

State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street, 5th Floor
Montpelier, VT 05609-0201
www.aoa.vermont.gov

[phone] 802-828-3322

Kristin L. Clouser, Secretary

TO: Emergency Board Members
FROM: Kristin L. Clouser, Secretary of Administration
DATE: July 31, 2023
RE: Emergency Board Meeting, July 31, 2023

Kristin L. Clouser Digitally signed by
Kristin L. Clouser
Date: 2023.07.31
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Governor Scott will convene a meeting of the Emergency Board pursuant to 32 V.S.A. Sec. 305a on Monday, July 31, 2023 at 1:00 p.m. in the Governor's Ceremonial Office at the Vermont State House.

The meeting will be broadcast publicly on the Joint Fiscal YouTube channel at
<https://legislature.vermont.gov/committee/streaming/vermont-joint-fiscal>.

Meeting materials will be posted online when available at
<https://aoa.vermont.gov/revenue/emergency-board-minutes>.

The agenda items are as follows:

1. Private Activity Bond allocations for calendar year 2023, and delegation to the Governor (32 V.S.A. Sec. 992(b)(2)) authority to assign Private Activity Bond volume cap
 - a. Scott Baker, Financial Reporting Director, Office of the State Treasurer
2. Official state Medicaid report (32 V.S.A. Sec. 305a(c))
 - a. Nolan Langweil, Senior Fiscal Analyst, Joint Fiscal Office
3. Official state revenue estimate (32 V.S.A. Sec. 305a(b))
 - a. Jeff Carr, State Economist for the Agency of Administration
 - b. Tom Kavet, State Economist for the Legislature
4. Education Fund Outlook (32 V.S.A. Sec. 5402b(c)) available for review by the Board
 - a. Julia Richter, Fiscal Analyst, Joint Fiscal Office
5. Other business as needed
 - a. Business Emergency Gap Assistance Program
 - i. Lindsay Kurrle, Secretary, Agency of Commerce and Community Development
 - b. Emergency Financial Assistance Program for Flood-Impacted Vermonters

Cc: Michael Pieciak, Vermont State Treasurer
Gavin Boyles, Deputy State Treasurer
Adam Greshin, Commissioner, Department of Finance & Management
Hardy Merrill, Dep. Commissioner, Department of Finance & Management
Craig Bolio, Commissioner, Department of Taxes
Jake Feldman, Senior Fiscal Analyst, Department of Taxes
Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office
Sarah Clark, Deputy Fiscal Officer, Joint Fiscal Office
Emily Byrne, Associate Fiscal Officer, Joint Fiscal Office
Michael Gaughan, Vermont Municipal Bond Bank
Elijah D. Emerson, Esq., Primmer Piper Eggleston & Cramer PC
Maura Collins, Vermont Housing Finance Agency
Cassie Polhemus, Vermont Economic Development Authority
Scott Giles, Vermont Student Assistance Corporation
Tom Little, Esq., Vermont Student Assistance Corporation



ITEM 1

MICHAEL S. PIECIAK
STATE TREASURER

RETIREMENT DIVISION
TEL: (802) 828-2305




UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

ACCOUNTING DIVISION
TEL: (802) 828-2301

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

TO: Emergency Board

FROM: Michael Pieciak, State Treasurer 

DATE: July 25, 2023

RE: Recommendation for July 2023 Emergency Board Meeting regarding Private Activity Bond Ceiling

This memorandum provides my recommendations to the Emergency Board regarding Vermont's private activity bond (PAB) ceiling for 2023.

Based on the survey and requests of the constituted and eligible issuing authorities, I recommend maintaining the current allocation for 2023 as approved at the January meeting, which was as follows:

Vermont Economic Development Authority (VEDA):	\$40,000,000
Vermont Bond Bank: (VBB):	20,000,000
Vermont Housing Finance Agency (VHFA):	0
Vermont Student Assistance Corporation (VSAC):	0
Contingency:	298,845,000
TOTAL:	\$358,845,000

I also recommend that the Emergency Board empower the Governor the power and authority to assign or reallocate, after December 20 and on or before December 31, 2023, any unused portion of the 2023 PAB volume cap among all four constituted and eligible issuing authorities – VSAC, VHFA, VEDA and VBB – without limitation, from Contingency and among the agencies themselves. This reallocation authority is necessary to ensure that any unused volume cap from 2023 is carried forward for the allowable three-year period under the Internal Revenue Service (IRS) Code guidelines. Attached is a motion to this effect.

