The Fiscal 2014-15 Revenue Outlook

General Fund, Transportation Fund, and Education Fund

Prepared for the Vermont Emergency Board

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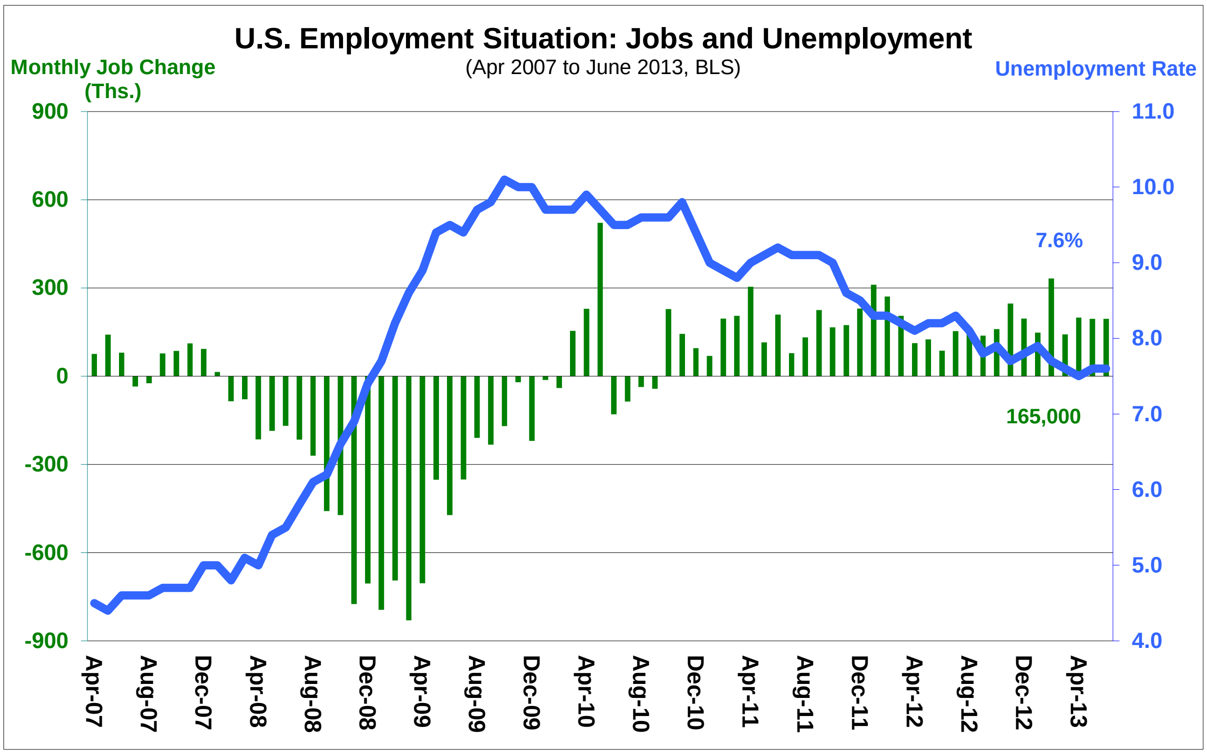
A. Discussion of Recent U.S. Economic Trends

- Recent developments in the U.S. and Vermont economies show a positive, but still unspectacular rate of growth-recovery progress despite the continuation of strong fiscal headwinds that are currently affecting the economy.[1]

