



State of Vermont  
Agency of Administration  
Office of the Secretary  
Pavilion Office Building  
109 State Street  
Montpelier, VT 05609-0201  
[www.adm.state.vt.us](http://www.adm.state.vt.us)

[phone] 802-828-3322  
[fax] 802-828-3320

Justin Johnson, Secretary

MEMORANDUM

**TO:** Emergency Board Members  
**FROM:** Justin Johnson, Secretary of Administration  
**DATE:** January 14, 2015  
**SUBJECT:** Next Emergency Board Meeting

There will be an Emergency Board meeting on Tuesday, January 20, 2015, 1:00 p.m., Governor's Ceremonial Office, State House, 115 State Street, Montpelier, Vermont.

The agenda items are as follows:

1. Allocation of the calendar year 2015 Private Activity Bond ceiling (32 V.S.A. Sec. 992(b)).
2. Official state revenue estimate and Medicaid caseload and expenditure estimates (32 V.S.A. Sec. 305a).
  - a. For Board consideration, two versions of fiscal year 2015 estimated per-member per-month expenditures: one to include an increase in Medicaid provider reimbursements in order to ensure that the expenditure estimates reflect amounts attributable to health care inflation as required by subdivisions 307(d)(5) and (d)(6) of Title 32, and one without the inflationary adjustment. (32 VSA Sec 305a(c)).

Materials for the agenda items are enclosed, except that the official state revenue estimates and the Medicaid caseload and expenditure estimates. The Medicaid caseload and expenditure estimates will be sent prior to the meeting. The revenue estimates will be distributed at the meeting.

cc: Beth Pearce, State Treasurer  
Sarah E. Carpenter, VHFA  
Jo Bradley, VEDA  
Robert Giroux, Vermont Municipal Bond Bank  
J. Paul Giuliani, Esq., Primmer Piper Eggleston & Cramer PC  
Scott Giles, VSAC  
Tom Little, Esq., VSAC  
Justin Johnson, Secretary of Administration  
Patricia Moulton, Secretary of Commerce and Community Development  
Lisa Ventriss, PABAC  
Steve Klein, Legislative Joint Fiscal Office  
Steve Wisloski, Deputy State Treasurer





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[fax] 802-828-3320

*Justin Johnson, Secretary*


**MEMORANDUM**

**TO:** Emergency Board Members

**FROM:** Justin Johnson, Secretary of Administration

**DATE:** January 14, 2015

**SUBJECT:** Allocation of Calendar Year 2015 Private Activity Bond Ceiling



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Pursuant to 32 V.S.A. Sec. 992(b), the Emergency Board must allocate the calendar year 2015 private activity bond ceiling on or before January 31, 2015. Attached is a draft motion for your consideration that would allocate the state private activity bond ceiling for calendar year 2015.

This proposed allocation is as recommended by the Private Activity bond Advisory Committee (PABAC), provided in accordance with 32 V.S.A. sec 994(b)(4). The PABAC recommendation is attached.

Because of the large amount recommended as a "contingency" allocation; I am including in the draft motion the same provisions adopted at the January 16, 2014 Emergency Board meeting, that discussion of the allocations, including contingency, and delegation of reallocation authority to the Governor, as provided for in 32 V.S.A. 992(b), be placed on the July 2015 Emergency Board meeting agenda.

**cc:** Beth Pearce, State Treasurer  
Sarah E. Carpenter, VHFA  
Jo Bradley, VEDA  
Robert Giroux, Vermont Municipal Bond Bank  
J. Paul Giuliani, Esq., Primmer Piper Eggleston & Cramer PC  
Scott Giles, VSAC  
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Lisa Ventriss, PABAC  
Steve Klein, Legislative Joint Fiscal Office  
Steve Wisloski, Deputy State Treasurer

**PROPOSED MOTION**  
**2015 PRIVATE ACTIVITY BOND ALLOCATION**

Motion is made to allocate Vermont's Private Activity Bond Allocation of \$301,515,000 for calendar year 2015 as follows:

Vermont Economic Development Authority (VEDA):	\$ 25,000,000
Vermont Municipal Bond Bank: (VMBB)	\$ 20,000,000
Contingency:	\$ <u>256,515,000</u>
TOTAL	\$ 301,515,000

It is further moved that discussion of the allocations, including the contingency, and delegation of reallocation authority to the Governor, as provided for in 32 V.S.A. Sec. 992(b), be placed on the July, 2015 Emergency Board meeting agenda.

