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

Fiscal Years 2024 through 2025

July 31, 2023

Prepared for the Vermont Emergency Board

PREPARED BY:

ECONOMIC & POLICY RESOURCES

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

ECONOMIC, POLICY, AND FINANCIAL ANALYSTS

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

- Against the economic backdrop of a surprisingly resilient economy in the face of high and rising interest rates, the still present, but now diminishing effects of the recent unprecedented recent period of extraordinary federal fiscal financial assistance and infrastructure monies allocated to Vermont,[1] the on-going legacy effects associated with the COVID pandemic, and the still unfolding policy "tug of war" between largely expansionary fiscal policy and highly contractionary federal monetary policies, this staff recommended consensus revenue forecast update calls for an overall significant upgrade in state revenues over all during the five year forecast update period.

  - Over the near-term time horizon, current law forecast upgrade for State revenues is significant for fiscal years 2024 and 2025—totaling roughly $100 million for the G-Fund over the fiscal year 2024 through 2025 timeframe tied to the extraordinary amount of revenues flowing from the G-Fund's Net Interest component and the dramatic transition of the State's Corporate Income Tax after the implementation of the recent Unitary Tax and Market-Based Sourcing changes. Thise changes have substantially diversified the Corporate Tax's taxable activity base.

  - For the smaller T-Fund and E-Fund forecast upgrades, the former entirely reflects the various Fee changes passed during the 2023 Session of the Vermont General Assembly, while the relatively small E-Fund forecast upgrade reflects the combination of E-Fund's potion of the significantly higher Net Interest revenues associated with higher interest rates and the State's more aggressive cash management practices—along with still resilient taxable consumption expenditure levels that have been characteristic of the post-pandemic environment.

  - For the outyear fiscal planning period years from fiscal year 2026 through 2028, the forecast upgrade amounts are significantly smaller in dollar value and are declining in nature. Those out-year forest upgrades also reflect the diminishing impact of the past unprecedented levels of largely deficit-financed federal spending, and the still-evolving transition of State revenues back to more closely reflecting the Vermont economy's underlying fundamentals.

---

[1] As a federal aid minimum state allocation recipient.

- For T-Fund TIB revenue sources, the staff recommended consensus forecast recommends a revenue forecast downgrade based on the sensitivity of these TIB revenue sources to changes in energy prices.

▪ More specifically, staff recommends that this July 2023 updated consensus revenue forecast for expected revenues "Available to the General Fund" of +$78.4 million for fiscal year 2024, and +$18.3 million in expected revenues for fiscal year 2025 as set forth in Table 1 below.

Table 1: Staff Recommended Consensus Revenue Forecast Update-Changes from the January 2023 Consensus Forecast for the G-Fund, T-Fund, E-Fund and T-Fund TIB
Current Law (Including Health Care Revenues in the G-Fund)

Differences-July 2023 Staff Recommended Consensus Forecast versus the January 2023 Consensus Forecast (By Fund)-FINAL	2024		2025		2026		2027		2028	
Current Law (includes All Fee and Tax Changes	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
General Fund (Incl. Health Care Revenues)	$78.4	3.9%	$18.3	0.9%	$1.7	0.1%	($9.1)	-0.4%	($14.8)	-0.6%
Transportation Fund Available to the Transportation Fund	$3.3	1.1%	$16.0	5.2%	$16.6	5.3%	$16.4	5.2%	$16.1	5.0%
Education Fund Partial	$17.8	2.5%	$14.9	2.0%	$15.0	2.0%	$16.4	2.1%	$18.0	2.2%
Total--"Big 3 Funds"	$99.5	3.3%	$49.2	1.6%	$33.3	1.0%	$23.7	0.7%	$19.4	0.6%
MEMO #1: Health Care Revenues	($7.8)	-2.4%	($6.7)	-2.0%	($10.2)	-3.0%	($13.8)	-3.9%	($17.5)	-4.9%
Notes: [1] Current Law (Incl. Healtcare Taxes-Fees).										
Prepared by: Economic & Policy Resources, Inc.										

- 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 +$1.7 million for fiscal year 2026, and a $9.1 million downgrade in revenues "Available to the General Fund" for fiscal year 2026, and another $14.8 million consensus forecast downgrade for fiscal year 2028. For fiscal year 2028, staff recommends a consensus forecast of $2,349.4 million.

▪ For expected revenues "Available to the Education Fund," staff recommends an increase of +$17.8 million in fiscal year 2024, and a +$14.9 million staff recommended forecast upgrade for expected E-Fund 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 +$15.0 million in fiscal year 2026, +16.4

million for fiscal year 2027,and s staff recommended +$18.0 million in additional revenues “Available to the Education Fund” for fiscal year 2028. For fiscal year 2028, staff recommends a consensus forecast of $825.2 million.

- For the T-Fund, staff recommends a +$3.3 million forecast upgrade in revenues ”Available to the Transportation Fund” for fiscal year 2024 and another +$16.0 million forecast upgrade for fiscal year 2025—both of which are solely a reflection of the Fee increases as passed during the 2023 session of the Vermont General Assembly.

  - For the fiscal planning out-years covering the 2026-2028 fiscal year period, staff recommends consensus forecast upgrades of “Available to the T-Fund” revenues of +16.4 million for fiscal year 2026, a staff recommended forecast upgrade of “Available to the T-Fund” revenues of +$16.4 million for fiscal year 2027 and +$18.0 million for fiscal year 2028. For fiscal year 2028, staff recommends a consensus forecast of “Available to the T-Fund” revenues of $336.3 million, on a current law basis.

- All of the above itemized forecasted numbers are current law numbers and include current law Health Care Revenues that are allocated to the G-Fund—inclusive of the sunset of the Home Health Care Provider Tax as of July 1, 2023.

  - Excluding Health Care revenues from the above staff recommended change numbers results a staff recommended forecast upgrade of +$86.2 million in fiscal year 2024, a +$24.9 million forecast upgrade in fiscal year 2025, and a staff recommended +$11.9 million forecast upgrade, a +$4.6 million forecast upgrade, and a +$2.6 million forecast upgrade for fiscal year 2026 through 2028, respectively.

- 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 -$7.8 million forecast downgrade for fiscal year 2024,[2] and a -$6. million consensus forecast upgrade for fiscal year 2025—reflecting the sun-setting of the Home Health Provider Tax beginning on July 1st of fiscal year 2024 and generally reduced revenue expectations for the Hospital Provider Tax component relative to consensus revenue expectations of January of fiscal year 2023.

---

[2] Including Cannabis revenues.

- The staff recommended forecast for revenues T-Fund TIB revenues includes a combined TIB fund forecast downgrade of -$1.3 million for fiscal year 2024, and a staff recommended forecast downgrade of -$2.9 million for fiscal year 2025 (see Table 2 below).

Table 2: Staff Recommended Consensus Revenue Forecast Update-Changes from the January 2023 Consensus Forecast for the G-Fund, T-Fund, E-Fund and T-Fund TIB—Including Special Analyses

Current Law (Including Health Care Revenues in the G-Fund)

Differences-July 2023 Staff Recommended Consensus Forecast versus the January 2023 Consensus Forecast (By Fund)-FINAL	2024		2025		2026		2027		2028	
Current Law (includes All Fee and Tax Changes	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
General Fund (Incl. Health Care Revenues)	$78.4	3.9%	$18.3	0.9%	$1.7	0.1%	($9.1)	-0.4%	($14.8)	-0.6%
Transportation Fund	$3.3	1.1%	$16.0	5.2%	$16.6	5.3%	$16.4	5.2%	$16.1	5.0%
Available to the Transportation Fund										
Education Fund	$17.8	2.5%	$14.9	2.0%	$15.0	2.0%	$16.4	2.1%	$18.0	2.2%
Partial										
Total--"Big 3 Funds"	$99.5	3.3%	$49.2	1.6%	$33.3	1.0%	$23.7	0.7%	$19.4	0.6%
MEMO #1: Health Care Revenues	($7.8)	-2.4%	($6.7)	-2.0%	($10.2)	-3.0%	($13.8)	-3.9%	($17.5)	-4.9%
MEMO #2: Change in G-Fund without Health Care	$86.2	5.1%	$24.9	1.4%	$11.9	0.7%	$4.6	0.2%	$2.7	0.1%
MEMO #3: Change in Corporate Income Tax	$61.4	33.9%	$50.2	28.4%	$43.0	22.5%	$40.6	19.9%	$39.7	18.4%
MEMO #4: Change in G-Fund Net Interest	$53.4	329.6%	$31.7	245.7%	$21.0	437.5%	$16.9	444.7%	$15.5	430.6%
MEMO #5: Change in E-Fund Net Interest	$7.4	370.0%	$4.8	400.0%	$2.9	483.3%	$2.3	460.0%	$2.1	420.0%
MEMO #6: TIB [3]										
Gasoline	($1.5)	-8.8%	($2.8)	-17.3%	($3.6)	-22.0%	($4.7)	-27.8%	($5.2)	-30.2%
Diesel	$0.2	8.8%	($0.1)	-4.9%	($0.1)	-6.2%	($0.2)	-8.1%	($0.2)	-9.3%
Total TIB	($1.3)	-7.4%	($2.9)	-15.7%	($3.7)	-19.6%	($4.9)	-25.2%	($5.4)	-27.9%

Notes:
[1] Current Law (Incl. Healtcare Taxes-Fees).
[2] Totals in the TIB may not add due to rounding.

Prepared by: Economic & Policy Resources, Inc.

  - For fiscal years 2026 through 2027, staff recommends forecast downgrades of -$3.7 million for fiscal year 2026, -$4.9 million for fiscal year 2027 and -$5.4 million for fiscal year 2028 relative to the January 2023 consensus revenue forecast. For fiscal year 2028, staff recommends a $18.2 million consensus forecast.

  - All of the T-Fund TIB consensus forecast recommendations are on a current law basis and reflect the changing energy price situation.

- The updated July 2023 staff recommended consensus revenue forecast includes both an updated consensus economic forecast (see the section on the updated consensus economic forecast below) for the period and extends from the current calendar year and fiscal year 2028 as developed over early July 2023 time period just prior to the July 2023 flooding (where damage estimates and other information remain incomplete).

- This staff recommended consensus revenue forecast update includes all of the best available information regarding the still on-going economic and fiscal legacy effects of the COVID pandemic as they currently are understood, the on-going transition of the economy back to its underlying fundamentals—again, likely as part an emerging ″new normal″ in this regard, and accounts for all tax and fee changes as passed by the 2023 Vermont General Assembly.

▪ The staff recommended consensus forecast update also includes full consideration of the underlying trends and the actual collections data from the second half of the state's 2023 fiscal year—and particularly with respect to significantly upward revised revenue expectations for the Corporate Income Tax and Net Interest Revenues.

  - The former reflects a healthy diversification of the State's taxable revenue base in the Corporate Income Tax in response to recent unitary and market-based sources rules changes.

  - The latter is likely more temporary in nature and appears to be largely a function of the high and still rising levels of interest rates and the State's new, more aggressive cash management practices associated with its historically high cash bank balances that remain "on hand" as the State systematically spends down the unprecedented levels of federal funds received over the next several years.

▪ Table 2 above shows the substantial impacts associated with the Corporate Incoe tax forecast upgrade across the consensus forecast update horizon totaling nearly $235 million across the five-year time frame, and remains very significant across the entire consensus forecast update period.

  - In contrast, the consensus forecast update expects that the recent surge in Net Interest revenues will be more temporary, representing an $85.1 million two-year consensus forecast upgrade for that revenue source for fiscal years 2024 and 2025—or 88.0% of the two-year $96.7 million staff recommended consensus revenue forecast upgrade in the G-Fund in total for those fiscal years.

  - Although the dollar amount of the positive Net Interest revenue forecast upgrade is expected to get significantly smaller in the out-years of the forecast (at %53.4 million for the fiscal year 2026 through 2028 period), that total dollar amount remains dramatically larger (at +$53.4 million over those three years) than the somewhat negative staff recommended cumulative G-Fund forecast downgrade over the three fiscal planning out-years (at -$22.1 million cumulatively over that period).

- The same is true with respect to the staff recommended Net Interest revenue forecast upgrade recommended in the E-Fund. For the fiscal year 2024 and fiscal year 2025 time frame, the staff recommended E-Fund Net Interest forecast upgrade of $12.2 million accounts for 37.3% of the total staff recommended E-Fund forecast upgrade for those two fiscal years.

- For the outyears, that same percentage falls to just 14.8% of that overall staff recommended E-Fund forecast upgrade total (at $7.3 million for Net Interest receipts of the overall +$49.4 million staff recommended forecast upgrade total.

▪ 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 3 below):

  - For the G-Fund overall on a current law basis, the staff recommends an updated consensus forecast of $2,102.1 million in "Available to the G-Fund" revenues for fiscal year 2024, and an updated staff recommended consensus forecast of $2,103.3 million in "Available to the G-Fund" revenues for fiscal year 2024).

  - 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 $2,173.9 million for fiscal year 2026, $2,263.2 million for fiscal year 2027, and a staff recommended forecast of $2,349.7 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 $321.6 million in fiscal year 2024, an updated consensus forecast of $330.0 million for fiscal year 2025.

  - The staff also recommends an updated forecast of $344.1 million for Health Care revenues "Available to the General Fund" for the fiscal year 2026, an updated forecast of $338.3 million for fiscal year 2027, and a consensus forecast of $342.7 million for fiscal year 2028.

Table 3: Staff Recommended Consensus Revenue Forecast Update: G-Fund, T-Fund, E-Fund and T-Fund TIB Revenues (FY 2024-FY 2025)
Current Law (Including Health Care Revenues in the G-Fund)

Revenue Levels by Fiscal Year--July 2023 "Staff Recommnded" Consensus		
($ Millions)	2024	2025
Available to the General Fund (Including Health Care Revenues)	$2,102.1	$2,103.3
Available to the Transportation Fund	$304.5	$322.1
E-Fund [Partial]	$736.2	$749.5
Total--Three Funds	$3,142.8	$3,174.9
MEMO: Available Health Care Revenues	$321.6	$330.0
TIB Funds:		
Gasoline TIB	$16.9	$16.8
Diesel TIB	$1.9	$1.9
Total TIB Funds	$18.8	$18.7
		Prepared by: Economic & Policy Resources, Inc.

- For the T-Fund, staff recommends an updated consensus forecast of "Available to the T-Fund" revenues of $304.5 million for fiscal year 2024, and an updated staff recommended consensus forecast of $3322.1 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 $327.2 million for fiscal year 2026, a staff recommended forecast of "Available to the T-Fund" revenues of $332.1 million for fiscal year 2027, and a staff recommended forecast of "Available to the T-Fund" revenues of $336.3 million for fiscal year 2028, on a current law basis.

- For the T-Fund TIB revenues overall, staff recommends an updated consensus forecast of $18.8 million for fiscal year 2024, and an updated staff recommended consensus forecast of $18.7 million in T-Fund TIB revenues for fiscal year 2025, on a current law basis.

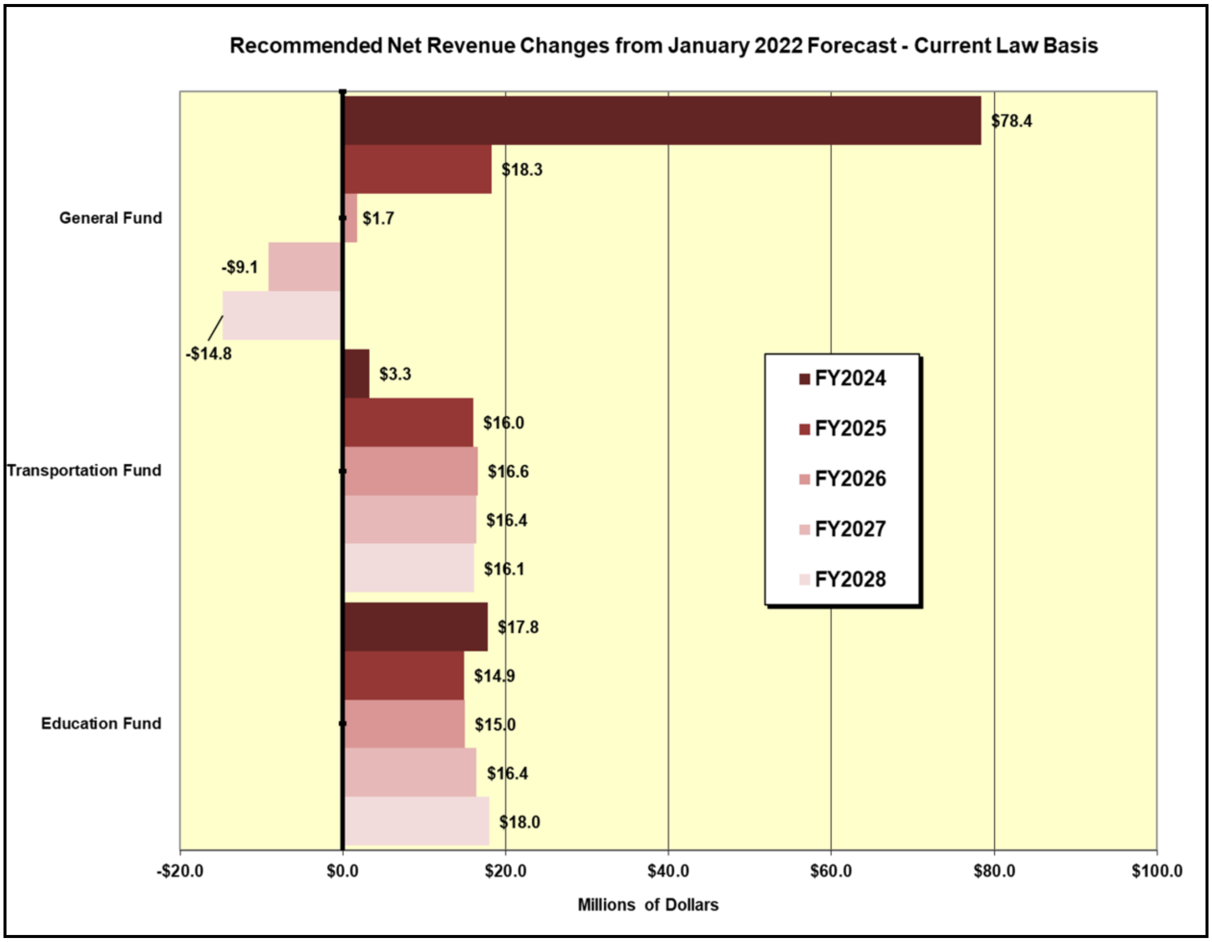
  - For the fiscal planning out-years covering the 2026-2028 fiscal year period, staff recommends a consensus forecast of T-Fund TIB revenues of $18.0 million for fiscal year 2026, a staff recommended forecast of T-Fund TIB revenues of $18.1 million for fiscal year 2027, and a staff recommended forecast of T-Fund TIB revenues of $18.2 million for fiscal year 2028, on a current law basis.