Please contact me at mike.pieciak@vermont.gov or 828-1452 with any questions regarding this memorandum.

cc: Kristin Clouser, Secretary of Administration
Cassie Polhemus, Vermont Economic Development Authority
Maura Collins, Vermont Housing Finance Agency
Michael Gaughan, Vermont Bond Bank
Tom Little, Esq., Vermont Student Assistance Corporation
Catherine Benham, Legislative Joint Fiscal Office

ITEM 2

Report on Medicaid for Fiscal Year 2023 July 31, 2023

32 V.S.A. § 305a(c) requires a year-end report on Medicaid and Medicaid-related expenditures and caseload. Each January, the Emergency Board is required to adopt specific caseload and expenditure estimates for Medicaid and Medicaid-related programs. Action is not required at the July meeting of the Emergency Board unless the Board determines a new forecast is needed in July. The data in this report reflects the most current actual FY 23 information to date. The comparison of FY 23 actual to budgeted amounts reflects the changes made through the budget adjustment and big bill processes. Though unlikely, there may be adjustments to actual year-end amounts as the close-out for the fiscal year is finalized. If necessary, changes will be included in a subsequent report.

Executive Summary

The impacts of the COVID-19 Public Health Emergency reverberated through the health care system, the effects of which will be felt for years to come. Some of the effects may be temporary. Others appear to represent a new normal. The impacts of the July 2023 flood could also be a factor in FY 24, although, as of this writing, it is too soon to tell. Legislative and Executive Branch staff have worked closely throughout the year to interpret both short-term and long-term trends on caseloads, expenditures, and revenues.

The bullet points below provide the primary FY 23 results in Vermont's Medicaid, Global Commitment Waiver (GC), Children's Health Insurance Program (CHIP), and related programs. Also included are a few issues to be aware of looking forward. Detailed multi-year charts for overall program expenditures, enrollment, and year-end positions follow this summary.

- **Expenditures:** Overall FY 23 Medicaid and Medicaid-related all funds' expenditures totaled \$2.17 billion (see Exhibit 1). This is \$52 million (2.3%) below all the funds' budgeted amount as passed in budget adjustment, yet still a 9% increase in total spending over FY 22.
 - Global Commitment Program spending came in \$57.7 million (4%) below projections. The bulk of the underspend was from Success Beyond Six (\$19 million), which draws federal match from a dedicated special fund, and from last-minute drug rebates (\$10 million) claimed by the Department of Vermont Health Access (DVHA).
 - Overall program administration ran around 7%, which is consistent with FY 22, yet came in 4% below what was budgeted.
 - State-only pharmacy ran \$2.1 million above estimates.

- Disproportionate Share Hospital (DSH) payments are usually \$22.7 million. For FY 23, these payments were increased up to the cap (\$46.4 million) using funds earmarked for the Agency of Human Services (AHS) in Act 83 of the 2022 session to address emergency and exigent circumstances following the COVID-19 pandemic. These funds leveraged additional federal match to help further stabilize hospital providers.
- **AHS GC General Fund Position:** The unexpended General Fund in the Agency of Human Services (AHS) Global Commitment line being carried forward into FY 24 is \$12.6 million. Approximately half of this amount will be used towards FY 23 encumbrances, Level 1 cost settlement, private non-medical institutions (PNMI) and Nursing Home Extraordinary Financial Relief (EFR) requests, and Choices for Care carryforward. The remaining carryforward will be used for anticipated BAA Medicaid Consensus and GC-funded caseload and utilization needs, IMD funding pressures, and additional IT project matching funds.
- **Caseload:** Vermonters are eligible for coverage through Medicaid programs in a variety of ways subject to income limits. For the vast majority, these programs provide full or primary health care coverage for beneficiaries. For the remaining caseload, Medicaid programs provide supplemental coverage for those whose primary coverage is from another source such as Medicare or commercial plans.

