

## MEMORANDUM

**TO:** Emergency Board Members  
**FROM:** Kristin L. Clouser, Secretary of Administration  
**DATE:** January 12, 2022  
**SUBJECT:** Emergency Board Meeting, January 13, 2022 – Updated Notice

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Governor Scott will convene a virtual meeting of the Emergency Board pursuant to 32 V.S.A. Sec. 305a on Thursday, January 13, 2022 at 1:30 p.m.

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

Meeting will be broadcast publicly on the Joint Fiscal YouTube channel at  
<https://www.youtube.com/channel/UCgHFernWVwH5MD0Se9NmVhg/videos?view=57>.

The agenda items are as follows:

1. Allocation of the calendar year 2022 Private Activity Bond ceiling (32 V.S.A. Sec. 992(b)).
  - a. Scott Baker, Financial Reporting Director, Office of the State Treasurer
2. Medicaid caseload and expenditure estimates (32 V.S.A. Sec. 305a(c)).
  - a. Stephanie Barrett, Associate Fiscal Officer, 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. Estimate of the impact of authorized TIF districts upon the Education Fund (32 V.S.A. Sec. 305b)
  - a. Jake Feldman, Senior Fiscal Analyst, Department of Taxes
  - b. Graham Campbell, Senior Fiscal Analyst, Joint Fiscal Office
5. Education Fund Outlook: Pursuant to 32 V.S.A. Sec. 5402b(c) the Education Fund Outlook will be available for review by the Board.
  - a. Graham Campbell, Senior Fiscal Analyst, Joint Fiscal Office

6. Other business as needed

cc: Beth Pearce, State Treasurer  
Michael Clasen, Deputy State Treasurer  
Adam Greshin, Commissioner, Department of Finance and Management  
Craig Bolio, Commissioner, Department of Taxes  
Hardy Merrill, Budget Director, Department of Finance and Management  
Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office  
Stephanie Barrett, Assoc. Fiscal Officer, Joint Fiscal Office  
Graham Campbell, Senior Fiscal Analyst, Joint Fiscal Office  
Jake Feldman, Senior Fiscal Analyst, Department of Taxes  
Jeff Carr, State Economist for the Agency of Administration  
Tom Kavet, State Economist for the Legislature  
Michael Gaughan, Vermont Municipal Bond Bank  
J. Paul Giuliani, 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**

January 13, 2022

**PROPOSED MOTION  
2022 PRIVATE ACTIVITY BOND ALLOCATION**

Motion is made to allocate Vermont's Private Activity Bond Allocation of \$335,115,000 for calendar year 2022 as follows:

Vermont Economic Development Authority (VEDA)	\$40,000,000
Vermont Municipal Bond Bank (VMBB)	\$20,000,000
Vermont Housing Finance Authority (VHFA)	0
Vermont Student Assistance Corporation (VSAC)	0
Contingency	<u>\$275,115,000</u>
 TOTAL	 \$335,115,000

**PROPOSED MOTION  
VERMONT MUNICIPAL BOND BANK  
AUTHORITY TO ASSIGN PAB VOLUME CAP**

Motion is made pursuant to its authority under 32 V.S.A. 992, that the Emergency Board grants the authority to the Vermont Municipal Bond Bank (VMBB) to assign any portion of its 2022 private activity bond ceiling to one or more governmental units, as defined in 24 V.S.A. 4551.

PHILIP B. SCOTT  
GOVERNOR



State of Vermont  
OFFICE OF THE GOVERNOR

**MEMORANDUM**

**TO:** Emergency Board Members  
**FROM:** Philip B. Scott, Governor  
**DATE:** December 29, 2021  
**SUBJECT:** Reallocation of Private Activity Bond Ceiling for Calendar Year 2021

A handwritten signature in black ink, appearing to read "Philip B. Scott", written over a horizontal line.

Under the authority delegated to me at the July 30, 2021 Emergency Board meeting, and in accordance with 32 V.S.A. Sec 992(b), I hereby assign and reallocate Vermont's Calendar Year 2021 Private Activity Bond ceiling as follows:

Vermont Housing Finance Agency (VHFA):	\$ 162,497,500
Vermont Student Assistance Corporation (VSAC)	\$ 162,497,500
Vermont Economic Development Authority (VEDA)	\$ 0
Vermont Municipal Bond Bank: (VMBB)	\$ 0
<b>TOTAL</b>	<b>\$ 324,995,000</b>

The Calendar Year 2022 Private Activity Bond ceiling will be finalized at the January 13, 2022 Emergency Board meeting.