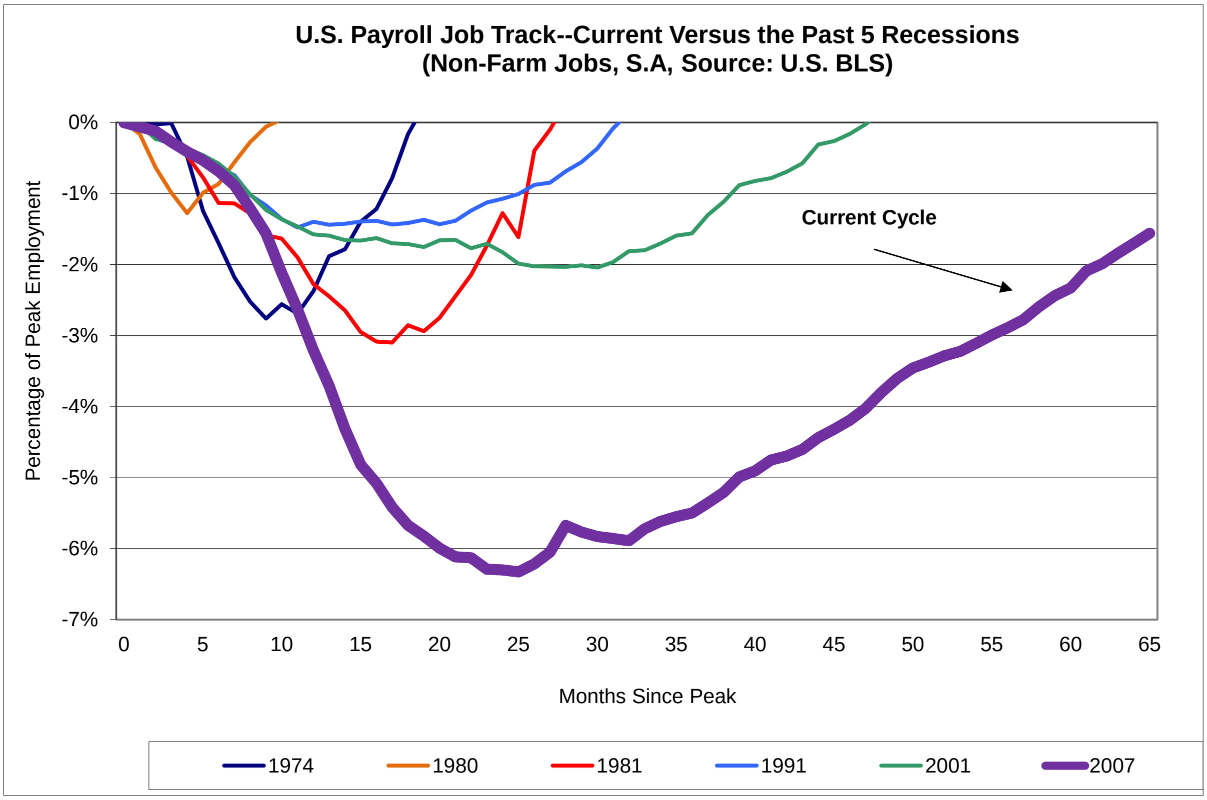
  - GDP growth is making forward progress at the rate of roughly 2% per year, and the labor market recovery shows good resiliency—adding nearly 200,000 nonfarm jobs per month in recent months. This pace of job recovery is actually up from the 150,000 per month pace of new job recovery the U.S. economy experienced through the Winter months, or about the time of the last consensus revenue forecast update.



- While July's U.S. job report was relatively upbeat, the headwinds on the economy from sequestration, the on-going recession in Europe (which hurts Vermont and U.S. exports), a slowdown in the developing world, concern about Federal Reserve Policy (as it disengages its highly-stimulative activities in securities markets from the economy[2]), and the consumption-restraining effects the end of the payroll tax holiday last January 1st continue to exert considerable drag on the U.S. economy.

[1] Previous revenue analyses reported an anticipated dragging effect of sequestration-oriented fiscal policy of 1.5 percentage points lost from U.S. GDP as a result.
[2] Essentially the concerns centers on how exactly the Fed is going to unwind its long-standing policy of purchasing around $85 billion in Treasury and Mortgage Securities per month.

- This is reflected in the still under-whelming character of the pace of recovery in U.S. labor markets—where the pace of the current upturn is lagging behind the pace of every recovery since World War II.