Most of the FY 23 eligibility groups came close to the projections adopted by the Emergency Board in January 2023. There are several areas to note:

- *Medicaid Continuous enrollment:* Medicaid continuous enrollment (discussed in more depth later in this document) remained in full effect during the first three quarters of FY 23. This ended in April and will take at least a year to “unwind.” The non-disabled adult eligibility categories were most impacted by this. Normally, these categories experience significant churn on and off the program due to employment changes. Instead, they have seen significant growth in enrollments over the past three years as result of federal policy. Other eligibility categories were less impacted because the income limits are higher or tied to a specific disability status, so churn is traditionally much lower.
- *Vermont Premium Assistance (VPA):* It was anticipated that the number of people receiving VPA would increase from the previous year, as had been the prediction for FY 22. The caseload in fact decreased again by 12% while the caseloads for those with cost-sharing subsidies continued to remain flat. It is speculated that this trend could reverse with the end of Medicaid continuous enrollment.

- **FMAP:** The Federal Medical Assistance Percentage (FMAP) is the federally set rate for each state. It reflects the share of costs the federal government will pay for eligible Medicaid expenses. The rate for each state is based on three-year average of state per capita income levels in comparison to the overall national level. No state's rate can be lower than 50%. The income data used for this calculation lags the present by several years and is often countercyclical.

Vermont's base FMAP for SFY 23 was 55.98% federal share and 44.02% State share for program costs. A change of 1% in the base rate can impact the State GF budget by as much as \$18 million. There are instances where the FMAP is higher or enhanced due to federal action such as the 90% share for 'Childless New Adults' under the Affordable Care Act (ACA), the Children's Health Insurance Program (CHIP), or state-specific agreements with CMS for certain types of administrative expenditures.

Since March 2020, states have received a temporary 6.2% increase in their FMAP rate as part of the federal government's COVID-19 relief. Under the Consolidated Appropriations Act, 2023, the enhanced FMAP has begun to phase down. On April 1, the enhanced FMAP decreased to 5%. It decreased again to 2.5% on July 1. It will decrease to 1.5% on October 1, and cease altogether at the end of calendar year 2023. Between FY 20 and FY 23, the increased FMAP resulted in over \$300 million in General Fund savings for Vermont.

Looking ahead

- **July 2023 Flood:** At the time of the E-board meeting, it will have been three weeks since the historic floods devastated communities around the state. While it is still too soon to fully comprehend the short-term and long-term impacts on Vermonters and their human services needs, the July 2023 Flood could affect caseloads and expenditures for FY 24 and beyond.
- **FMAP:** The FY 24 base FMAP increased in the State's favor by 0.53% (to 56.52% federal share and 43.48% State share). The FY 25 base FMAP has not yet been released by the federal government. JFO and Administration staff will continue to monitor and adjust FY 25 estimates when the final FMAPs are released in the fall. The preliminary estimates provided by *Federal Funds Information for States (FFIS)* continue to be positive for Vermont from a budgetary standpoint, however, experience has shown that preliminary estimates can sometimes differ significantly from the final FMAP determination. Additionally, as mentioned above, the enhanced FMAP that had been available as part of the COVID-19 federal relief will be completely phased out by the end of the second quarter of FY 24.
- **Health Care Revenues:** Health care revenues – which include cigarette and tobacco taxes, the health care claim tax, the employer assessment, and provider taxes – were previously deposited into a special fund. In 2019 these were redirected into the General Fund. As such they are now part of the General Fund forecast.

Hospital provider taxes projections, which account for the majority of provider taxes, always have some level of volatility. The forecast is based on what hospitals will be billed by AHS, which is based on the Green Mountain Care Board's (GMCB) budgeted estimates. These are later reconciled based on actuals for the first three quarters which may differ significantly from what was budgeted. Additionally, projections do not take into consideration hospitals that are in arrears. At the close of FY 23, four hospitals were in arrears for a total of \$9 million.

The home health provider tax, which raised approximately \$5.8 million and \$6.1 million in FY 22 and FY 23 respectively, sunset at the end of FY 23. There will be no future revenue collection from this source.