- For the E-Fund, staff recommends an updated consensus forecast of $736.2 million in "Available to the E-Fund" revenues for fiscal year 2024, and an updated staff recommended consensus forecast of $749.5 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

$771.9 million for fiscal year 2026, a staff recommended forecast of "Available to the E-Fund" revenues of $797.6 million for fiscal year 2027, and a staff recommended forecast of $825.2 million.

- The revised, staff recommended July 2023 consensus forecast update for all three fund aggregates is presented graphically below for the current fiscal year 2024 and fiscal year 2025 time frame.



- Of particular interest for this July 2023 staff recommended consensus revenue forecast update is the significance of the extraordinary upgrade for Net Interest revenues—particularly in the G-Fund—although the staff recommended consensus forecast upgrade for E-Fund Net interest receipts is significant as well.

  - The fundamentals underpinning this staff recommended upgrade include conservative estimates of state cash balances available for investment and an appropriately conservative forecast for the interest rates that the State

Treasurer's Office may be able to receive on those monies that are to be invested.

- For this staff recommended consensus revenue forecast update, the table below sets forth the assumed interest rate level and trend forecast included in the updated consensus revenue forecast update for Net Interest revenues overall through the fiscal year 2024 through 2028.

  – For the forecast update period, interest rates are expected to peak in calendar year 2023 and in fiscal year 2024, and then gradually decline—but remain a still elevated levels—across the rest of the consensus forecast update period (see the chart below).

Consensus JFO and Administration Forecast - July 2023

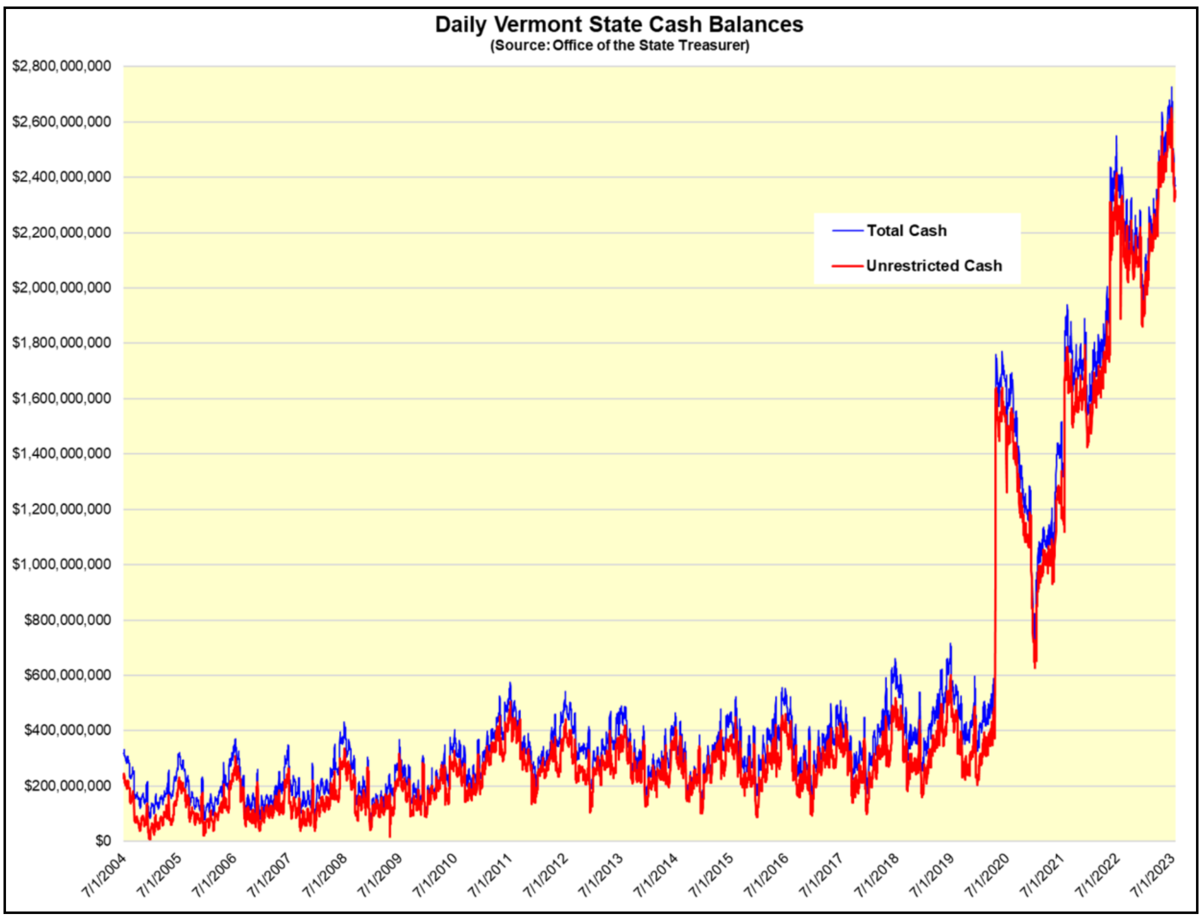
Calendar Year	Prime Rate	Federal Funds Rate	Fiscal Year	Prime Rate	Federal Funds Rate
2008	5.08	1.94	FY08	6.74	3.71
2009	3.25	0.16	FY09	3.89	0.71
2010	3.25	0.18	FY10	3.25	0.15
2011	3.25	0.10	FY11	3.25	0.16
2012	3.25	0.14	FY12	3.25	0.10
2013	3.25	0.11	FY13	3.25	0.14
2014	3.25	0.09	FY14	3.25	0.08
2015	3.26	0.13	FY15	3.25	0.11
2016	3.51	0.40	FY16	3.39	0.26
2017	4.10	1.00	FY17	3.72	0.63
2018	4.90	1.83	FY18	4.47	1.39
2019	5.29	2.16	FY19	5.32	2.23
2020	3.54	0.37	FY20	4.45	1.28
2021	3.25	0.08	FY21	3.25	0.08
2022	4.85	1.68	FY22	3.43	0.26
2023	**8.09**	**4.92**	FY23	7.01	3.84
2024	**7.57**	**4.40**	FY24	**8.14**	4.97
2025	**6.33**	**3.16**	FY25	**6.86**	3.69
2026	**5.67**	**2.50**	FY26	**5.87**	2.70
2027	**5.67**	**2.50**	FY27	**5.67**	2.50
2028	**5.66**	**2.49**	FY28	**5.67**	2.50

- The other half of the Net Interest revenues forecast equation is the amount of bank balance dollars available for investing to earn interest from the above interest rate track.

  – The chart below tracks the dollar amount of state bank balances over the last several years and shows the dramatic increase in those balances beginning in

2020 through current times in the aftermath of the extraordinary, unprecedented amounts of federal pandemic financial assistance monies, the effect of strong state revenue collections in recent times—along with the cash increases associated with the subsequent federal spending bills (with Vermont positioned as a "minimum federal allocation" state) which brought additional dollars to Vermont over the recent period.

- So far through July of fiscal year 2024, state cash balances have stayed above the $2.3 billion and have so far averaged nearly $2.5 billion through mid-last week—despite significant early 2024 fiscal year disbursements for contractual obligations to State Employees and State Teachers.



- Combined with an additional set of conservative assumptions regarding the pace of spend down of the State's cash balances over time (e.g., state cash balance declines have been assumed to be more accelerated than the expected actual pace of the "spend down" of remaining federal funds) and the percentage of gross interest earnings that are forecasted to inure to the G-Fund and E-Fund, the staff recommended consensus forecast of Net Interest revenues by fund are appropriately moderate relative to what they could theoretically actually end up being.

- Lastly, and closing out the discussion of the current environment of elevated inflation within the context of this staff recommended consensus revenue forecast update, it is worth repeating the comments regarding the debilitating effects of inflation that can be expected on both sides of the State government's fiscal ledger made by the Legislature's State Economist Tom Kavet at the January 2023 Emergency Board meeting who rather presciently noted that:

> *"...it is hard to overstate the significance of the vast federal spending that has been showered on the State since early in calendar year 2020, a significant portion of much is still in the spending pipeline and/or has been retained as banked, saved, or otherwise available to support current fiscal year 2024 and/or future spending..."*

  - Further, it also is worth noting that also mentioned during that earlier discussion was that those still available funds are likely to generate additional taxable activity that will likely continue to flow through the Vermont economy and will generate additional State revenues within a wide variety of State revenue sources.

- In addition to revenues, that discussion also pointed out that higher inflation will also result in cost increase for many State expenditure programs (e.g., on the other side of State government's fiscal ledger)—which in many cases are already starting to be recognized.

  - While it should not be surprising that inflation would impact both sides of State government's finances, what may be surprising is that rising price pressures impact each side of the State's fiscal ledger with sometimes differing time lags.

  - Revenues seem to have been impacted more significantly earlier on, with inflationary impacts on the expenditure side impacting state finances with a bit of a lag (which is expected since spending is many times driven by contracts and other issues that are only periodically updated-negotiated).

  - The point of the discussion was that while State revenues have already responded to the inflationary impacts in significant ways, the most significant inflationary impacts on the spending side of the fiscal ledger may still be forthcoming as new contracts are negotiated.

- As a result, given the differing timing of those price pressure impacts on revenues versus spending, what appears to be a revenue windfall now, will likely soon also result in significant and debilitating impacts on the expenditure side of the State's fiscal ledger—including many essential public services categories across State government.

  - The overriding point relating to inflation's impacts on State finances is that while the direct and indirect effects of inflation have generally not been a major issue for either State revenues or expenses since the early 2000s, that has begun to change.

  - It seems likely that inflation's direct and indirect impacts will continue to have significant impacts as it remains elevated and "sticky" over at least the near-term time horizon as the Federal reserve seeks to bring price pressures back towards their longer-term objective of +2.0 to +2.5% per year—even if price pressures continue to ease as they have recently done (see above).

Overview of Recent Economic and Revenue Developments

- Related to the above consensus forecast update discussion, it is also noteworthy that this staff recommended consensus revenue forecast update comes on the heels of a surprisingly resilient economy in the face of rising interest rates, and generally positive revenue collections during the second half of fiscal year 2023.

  - As a result, the latest staff recommended consensus revenue forecast update for July 2023 calls for another near-term forecast upgrade in expected receipts overall in what continues to be an extraordinary fiscal journey for the State since the onset of the COVID pandemic back in February 2020.

  - Although fiscal year 2023 revenues tracked within 1.25% of consensus fiscal year 2023 expectations overall (at +$39.7 million on a $3,231 billion fiscal year 2023 consensus forecast across all three major funds), the changing sources of revenues receipts strength and weakness continues to evolve.

- With this fiscal year 2024 and 2025 consensus revenue forecast update, forecasted G-Fund, T-Fund, and E-Fund receipts reflect a period where it is expected that the state economy has begun to move beyond the first and second order effects of the pandemic and the subsequent recovery, and the heretofore unprecedented, largely federal deficit-financed federal pandemic financial assistance and economic stimulus monies that was received by the State over the past roughly three years.[3]

- Now, roughly three years later, the macroeconomic effects of roughly three rounds of direct economic stimulus payments to households have been reduced significantly. In addition, gone are the various multi-faceted, federal and state business pandemic support programs that enabled the national and state economies to successfully traverse through would likely have been a catastrophic economic downturn tied to the onset of the COVID-19 pandemic.

- Roughly three years later, forward progress in the economy and State revenues appear to now transition to the "new normal" of beginning to reflect the economy's on-going shift back to its underlying fundamentals, and the waning effects of that federal and State fiscal support that remains in the spending pipeline.

▪ That huge boost from the federal fiscal pandemic relief-assistance dollars, along with large amounts of federal fiscal pandemic relief also flowing to many of the other northeastern states surrounding Vermont, constituted a large, positive economic driver that underpinned much of the road to recovery in economic activity across the State, the New England region, and across the entire northeastern region through mid-2023.

  - At the same time, that dynamic also allowed the State to maintain State revenue flows over that period on a much higher plane than would have otherwise been the case.

▪ Considering the significant, positive multiplier effects typically associated with that type of deficit-financed federal fiscal spending, the state was fortunate to have been a "minimum allocation" recipient state of the multiple federal funding tranches that occurred during the pandemic recovery period.

  - Although there will likely continue to be residual positive effects from those

[3] That according to the Peter G. Petersen Institute totaled more than $10 billion though a series of direct and indirect government assistance programs over the period.

monies over the near-term from the backend of the remaining programs, [4] the positive economic and revenue-boosting effects of those monies is likely (and expected) to diminish over time.

- That will likely be the case even with the prospect of additional federal FEMA[5] disaster relief funds coming to Vermont in response to the severe July 2023 flooding event that harshly impacted significant regions in the State.

- It should be noted that that FEMA disaster assistance funding is different in nature and scope in comparison to the federal pandemic assistance and infrastructure funding allocations in that the FEMA disaster assistance funding is very unlikely to be sufficient—especially over the near-term time horizon—to reimburse all parties and regions of the State hat have suffered extensive damage due to the flooding.[6]

▪ In addition, as the state now moves into the fiscal year 2024 and fiscal year 2025 time frame, the economy and State revenues are currently dealing with the effects of the on-going clash between the still expansionary nature federal fiscal policy and the contractionary effects of federal monetary policy.

  - As discussed in last January's consensus forecast update, the former represents the downstream and largely waning effects of the past three years of unprecedented federal spending.

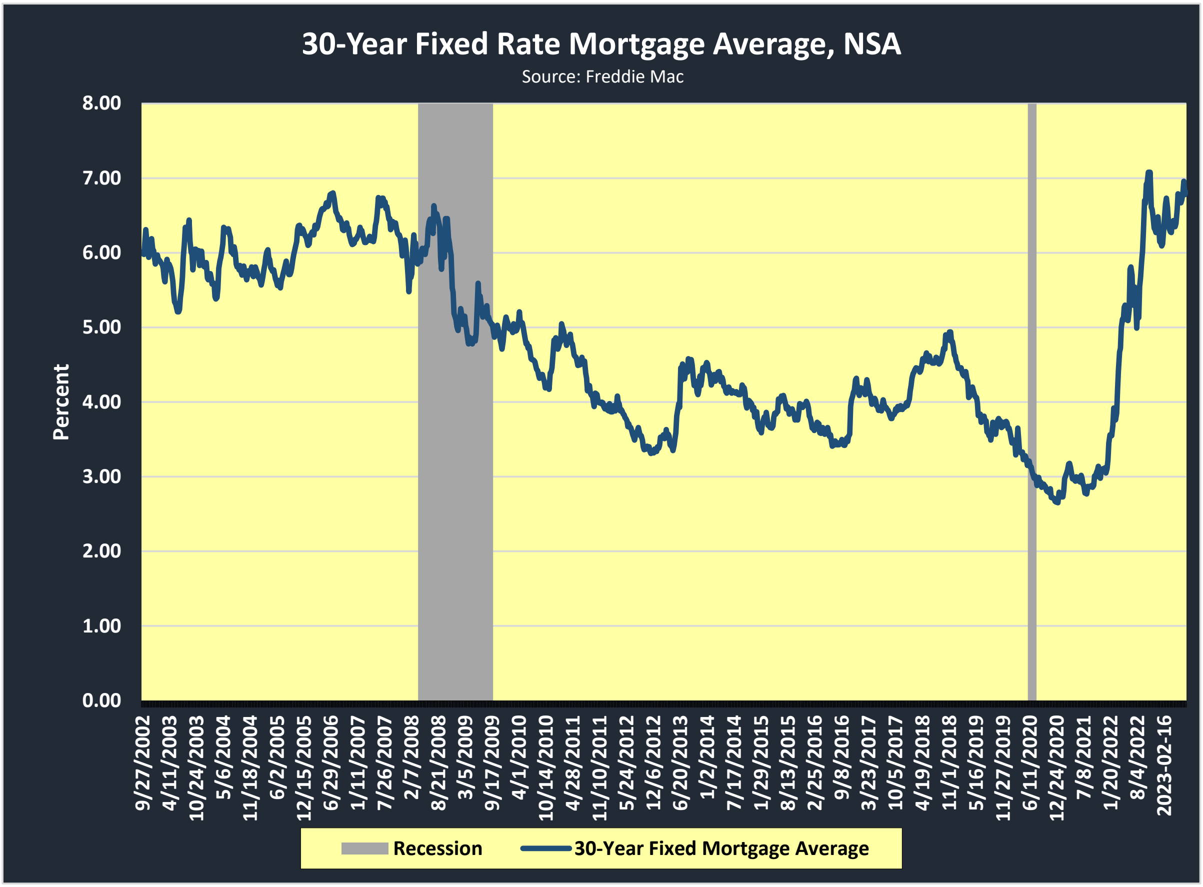
  - The latter is a reflection of the Federal Reserve's efforts to slow the economy just enough, in the face of that historical 40 year high, to bring down that inflation rate to a stable long-term level of about +2.0% to +2.5% per year without causing a general downturn in the economy.