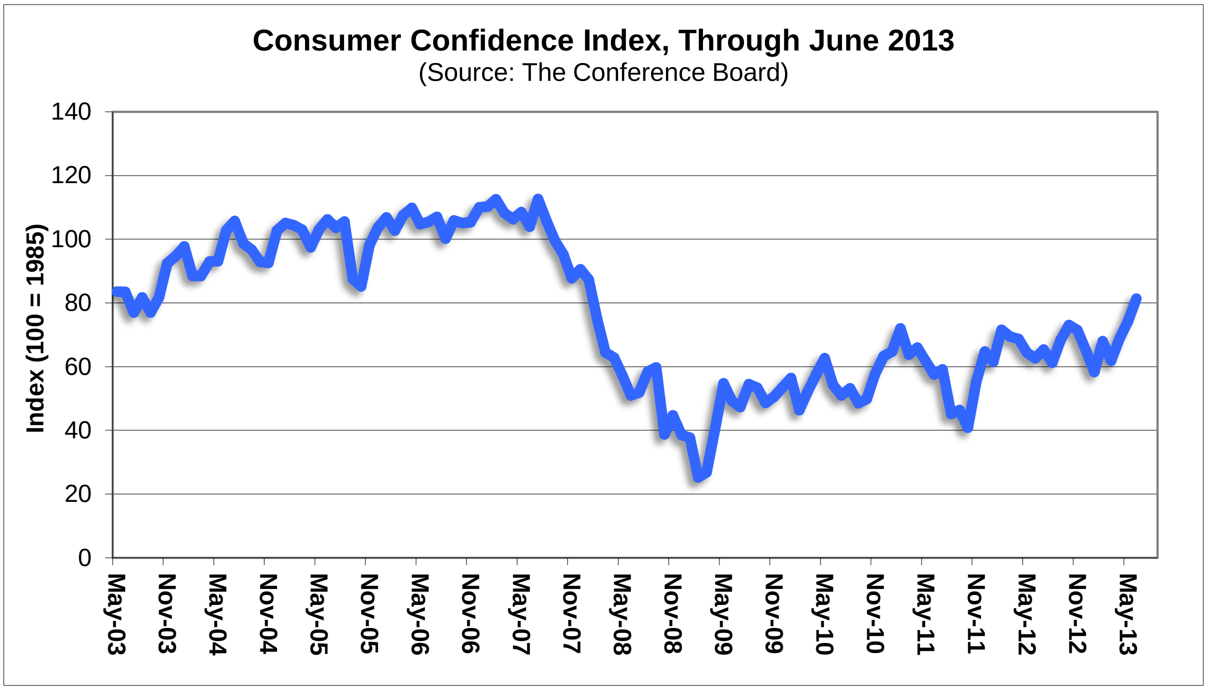
- The headwinds are expected to intensify over the near-term before lessening somewhat later on in fiscal year 2014.

  - The slowdown in the pace of GDP growth and the still upbeat job recovery numbers will mean less productivity growth during this period than has occurred during this past recovery period.

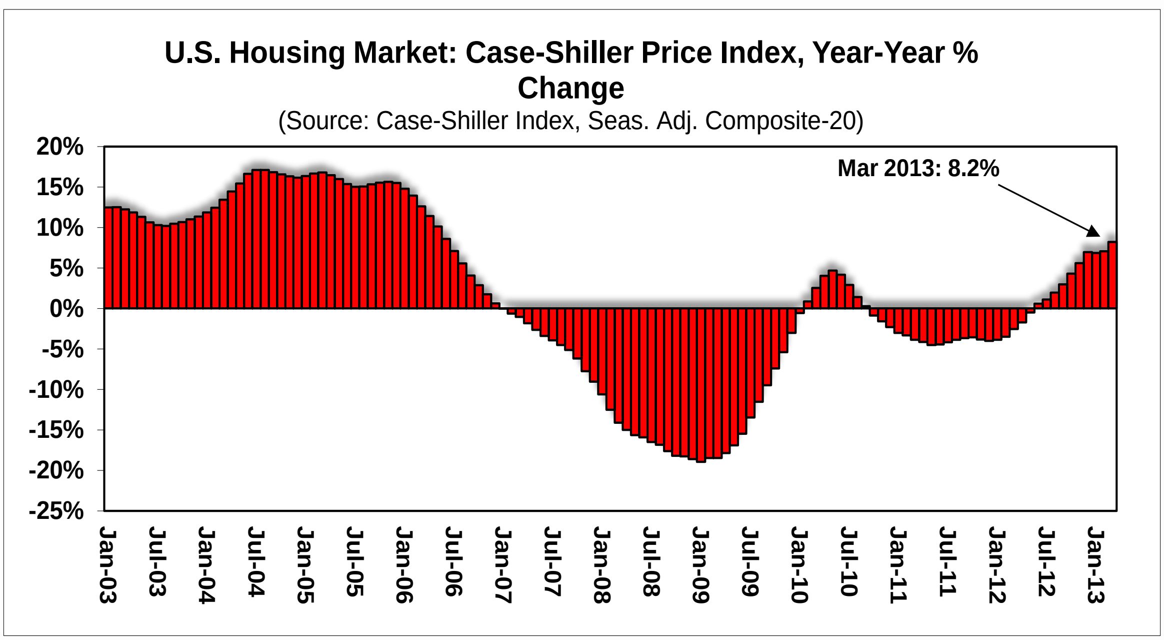
  - This is likely have a dampening effect on corporate profits and corporate tax receipts over the medium- to long-term time horizon.

- However, despite the on-going concerns about the-above mentioned headwinds, there remains a solid underlying basis for being upbeat about the near-term outlook for the U.S economy—at least once it gets past the largest effects of sequestration this Summer and Fall.