The employer assessment came in approximately \$950,000 higher than projected. The annual assessment increase is indexed to the rate increase of the second-lowest cost silver plan, whether offered inside or outside the Vermont Health Benefit Exchange. Both Blue Cross Blue Shield of Vermont and MVP Health again submitted rate filing requests to the GMCB for double-digit average annual rate increases across their individual and small group plans. FY 24 employer assessment revenues will depend both on the GMCB's final rate decisions as well as continually evolving workforce environments, for which employers pay based on the number of full-time equivalents (FTEs) they employ who lack health coverage or are covered by Medicaid.

- **Medicaid renewals and redeterminations:** The continuous Medicaid enrollment requirement, initially included in the Families First Coronavirus Response Act passed at the start of the COVID-19 pandemic, ended on March 31, 2023. The process of redetermining eligibility for every Medicaid enrollee began in April and is expected to take 12-14 months. Those who are determined no longer eligible or are unable to complete the renewal process will be disenrolled. This will impact caseload and utilization estimates for both the FY 24 budget adjustment and FY 25 budget. Additionally, while enrollment in the non-disabled adult categories saw increases during this period, the number of people receiving Vermont Premium Assistance (VPA) decreased during this time. Annual redeterminations will resume once the unwinding plan is completed. As redeterminations are once again under way, it's likely that the downward trend in VPA could reverse.
- **Home and Community-Based Services Enhanced Funding:** The American Rescue Plan of 2021 (ARPA) provided states with a 10% match enhancement for one year (April 2021 through March 2022) on the broadly defined Home and Community-Based Services (HCBS). The savings generated can be matched and expended under a federally approved plan over a multi-year period to strengthen and enhance these services.

In Vermont, a total of \$71.8 million of savings was generated by the 10% enhanced match. This allows Vermont to implement an ARPA HCBS plan with activities with matching dollars totaling \$161.8 million gross between April 1, 2021 and March 31, 2025. Spending authority for this plan was authorized in Acts 83 and 185 of

the 2022 session and Act 78 of the 2023 session. The funds will be used for improving services, promoting a high-performing and stable HCBS workforce, and improving HCBS care through data systems, value-based payment models, and oversight.

The FY 22 budget included a 3% rate increase for HCBS services to mental health, developmental disability, brain injury, Choices for Care, and substance use treatment preferred providers. This was funded over three years as part of the ARPA HCBS plan. The FY 25 budget will need to include the backfill of these funds to support the rate increase. This is estimated as a \$17 million gross cost and reflects a roughly \$7 million need for State match.

- **Clawback:** FFIS has projected a 15.9% increase for Vermont beginning in calendar year 2024. Preliminary estimates indicate a General Fund pressure of between \$3.5 million and \$6.8 million in FY 24, which will become a base pressure in FY 25.
- **IMD Phasedown:** As a condition of the 2022 Global Commitment (GC) Waiver renewal, Vermont must “phase down” its reliance on GC Investment dollars to fund services at the Brattleboro Retreat and the Vermont Psychiatric Care Hospital. This will require a backfill of General Fund dollars. The phasedown is calculated on a calendar year. Preliminary estimates indicate a \$2.1 million pressure on the FY 24 budget adjustment and a \$6.4 million pressure in FY 25.
- **Continuous Enrollment for Children:** The Consolidated Appropriations Act, 2023 requires all states, as of January 1, 2024, to have 12-month continuous eligibility policies for children covered by Medicaid and the Children’s Health Insurance Program (CHIP). Voluntary disenrollment and change of state residency will continue to be reasons for children to come off Vermont Medicaid/CHIP enrollment.
- **High-cost drugs:** DVHA is currently analyzing the potential fiscal impacts of several new high-cost prescription drugs coming down the pipeline. For instance, the FDA recently gave approval for a new drug that slows the rate of cognitive decline and is expected to cost over \$25,000 per year.