  - Called a "soft-landing," there have been numerous stories about the checkered history of the Federal Reserve's success in engineering such a result, and the outcome of the current policy clash still remains highly uncertain.

▪ So far, the Federal Reserve's inflation-fighting efforts have resulted in an effective federal funds interest rate of 5.25" to 5.5%—a more than 20 year high and have

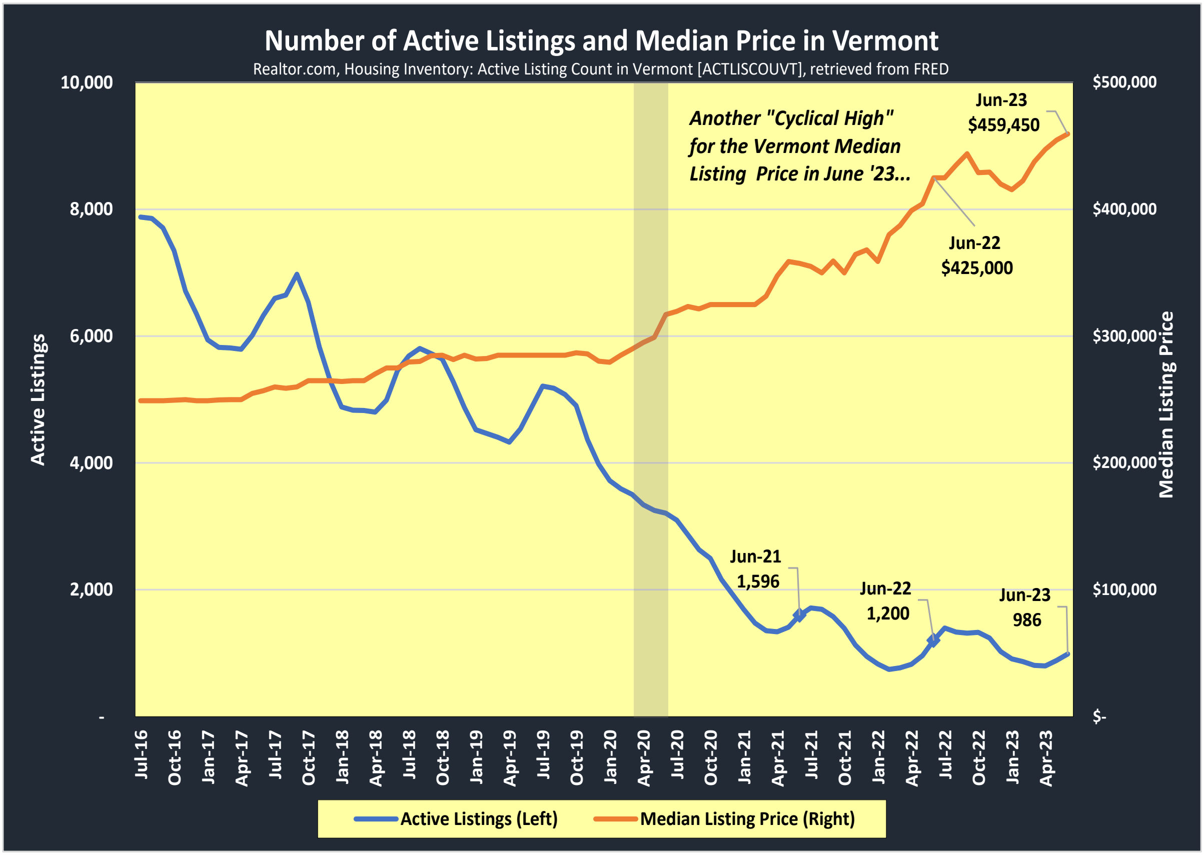
[4] From federal legislation such as the Cares Act, the American Rescue Plan Act, the Bipartisan Infrastructure Investment and Jobs Act legislation, and the Inflation Reduction Act federal legislation.
[5] The term FEMA stands for "Federal Emergency Management Administration."
[6] Although it should be acknowledged that the restoration and re-building effects will likely lead to positive macroeconomic impacts as they have in the past.

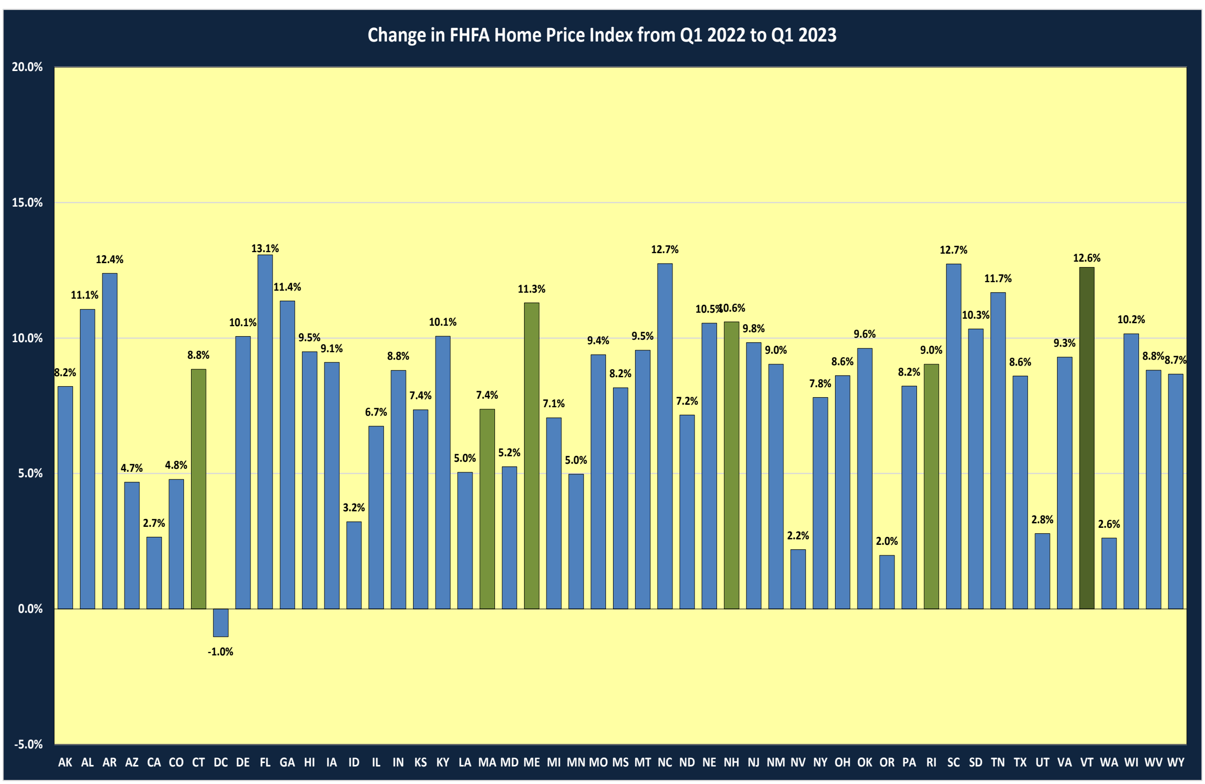
resulted in mortgage interest rates of just under 7% (see the chart below) to the detriment of housing sales and sales activity in other credit sensitive sectors.



- This has been particularly evident in the housing market where combined with a relative lack of available housing units for sale (since few current homeowners want to move and take on a dramatically higher mortgage interest rate from a resulting new house purchase), housing prices in housing markets around the country and in Vermont have risen to new cyclical highs (see the second chart below).

- This so far appears has been part of a broad national trend across the country as evidenced by the latest year-over-year house price trends across the country in all 50 States—with only Washington DC experiencing a year-over-year house price decline in the first quarter of calendar year 2023—using Federal Housing Finance Agency ("FHFA") house price data (see the second chart below).

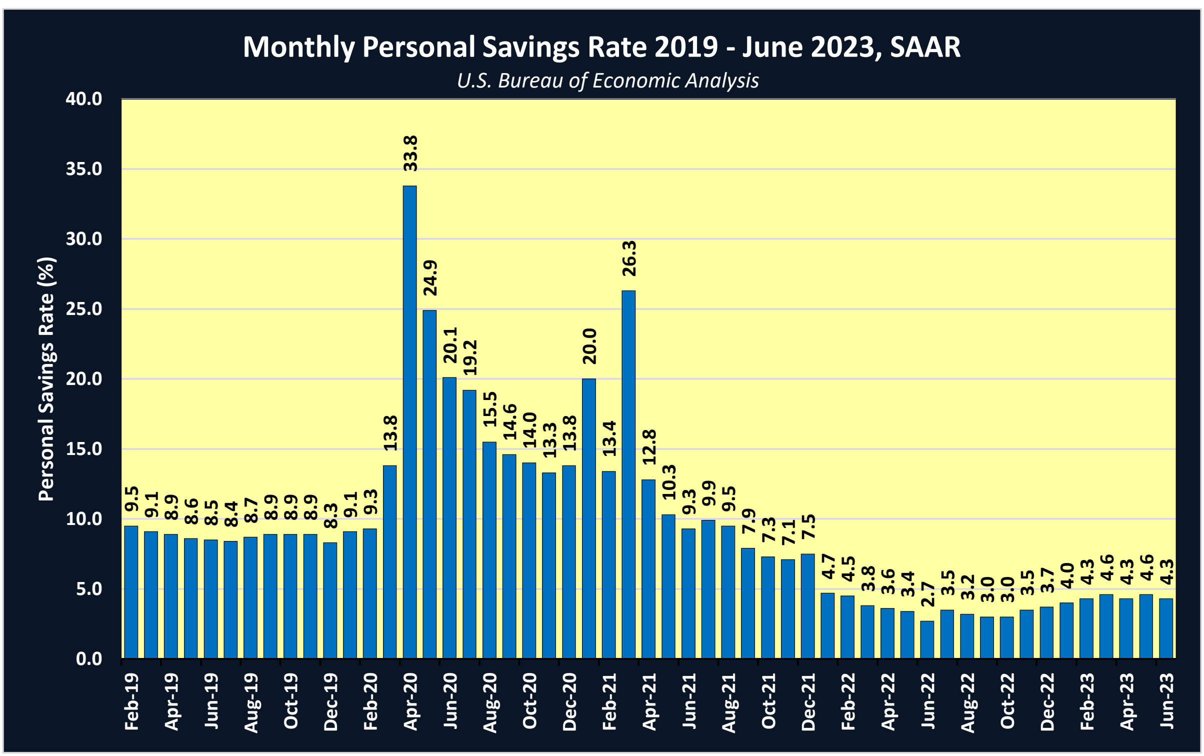

Number of Active Listings and Median Price in Vermont
Realtor.com, Housing Inventory: Active Listing Count in Vermont [ACTLISCOUVT], retrieved from FRED
Another "Cyclical High" for the Vermont Median Listing Price in June '23...
Jun-23 $459,450
Jun-22 $425,000
Jun-21 1,596
Jun-22 1,200
Jun-23 986
Active Listings
Median Listing Price
10,000
8,000
6,000
4,000
2,000
-
$500,000
$400,000
$300,000
$200,000
$100,000
$-
Jul-16 Oct-16 Jan-17 Apr-17 Jul-17 Oct-17 Jan-18 Apr-18 Jul-18 Oct-18 Jan-19 Apr-19 Jul-19 Oct-19 Jan-20 Apr-20 Jul-20 Oct-20 Jan-21 Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22 Jan-23 Apr-23
Active Listings (Left)
Median Listing Price (Right)


Change in FHFA Home Price Index from Q1 2022 to Q1 2023
20.0%
15.0%
10.0%
5.0%
0.0%
-5.0%
8.2% 11.1% 12.4% 4.7% 2.7% 4.8% 8.8% -1.0% 10.1% 13.1% 11.4% 9.5% 9.1% 3.2% 6.7% 8.8% 7.4% 10.1% 5.0% 7.4% 5.2% 11.3% 7.1% 5.0% 9.4% 8.2% 9.5% 12.7% 7.2% 10.5% 10.6% 9.8% 9.0% 2.2% 7.8% 8.6% 9.6% 2.0% 8.2% 9.0% 12.7% 10.3% 11.7% 8.6% 2.8% 9.3% 12.6% 2.6% 10.2% 8.8% 8.7%
AK AL AR AZ CA CO CT DC DE FL GA HI IA ID IL IN KS KY LA MA MD ME MI MN MO MS MT NC ND NE NH NJ NM NV NY OH OK OR PA RI SC SD TN TX UT VA VT WA WI WV WY

- In fact, only a handful of states (a total of 8 states and Washington DC) had a year-over-year house price performance of less than a 5% increase—with all of the New England states experiencing at least a +7.4% or higher year-over-year house price increase through the first quarter of calendar year 2023.

- Vermont house prices as measured by the FHFA index rose by +12.6% over the past year, fourth highest among the 50 states and Washington DC, and highest among the six New England states during the period.

▪ In the meantime, the ultimate resolution of the current mix of conflicting macroeconomic policies have also been made much more complicated by recent continued relatively "high" levels of household savings (see the chart below) and gains over the past three or so years in household net worth (although they have come down lately and lower HH income levels are feeling some stress with rising interest rates), that has enabled consumption to stay at higher levels, and allowed businesses-corporations to increase their margins-profitability through the increase in pricing power they appear to have gained in the recent elevated inflationary environment.



- Those have been important developments because on-going elevated consumption levels and the higher sustained levels of corporate profitability have been important drivers to key State consumption revenue source categories and have also been particularly important to sustaining elevated receipts levels in the two principal income tax revenue sources in the General Fund—including Corporate Income Tax and to a lesser degree Personal Income Tax over the past three fiscal years.

- Looking at the historical collections record over the three-year, fiscal year 2021 to 2023 period, those two sources were up over consensus expectations for that same time frame by a cumulative total of just over $371.5 million—despite the negative forecast variance for the Personal Income Tax during fiscal year 2023.

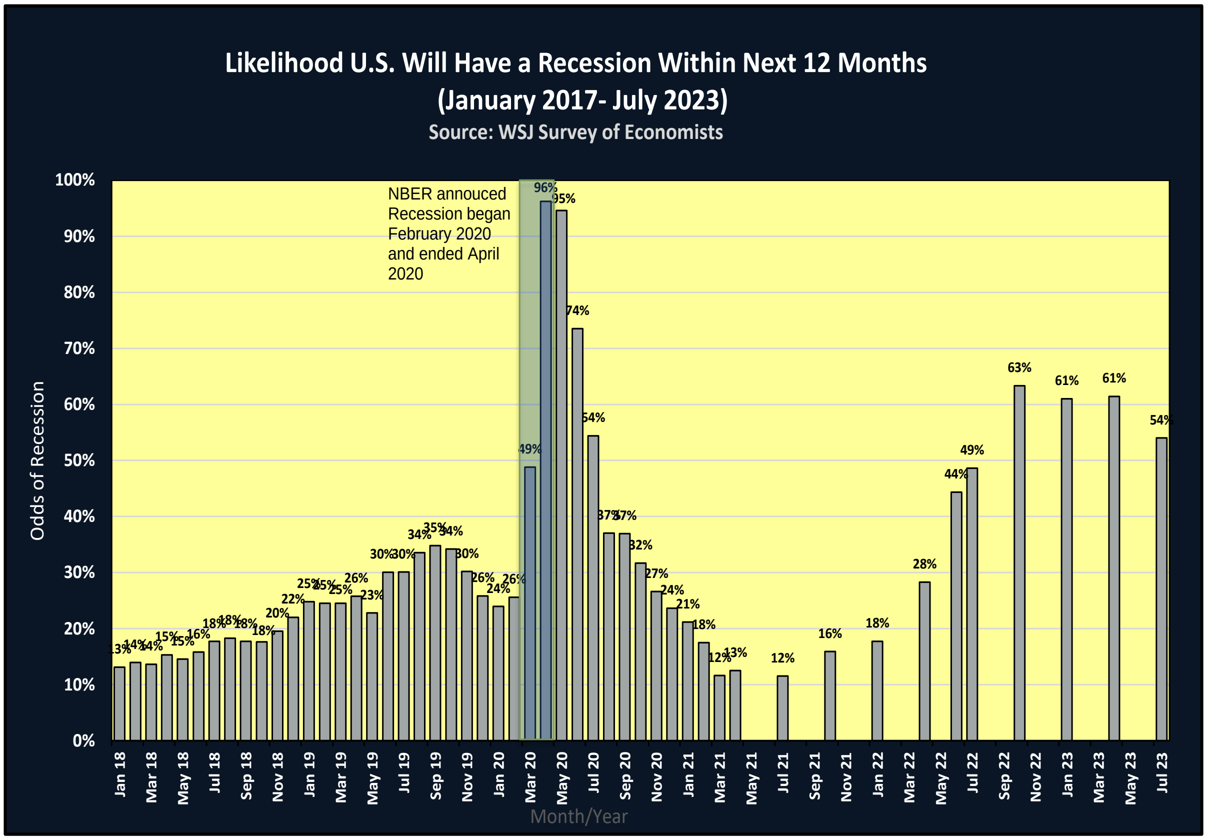
- Receipts over that three-year period in the Corporate Income Tax (at +$135.5 million above consensus expectations), and the Corporate Tax's +$60.0 million above consensus expectations performance during fiscal year 2023 more than off-set the -$52.6 million under-performance by the Personal Income Tax for fiscal year 2023.

