	196.3%	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$589.3	8.1%	\$576.0	-2.3%	\$588.7	2.2%	\$606.8	3.1%	\$626.0	3.2%	\$646.7	3.3%
Interest	\$0.7	38.1%	\$0.8	23.9%	\$0.1	-87.1%	\$0.3	169.1%	\$1.8	520.8%	\$2.0	11.1%	\$1.2	-40.0%	\$0.6	-50.0%	\$0.5	-16.7%	\$0.5	0.0%
Lottery	\$29.5	8.6%	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$31.1	1.0%	\$32.1	3.2%	\$33.1	3.1%	\$34.2	3.3%	\$35.4	3.5%	\$36.6	3.4%
<b>TRANSPORTATION FUND</b>																				
Purchase and Use <sup>3</sup>	\$37.3	2.2%	\$35.1	-5.7%	\$44.7	27.2%	\$45.7	2.3%	\$48.6	6.4%	\$49.4	1.6%	\$50.9	3.1%	\$52.6	3.2%	\$54.3	3.4%	\$56.1	3.3%
<b>TOTAL EDUCATION FUND</b>	<b>\$525.4</b>	<b>158.4%</b>	<b>\$536.2</b>	<b>2.0%</b>	<b>\$620.9</b>	<b>15.8%</b>	<b>\$676.2</b>	<b>8.9%</b>	<b>\$728.88</b>	<b>7.8%</b>	<b>\$718.4</b>	<b>-1.4%</b>	<b>\$734.6</b>	<b>2.3%</b>	<b>\$756.9</b>	<b>3.0%</b>	<b>\$781.1</b>	<b>3.2%</b>	<b>\$807.2</b>	<b>3.3%</b>

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 100.0% beginning in FY19; Includes Cannabis Sales tax revenues beginning in FY23

3) Includes Motor Vehicle Rental revenues, restated