Average Medicaid Caseload		Exhibit 1					
(Based on Monthly Enrollment and Staff Group projections)						July 2023	FY 24 Bud. Est.
		actual	actual	actual	Ebrd Jan'23	actual	Ebrd Jan'23
		FY20	FY21	FY22	FY23	FY23	FY24
Full/Primary Coverage (note1)					Redeterminations suspended during pandemic emergency		
Adult							
	Aged, Blind, or Disabled (ABD) Adults	6,292	6,229	6,108	5,995	6,401	5,884
	General Adults	8,366	11,308	16,837	18,804	18,626	17,570
	New Adult Childless- began 1/1/2014	35,058	42,064	47,797	50,851	50,596	47,115
	New Adult w/Children - began 1/1/2014	20,196	24,409	24,540	24,730	25,925	23,171
	Adult subtotal	69,911	84,010	95,282	100,380	101,548	93,740
		-4.4%	20.2%	13.4%			
Children							
	Blind or Disabled (BD) Kids	1,766	1,636	1,542	1,447	1,619	1,354
	General Kids	57,772	60,658	61,895	61,930	62,070	60,212
	CHIP (Uninsured) Kids	4,549	4,356	4,687	4,905	4,635	4,596
	Child subtotal	64,087	66,650	68,124	68,282	68,324	66,162
		-1.3%	4.0%	2.2%			
Subtotal -Full/Primary		133,998	150,660	163,406	168,662	169,872	159,902
		-3.3%	12.4%	8.5%			
Partial/Supplemental Coverage							
	Choices for Care	4,387	4,476	4,510	4,492	4,600	4,507
	ABD Dual Eligibles	17,546	18,031	18,320	18,350	18,663	18,350
	Rx -Pharmacy Only Programs	9,976	9,965	9,586	9,306	9,096	9,033
	VPA-Vermont Premium Assistance (note2)	16,237	15,187	12,471	9,722	10,842	9,856
	CSR-Cost Sharing Reduction (subset of VPA)	3,518	3,044	3,041	3,252	3,106	3,559
	Underinsured Kids (ESI upto 312% FPL)	568	569	618	640	664	640
Subtotal -Partial/Supplemental Coverage		48,713	48,227	45,505	42,510	43,865	42,386
		-2.6%	-1.0%	-5.6%			
Total Medicaid Enrollment		182,711	198,887	208,911	211,172	213,737	202,288
		-3.1%	8.9%	5.0%		3.4%	
Notes	Some Full Coverage enrollees may have other forms of insurance.						
	VPA-Vermont Premium Assistance counts are subscribers not individuals.						
							doc# 343038

Exhibit 2

Summary of Total Expenditures

Medicaid and Medicaid Related

	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Budgeted - BAA	FY23 Actual (Estimated as of 7/14/23)	FY24 Budgeted - As Passed
Administration (not in Waiver)						
Non Capitated Administration 50/50	76,839,254	70,450,346	69,159,795	76,717,539	80,648,528	78,089,560
Non Capitated Administration 75/25 MMIS M&O	20,103,827	20,862,489	25,587,964	33,923,783	35,776,207	33,923,782
Non Capitated Administration 75/25 SPMP	6,275,782	5,406,553	8,804,095	9,749,974	8,941,807	9,855,350
<i>Sub-total Non Capitated Administration</i>	103,218,863	96,719,388	103,551,853	120,391,296	125,366,541	121,868,692
Non Capitated Administration 75/25 E&E M&O	34,550,270	34,388,430	32,052,293	42,445,812	31,668,408	53,751,020
Non Capitated Administration total	137,769,133	131,107,818	135,604,147	162,837,108	157,034,949	175,619,712
Global Commitment Waiver						
GC - Program	1,236,841,301	1,268,974,765	1,413,780,286	1,586,374,021	1,528,698,008.06	1,601,426,984
GC - VT Premium Assistance	5,864,311	5,689,738	4,524,778	3,527,563	4,139,283	3,576,184
GC - Choices for Care (CY 2015 now in GC)	221,591,137	206,345,993	226,674,507	266,261,841	257,115,067	265,767,104
GC - Investments	124,799,031	98,845,057	108,638,216	101,744,734	105,146,830	106,311,159
GC - Certified (non -cash program & cnom)	23,441,495	18,175,058	21,178,030	21,962,767	20,590,111	25,050,921
GC Waiver total	1,612,537,275	1,598,030,610	1,774,795,817	1,979,870,926	1,915,689,299	2,002,132,352
Other Medicaid and Related Programs						
Choices For Care / Money Follows the Person	2,379,542	1,388,847	4,643,428	2,581,912	2,434,893	2,948,579
Exchange Cost Sharing Subsidy (State Only)	1,170,612	1,176,262	985,102	1,053,656	1,151,486	1,153,124
Pharmacy - State Only	4,862,659	4,998,596	2,891,746	1,432,048	3,538,163	2,678,653
DSH	22,704,471	22,704,470	22,704,469	22,704,471	46,365,645	22,704,471
Clawback (state only funded)	35,532,471	30,355,530	33,191,145	40,397,960	35,919,289	42,762,070
SCHIP	13,744,946	14,664,289	14,045,476	15,204,127	11,729,012	14,294,295
Other Medicaid & Related total	80,394,701	75,287,995	78,461,367	83,374,174	101,138,487	86,541,194
Total All Expenditures	1,830,701,108	1,804,426,423	1,988,861,331	2,226,082,208	2,173,862,735	2,264,293,258