cc: Kristin Clouser, Secretary of Administration  
Beth Pearce, State Treasurer  
Michael Clasen, Deputy State Treasurer  
Catherine Benham, Legislative Joint Fiscal Office  
Maura Collins, Vermont Housing Finance Agency  
Cassie Polhemus, Vermont Economic Development Authority  
Michael Gaughan, Vermont Municipal Bond Bank  
Scott Giles, Vermont Student Assistance Corporation  
Tom Little, Vermont Student Assistance Corporation

ELIZABETH A. PEARCE  
STATE TREASURER

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UNCLAIMED PROPERTY DIVISION  
TEL: (802) 828-2407

ACCOUNTING DIVISION  
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STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

**TO:** Emergency Board  
**FROM:** Beth Pearce, State Treasurer *Beth*  
**DATE:** January 6, 2022  
**RE:** Recommended Initial Allocation of 2022 Private Activity Bond Ceiling

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This memorandum provides my recommendations to the Emergency Board regarding Vermont's private activity bond (PAB) ceiling for 2022.

**Recommended Initial Allocation of 2022 Volume Cap**

It is my understanding, from IRS Revenue Procedure 2021-45 regarding the amounts used under IRC § 146(d) to calculate the State ceiling for volume cap for private activity bonds, that Vermont's ceiling for 2022 is \$335,115,000. Based on a survey of the constituted and eligible issuing authorities, I recommend the following initial allocation for 2022:

Vermont Economic Development Authority (VEDA):	\$40,000,000
Vermont Municipal Bond Bank: (VMBB):	20,000,000
Vermont Housing Finance Agency (VHFA):	0
Vermont Student Assistance Corporation (VSAC):	0
<u>Contingency:</u>	<u>275,115,000</u>
<b>TOTAL</b>	<b>\$335,115,000</b>

Also attached is a proposed motion from the Vermont Municipal Bond Bank (VMBB) to permit VMBB to assign its PAB allocation to Vermont governmental units as defined by statute and as required to comply with the IRS Code. This will allow governmental units both receiving loans from the Bond Bank as well as other sources to benefit from tax-exemption for qualifying purposes.

Please contact me at [beth.pearce@vermont.gov](mailto:beth.pearce@vermont.gov) or 828-1452 with any questions regarding this memorandum.

**Attachments:**

1. Proposed Motion regarding VMBB's Authority to Assign PAB Volume Cap

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

**Proposed Motion Regarding Vermont Municipal Bond Bank the Authority to Assign PAB Volume Cap**

Motion is made pursuant to its authority under 32 V.S.A. § 992, that the Emergency Board grants the authority to the Vermont Municipal Bond Bank (VMBB) to assign any portion of its 2022 private activity bond ceiling to one or more governmental units, as defined in 24 V.S.A. § 4551.

**ITEM 2**

**PROPOSED MOTION**

**January 13, 2022**

**Medicaid Program: Estimated Caseload and Per Member Per Month Expenditures**

Moved: That the Vermont Medicaid Program estimated caseloads and estimated per member per month expenditures for FY 2022 and FY 2023 are as follows:

**Projected Enrollment and Per Member Per Month Expenditures**

Eligibility Category	Jan2022 EBoard Enrollment		Jan2022 PMPM Expend <sup>1</sup>	
	SFY '22 Projected	SFY ' 23 Projected	SFY '22 Projected	SFY ' 23 Projected

**Full Coverage/Primary**

Aged, Blind, or Disabled (ABD) Adults	6,227	6,218	\$2,034.96	\$2,062.18
General Adults	14,291	12,965	\$539.96	\$559.21
New Adult Childless	49,215	45,289	\$508.06	\$523.43
New Adult w/Children	26,643	25,192	\$446.01	\$457.42
Blind or Disabled (BD) Kids	1,553	1,477	\$2,550.65	\$2,660.40
General Kids	61,573	62,082	\$443.21	\$447.42
SCHIP (Uninsured) Kids	4,535	4,523	\$248.86	\$253.06
<b>Caseload Subtotal -Full/Primary</b>	<b>164,037</b>	<b>157,746</b>		

**Partial Coverage/Supplemental**

Choices for Care	4,366	4,409	\$4,595.66	\$4,551.82
Dual Eligible	18,233	18,340	\$1,139.75	\$1,147.39
Rx -Pharmacy Only Programs	9,853	9,762	\$41.97	\$42.81
VPA-Vermont Premium Assistance	15,937	15,937	\$29.36	\$29.36
CSR-Cost Sharing Reduction-subset of VPA <sup>2</sup>	3,236	3,236	\$29.12	\$29.12
Underinsured Kids (ESI)	548	537	\$176.52	\$180.63
<b>Caseload Subtotal -Partial/Supplemental</b>	<b>48,937</b>	<b>48,985</b>		

**Caseload Total**

**212,974      206,731**

Buy In	\$54,425,196	\$57,806,179
Disproportionate Share Hospital (DSH)	\$22,704,471	\$22,704,471
Clawback (Medicare Part D provision)	\$36,539,706	\$40,397,960

**Notes:**

<sup>1</sup> PMPMs do not include administration or Global Commitment Waiver Investment expenditures.