▪ However, the conundrum associated with above-referenced factors that have so far blunted the economic and tax revenue restraining effects of the recent increase in interest rates and contributed to the surprising resilience of the economy is that these same factors have also elevated the risk for further interest rate increases by the Federal Reserve during the consensus forecast update period.

  - That, in turn, has also elevated the risk that the Federal Reserve will go too far and cause a full-blown economic recession—or at least cause a deeper economic slowdown than is currently expected in the updated consensus economic forecast that accompanies this consensus revenue forecast update.

▪ However, it should be noted that the staff recommended economic forecast update for the revised July consensus revenue forecast update still includes the expectation that there will be no recession over the forecast update period—even though there is expected to be a significant slowing in economic activity during fiscal year 2024.

  - The assumption that the economy will avoid a full-blown economic recession in fiscal year 2024 is consistent with about half of the economists who responded to the July 2023 survey conducted by the Wall Street Journal ("WSJ") in July 2023.



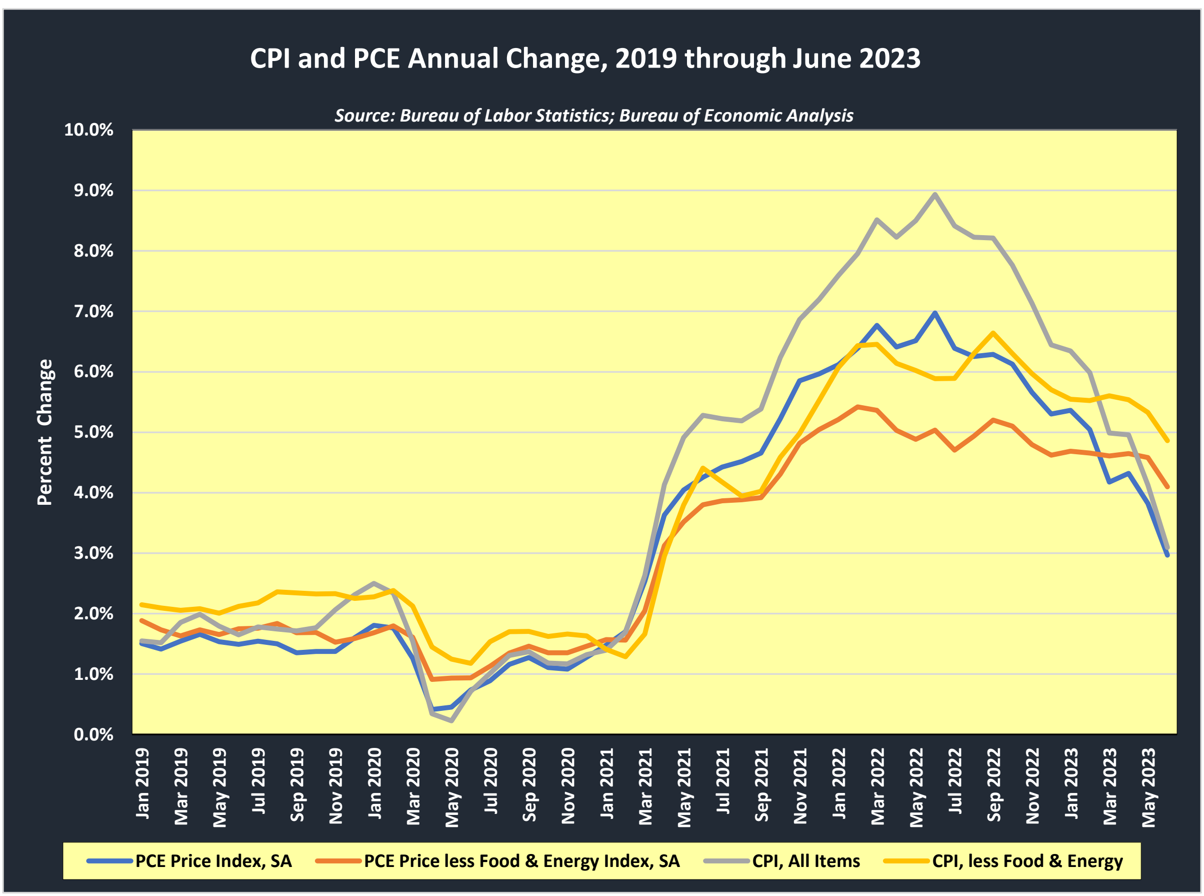
- Although the percentage of respondent economists to the WSJ June 2023 survey who thought the U.S. economy would fall into a recession during the next 12-months (corresponding to the July 2023 to July 2024 or 2024 fiscal year period) remained at just over half (or 54%) of the respondents, that number was down by down by 9.3 percentage points relative to the October 2022 reading from the WSJ quarterly survey and is currently trending in the right direction relative to the last WSJ survey conducted in April of 2023.

▪ As was discussed earlier in the January 2023 consensus forecast update report, the Federal Reserve's historical record threading the monetary policy needle to achieve the right balance between slowing the economy enough to adequately restrain inflationary pressures without causing a broader economic downturn in the economy (called an "economic soft landing") is mixed and is very difficult to achieve in practice.

  - The main problem executing such a delicate "soft-landing" policy balancing act is that the Federal Reserve's toolbox of tightening policy moves has historically been difficult to precisely calibrate to their desired inflation-restraining impacts-effects, and they are beset with irregular and complex time lags between the timing of each monetary policy tightening move and its desired inflation-fighting effects.

- In addition, many of factors have underpinned the recent increase in inflation were supply-side in nature (and were at least in part associated with the effects of the pandemic[7]), and such demand side-oriented policies are largely in-effective in addressing factors related to supply-chain issues, military conflicts impacting commodity supplies (such as oil and gas), and other supply-side factors such as the impact of the recent out-break of avian flu on food (e.g., egg) prices.

▪ However, the recent improving prospects for the economy actually avoiding a full-fledged economic downturn was bolstered by the most recent June 2023 price reports for the economy's two major inflation indexes—including both the Consumer Price Index (the "CPI-U") and the PCE-Price Index (the "PCE")—see the chart below.



[7] Such as the change in the mix of consumption toward goods versus services. In recent months, that mix of consumption has appeared to come back into its more historic mix.

- Regarding the CPI-U, the June 2023 report indicated that consumer prices increased by only +3.0% year-over-year—down by nearly two-thirds from the June 2022 reading of roughly +9.0%. In addition, core prices (that is the CPI-U less the more volatile food and energy price components was also down significantly in the June 2023 report at +4.9% year-over-year. Relative to the September 2022 peak in the Core CPI-U inflation rate, the June 2023 reading was down by just under 27% and represented the lowest reading in this index since October of 2021.

- Even so, as encouraging as that reading was...at +3.0% year-over-year, that CPI-U reading (including the +4.1% core CPI-U reading in June 2023) was still above the Federal Reserve's reported "+2.0% to 2.5% long-term price increase target rate." The risk of recession remains elevated, whatever price index used, the longer that the rate of price increases exceeds the Federal Reserve's long-term price increase target.

- Looking at the PCE Price Index, which is reportedly the preferred price index measure of the Federal Reserve, the June 2023 report was similarly encouraging. The June 2023 PCE reading indicated that consumer prices also increased by only +3.0% year-over-year—down by roughly 57.5% (or more than half) from the PCE Index readings during June of calendar year 2022—or a year ago. In addition, core prices (that is the PCE Index less the more volatile food and energy price components) was also down significantly from its peak in September of calendar year 2022. Relative to the September 2022 peak in the Core PCE Index inflation rate, the June 2023 reading was down by almost a quarter (or 21.2%) from the +5.2% year-over-year reading in September of calendar year 2022.

- Again, as encouraging as that PCE Price Index reading was...at +3.0% year-over-year (including the +4.1% core PCE reading in June 2023), that PCE Price Index reading was still above the Federal Reserve's reported "+2.0% to 2.5% long-term price increase target rate." As a result, the risk of recession remains elevated the longer that the rate of price increases, whatever index used, exceeds the Federal Reserve's long-term price increase target.

- Looking at the performance of G-Fund, T-Fund and E-Fund revenues over the second half of fiscal year 2023 as compared to the consensus revenue forecast targets for fiscal year 2023 over all are important for understanding the underlying trends=influencing revenue expectations for fiscal years 2024 and 2025.

- The following table presents preliminary revenue results for the components of each major fund, as compared to the fiscal year 2023 consensus revenue forecast update from last January through June 2023 (see Table 4 below).

Table 4: Overview of Cumulative Revenue Receipts Activity for Fiscal Year 2023 by Fund versus Cumulative Consensus Expectations for Fiscal Year 2023

Analysis of Cumulative Receipts--v. CUM. TARGETS THRU JUNE		
FINAL Schedule 2 Revs-As of June 30th **Fund/Component ($000s)**	**Dollar Difference**	**Percent of the TOTAL**
GENERAL FUND w/Health Care Revs	**$ 43,309.6**	**100.0%**
Personal Income	**$ (52,628.8)**	**-121.5%**
Withholding	$ 14,739.6	34.0%
Estimates	**$ (14,553.2)**	**-33.6%**
Paids	**$ (61,651.7)**	**-142.4%**
Refunds	$ 13,729.0	31.7%
Other	**$ (4,892.5)**	**-11.3%**
Meals and Rooms	**$ 3,766.4**	**8.7%**
Corporate Tax	**$ 59,969.3**	**138.5%**
Estate Tax	$ 2,229.5	5.1%
Insurance Tax	$ 1,135.7	2.6%
Property Transfer Tax	$ 299.3	0.7%
Fees	$ 2,598.3	6.0%
Beverage	**$ (43.1)**	**-0.1%**
Other (Incl. "Net Interest")	$ 33,457.9	77.3%
Health Care Revenues	**$ (7,474.9)**	**-17.3%**
EDUCATION FUND	**$ (132.6)**	**100.0%**
Sales and Use Tax	**$ (5,252.5)**	**3959.8%**
Meals and Rooms Tax	$ 1,364.6	-1028.8%
MvPurchase and Use Tax	**$ (1,244.2)**	**938.0%**
Lottery	$ 1,022.9	-771.2%
Net Interest	$ 3,976.5	-2997.9%
TRANSPORTATION FUND	**$ (3,927.0)**	**100.0%**
Gas Tax	**$ (358.7)**	**9.1%**
Diesel Tax	**$ (1,078.4)**	**27.5%**
MvPurchase and Use Tax	**$ (2,488.5)**	**63.4%**
MvFees	**$ (292.3)**	**7.4%**
Other Fees	$ 290.9	-7.4%
TIB	**$ 483.3**	**100.0%**
Gas Tax	$ 614.8	127.2%
Diesel Tax	**$ (131.5)**	**-27.2%**

- As reflected in the above table, aggregate State revenue collections across all three major funds for fiscal year 2023 totaled $3,270.8 million (including T-Fund TIB receipts), $39.7 million or 1.2% above the January 2023 consensus forecast of $3,231.0 million.

▪ Fiscal year 2023 results across the State's three revenue aggregates were mixed for the General Fund, Transportation Fund, and for the non-Property Tax revenue parts of the Education Fund that are part of the consensus revenue forecasting process.

  - More specifically, cumulative receipts in the General Fund tracked at $43.3 million at $2,224.6 million, or 2.0% ahead of cumulative consensus expectations of $2,181.3 million—reflecting a more restrained increase Personal Income Tax revenues over the second half of fiscal year 2023 (up by only about one-third of the $75 million consensus forecast increase) as off-set and stronger than expected revenues in the Corporate Income Tax component (at +$) and an extraordinary increase in Net Interest revenues during the second half (which came in at a $83.3 million annual rate.

  - Receipts in the Transportation Fund were $3.9 million (or 1.3%) below consensus expectations of $299.1 million for fiscal year 2023—reflecting lower gas prices over the course of the year and the relative lack of available vehicle inventories for sale or for lease that adversely impacted revenues over the second half of fiscal year 2023.

  - Cumulative revenue collections in the Education Fund were essentially "on-target" for fiscal year 2023, at only $0.1 million below consensus expectations of $728.8 million—despite the post-pandemic changes in the mix of consumption the impacted Sales and Use Tax receipts—as the largest contributor to overall E-Fund receipts.

▪ Looking more closely at the higher than expected receipts performance of the G-Fund during the second half of fiscal year 2023, that above-consensus target performance was largely the result of higher than expected revenues in the Corporate Income Tax (at $60.0 million or 27.1% higher than consensus expectations), the Other Revenues category of receipts (mostly Net Interest receipts), which were $36.2 million or 34.6% ahead of consensus expectations, and the Meals and Rooms Tax (at $3.8 million or 2.4% higher than consensus expectations for the fiscal year 2023).

- In contrast, cumulative revenues in the Personal Income Tax trailed consensus expectations at $52.62 million or 4.2% lower than consensus expectations for fiscal year 2023. However, even with the significant under-performance in Personal Income Tax revenues, a diversifying corporate tax base and stronger pricing power for many businesses against the backdrop of rising inflation underpinned that +$60.0 million stronger than expected Corporate Income Tax receipts, even as Personal Income Tax collections pull back somewhat as the influence of the extraordinary federal financial pandemic assistance waned, federal monetary policy tightened, and State revenues began to return to reflecting the economy's underlying fundamentals.

- Although second half Personal Income Tax receipts under-performed, second half of fiscal year 2023 Personal Income Tax revenues were still up by about one-third (or roughly by roughly $25 million of the expected $75 million January 2023 forecast upgrade for Personal Income Tax receipts for the second half of last fiscal year.

    - In addition, overall cumulative receipts in the General Fund's "big three" sources—including the Personal Income Tax, the Corporate Income Tax, and the Meals and Rooms Tax—still managed to track at +$11.1 million (or +0.7%) ahead of cumulative consensus expectations of $1,644.2 million for fiscal year 2023.

- In the T-Fund, revenues under-performed somewhat, finishing the fiscal year at $3.9 million (or 1.3%) lower than consensus expectations for fiscal year 2023. The under-performance reflected lower than anticipated Fuel Tax and Motor Vehicle Purchase and Use Tax receipts—owing to relatively high fuel prices globally, nationally, and in the State and to the lack of availability of vehicle inventory for sale or lease.

    - In addition, at least some of the receipts softness resulting from elevated fuel prices during the fiscal year was a reflection of the negative impacts on oil and natural gas (and other commodities) supplies resulting of the on-going ground war in Ukraine.

    - In addition, lower levels of vehicle purchase and leasing activity over much of fiscal year 2023 also likely resulted a drag on Motor Vehicle Fees receipts activity during the fiscal year—as lower vehicle purchases usually lead to lower levels of vehicle registration activity—with a typical time lag.

- In the E-Fund, the "on target" performance in second half cumulative revenue receipts activity reflected the ebbing influence of the extraordinary amount of federal financial pandemic assistance against the backdrop of tightening federal monetary policy and the evolution of post-pandemic consumption activity away from elevated, pandemic induced increases in e-commerce and other pandemic-induced goods consumption activity (e.g. back to higher pre-pandemic levels of services consumption—a lot of which is not subject to the Sales and Use Tax).

  - Rising economic uncertainty and increasing prospects for a general economic downturn also appear to be creating a headwind for consumption, just as the economy overall seems to be working through its supply-chain issues and the negative effects on consumption spending caused by lack of available inventory (particularly for vehicles and housing units).

  - In addition, recent trends in Lottery receipts resulted in somewhat higher than expected Lottery receipts relative to fiscal year 2023 consensus expectations.

  - Going forward, fiscal year 2024 revenues are expected to continue to reflect the above-described receipts for fiscal years 2024 and 2025 reflecting the above trends as they continue to evolve in the post-pandemic economy.

- Finally, and turning to recent developments in the Vermont economy, the data indicate that the State's economic and labor market recovery from the sharp economic and labor market downdraft associated with the COVID pandemic has continued over the last half of fiscal year 2023, even though it has been uneven and sub-average through May of calendar year 2023 relative to the U.S. and New England regional averages.

  - That profile has reflected the particulars of the State's underlying demographic dynamics and the longer-term, legacy effects of the pandemic, which have continued to evolve.

- Regarding the former factor, one of the lingering effects of the pandemic has been reduced labor force participation as the health risks associated with the pandemic encouraged an initial round of early retirements—particularly in the State's more vulnerable, higher age population cohorts.

  - Regarding the latter factor, another of the pandemic's key effects includes a greater acceptance of remote work and/or hybrid work arrangements. That increased ability to work remotely has at least initially resulted in reduced levels of local commuter traffic activity and associated business activity in and around the State's employment centers.

- At the same time, the greater acceptance of remote work has also resulted in recent more favorable impacts on population in-migration rates in Vermont. These recent more favorable net population in-migration data have been tied to workers who have re-located to Vermont from more densely populated residential centers as they seek out less expensive and less-congested locations from which to telecommute to their jobs.

  - Other initial economic and State revenue impacts, both during and in the aftermath of the onset of the pandemic, have included higher than usual rates of illness and death within the State's population overall, increased personal income and other State revenue flows from increased asset prices, and increased transactions associated with churning ownership of some of those higher valued assets (primarily through generally increased levels of mergers and acquisitions activity).

  - There has also been evidence of higher wage growth and inflation rates, which that are at least in part due to the historically unprecedented levels of federal pandemic assistance to the State and surrounding states in the northeastern U.S. region.

- On the downside during the State's economic recovery, there have been some limitations in certain areas of State revenue activity associated with the recent pandemic-based supply bottlenecks—versus what they otherwise would have been. State revenue categories that have been somewhat limited by those supply issues have included receipts in the Motor Vehicle Purchase and Use Tax and the State's other major consumption taxes such as the Sales and Use Tax.