Note: The Budgeted amount for OAPD admin expense reflect the amounts approved by the CMS in submitted OAPDs. This does not reflect state appropriated amounts.

OAPD = Operational Advanced Planning Document

Doc #371453

Exhibit 3

Choices for Care Year End Summary - SFY23						
CFC is managed as one budget, categories are estimated but funding is fluid within them.						
DeptID - 3460080000						
	SFY23 Budget	SFY23	Balance of SFY23 Approp	State Share Amt	State Share converted to	
	Plan\$ Available	Expend and	as of FY23 Year End		Gross GC in SFY24	
	(Final Appropriation)	Obligated	by fund		Available For	
					CF/Savings Reinvestment	
General Fund	\$ 3,200,774.47	\$ 2,028,666.66	\$ 1,172,107.81	\$ 1,172,107.81	\$ -	
H&CB Money Follows the Person Federal Fund	\$ 2,083,333.00	\$ 1,826,169.43	\$ 257,163.57	\$ -	\$ -	Federal Funds are available to use in SFY24
H&CB & Nursing Home Global Commitment Fund	\$ 257,525,073.00	\$257,115,067.31	\$ 410,005.69	\$ 156,294.17	\$ 359,462.21	
Choices for Care Subtotal all funds	\$ 262,809,180.47	\$260,969,903.40	\$ 1,839,277.07	\$ 1,328,401.98	\$ 359,462.21	GC Carryforward from SFY23 into SFY24 available before obligations.
					\$ -	
					\$ 359,462.21	GC Carryforward to SFY24 (43.48% GF)
					\$ (2,609,699.03)	1% reserve calculated by taking 1% of SFY23 expenses
					\$ (2,250,236.82)	Total GC available after obligating a 1% reserve, if funds are available, per statute.
					\$ -	Funds available for reinvestment (If total GC available after 1% reserve calculation is less than zero, there are no funds for reinvestment purposes)

Exhibit 4

Official Forecast Worksheet
Healthcare Revenues
(formerly in SHCRF now in GF)

				Jan-23	Jul-23	Jul-23	Jul-23	Jul-23
Fund	GF FY20 Actual	GF FY21 Actual	GF FY22 Actual	GF FY23 Forecast	GF FY23 Actual	GF FY24 Forecast	GF FY25 Forecast	GF FY26 Forecast
Cigarette and Tobacco taxes	71.4	77.47	75.99	73.30	74.85	74.70	73.70	72.70
Claims Assessment (GF portion only)	16.87	16.37	17.57	18.00	18.02	18.93	19.69	20.48
Employer Assessment	20.23	18.36	21.89	23.97	24.93	25.58	26.86	28.20
Hospital Provider Tax	150.19	143.66	161.53	184.18	173.87	186.07	193.48	196.38
Nursing Home Tax	14.71	14.56	14.66	14.66	14.58	14.41	14.41	14.41
Home Health Tax	5.58	5.81	5.79	5.81	6.12	0.00	0.00	0.00
Ambulance Tax	1.01	0.99	0.99	1.10	1.11	1.10	1.10	1.10
Pharmacy \$0.10/script	0.80	0.81	0.86	0.80	0.85	0.80	0.80	0.80
ICFMR Tax	0.08	0.03	0.00	0.00	0.00	0.00	0.00	0.00
Nursing Home Transfer Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	280.9	278.1	299.3	321.8	314.3	321.6	330.0	334.1

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ITEM 4

July 31, 2023

Preliminary Education Fund Outlook for FY 2024 Emergency Board Meeting July 31, 2023