<sup>2</sup> Beneficiaries with Cost Sharing Reductions also have Premium Assistance - not double-counted in caseload total.

**Reimbursement rate increase estimated cost**

32 V.S.A. § 305a(c) requires that information on health care inflation be provided to Emergency Board in January.	
The cost of a one percent (1%) increase in Medicaid provider payment is estimated in the range of \$13.5 to \$14m total	
This excludes reate set entities nursing homes and PNMI, cost based case management services,	
Pharmacy which is a system of manufacture set prices with rebates; and school based services determined by schools	



# Average Medicaid Caseload

(Based on Monthly Enrollment and Staff Group projections)											
				July 16, 2021	Bud as passed						
				actual	actual	actual	actual	Ebrd Jan'21	Ebrd Jan'22	Ebrd Jan'22	
				FY18	FY19	FY20	FY21	FY22	FY22	FY23	
<b>Full/Primary Coverage</b> (note1)				<i>Redeterminations suspended during pandemic emergency</i>						?	
<b>Adult</b>											
Aged, Blind, or Disabled (ABD) Adults				6,779	6,485	6,292	6,237	6,475	6,227	6,218	
General Adults				12,705	10,148	8,366	11,375	10,049	14,291	12,965	
New Adult Childless- began 1/1/2014				40,100	37,432	35,058	42,649	35,802	49,215	45,289	
New Adult w/Kids - began 1/1/2014				18,618	19,101	20,196	24,814	22,258	26,643	25,192	
Adult subtotal				78,202	73,166	69,911	85,076	74,584	96,376	89,664	
				-6.7%	-6.4%	-4.4%	21.7%		13.3%		
<b>Children</b>											
Blind or Disabled (BD) Kids				2,244	2,093	1,766	1,619	1,594	1,553	1,477	
General Kids				60,009	58,779	57,772	60,801	59,588	61,573	62,082	
CHIP (Uninsured) Kids				4,673	4,479	4,549	4,331	4,374	4,535	4,523	
Child subtotal				66,926	65,351	64,087	66,751	65,556	67,661	68,082	
				-1.2%	-2.4%	-1.9%	4.2%		1.4%		
<b>Subtotal -Full/Primary</b>				<b>145,128</b>	<b>138,517</b>	<b>133,998</b>	<b>151,827</b>	<b>140,140</b>	<b>164,037</b>	<b>157,746</b>	
				-4.3%	-4.6%	-3.3%	13.3%				
<b>Partial/Supplemental Coverage</b>											
Choices for Care				4,259	4,275	4,387	4,432	4,596	4,366	4,409	
ABD Dual Eligibles				17,761	17,651	17,546	17,970	17,649	18,233	18,340	
Rx -Pharmacy Only Programs				10,690	10,382	9,976	9,963	9,568	9,853	9,762	
VPA-Vermont Premium Assistance (note2)				18,275	17,163	16,237	15,081	15,937	15,937	15,937	
CSR-Cost Sharing Reduction (subset of VPA not in subtotal)				6,141	4,919	3,518	3,018	3,236	3,236	3,236	
Underinsured Kids (ESI upto 312% FPL)				624	563	568	560	530	548	537	
<b>Subtotal -Partial/Supplemental Coverage</b>				<b>51,609</b>	<b>50,034</b>	<b>48,713</b>	<b>48,005</b>	<b>48,280</b>	<b>48,937</b>	<b>48,985</b>	
				-1.1%	-3.1%	-2.6%	-1.5%				
<b>Total Medicaid Enrollment</b>				<b>196,737</b>	<b>188,551</b>	<b>182,711</b>	<b>199,832</b>	<b>188,420</b>	<b>212,974</b>	<b>206,731</b>	
				-3.4%	-4.2%	-3.1%	9.4%				

Notes 1 Some Full Coverage enrollees may have other forms of insurance.