  - The recent softness in the State's Sales and Use tax receipts during fiscal year 2023 also appears tied to demand shifts away from the pandemic-induced boom in e-commerce sales activity for goods and back to greater levels of services consumption.

- Through the 2023 fiscal year, the residual effects of the pandemic have also directly and indirectly reduced the State's job base in the State's high-personal contact employment sectors such as the hospitality industry (including the lodging and eating and drinking sub-sectors), the Arts, Entertainment, and Recreation sectors, and in the Health Care and Education services sectors.

- In contrast, job bases in the Professional Services and in other service-producing sectors have expanded.

- However, despite the bonanza of increased amount of federal infrastructure dollars, significant monies to fund broadband expansion and housing, and additional funding to support increased investment in alternative energy projects, the secular decline in the construction trades dating back to the "Great Recession" and the workforce constraints due to the pandemic have been limiting factors holding back that pace of job additions in the Construction sector.

- This apparent trend is likely to continue over at least the near-term time horizon, or perhaps at least until the continued presence of unmet demand in the construction trades is significant enough to encourage a corresponding workforce response over the intermediate- and longer-term time horizon.

▪ Looking more specifically at the State's on-going labor market recovery through May 2023 (the latest month where reliable and comparable U.S. and state labor market data are available[8]), comparative state-by-state labor market data indicate that there were roughly 6,100 fewer employed State residents as compared to the State's pre-recession peak in December of 2019), and the State's labor markets as of May 2023 had an estimated 7,300 fewer nonfarm payroll jobs as compared to February 2020—marking the onset of the COVID pandemic (see Table 5 below).

  - Although the State has made substantial recovery progress in its labor markets since its April 2020 seasonally adjusted nonfarm payroll job count low (with 59,900 jobs recovered to -date), the State still had has approximately 10.9% of the nonfarm payroll roughly one of every ten jobs lost during the pandemic-induced downturn (at 10.9%) left -to -recover of the estimated total of 67,200 nonfarm payroll jobs total lost during the harsh, but short February 2020 to April 2020 labor market downturn in the State.

[8] It should be acknowledged here that even though June 2023 state labor market data has been published, the data are deeply flawed due to the apparent corruption of Vermont state seasonal adjustment factors which include pandemic impacted data from calendar years 2020 through 2021. As a result, the data used to adjust June 2023 jobs and household survey data responses are not representative of reality on the ground with respect to current Vermont labor market conditions and trends. Inquiries of the federal data partners suggest that this situation may self-correct by September. However, the recent July 2023 floods may continue to adversely impact the State's labor market data through the Summer and make that self-correction process longer than expected. As such, it is likely that there will be significant problems with Vermont labor market data for the foreseeable future which might extend well beyond the expected through September 2023 time frame.

Table 5: Nonfarm Payroll Job Change Comparison, Vermont Relative to the U.S., the New England Region, and the Individual New England States (April 2020-May 2023)

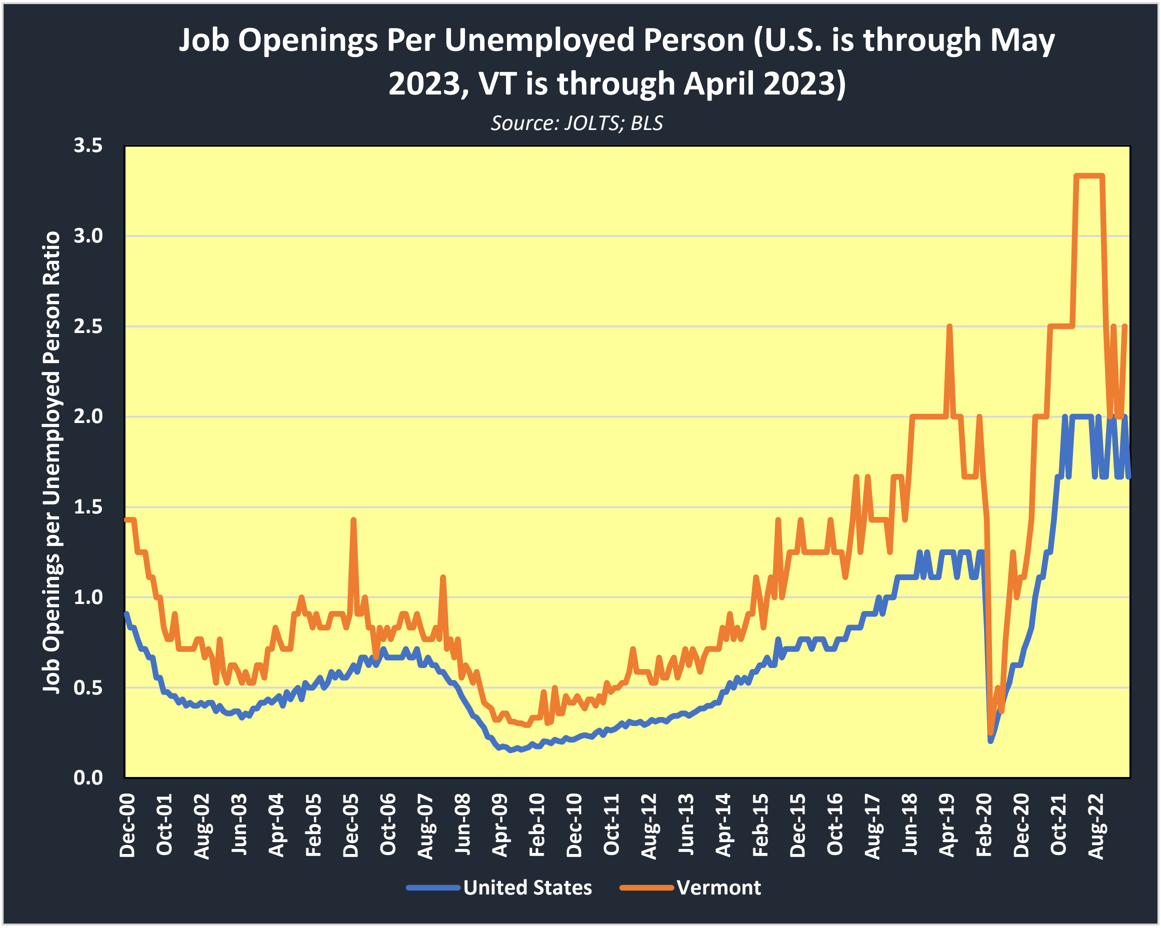
Payroll Jobs-Recession Losses (Feb.-April)/Recovered (April 2020-May 2023)	Lost	% of Total	Recovered	% of Total	% Recovered	% Left-to-Go	*Left-to-Go*
Connecticut	(289.1)	-17.0%	283.1	20.1%	97.9%	2.1%	(6.0)
Maine	(95.6)	-14.9%	102.8	18.9%	107.5%	--	7.2
Massachusetts	(682.1)	-18.2%	704.1	23.0%	103.2%	--	22.0
New Hampshire	(116.8)	-16.9%	128.6	22.4%	110.1%	--	11.8
Rhode Island	(108.3)	-21.3%	95.3	23.9%	88.0%	12.0%	(13.0)
Vermont	(67.2)	-21.3%	59.9	24.1%	89.1%	10.9%	(7.3)
United States	(21,941.0)	-14.4%	25,675.0	19.7%	117.0%	--	3,734.0
N.E. TOTAL	(1,359.1)	-17.9%	1,373.8	22.0%	101.1%	--	14.7

- Given this record, as of May 2023, Vermont remained one of three states in the New England region with nonfarm payroll jobs left to recover, along with the States of Connecticut (at 6,000 nonfarm payroll jobs left -to -recover) and Rhode Island (at 13,000 nonfarm payroll jobs left -to -recover), as the three states in the New England region with some job loss ground left-to -recover from the pandemic-induced economic downturn.

▪ However, it is important to note that Vermont's less than the national and regional average pace of its labor market recovery performance has not been due to the lack of availability of job opportunities.

  - Like the U.S. economy, data from the most recent reading of the U.S. Department of Labor's Job Openings and Labor Turnover ("JOLTS") data through April 2023 showed that there were as a total of 21,000 available jobs in Vermont—down from 27,000 available jobs in April of 2022—totaling 2.5 available job opportunities for every available unemployed worker in Vermont.

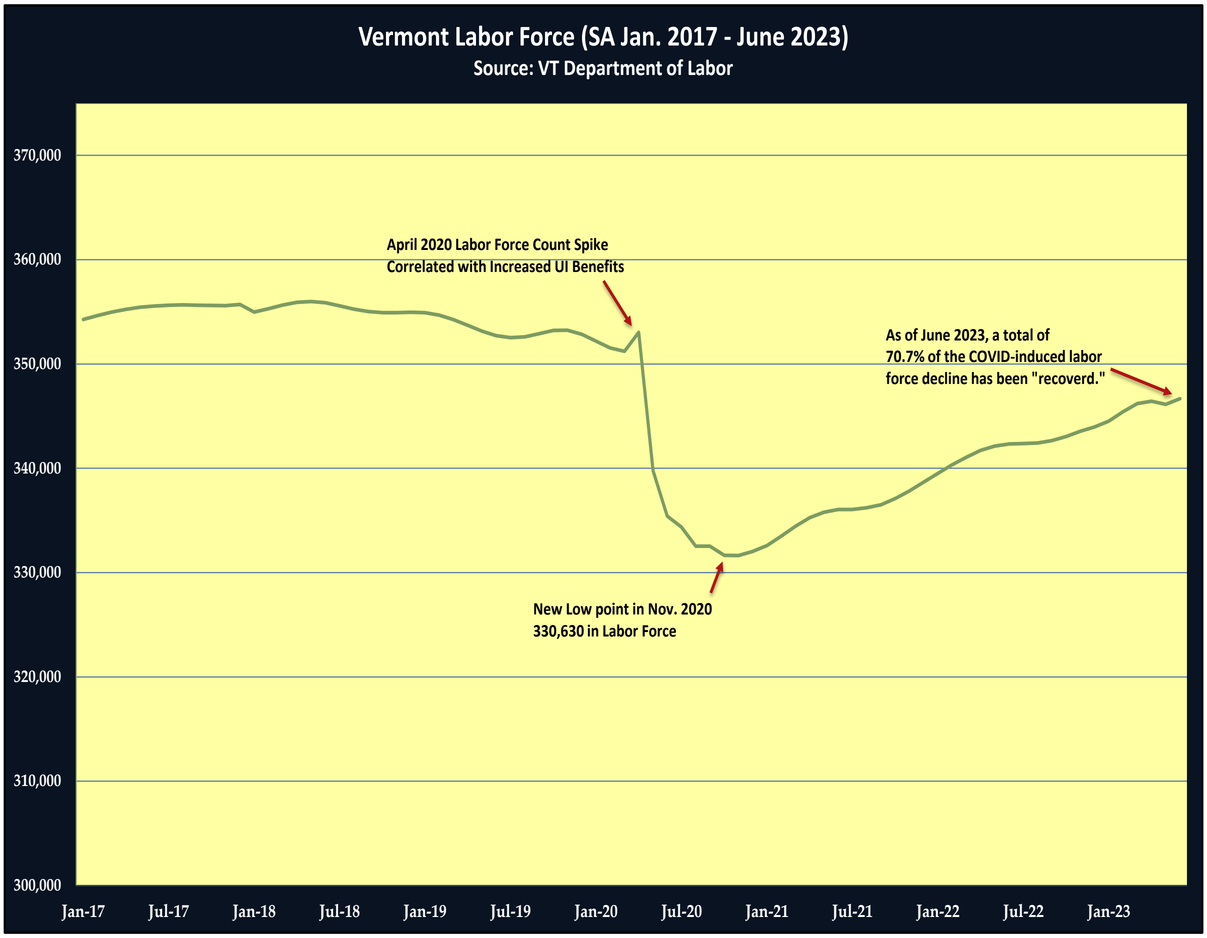
  - That level of available jobs per unemployed worker was significantly above the 2.0 jobs available for every unemployed U.S. worker during April and is reflected by the relative improvement from the 3.3 jobs available per unemployed worker reading in Vermont during the May 2022 through October 2022 time frame using that same JOLTS data.



▪ That improvement appears tied to data from the State's Household employment survey, which shows that Vermont has been able to add back roughly two-thirds (or 67.2%) of the total pandemic-induced labor force downturn experienced between the end of calendar year 2019 and November of calendar year 2020.

- Through May of 2023, the cumulative 21,618 decline in the State's work force from November 2019 to November 2020 has been reduced to just under 7,100 (or by more than two-thirds of the original pandemic-induced labor force decline), along with a corresponding to a slightly more three-year increase of nearly 35,250 employed Vermont residents since April 2020.

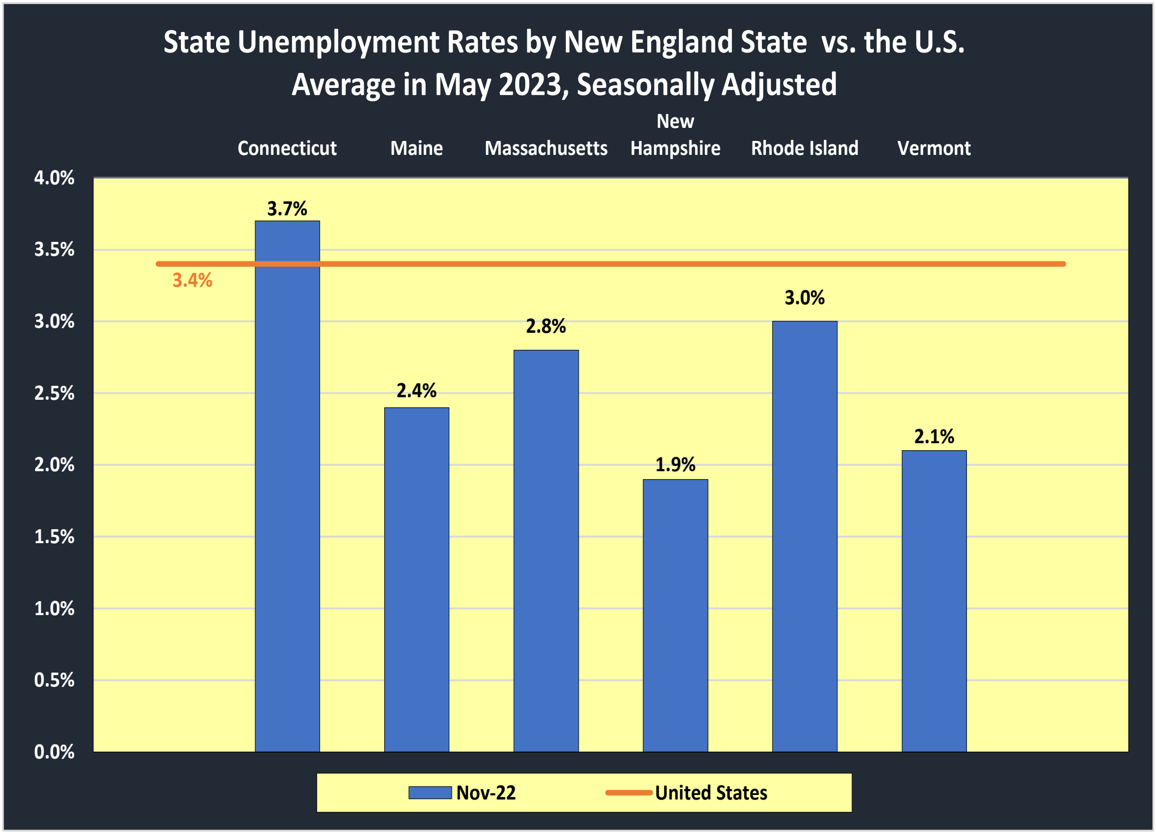
- Although the total number of employed Vermont residents were still roughly 6,100 below the January 2020 pre-pandemic reading, the State is still making progress on its labor market recovery with available jobs for any worker inclined wishing to participate in the labor force.



- The above labor market dynamics are also evident within the very low current status of the State's seasonally adjusted unemployment rate, which as of May 2023 was at 2.1% (It should be noted that the State unemployment rate fell to 1.9% in June 2023).

  - That top-line unemployment rate was ranked Vermont as having the second lowest unemployment rate in the New England region (after New Hampshire) and was also tied for having for the second lowest rate of unemployment in the U.S. as a whole (along with the State North Dakota).

  - Vermont's May 2023 seasonally adjusted unemployment rate also was just two tenths of a percentage point above Vermont's historical all-time unemployment rate low of 1.9%, last experienced in June of 2019. and also experienced way back during the 1960s as calculated by the State's old Handbook Method.