(millions of dollars)		FY2022	FY2023	FY2024
		Actual	Actual	Projected
a	Average Homestead Property Tax Rate	\$1.523	\$1.386	\$1.315
b	Average Tax Rate on Household Income	2.50%	2.32%	2.33%
c	Uniform Non-Homestead Property Tax Rate	1.612	\$1.466	\$1.391
d	Property Yield Per Equalized Pupil	\$11,317	\$13,314	\$15,443
e	Income Yield Per Equalized Pupil	\$13,770	\$15,948	\$17,537
f	Equalized Pupil Count	86,944	85,806	84,415
g	Average Percentage Bill Change Compared to Prior Year			4.27%
h	Statewide Education Spending Growth	1.3%	6.2%	8.0%
i	Statewide Education Grand List Growth	3.0%	7.5%	9.7%
Sources				
1a	Homestead Education Property Tax	648.7	628.3	670.0
1b	Property Tax Credit	(172.3)	(163.7)	(151.0)
2	Non-Homestead Education Property Tax	752.4	738.9	782.7
3	Sales & Use Tax	545.2	584.0	585.2
4	Purchase & Use Tax - one-third of total	45.7	47.4	48.8
5	Meals & Rooms Tax - one-quarter of total	54.2	59.4	60.5
6	Lottery Transfer	30.8	32.1	32.3
7	Medicaid Transfer	11.5	10.3	10.8
8	Other Sources (Wind & Solar, Fund Interest)	3.6	9.0	9.4
9	Total Sources	1,919.7	1,945.9	2,048.8
Appropriations				
10	Education Payment ¹	1,502.1	1,576.5	1,703.3
10a.	E-Board Release of Funds for PCB remediation ¹	-	1.1	-
11	Special Education Aid	229.0	208.1	226.2
12	State-Placed Students	17.0	17.5	19.0
13	Transportation Aid	20.5	21.8	23.5
14	Technical Education Aid	17.2	31.3	17.0
15	Small School Support	8.1	8.2	8.3
16	Essential Early Education Aid	7.1	7.5	8.4
17	Flexible Pathways	8.2	8.3	9.3
18	Universal School Meals	-	29.0	29.0
19	Afterschool grants	-	-	4.0
20	PCB Remediation Grants ²	-	-	29.7
21	Teachers' Pensions (Normal Cost Only)	37.6	33.4	33.1
22	On-going Normal Cost of Teacher's OPEB	-	15.1	15.4
23	One-time COLA payment	-	-	3.0
24	Other Uses (Accounting & Auditing, Financial Systems)	3.4	3.4	4.8
26	Total Uses	1,850.1	1,961.2	2,134.0
Allocation of Revenue Surplus/(Deficit)				
27	Revenue Surplus/(Deficit)	69.5	(15.3)	(85.3)
28	Prior-Year Reversions	(11.7)	(45.5)	0.0
29	Transfer to/(from) Stabilization Reserve	1.1	2.5	5.2
30	Transfer to/(from) Additional Reserves ²	32.0	(32.0)	22.1
31	Transfer to/(from) Unreserved/Unallocated	48.2	59.7	(112.6)
Stabilization Reserve				
32	Prior-Year Stabilization Reserve	38.2	39.3	41.8
33	Current-Year Stabilization Reserve	39.3	41.8	47.0
34	Percent of Prior-Year Net Appropriations	5%	5%	5%
35	Reserve Target	39.3	41.8	47.0
Additional Reserve				
34	Current-Year Additional Reserve for Other Post Employment Benefits	14.0	-	-
34 a.	Prefund of Normal Cost of Teacher's OPEB using reserved funds	(13.3)	-	-
35	Current-Year Reserve for Future COLA provisions	-	-	9.1
36	Current-Year PCB Reserve	32.0	-	-
37	Current-Year Tax Rate Offset Reserve			13.0
Available Funds				
38	Prior-Year Unreserved/Unallocated	28.68	77.58	137.25
39	Current-Year Unreserved/Unallocated	77.58	137.25	24.70

Notes: 1) On October 24, 2022 the Emergency Board transferred \$2.5 million from the adjusted education payment appropriation of Act 185 Sec. B.505 (2022) for the purposes of PCB remediation. Act 78 Sec. C.112(a)(2) (2023) reappropriated funds not already spent or obligated for PCB remediation to the education payment. This adjustment is reflected in lines 10 and 10a for FY 2023.