### ITEM 3

#### PROPOSED MOTION

#### FY 2022, FY 2023, FY 2024 Official Revenue Estimates

January 13, 2022

Motion is made that the state revenue estimates pursuant to 32 V.S.A. Sec. 305a(a) for FY 2022, FY 2023, and FY 2024, are as follows:

	Fiscal 2022 Estimate (Millions)	Fiscal 2023 Estimate (Millions)	Fiscal 2024 Estimate (Millions)
General Fund	\$1897.8	\$1930.9	\$1946.4
Transportation Fund	\$296.1	\$303.3	\$302.5
Education Fund	\$667.6	\$688.3	\$693.2
Total—Three Funds	\$2861.5	\$2922.5	\$2942.1
Transportation Infrastructure Bond (TIB) Fund	\$16.8	\$17.5	\$17.6

## **ITEM 4**

### **PROPOSED MOTION**

#### **2023 Estimated Effect Upon the Education Fund of Authorized TIF Districts**

January 13, 2022

#### **Estimated Maximum Effect upon the Education Fund of Authorized TIF Districts**

Pursuant to 32 V.S.A. Sect 305b, the forecasted effect on the Education Fund of authorized TIF districts for Fiscal Year 2023 is as follows:

FY 2023 Maximum Tax Impact on the Education Fund: \$6,700,000

**Preliminary Education Fund Outlook for FY2022**

Consensus estimates as of January 13, 2022

(millions of dollars)	FY2021 Actual	Forecast		
		FY2022 Update Jan. 13, 2022	FY2023 From Dec. 1, 2021	FY2023 Update Jan. 13, 2022
a Average Homestead Property Tax Rate	\$1.538	\$1.523	\$1.308	\$1.294
b Average Tax Rate on Household Income	2.50%	2.50%	2.19%	2.17%
c Uniform Non-Homestead Property Tax Rate	\$1.628	\$1.612	\$1.385	\$1.370
d Property Yield Per Equalized Pupil	\$10,998	\$11,317	\$13,846	\$14,001
e Income Yield Per Equalized Pupil	\$13,535	\$13,770	\$16,705	\$16,938
f Equalized Pupil Count	87,304	86,944	86,596	86,596
g Statewide Education Spending Growth	3.9%	1.3%	4.3%	4.3%
h Statewide Education Grand List Growth	2.7%	3.0%	7.6%	7.6%

**Sources**

1a Homestead Education Property Tax	633.7	649.3	598.2	591.6
1b Property Tax Credit	(171.5)	(172.0)	(170.0)	(170.0)
2 Non-Homestead Education Property Tax	735.2	747.7	687.1	679.7
3 Sales & Use Tax	507.6	538.7	551.2	556.1
4 Purchase & Use Tax (one-third of total)	44.7	47.1	47.4	47.5
5 Meals & Rooms Tax (one-quarter of total)	36.0	49.4	48.4	51.6
6 Lottery Transfer	32.5	32.3	32.3	32.9
7 Medicaid Transfer	7.4	10.0	10.2	10.2
8 Other Sources (Wind & Solar, LUCT, fund interest)	2.9	2.2	2.2	2.2
<b>9 Total Sources</b>	<b>1,828.5</b>	<b>1,904.7</b>	<b>1,807.0</b>	<b>1,801.8</b>

**Appropriations**

10 Education Payment	1,483.7	1,502.1	1,561.7	1,561.7
11 Special Education Aid	223.7	229.0	208.1	208.1
12 State-Placed Students	18.0	17.0	17.5	17.5
13 Transportation Aid	20.5	20.4	21.8	21.8
14 Technical Education Aid	14.8	15.5	15.5	15.5
15 Small School Support	8.2	8.1	8.1	8.1
16 Essential Early Education Aid	7.0	7.1	7.5	7.5
17 Flexible Pathways	8.3	8.3	9.3	9.3
18 Teachers' Pensions (normal cost only)	6.9	37.6	40.8	40.8
19 Other Uses (accounting & auditing, financial systems)	3.4	3.4	3.4	3.4
<b>20 Total Uses</b>	<b>1,794.5</b>	<b>1,848.4</b>	<b>1,893.7</b>	<b>1,893.7</b>

**Allocation of Revenue Surplus/(Deficit)**

21 Revenue Surplus/(Deficit)	34.0	56.3	(86.7)	(91.9)
22 Prior-Year Reversions	(14.0)	(11.7)	-	-
23 Transfer to/(from) Stabilization Reserve	5.2	1.1	2.90	2.9
24 Transfer to/(from) Additional Reserve	14.0	-	-	-
25 Transfer to/(from) Unreserved/Unallocated	28.7	66.9	(89.5)	(94.8)

**Stabilization Reserve**

26 Prior-Year Stabilization Reserve	33.0	38.2	39.3	39.3
27 Current-Year Stabilization Reserve	38.2	39.3	42.2	42.2
28 Percent of Prior-Year Net Appropriations	5.0%	5.0%	5.0%	5.0%
29 Reserve Target	38.2	39.3	42.2	42.2

**Additional Reserve**

30 Additional Reserve for Other Post Employment Benefits	14.0	14.0	14.0	14.0
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**Available Funds**

31 Prior-Year Unreserved/Unallocated	0.0	28.7	89.50	<b>95.7</b>
32 Current-Year Unreserved/Unallocated	28.7	95.7	0.0	0.8