**ELIZABETH A. PEARCE**  
STATE TREASURER



UNCLAIMED PROPERTY DIVISION  
TEL: (802) 828-2407

RETIREMENT DIVISION  
TEL: (802) 828-2305  
FAX: (802) 828-5182

ACCOUNTING DIVISION  
TEL: (802) 828-2301  
FAX: (802) 828-2884

**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

December 1, 2014

The Honorable Peter Shumlin  
Pavilion Office Building  
109 State Street  
Montpelier, VT 05609-0101

Dear Governor Shumlin:

This letter provides the annual report of the activities of the Private Activity Bond Advisory Committee (the "Committee") during 2014, and includes its recommendations both to the Emergency Board regarding the allocation of Vermont's private activity bond ceiling for 2015, and to the Governor regarding reallocations of 2014 bond ceiling (32 V.S.A. § 994(b)).

Early in the year, the Committee coordinated with representatives of the Vermont Housing Finance Agency (VHFA), the Vermont Municipal Bond Bank (VMBB) and the Vermont Student Assistance Corporation (VSAC) to ensure that IRS Forms 8328 were filed to carry forward volume cap from 2013. The Committee convened a meeting on July 1 to survey the need for any recommended reallocations of 2014 volume cap to the Emergency Board in connection with its July 24 meeting, and recommended that the Emergency Board delegate to the Governor the ability to reallocate volume cap, without limitation, to and among Vermont's four constituted and eligible issuing authorities (VEDA, VHFA, VMBB and VSAC) for the remainder of 2014.

The Committee convened a second meeting and public hearing on November 5 in coordination with the newly-created Local Investment Advisory Committee convened to discuss Infrastructure, Municipal, Wastewater, Water Systems, Transportation, and Commercial Development. Approximately two dozen attendees included town managers, banking professionals, representatives of Federal and Vermont governmental agencies, engineers and members of the public.

The Committee convened its third and final meeting on November 24 to discuss 2014 volume cap re-allocation and 2015 initial allocation recommendations with the constituted and eligible issuing authorities. Additionally, the Committee discussed interest expressed by the Vermont Mobile Home Park Research Collaborative wastewater treatment, and by the Department of Environmental Conservation for water, sewer and solid waste management infrastructure improvements. VSAC also discussed possible applications for parent-financed student loans, however this would need approval at the Federal level.

**Recommended Initial Allocation of 2015 Volume Cap**

It is the Committee's understanding, from IRS Revenue Procedure 2014-61 regarding the amounts used under IRC § 146(d)(1) to calculate the State ceiling for volume cap for private activity bonds, that Vermont's ceiling for 2015 is \$301,515,000. At its meeting of November 24, the Committee reviewed a survey of the constituted and eligible issuing authorities, and unanimously voted to recommend the following initial allocation for 2015:

Vermont Housing Finance Agency (VHFA):	\$0
Vermont Student Assistance Corporation (VSAC):	0
Vermont Economic Development Authority (VEDA):	25,000,000
Vermont Municipal Bond Bank: (VMBB)	20,000,000
Contingency:	<u>256,515,000</u>
TOTAL	\$301,515,000

**Recommended Reallocation of 2014 Volume Cap**

The Committee also unanimously voted to recommend the following final allocations of 2014 ceiling to the Governor, with reallocations between issuing authorities and from contingency as necessary, after December 20, and on or before December 31, 2014:

VHFA:	\$147,818,264
VSAC:	147,818,264
VEDA:	1,188,472
VMBB:	<u>0</u>
TOTAL	\$296,825,000

These reallocations are necessary to ensure that unused volume cap from 2014 is carried forward for the allowable three-year period under the IRS guidelines. Per the Emergency Board's July 24, 2014 action, the Governor must formally and officially make these reallocations between December 20 and 31, 2014. Please let me know if you would like any assistance in preparing the necessary documentation for the reallocation.

Please contact me at [beth.pearce@state.vt.us](mailto:beth.pearce@state.vt.us) or 828-1452, or my Deputy, Steve Wisloski, at [stephen.wisloski@state.vt.us](mailto:stephen.wisloski@state.vt.us) or 828-5197 with any questions regarding this memorandum.

Respectfully,



Elizabeth A. Pearce  
State Treasurer

cc: Private Activity Bond Advisory Committee  
Steve Greenfield, Vermont Economic Development Authority  
Sarah Carpenter, Vermont Housing Finance Agency  
Bob Giroux, Vermont Municipal Bond Bank  
Tom Little, Esq., Vermont Student Assistance Corporation  
J. Paul Giuliani, Esq., Primmer Piper Eggleston & Cramer PC  
Steve Klein, Legislative Joint Fiscal Office