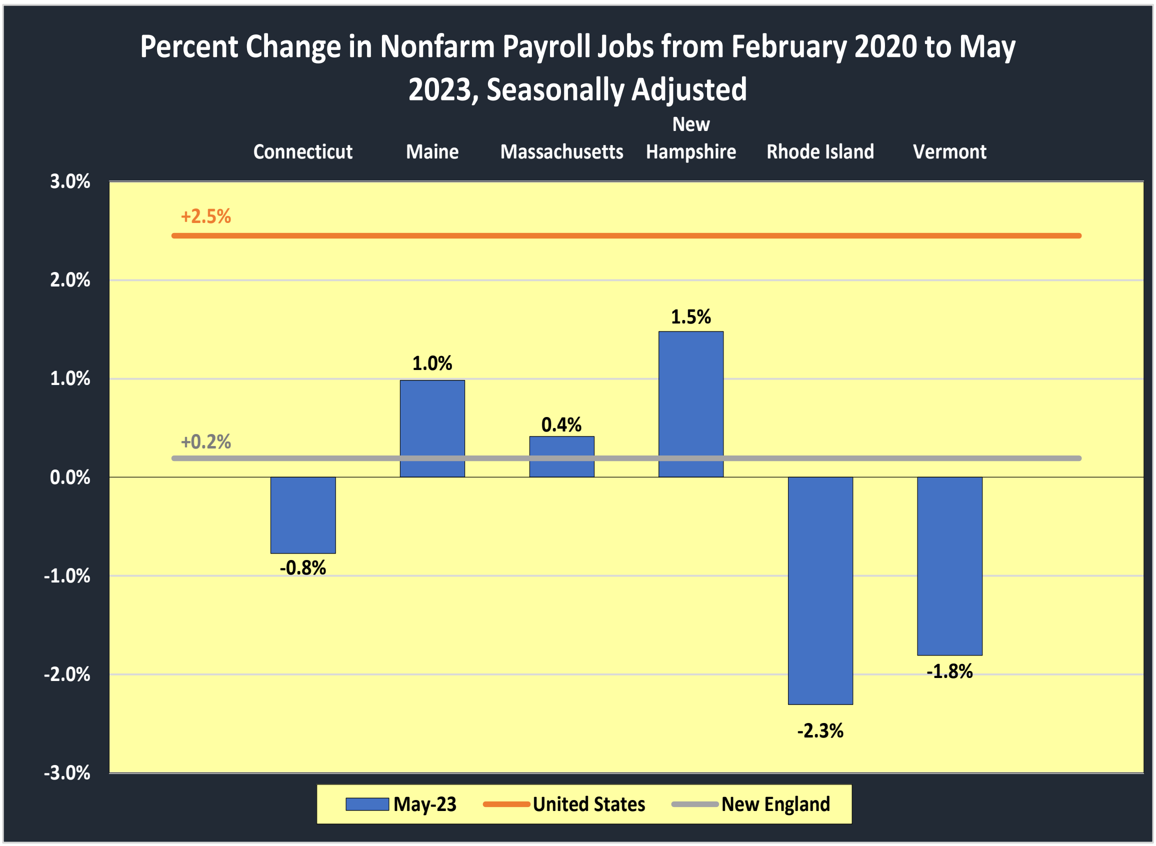
- Nonfarm payroll job additions in Vermont, however, have been slower than average since the bottom of the pandemic-induced recession (See the comparative job count chart below).

  - As a result, the State stood at 1.8% below its pre-pandemic job count total as of May 2023, somewhat below the +0.2% level increase in nonfarm payroll jobs for the New England region as a whole and significantly below the +2.5% higher than the increase in nonfarm payroll jobs for the nation as a whole, in each case compared to pandemic-low job count reading back in February 2020 for the national as a whole.

  - Three other states, including Maine, Massachusetts, and New Hampshire), have fully recovered their respective pandemic-induced payroll job losses, and as of May 2023 had nonfarm payroll job counts that were slightly above their respective pre-pandemic, nonfarm payroll job count level in early calendar year 2020—at +1.0%, +0.4%, and +1.5% higher, respectively.

  - The State of Rhode Island and Connecticut both still remain below their respective pre-pandemic job count highs, at 2.3% below and 0.8% below, respectively, at -2.3% below its pre-pandemic job count high, remained below the corresponding job count level for Vermont.

- The -0.8% below its pre-pandemic job count level reading for the State of Connecticut rounds out the state-by-state readings for the New England states overall relative to their pre-pandemic payroll job count totals.



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.

  - Table 6 (see below) lists the key U.S. economic metrics whose forecasts were updated as part of the consensus economic forecast update process.

  - Table 7 (also below) presents the key Vermont economic benchmarks that were updated for use in the consensus revenue forecast update.

- As is the normal practice in the consensus economic and revenue forecast update process, the semi-annual consensus economic forecast update is completed an adjusted Moody's Analytics National Economic Baseline Forecast for the U.S. economy and a similar Moody's Analytics Baseline Forecast for Vermont. These baselines are adjusted to reflect the results of the final consensus economic forecast update to be consistent with facts "on the ground."

  - However, it should be noted that this consensus economic forecast update was completed prior to the July 2023 flooding and it is difficult to make adjustments to this consensus economic forecast update because of the recency of that flooding event and the lack of complete information regarding damage estimates and the forthcoming amount of FEMA disaster assistance that will likely end up being applied to the State's restoration and re-building efforts.

  - This process will be examining the data as it is developed further and will be closely monitoring the recovery-rebuilding efforts as they transpire over the next several months-years.

- From the tables, the updated consensus economic forecast includes a modestly upgraded economic forecast for both the U.S. and Vermont economies, as the Federal Reserve inches nearer to potential success in reigning in inflation.

  - The revised outlook also expects that the persistent, more positive performance by U.S. labor markets will feed back negatively to monetary policy and the Federal reserve is likely to have keep short -term interest higher for longer to address the inflationary threat—despite recent encouraging signs that inflationary pressures were receding.

  - That is expected to likely continue to restrain activity in interest sensitive sectors such as housing and vehicles sales markets—relative to what that activity otherwise would have been—than was expected to be the case in earlier consensus economic forecast updates.

  - That higher for longer interest rate posture may also filter through to more damage that otherwise would have been the case in U.S. labor markets which continue to remain exceptionally tight with generational lows being registered in terms of the U.S. unemployment rate.

  - At this point, no general, broad-based economic downturn is forecasted, although the risk of a recession still will remain uncomfortably high until inflation is effectively and conclusively tamed—still no easy task.

- The tables reflect an expected economic outlook scenario where the U.S. and Vermont economies continue to have 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 within the near-term future.

  - However, that output decline is not significant enough to result in a large deterioration in national and State labor market conditions over the forecast update period.

  - 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 for the economy, along with significantly higher interest rates, and significantly slower than normal rates of job recovery-growth momentum.

  - Last forecast, we introduced the term "Slo-cession," in order to more accurately describe what may evolve from the current mix of juxtaposed federal fiscal and monetary policies.

  - It is likely that that term is still likely to apply to the character of near-term future economic activity unless or until the inflation rate is definitively brought under control.

Table 6
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
December 2021 through June 2023, Selected Variables, Calendar Year Basis

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real GDP Growth									
December-21	2.3	2.9	2.3	-3,4	5.6	4.2	2.8	2.7	2.4
June-22	2.3	2.9	2.3	-3.4	5.7	2.0	1.9	2.3	2.4
December-22	2.2	2.9	2.3	-2.8	5.9	1.9	1.0	1.7	2.6
June 2023	2.2	2.9	2.3	-2.8	5.9	2.1	1.5	1.3	2.5
S&P 500 Growth (Annual Avg.)									
December-21	17.0	12.1	6.1	10.5	32.6	3.4	-8.1	-5.4	2.3
June-22	17.0	12.1	6.1	10.5	32.6	-3.9	1.0	4.0	6.0
December-22	17.0	12.1	6.1	10.5	32.6	-4.1	-2.1	2.1	4.7
June 2023	17.0	12.1	6.1	10.5	32.6	-3.9	6.7	3.9	3.0
Employment Growth (Non-Ag)									
December-21	1.6	1.6	1.3	-5.7	2.8	3.8	1.5	0.8	0.5
June-22	2.3	2.9	2.3	-3.4	5.7	2.7	1.4	2.3	2.5
December-22	1.6	1.6	1.3	-5.8	2.8	4.1	1.6	0.7	0.7
June 2023	1.6	1.6	1.3	-5.8	2.9	4.3	2.2	0.9	0.7
Unemployment Rate									
December-21	4.4	3.9	3.7	8.1	5.4	3.7	3.6	3.6	3.9
June-22	4.4	3.9	3.7	8.1	5.4	3.7	3.9	4.0	4.1
December-22	4.4	3.9	3.7	8.1	5.4	3.7	4.1	4.3	4.1
June 2023	4.4	3.9	3.7	8.1	5.4	3.6	3.8	4.3	4.5
West Texas Int. Crude Oil $/Bbl									
December-21	51	65	57	40	68	67	61	61	61
June-22	51	65	57	40	68	99	90	70	71
December-22	51	65	57	40	68	95	87	69	68
June 2023	51	65	57	40	68	94	76	79	81
Prime Rate									
December-21	4.10	4.90	5.29	3.54	3.25	3.70	4.65	5.25	5.54
June-22	4.10	4.90	5.29	3.54	3.25	5.40	6.65	5.80	5.67
December-22	4.10	4.90	5.29	3.54	3.25	4.84	8.14	7.52	6.40
June 2023	4.10	4.90	5.29	3.54	3.25	4.85	8.09	7.57	6.33
Consumer Price Index Growth									
December-21	2.1	2.4	1.8	1.2	4.6	4.2	3.1	2.9	2.7
June-22	2.1	2.4	1.8	1.2	4.7	7.4	3.8	2.7	2.6
December-22	2.1	2.4	1.8	1.2	4.7	8.0	5.0	3.0	2.4
June 2023	2.1	2.4	1.8	1.3	4.7	8.0	4.3	3.1	2.6
Average Home Price Growth									
December-21	5.5	5.6	4.6	5.1	12.9	13.5	8.9	4.6	1.2
June-22	5.5	5.5	4.6	5.1	13.7	11.7	4.8	2.4	0.7
December-22	5.4	5.6	4.6	5.1	13.7	17.0	5.3	-1.1	-0.4
June 2023	5.4	5.5	4.6	5.2	13.7	17.0	4.9	-1.3	-2.1

Table 7
Comparison of Consensus Administration and JFO Vermont State Forecasts
December 2020 through June 2023, Selected Variables, Calendar Year Basis

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real GSP Growth									
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*
June 2023	*0.3*	*0.4*	*1.1*	*-2.9*	*5.1*	*2.8*	*1.6*	*1.2*	*2.1*
Population Growth									
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*
June 2023	*0.2*	*0.1*	*0.0*	*-0.1*	*0.6*	*0.0*	*0.3*	*0.3*	*0.2*
Employment Growth									
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*
June 2023	*0.6*	*0.3*	*0.1*	*-9.3*	*2.7*	*3.0*	*1.9*	*0.8*	*1.1*
Unemployment Rate									
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*
June 2023	*3.0*	*2.5*	*2.1*	*5.7*	*3.7*	*2.6*	*2.7*	*3.1*	*3.2*
Personal Income Growth									
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*
June 2023	*2.8*	*3.5*	*6.0*	*7.1*	*4.9*	*2.4*	*5.6*	*5.2*	*4.5*
Average Home Price Growth									
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*
June 2023	*2.3*	*3.0*	*3.7*	*5.1*	*14.0*	*18.2*	*6.7*	*0.3*	*-1.4*

- 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 2024 through fiscal year 2025 that are part of the official Emergency Board motion. Fiscal years 2026 through 2028, as staff recommends, 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 2024-2025 period.

- The revenue forecasting process is a collaborative process that involves on-going 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, Ian Kimmel, and Andrew Stein. Special thanks also are due to staff of the Department of Financial Regulation; Carma Flowers, Bradley Kukenberger, Ann Noelk, and Aaron Brodeur at the Vermont Agency of Transportation, Douglas Farnham, John Becker and Peggy Brooks at the Vermont Agency of Administration-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 - July 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** *(Actual)*	% Change	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change
REVENUE SOURCE														
Personal Income	$875.4	5.2%	$925.8	5.8%	$1069.8	15.5%	$1267.8	18.5%	$1210.0	-4.6%	$1103.9	-8.8%	$1131.7	2.5%
Sales and Use[1]	$412.5	3.7%	$432.5	4.8%	$507.6	17.4%	$545.2	7.4%	$584.0	7.1%	$585.2	0.2%	$597.4	2.1%
Corporate	$134.2	39.3%	$147.9	10.2%	$133.4	-9.8%	$223.3	67.3%	$281.4	26.0%	$242.7	-13.7%	$227.1	-6.4%
Meals and Rooms[5]	$182.1	5.1%	$163.6	-10.1%	$143.8	-12.1%	$216.8	50.8%	$237.7	9.6%	$241.9	1.8%	$248.8	2.9%
Liquor	$21.4	8.1%	$21.6	0.8%	$28.7	32.8%	$30.1	5.0%	$30.8	2.1%	$31.8	3.3%	$33.0	3.8%
Insurance	$56.9	-1.2%	$58.0	2.1%	$60.4	4.0%	$65.7	8.7%	$68.8	4.8%	$70.1	1.8%	$71.2	1.6%
Telephone	$4.3	-8.8%	$3.2	-26.4%	$2.3	-28.8%	$2.5	10.9%	$2.4	-5.7%	$2.3	-3.1%	$2.2	-4.3%
Beverage	$7.6	6.9%	$7.2	-5.3%	$7.2	1.3%	$7.0	-2.9%	$7.3	3.1%	$7.4	2.0%	$7.5	1.4%
Estate	$12.6	-44.9%	$15.2	20.1%	$26.9	77.5%	$14.0	-48.0%	$18.6	33.1%	$22.4	20.2%	$23.1	3.1%
Property	$41.1	0.6%	$42.3	2.9%	$73.9	74.8%	$77.7	5.1%	$69.2	-10.9%	$61.6	-11.0%	$58.8	-4.5%
Bank	$12.5	-4.6%	$12.1	-3.0%	$13.9	14.6%	$16.9	22.1%	$17.8	4.9%	$17.9	0.7%	$17.6	-1.7%
Cannabis Excise	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$6.7	NM	$11.6	72.5%	$15.2	31.0%
Other Tax	$2.4	32.9%	$0.4	-84.7%	$0.7	74.6%	$1.3	91.3%	$1.4	11.7%	$1.2	-14.2%	$1.1	-8.3%
Total Tax Revenue	$1763.0	5.7%	$1829.7	3.8%	$2068.5	13.1%	$2468.2	19.3%	$2536.1	2.7%	$2400.0	-5.4%	$2434.7	1.4%
Business Licenses	$1.2	-1.0%	$1.1	-4.5%	$1.3	13.9%	$1.2	-4.4%	$0.6	-54.5%	$0.7	23.6%	$0.8	14.3%
Fees	$47.0	-0.2%	$44.7	-4.7%	$42.7	-4.5%	$42.2	-1.3%	$45.6	8.1%	$44.0	-3.5%	$43.6	-0.9%
Services	$3.4	16.4%	$2.4	-27.1%	$3.0	24.3%	$2.8	-7.7%	$3.7	33.2%	$3.3	-11.8%	$3.4	3.0%
Fines	$3.3	-5.6%	$4.8	44.3%	$3.1	-35.6%	$3.3	7.5%	$2.6	-21.1%	$2.9	9.8%	$3.1	6.9%
Interest	$5.0	79.1%	$4.1	-18.0%	$0.9	-77.9%	$2.6	185.2%	$56.9	2102%	$79.0	38.8%	$50.6	-35.9%
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%	$32.1	4.3%	$32.3	0.6%	$33.0	2.2%
All Other[3]	$4.6	92.7%	$0.7	-83.6%	$0.5	-34.4%	$1.0	96.4%	$1.5	58.7%	$0.8	-47.6%	$0.9	12.5%
Total Other Revenue	$93.9	7.9%	$84.8	-9.7%	$84.1	-0.8%	$83.9	-0.2%	$143.1	70.5%	$163.0	13.9%	$135.4	-16.9%
Healthcare Revenue[4]	$276.3	0.2%	$284.7	3.0%	$281.0	-1.3%	$303.5	8.0%	$319.3	5.2%	$326.3	2.2%	$335.0	2.6%
TOTAL GENERAL FUND	**$2133.2**	**5.1%**	**$2199.2**	**3.1%**	**$2433.6**	**10.7%**	**$2855.6**	**17.3%**	**$2998.5**	**5.0%**	**$2889.3**	**-3.6%**	**$2905.0**	**0.5%**