2) In FY 2024, pursuant to Act 78 Sec. C.112(a)(1) from 2023, the \$32 million reserved in the PCB additional reserve were unreserved and \$29.5 million were appropriated to the Agency of Education for PCB remediation and removal grants. Further, pursuant to Act 78 Sec. C.112(b), after reappropriating to the 2023 education payment, the remaining \$221 thousand unexpended and unobligated funds were also appropriated to the Agency of Education for PCB remediation and removal grants in FY 2024. This is reflected in line 30 for FY2023 and line 20 of FY2024.

Prepared by JFO

7/31/2023

ITEM 5

Business Emergency Gap Assistance Program - ('BEGAP')

Program Purpose and Eligibility: This \$20 million grant program is being established to provide rapid relief to businesses and nonprofits that sustained physical damages from flooding dating back to July 7, 2023. Applicants must intend on restoring, reopening, and bringing their employees back to work in their organizations in Vermont as soon as possible and will utilize the grant funds for that purpose.

Physical Damage: Includes physical loss of use of business assets such as real estate, leasehold improvements, inventory, furniture, and equipment.

Net Uncovered Damage: The damage amount remaining after subtracting any insurance proceeds and other grants or donations used to defray the costs of repairing or replacing those damaged assets.

Grant Amount:

For applicants who have less than \$1,000,000 in net uncovered damages:

- The lesser of 20% of net uncovered damages or \$20,000.

For applicants who have net uncovered damages more than \$1,000,000:

- The lesser of 20% of net uncovered damages or
 - \$100,000 if applicant employs between 1 and 10 FTEs*
 - \$250,000 if applicant employs between 11 and 50 FTEs
 - \$500,000 if applicant employs over 50 FTEs

Applicants submitting applications for more than one property with damages exceeding \$1,000,000 are only eligible for an enhanced award (over \$20,000) for one application.

*The amount of Vermont-based full time equivalent employees prior to the flood event.

Proof of Damages: Photographs (limit 5), insurance adjuster damage assessments, estimates for repairs to, or replacement of: physical structures, equipment, inventory, or supply purchases, or actual paid expenses and other documents as requested.

Award Timing: Applications will be considered, and awards made, on a rolling basis. The program will run until the funding is expended.

Administrative Costs: The Department of Economic Development will use up to 2.5% of the award to fund the cost of administering the program.

ITEM 5B

Emergency Financial Assistance Program for Flood-Impacted Vermonters

Program Purpose: Emergency grant funding will be available to assist Vermont residents, including homeowners and renters, who were impacted by the July 2023 flood disaster, as declared in Executive Order No. 03-23, and need to replace flood-damaged and flood-destroyed appliances and equipment. Current FEMA reports estimate over 4,000 residences were impacted. This emergency funding will support addressing this urgent financial need. Efficiency Vermont will utilize existing, cost-effective programs, supply chain partners, and delivery mechanisms to ensure supply availability.

Program Amount: Up to \$10,000,000

Grant Program: Applications will be considered, and grants will be awarded on a rolling basis and until all funds have been granted. Qualifying replacement appliances and equipment include those on Efficiency Vermont's Qualifying Products List and comparably efficient equipment.

Income qualifications are based on Vermont's Area Median Income (AMI) in keeping with Efficiency Vermont's standard practices. Priority will be given to Vermonters with income at or below 120% AMI. For renters, awards will be based on the renter's income, not the landlord's income. For a multi-unit dwelling, the average income of all renters in the building may be used to determine income for appliances and equipment that affect more than one unit.

Awards shall not exceed \$10,000 per individual. Assistance will not be available for items reimbursed by another source, including insurance payouts and FEMA awards. Applicants will be required to verify income, proof of damage with damage assessments from FEMA and/or insurance companies and other documents as requested by the grantor.

Grant award decisions can be stacked with Distribution Utility Tier III and Efficiency Utility programs and incentives, federal tax incentives, Inflation Reduction Act incentives and state-controlled programs; ARPA-funded weatherization, heat pump and hot water heater switch-and-save programs, electric panel upgrades, and flexible load management; FEMA assistance, and other grant awards or philanthropic dollars.