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

TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2023

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	FY 2019 (Actual)	% Change	FY2020 (Actual)	% Change	FY2021 (Actual)	% Change	FY2022 (Actual)	% Change	FY2023 (Preliminary)	% Change	FY2024 (Forecast)	% Change	FY2025 (Forecast)	% Change
REVENUE SOURCE														
Personal Income	$875.4	5.2%	$925.8	5.8%	$1069.8	15.5%	$1267.8	18.5%	$1210.0	-4.6%	$1103.9	-8.8%	$1131.7	2.5%
Sales and Use[1]	$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%	$281.4	26.0%	$242.7	-13.7%	$227.1	-6.4%
Meals and Rooms	$136.5	-21.2%	$116.1	-15.0%	$99.2	-14.5%	$149.6	50.8%	$164.0	9.6%	$166.9	1.8%	$171.7	2.9%
Liquor[6]	$21.4	8.1%	$3.6	-83.2%	$4.8	32.8%	$5.0	5.0%	$5.1	2.1%	$5.3	3.3%	$5.5	3.8%
Insurance	$56.9	-1.2%	$58.0	2.1%	$60.4	4.0%	$65.7	8.7%	$68.8	4.8%	$70.1	1.8%	$71.2	1.6%
Telephone	$4.3	-8.8%	$3.2	-26.4%	$2.3	-28.8%	$2.5	10.9%	$2.4	-5.7%	$2.3	-3.1%	$2.2	-4.3%
Beverage	$7.6	6.9%	$7.2	-5.3%	$7.2	1.3%	$7.0	-2.9%	$7.3	3.1%	$7.4	2.0%	$7.5	1.4%
Estate[3]	$12.6	-44.9%	$15.2	20.1%	$23.4	54.1%	$14.0	-40.1%	$18.6	33.1%	$22.4	20.2%	$23.1	3.1%
Property	$12.5	0.9%	$12.9	3.0%	$23.1	79.6%	$24.3	5.3%	$21.6	-11.2%	$19.1	-11.4%	$18.2	-4.7%
Bank	$12.5	-4.6%	$12.1	-3.0%	$13.9	14.6%	$16.9	22.1%	$17.8	4.9%	$17.9	0.7%	$17.6	-1.7%
Cannabis Excise	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$6.7	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%	$1.4	11.7%	$1.2	-14.2%	$1.1	-8.3%
Total Tax Revenue	$1276.4	-14.9%	$1302.3	2.0%	$1438.1	10.4%	$1777.4	23.6%	$1805.1	1.6%	$1659.2	-8.1%	$1676.9	1.1%
Business Licenses	$1.2	-1.0%	$1.1	-4.5%	$1.3	13.9%	$1.2	-4.4%	$0.6	-54.5%	$0.7	23.6%	$0.8	14.3%
Fees	$47.0	-0.2%	$44.7	-4.7%	$42.7	-4.5%	$42.2	-1.3%	$45.6	8.1%	$44.0	-3.5%	$43.6	-0.9%
Services	$3.4	16.4%	$2.4	-27.1%	$3.0	24.3%	$2.8	-7.7%	$3.7	33.2%	$3.3	-11.8%	$3.4	3.0%
Fines	$3.3	-5.6%	$4.8	44.3%	$3.1	-35.6%	$3.3	7.5%	$2.6	-21.1%	$2.9	9.8%	$3.1	6.9%
Interest	$4.3	87.8%	$3.3	-24.5%	$0.8	-75.5%	$2.3	187.4%	$51.2	2129%	$69.6	36.1%	$44.6	-35.9%
All Other[4]	$4.6	92.7%	$0.7	-83.6%	$0.5	-34.4%	$1.0	96.4%	$1.5	58.7%	$0.8	-47.6%	$0.9	12.5%
Total Other Revenue	$63.7	7.4%	$57.2	-10.3%	$51.5	-9.9%	$52.9	2.6%	$105.2	99.1%	$121.3	15.3%	$96.4	-20.5%
Healthcare Revenue[5]	$272.3	NM	$280.9	3.1%	$278.1	-1.0%	$299.3	7.6%	$314.3	5.0%	$321.6	2.3%	$330.0	2.6%
TOTAL GENERAL FUND	**$1612.5**	**3.4%**	**$1640.4**	**1.7%**	**$1767.7**	**7.8%**	**$2129.5**	**20.5%**	**$2224.6**	**4.5%**	**$2102.1**	**-5.5%**	**$2103.3**	**0.1%**

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) Heathcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.
6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2023

SOURCE HEALTHCARE [1] *revenues are prior to all allocations and other out-transfers; used for analytic and comparative purposes only*	**FY 2019** *(Actual)*	% Change	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	$68.4	-3.7%	$71.4	4.3%	$77.5	8.6%	$76.0	-1.9%	$74.8	-1.5%	$74.7	-0.2%	$73.7	-1.3%
Claims Assessment	$19.6	-1.3%	$20.7	5.7%	$19.7	-4.7%	$21.7	10.3%	$23.0	5.7%	$23.7	2.9%	$24.6	4.0%
Employer Assessment	$19.8	-0.5%	$20.2	2.4%	$17.9	-11.4%	$21.9	22.2%	$24.9	13.9%	$25.6	2.6%	$26.9	5.0%
Hospital Provider Tax	$146.3	2.0%	$150.2	2.6%	$143.7	-4.4%	$161.5	12.4%	$173.9	7.6%	$186.1	7.0%	$193.5	4.0%
Nursing Home Provider Tax	$14.8	-0.3%	$14.7	-0.6%	$14.6	-1.0%	$14.7	0.7%	$14.6	-0.6%	$14.4	-1.1%	$14.4	0.0%
Home Health Provider Tax	$4.8	2.2%	$5.6	16.3%	$5.8	4.1%	$5.8	-0.3%	$6.1	5.6%	$0.0	-100.0%	$0.0	NM
All Other HC Revenues	$2.6	41.7%	$1.9	-26.5%	$1.8	-3.6%	$1.8	0.9%	$2.0	6.2%	$1.9	-3.1%	$1.9	0.0%
TOTAL HEALTHCARE	**$276.3**	**0.2%**	**$284.7**	**3.0%**	**$281.0**	**-1.3%**	**$303.5**	**8.0%**	**$319.3**	**5.2%**	**$326.3**	**2.2%**	**$335.0**	**2.6%**

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

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	**FY 2019** *(Actual)*	% Change	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	$68.4	-3.7%	$71.4	4.3%	$77.5	8.6%	$76.0	-1.9%	$74.8	-1.6%	$74.7	-0.1%	$73.7	-1.3%
Claims Assessment	$15.6	-1.7%	$16.9	7.8%	$16.4	-3.0%	$17.6	7.3%	$18.0	2.6%	$18.9	5.0%	$19.7	4.0%
Employer Assessment	$19.8	-0.5%	$20.2	2.4%	$18.4	-9.2%	$21.9	19.2%	$24.9	13.9%	$25.6	2.6%	$26.9	5.0%
Hospital Provider Tax	$146.3	2.0%	$150.2	2.6%	$143.7	-4.4%	$161.5	12.4%	$173.9	7.6%	$186.1	7.0%	$193.5	4.0%
Nursing Home Provider Tax	$14.8	-0.3%	$14.7	-0.6%	$14.6	-1.0%	$14.7	0.7%	$14.6	-0.6%	$14.4	-1.1%	$14.4	0.0%
Home Health Provider Tax	$4.8	2.2%	$5.6	16.3%	$5.8	4.1%	$5.8	-0.3%	$6.1	5.6%	$0.0	-100.0%	$0.0	NM
All Other HC Revenues	$2.6	41.7%	$1.9	-26.5%	$1.8	-3.6%	$1.8	0.9%	$2.0	6.2%	$1.9	-3.1%	$1.9	0.0%
TOTAL HEALTHCARE	**$272.3**	**0.2%**	**$280.9**	**3.1%**	**$278.1**	**-1.0%**	**$299.3**	**7.6%**	**$314.3**	**5.0%**	**$321.6**	**2.3%**	**$330.0**	**2.6%**

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

TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2023

SOURCE T-FUND *revenues are prior to all E-Fund allocations and other out-transfers; used for analytic and comparative purposes only*	**FY 2019** *(Actual)*	% Change	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change
REVENUE SOURCE														
Gasoline	$77.8	-0.5%	$71.0	-8.7%	$67.3	-5.3%	$71.9	6.9%	$73.8	2.7%	$71.2	-3.6%	$70.9	-0.4%
Diesel****	$18.6	-1.6%	$17.9	-3.5%	$17.9	0.2%	$18.3	2.0%	$17.6	-3.7%	$18.0	2.1%	$17.9	-0.6%
Purchase and Use*	$111.8	2.2%	$105.4	-5.7%	$134.1	27.2%	$137.1	2.3%	$142.2	3.7%	$146.5	3.0%	$152.7	4.2%
Motor Vehicle Fees	$85.4	-0.7%	$83.6	-2.1%	$87.6	4.7%	$86.0	-1.9%	$87.5	1.8%	$94.4	7.9%	$105.6	11.9%
Other Revenue**	$24.6	7.0%	$21.3	-13.5%	$20.5	-3.4%	$20.3	-1.1%	$21.4	5.3%	$23.2	8.5%	$25.9	11.6%
TOTAL TRANS. FUND	**$318.2**	**0.9%**	**$299.2**	**-6.0%**	**$327.4**	**9.4%**	**$333.5**	**1.9%**	**$342.5**	**2.7%**	**$353.3**	**3.1%**	**$373.0**	**5.6%**

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

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	**FY 2019** *(Actual)*	% Change	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change
REVENUE SOURCE														
Gasoline	$77.8	-0.5%	$71.0	-8.7%	$67.3	-5.3%	$71.9	6.9%	$73.8	2.7%	$71.2	-3.6%	$70.9	-0.4%
Diesel	$18.6	-1.6%	$17.9	-3.5%	$17.9	0.2%	$18.3	2.0%	$17.6	-3.7%	$18.0	2.1%	$17.9	-0.6%
Purchase and Use[1]	$74.5	2.2%	$70.3	-5.7%	$89.4	27.2%	$91.4	2.3%	$94.8	3.7%	$97.7	3.0%	$101.8	4.2%
Motor Vehicle Fees	$85.4	-0.7%	$83.6	-2.1%	$87.6	4.7%	$86.0	-1.9%	$87.5	1.8%	$94.4	7.9%	$105.6	11.9%
Other Revenue[2]	$24.6	7.0%	$21.3	-13.5%	$20.5	-3.4%	$20.3	-1.1%	$21.4	5.3%	$23.2	8.5%	$25.9	11.6%
TOTAL TRANS. FUND	**$280.9**	**0.7%**	**$264.1**	**-6.0%**	**$282.7**	**7.0%**	**$287.8**	**1.8%**	**$295.1**	**2.5%**	**$304.5**	**3.2%**	**$322.1**	**5.8%**
OTHER (TIB[3])														
TIB Gasoline	$14.6	13.1%	$12.7	-12.8%	$10.2	-19.5%	$15.1	48.2%	$20.1	32.6%	$16.9	-15.8%	$16.8	-0.6%
TIB Diesel and Other[4]	$2.1	3.7%	$2.0	-2.5%	$1.9	-4.5%	$1.9	1.7%	$2.2	13.6%	$1.94	-12.2%	$1.94	0.0%
TOTAL OTHER (TIB)	**$16.6**	**11.9%**	**$14.7**	**-11.6%**	**$12.1**	**-17.5%**	**$17.1**	**40.8%**	**$22.3**	**30.4%**	**$18.8**	**-15.5%**	**$18.7**	**-0.5%**

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[1] REVENUE FORECAST UPDATE

(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2023

CURRENT LAW BASIS

Source General and Transportation Fund taxes allocated to or associated with the Education Fund only	**FY 2019** *(Actual)*	% Change	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change
GENERAL FUND														
Meals and Rooms	$45.5	NM	$40.9	-10.1%	$36.0	-12.1%	$54.2	50.8%	$59.4	9.6%	$60.5	1.8%	$62.2	2.9%
Sales & Use[2]	$412.5	196.3%	$432.5	4.8%	$507.6	17.4%	$545.2	7.4%	$584.0	7.1%	$585.2	0.2%	$597.4	2.1%
Interest	$0.7	38.1%	$0.8	23.9%	$0.1	-87.1%	$0.3	169.1%	$5.8	1892%	$9.4	62.7%	$6.0	-36.2%
Lottery	$29.5	8.6%	$26.8	-9.0%	$32.5	21.2%	$30.8	-5.2%	$32.1	4.3%	$32.3	0.6%	$33.0	2.2%
TRANSPORTATION FUND														
Purchase and Use[3]	$37.3	2.2%	$35.1	-5.7%	$44.7	27.2%	$45.7	2.3%	$47.4	3.7%	$48.8	3.0%	$50.9	4.2%
TOTAL EDUCATION FUND	**$525.4**	**158.4%**	**$536.2**	**2.0%**	**$620.9**	**15.8%**	**$676.2**	**8.9%**	**$728.77**	**7.8%**	**$736.2**	**1.0%**	**$749.5**	**1.8%**

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 - July 2023

SOURCE G-FUND

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

	FY2020 (Actual)	% Change	FY2021 (Actual)	% Change	FY2022 (Actual)	% Change	FY2023 (Preliminary)	% Change	FY2024 (Forecast)	% Change	FY2025 (Forecast)	% Change	FY2026 (Forecast)	% Change	FY2027 (Forecast)	% Change	FY2028 (Forecast)	% Change
REVENUE SOURCE																		
Personal Income	$925.8	5.8%	$1069.8	15.5%	$1267.8	18.5%	$1210.0	-4.6%	$1103.9	-8.8%	$1131.7	2.5%	$1185.4	4.7%	$1254.6	5.8%	$1315.4	4.8%
Sales and Use[1]	$432.5	4.8%	$507.6	17.4%	$545.2	7.4%	$584.0	7.1%	$585.2	0.2%	$597.4	2.1%	$617.1	3.3%	$638.4	3.5%	$661.0	3.5%
Corporate	$147.9	10.2%	$133.4	-9.8%	$223.3	67.3%	$281.4	26.0%	$242.7	-13.7%	$227.1	-6.4%	$234.4	3.2%	$244.5	4.3%	$255.6	4.5%
Meals and Rooms[5]	$163.6	-10.1%	$143.8	-12.1%	$216.8	50.8%	$237.7	9.6%	$241.9	1.8%	$248.8	2.9%	$256.6	3.1%	$265.0	3.3%	$273.6	3.2%
Liquor	$21.6	0.8%	$28.7	32.8%	$30.1	5.0%	$30.8	2.1%	$31.8	3.3%	$33.0	3.8%	$34.2	3.6%	$35.4	3.5%	$36.6	3.4%
Insurance	$58.0	2.1%	$60.4	4.0%	$65.7	8.7%	$68.8	4.8%	$70.1	1.8%	$71.2	1.6%	$72.7	2.1%	$74.3	2.2%	$76.0	2.3%
Telephone	$3.2	-26.4%	$2.3	-28.8%	$2.5	10.9%	$2.4	-5.7%	$2.3	-3.1%	$2.2	-4.3%	$2.1	-4.5%	$2.0	-4.8%	$1.9	-5.0%
Beverage	$7.2	-5.3%	$7.2	1.3%	$7.0	-2.9%	$7.3	3.1%	$7.4	2.0%	$7.5	1.4%	$7.6	1.3%	$7.7	1.3%	$7.8	1.3%
Estate	$15.2	20.1%	$26.9	77.5%	$14.0	-48.0%	$18.6	33.1%	$22.4	20.2%	$23.1	3.1%	$24.0	3.9%	$24.9	3.7%	$25.8	3.6%
Property	$42.3	2.9%	$73.9	74.8%	$77.7	5.1%	$69.2	-10.9%	$61.6	-11.0%	$58.8	-4.5%	$61.0	3.7%	$63.9	4.8%	$67.1	5.0%
Bank	$12.1	-3.0%	$13.9	14.6%	$16.9	22.1%	$17.8	4.9%	$17.9	0.7%	$17.6	-1.7%	$17.2	-2.3%	$16.9	-1.7%	$17.1	1.2%
Cannabis Excise	$0.0	NM	$0.0	NM	$0.0	NM	$6.7	NM	$11.6	72.5%	$15.2	31.0%	$14.9	-2.0%	$15.3	2.7%	$15.7	2.6%
Other Tax	$0.4	-84.7%	$0.7	74.6%	$1.3	91.3%	$1.4	11.7%	$1.2	-14.2%	$1.1	-8.3%	$1.2	9.1%	$1.3	8.3%	$1.4	7.7%
Total Tax Revenue	$1829.7	3.8%	$2068.5	13.1%	$2468.2	19.3%	$2536.1	2.7%	$2400.0	-5.4%	$2434.7	1.4%	$2528.4	3.8%	$2644.2	4.6%	$2755.0	4.2%
Business Licenses	$1.1	-4.5%	$1.3	13.9%	$1.2	-4.4%	$0.6	-54.5%	$0.7	23.6%	$0.8	14.3%	$0.9	12.5%	$1.0	11.1%	$1.1	10.0%
Fees	$44.7	-4.7%	$42.7	-4.5%	$42.2	-1.3%	$45.6	8.1%	$44.0	-3.5%	$43.6	-0.9%	$44.2	1.4%	$45.1	2.0%	$46.0	2.0%
Services	$2.4	-27.1%	$3.0	24.3%	$2.8	-7.7%	$3.7	33.2%	$3.3	-11.8%	$3.4	3.0%	$3.5	2.9%	$3.6	2.9%	$3.7	2.8%
Fines	$4.8	44.3%	$3.1	-35.6%	$3.3	7.5%	$2.6	-21.1%	$2.9	9.8%	$3.1	6.9%	$3.2	3.2%	$3.3	3.1%	$3.4	3.0%
Interest	$4.1	-18.0%	$0.9	-77.9%	$2.6	185.2%	$56.9	2102%	$79.0	38.8%	$50.6	-35.9%	$29.3	-42.1%	$23.5	-19.8%	$21.7	-7.7%
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
Lottery	$26.8	-9.0%	$32.5	21.2%	$30.8	-5.2%	$32.1	4.3%	$32.3	0.6%	$33.0	2.2%	$34.1	3.3%	$35.2	3.2%	$36.4	3.4%
All Other[3]	$0.7	-83.6%	$0.5	-34.4%	$1.0	96.4%	$1.5	58.7%	$0.8	-47.6%	$0.9	12.5%	$1.0	11.1%	$1.1	10.0%	$1.2	9.1%
Total Other Revenue	$84.8	-9.7%	$84.1	-0.8%	$83.9	-0.2%	$143.1	70.5%	$163.0	13.9%	$135.4	-16.9%	$116.2	-14.2%	$112.8	-2.9%	$113.5	0.6%
Healthcare Revenue[4]	$284.7	3.0%	$281.0	-1.3%	$303.5	8.0%	$319.3	5.2%	$326.3	2.2%	$335.0	2.6%	$339.2	1.3%	$343.6	1.3%	$348.2	1.3%
TOTAL GENERAL FUND	**$2199.2**	**3.1%**	**$2433.6**	**10.7%**	**$2855.6**	**17.3%**	**$2998.5**	**5.0%**	**$2889.3**	**-3.6%**	**$2905.0**	**0.5%**	**$2983.8**	**2.7%**	**$3100.5**	**3.9%**	**$3216.7**	**3.7%**

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

TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2023

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	**FY2020** *(Actual)*	**%** Change	**FY2021** *(Actual)*	**%** Change	**FY2022** *(Actual)*	**%** Change	**FY2023** *(Preliminary)*	**%** Change	**FY2024** *(Forecast)*	**%** Change	**FY2025** *(Forecast)*	**%** Change	**FY2026** *(Forecast)*	**%** Change	**FY2027** *(Forecast)*	**%** Change	**FY2028** *(Forecast)*	**%** Change
REVENUE SOURCE																		
Personal Income	$925.8	5.8%	$1069.8	15.5%	$1267.8	18.5%	$1210.0	-4.6%	$1103.9	-8.8%	$1131.7	2.5%	$1185.4	4.7%	$1254.6	5.8%	$1315.4	4.8%
Sales and Use[1]	$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	$147.9	10.2%	$133.4	-9.8%	$223.3	67.3%	$281.4	26.0%	$242.7	-13.7%	$227.1	-6.4%	$234.4	3.2%	$244.5	4.3%	$255.6	4.5%
Meals and Rooms	$116.1	-15.0%	$99.2	-14.5%	$149.6	50.8%	$164.0	9.6%	$166.9	1.8%	$171.7	2.9%	$177.1	3.1%	$182.9	3.3%	$188.8	3.2%
Liquor[6]	$3.6	-83.2%	$4.8	32.8%	$5.0	5.0%	$5.1	2.1%	$5.3	3.3%	$5.5	3.8%	$5.7	3.6%	$5.9	3.5%	$6.1	3.4%
Insurance	$58.0	2.1%	$60.4	4.0%	$65.7	8.7%	$68.8	4.8%	$70.1	1.8%	$71.2	1.6%	$72.7	2.1%	$74.3	2.2%	$76.0	2.3%
Telephone	$3.2	-26.4%	$2.3	-28.8%	$2.5	10.9%	$2.4	-5.7%	$2.3	-3.1%	$2.2	-4.3%	$2.1	-4.5%	$2.0	-4.8%	$1.9	-5.0%
Beverage	$7.2	-5.3%	$7.2	1.3%	$7.0	-2.9%	$7.3	3.1%	$7.4	2.0%	$7.5	1.4%	$7.6	1.3%	$7.7	1.3%	$7.8	1.3%
Estate[3]	$15.2	20.1%	$23.4	54.1%	$14.0	-40.1%	$18.6	33.1%	$22.4	20.2%	$23.1	3.1%	$24.0	3.9%	$24.9	3.7%	$25.8	3.6%
Property	$12.9	3.0%	$23.1	79.6%	$24.3	5.3%	$21.6	-11.2%	$19.1	-11.4%	$18.2	-4.7%	$18.9	3.9%	$19.9	5.0%	$20.9	5.2%
Bank	$12.1	-3.0%	$13.9	14.6%	$16.9	22.1%	$17.8	4.9%	$17.9	0.7%	$17.6	-1.7%	$17.2	-2.3%	$16.9	-1.7%	$17.1	1.2%
Cannabis Excise	$0.0	NM	$0.0	NM	$0.0	NM	$6.7	NM	$0.0	-100.0%	$0.0	NM	$14.9	NM	$15.3	2.7%	$15.7	2.6%
Other Tax	$0.4	-84.7%	$0.7	74.6%	$1.3	91.3%	$1.4	11.7%	$1.2	-14.2%	$1.1	-8.3%	$1.2	9.1%	$1.3	8.3%	$1.4	7.7%
Total Tax Revenue	$1302.3	2.0%	$1438.1	10.4%	$1777.4	23.6%	$1805.1	1.6%	$1659.2	-8.1%	$1676.9	1.1%	$1761.2	5.0%	$1850.1	5.0%	$1932.5	4.5%
Business Licenses	$1.1	-4.5%	$1.3	13.9%	$1.2	-4.4%	$0.6	-54.5%	$0.7	23.6%	$0.8	14.3%	$0.9	12.5%	$1.0	11.1%	$1.1	10.0%
Fees	$44.7	-4.7%	$42.7	-4.5%	$42.2	-1.3%	$45.6	8.1%	$44.0	-3.5%	$43.6	-0.9%	$44.2	1.4%	$45.1	2.0%	$46.0	2.0%
Services	$2.4	-27.1%	$3.0	24.3%	$2.8	-7.7%	$3.7	33.2%	$3.3	-11.8%	$3.4	3.0%	$3.5	2.9%	$3.6	2.9%	$3.7	2.8%
Fines	$4.8	44.3%	$3.1	-35.6%	$3.3	7.5%	$2.6	-21.1%	$2.9	9.8%	$3.1	6.9%	$3.2	3.2%	$3.3	3.1%	$3.4	3.0%
Interest	$3.3	-24.5%	$0.8	-75.5%	$2.3	187.4%	$51.2	2129%	$69.6	36.1%	$44.6	-35.9%	$25.8	-42.2%	$20.7	-19.8%	$19.1	-7.7%
All Other[4]	$0.7	-83.6%	$0.5	-34.4%	$1.0	96.4%	$1.5	58.7%	$0.8	-47.6%	$0.9	12.5%	$1.0	11.1%	$1.1	10.0%	$1.2	9.1%
Total Other Revenue	$57.2	-10.3%	$51.5	-9.9%	$52.9	2.6%	$105.2	99.1%	$121.3	15.3%	$96.4	-20.5%	$78.6	-18.5%	$74.8	-4.8%	$74.5	-0.4%
Healthcare Revenue [5]	$280.9	3.1%	$278.1	-1.0%	$299.3	7.6%	$314.3	5.0%	$321.6	2.3%	$330.0	2.6%	$334.1	1.2%	$338.3	1.2%	$342.7	1.3%
TOTAL GENERAL FUND	**$1640.4**	**1.7%**	**$1767.7**	**7.8%**	**$2129.5**	**20.5%**	**$2224.6**	**4.5%**	**$2102.1**	**-5.5%**	**$2103.3**	**0.1%**	**$2173.9**	**3.4%**	**$2263.2**	**4.1%**	**$2349.7**	**3.8%**

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) Heathcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.
6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2023

SOURCE HEALTHCARE [1] *revenues are prior to all allocations and other out-transfers; used for analytic and comparative purposes only*	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change	**FY2026** *(Forecast)*	% Change	**FY2027** *(Forecast)*	% Change	**FY2028** *(Forecast)*	% Change
REVENUE SOURCE																		
Cigarette, Tobacco, E-Cig	$71.4	4.3%	$77.5	8.6%	$76.0	-1.9%	$74.8	-1.5%	$74.7	-0.2%	$73.7	-1.3%	$72.7	-1.4%	$71.7	-1.4%	$70.8	-1.3%
Claims Assessment	$20.7	5.7%	$19.7	-4.7%	$21.7	10.3%	$23.0	5.7%	$23.7	2.9%	$24.6	4.0%	$25.6	4.0%	$26.6	4.0%	$27.7	4.0%
Employer Assessment	$20.2	2.4%	$17.9	-11.4%	$21.9	22.2%	$24.9	13.9%	$25.6	2.6%	$26.9	5.0%	$28.2	5.0%	$29.6	5.0%	$31.1	5.0%
Hospital Provider Tax	$150.2	2.6%	$143.7	-4.4%	$161.5	12.4%	$173.9	7.6%	$186.1	7.0%	$193.5	4.0%	$196.4	1.5%	$199.3	1.5%	$202.3	1.5%
Nursing Home Provider Tax	$14.7	-0.6%	$14.6	-1.0%	$14.7	0.7%	$14.6	-0.6%	$14.4	-1.1%	$14.4	0.0%	$14.4	0.0%	$14.4	0.0%	$14.4	0.0%
Home Health Provider Tax	$5.6	16.3%	$5.8	4.1%	$5.8	-0.3%	$6.1	5.6%	$0.0	-100.0%	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM
All Other HC Revenues	$1.9	-26.5%	$1.8	-3.6%	$1.8	0.9%	$2.0	6.2%	$1.9	-3.1%	$1.9	0.0%	$1.9	0.0%	$1.9	0.0%	$1.9	0.0%
TOTAL HEALTHCARE	**$284.7**	**3.0%**	**$281.0**	**-1.3%**	**$303.5**	**8.0%**	**$319.3**	**5.2%**	**$326.3**	**2.2%**	**$335.0**	**2.6%**	**$339.2**	**1.3%**	**$343.6**	**1.3%**	**$348.2**	**1.3%**

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

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change	**FY2026** *(Forecast)*	% Change	**FY2027** *(Forecast)*	% Change	**FY2028** *(Forecast)*	% Change
REVENUE SOURCE																		
Cigarette, Tobacco, E-Cig	$71.4	4.3%	$77.5	8.6%	$76.0	-1.9%	$74.8	-1.6%	$74.7	-0.1%	$73.7	-1.3%	$72.7	-1.4%	$71.7	-1.4%	$70.8	-1.3%
Claims Assessment	$16.9	7.8%	$16.4	-3.0%	$17.6	7.3%	$18.0	2.6%	$18.9	5.0%	$19.7	4.0%	$20.5	4.0%	$21.3	4.0%	$22.2	4.0%
Employer Assessment	$20.2	2.4%	$18.4	-9.2%	$21.9	19.2%	$24.9	13.9%	$25.6	2.6%	$26.9	5.0%	$28.2	5.0%	$29.6	5.0%	$31.1	5.0%
Hospital Provider Tax	$150.2	2.6%	$143.7	-4.4%	$161.5	12.4%	$173.9	7.6%	$186.1	7.0%	$193.5	4.0%	$196.4	1.5%	$199.3	1.5%	$202.3	1.5%
Nursing Home Provider Tax	$14.7	-0.6%	$14.6	-1.0%	$14.7	0.7%	$14.6	-0.6%	$14.4	-1.1%	$14.4	0.0%	$14.4	0.0%	$14.4	0.0%	$14.4	0.0%
Home Health Provider Tax	$5.6	16.3%	$5.8	4.1%	$5.8	-0.3%	$6.1	5.6%	$0.0	-100.0%	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM
All Other HC Revenues	$1.9	-26.5%	$1.8	-3.6%	$1.8	0.9%	$2.0	6.2%	$1.9	-3.1%	$1.9	0.0%	$1.9	0.0%	$1.9	0.0%	$1.9	0.0%
TOTAL HEALTHCARE	**$280.9**	**3.1%**	**$278.1**	**-1.0%**	**$299.3**	**7.6%**	**$314.3**	**5.0%**	**$321.6**	**2.3%**	**$330.0**	**2.6%**	**$334.1**	**1.2%**	**$338.3**	**1.2%**	**$342.7**	**1.3%**

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

TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2023

SOURCE T-FUND *revenues are prior to all E-Fund allocations and other out-transfers; used for analytic and comparative purposes only*	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change	**FY2026** *(Forecast)*	% Change	**FY2027** *(Forecast)*	% Change	**FY2028** *(Forecast)*	% Change
REVENUE SOURCE																		
Gasoline	$71.0	-8.7%	$67.3	-5.3%	$71.9	6.9%	$73.8	2.7%	$71.2	-3.6%	$70.9	-0.4%	$70.5	-0.6%	$69.9	-0.9%	$69.0	-1.3%
Diesel****	$17.9	-3.5%	$17.9	0.2%	$18.3	2.0%	$17.6	-3.7%	$18.0	2.1%	$17.9	-0.6%	$17.8	-0.6%	$17.7	-0.6%	$17.6	-0.6%
Purchase and Use*	$105.4	-5.7%	$134.1	27.2%	$137.1	2.3%	$142.2	3.7%	$146.5	3.0%	$152.7	4.2%	$159.0	4.1%	$164.7	3.6%	$170.3	3.4%
Motor Vehicle Fees	$83.6	-2.1%	$87.6	4.7%	$86.0	-1.9%	$87.5	1.8%	$94.4	7.9%	$105.6	11.9%	$106.3	0.7%	$107.4	1.0%	$108.2	0.7%
Other Revenue**	$21.3	-13.5%	$20.5	-3.4%	$20.3	-1.1%	$21.4	5.3%	$23.2	8.5%	$25.9	11.6%	$26.6	2.7%	$27.3	2.6%	$28.0	2.6%
TOTAL TRANS. FUND	**$299.2**	**-6.0%**	**$327.4**	**9.4%**	**$333.5**	**1.9%**	**$342.5**	**2.7%**	**$353.3**	**3.1%**	**$373.0**	**5.6%**	**$380.2**	**1.9%**	**$387.0**	**1.8%**	**$393.1**	**1.6%**

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

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change	**FY2026** *(Forecast)*	% Change	**FY2027** *(Forecast)*	% Change	**FY2028** *(Forecast)*	% Change
REVENUE SOURCE																		
Gasoline	$71.0	-8.7%	$67.3	-5.3%	$71.9	6.9%	$73.8	2.7%	$71.2	-3.6%	$70.9	-0.4%	$70.5	-0.6%	$69.9	-0.9%	$69.0	-1.3%
Diesel	$17.9	-3.5%	$17.9	0.2%	$18.3	2.0%	$17.6	-3.7%	$18.0	2.1%	$17.9	-0.6%	$17.8	-0.6%	$17.7	-0.6%	$17.6	-0.6%
Purchase and Use[1]	$70.3	-5.7%	$89.4	27.2%	$91.4	2.3%	$94.8	3.7%	$97.7	3.0%	$101.8	4.2%	$106.0	4.1%	$109.8	3.6%	$113.5	3.4%
Motor Vehicle Fees	$83.6	-2.1%	$87.6	4.7%	$86.0	-1.9%	$87.5	1.8%	$94.4	7.9%	$105.6	11.9%	$106.3	0.7%	$107.4	1.0%	$108.2	0.7%
Other Revenue[2]	$21.3	-13.5%	$20.5	-3.4%	$20.3	-1.1%	$21.4	5.3%	$23.2	8.5%	$25.9	11.6%	$26.6	2.7%	$27.3	2.6%	$28.0	2.6%
TOTAL TRANS. FUND	**$264.1**	**-6.0%**	**$282.7**	**7.0%**	**$287.8**	**1.8%**	**$295.1**	**2.5%**	**$304.5**	**3.2%**	**$322.1**	**5.8%**	**$327.2**	**1.6%**	**$332.1**	**1.5%**	**$336.3**	**1.3%**
OTHER (TIB[3])																		
TIB Gasoline	$12.7	-12.8%	$10.2	-19.5%	$15.1	48.2%	$20.1	32.6%	$16.9	-15.8%	$16.8	-0.6%	$16.1	-4.2%	$16.2	0.6%	$16.3	0.6%
TIB Diesel and Other[4]	$2.0	-2.5%	$1.9	-4.5%	$1.9	1.7%	$2.2	13.6%	$1.94	-12.2%	$1.94	0.0%	$1.93	-0.5%	$1.92	-0.5%	$1.91	-0.5%
TOTAL OTHER (TIB)	**$14.7**	**-11.6%**	**$12.1**	**-17.5%**	**$17.1**	**40.8%**	**$22.3**	**30.4%**	**$18.8**	**-15.5%**	**$18.7**	**-0.5%**	**$18.0**	**-3.8%**	**$18.1**	**0.5%**	**$18.2**	**0.5%**

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[1] REVENUE FORECAST UPDATE

(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2023

CURRENT LAW BASIS

Source General and Transportation Fund taxes allocated to or associated with the Education Fund only	**FY2020** *(Actual)*	% Change	**FY2021** *(Actual)*	% Change	**FY2022** *(Actual)*	% Change	**FY2023** *(Preliminary)*	% Change	**FY2024** *(Forecast)*	% Change	**FY2025** *(Forecast)*	% Change	**FY2026** *(Forecast)*	% Change	**FY2027** *(Forecast)*	% Change	**FY2028** *(Forecast)*	% Change
GENERAL FUND																		
Meals and Rooms	$40.9	-10.1%	$36.0	-12.1%	$54.2	50.8%	$59.4	9.6%	$60.5	1.8%	$62.2	2.9%	$64.2	3.1%	$66.3	3.3%	$68.4	3.2%
Sales & Use[2]	$432.5	4.8%	$507.6	17.4%	$545.2	7.4%	$584.0	7.1%	$585.2	0.2%	$597.4	2.1%	$617.1	3.3%	$638.4	3.5%	$661.0	3.5%
Interest	$0.8	23.9%	$0.1	-87.1%	$0.3	169.1%	$5.8	1892%	$9.4	62.7%	$6.0	-36.2%	$3.5	-41.7%	$2.8	-20.0%	$2.6	-7.1%
Lottery	$26.8	-9.0%	$32.5	21.2%	$30.8	-5.2%	$32.1	4.3%	$32.3	0.6%	$33.0	2.2%	$34.1	3.3%	$35.2	3.2%	$36.4	3.4%
TRANSPORTATION FUND																		
Purchase and Use[3]	$35.1	-5.7%	$44.7	27.2%	$45.7	2.3%	$47.4	3.7%	$48.8	3.0%	$50.9	4.2%	$53.0	4.1%	$54.9	3.6%	$56.8	3.4%
TOTAL EDUCATION FUND	**$536.2**	**2.0%**	**$620.9**	**15.8%**	**$676.2**	**8.9%**	**$728.77**	**7.8%**	**$736.2**	**1.0%**	**$749.5**	**1.8%**	**$771.9**	**3.0%**	**$797.6**	**3.3%**	**$825.2**	**3.5%**

1) Includes only General and Transportation Fund taxes allocated to the Education Fund.
This Table excludes all Education Fund property taxes, which are updated in October/November of each year and are the largest Education Fund tax sources.
2) Includes Telecommunications Tax; Includes $1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors;
Transfer percentage from the General Fund increases from 33.3% to 35.0% effective in FY14 and to 100.0% beginning in FY19; Includes Cannabis Sales tax revenues beginning in FY23
3) Includes Motor Vehicle Rental revenues, restated