  - Much of the optimism centers on improving consumer sentiment (and what that means for consumption (which is roughly 2/3 of the U.S. economy) and the fact that the threats to the U.S. upturn, at least those caused by an uncertain fiscal policy direction which were so prevalent a year ago, appear to have begun fading into the background.



- In addition, another significant difference in the economic outlook for this forecast cycle concerns the clear signs of firming in the housing industry.
  - The Case-Shiller Housing Price Index continues to show strong year-to-year growth in the price of houses. The Composite-20 Index in March 2013 was 8.2% higher than the previous March.



- Previously hard-hit regions such as the Phoenix Metro Area showing the strongest year over year change at 20.4%. Other metro areas with large price increases include Las Vegas (19.4%) and Detroit (13.3%).

- A turnaround in housing markets is a key to the strengthening economic outlook overall—as a factor that had previously been a very large and negative factor restraining progress actually becomes a positive growth-supporting factor in the economic landscape.

▪ If this near-term economic outlook sounds familiar—that stronger rates of growth are coming, but remain somewhat out in the future. It is just like the forecast that was in place a year ago and six months ago during each of the last two consensus forecast updates.

  - This time, however, favorable circumstances look to already be developing—versus the last two cycles where the forecasts were based mostly on "expectations" of improved economic indicators.

▪ However, as was the case with the last two consensus forecast revisions, only time will tell if the economic forecast underpinning this consensus forecast update will actually come to pass.

  - The key policy risk going forward centers around domestic fiscal policy and the seemingly tone-deaf debate surrounding economic and fiscal policy issues in Washington.

  - This debate could once again come to a head later in calendar year 2013 as the U.S. Treasury nears the limit on its authority to issue general obligation debt as the country approaches the debt ceiling.

B. Discussion of Recent Vermont Economic Trends

▪ Developments in the Vermont economy over the most recent month were dominated by the announcement that IBM had a significant "resource reduction[3]" across many of its microelectronics fabrication facilities—including the one located in Essex Junction.

  - Although these layoffs have not yet made it into the labor market data (and they will not until they actually become effective in July), the

[3] Which means "lay-offs" in IBM-speak.

roughly 410 announced separations cloud what was an otherwise positive near-term outlook for the Vermont economy and its on-going labor market recovery.

- Using data that was not yet affected by the IBM layoffs, year-over-year nonfarm payroll employment change comparisons in Tables 1 and 2 (below) indicate that payroll job change in Vermont ranked third in New England for both Total Payroll jobs and Private Sector jobs.

  - Total Payroll jobs and Private Sector jobs registered a 1.3% and a 1.4% positive job change performance, respectively.

  - Within the context of the U.S. as a whole, Vermont through January ranked 29th in total nonfarm payroll job increase and 36th in private sector payroll job growth from June 2012 to June 2013.

Table 1: Year-Over-Year Job Change by State
Total Payroll Jobs (June 2012-June 2013)

Rank	State	
1	Idaho	3.3%
2	North Dakota	3.1%
3	Texas	2.7%
4	Colorado	2.4%
5	Mississippi	2.4%
17	New Hampshire	1.6%
18	California	1.6%
20	New Jersey	1.6%
22	Massachusetts	1.6%
23	Nevada	1.6%
26	Michigan	1.4%
29	**Vermont**	**1.3%**
36	New York	1.1%
39	Connecticut	0.9%
46	Pennsylvania	0.5%
47	Ohio	0.4%
48	Rhode Island	0.4%
49	Maine	0.3%
50	Alaska	-0.3%

Source: U.S. Department of Labor, BLS

Table 2: Year-Over-Year Job Change by State
Private Sector Payroll Jobs (June 2012-June 2013)

Rank	State	% Change
1	Idaho	3.7%
2	North Dakota	3.6%
3	Utah	3.4%
4	Texas	3.0%
5	Georgia	3.0%
8	Arizona	2.7%
17	California	2.0%
23	New Hampshire	1.8%
24	Massachusetts	1.8%
27	New Jersey	1.7%
28	Michigan	1.7%
31	New York	1.5%
36	**Vermont**	**1.4%**
44	Pennsylvania	0.7%
45	Connecticut	0.7%
46	Ohio	0.7%
47	West Virginia	0.7%
48	Maine	0.7%
49	Rhode Island	0.5%
50	Alaska	0.1%

Source: U.S. Department of Labor, BLS

- On a sector-by-sector basis, the year-over-year job change numbers show that Vermont's strongest relative year-over-year performance over the last year came in the Manufacturing Sector (at +2.2% versus June of 2012), ranking it 1st in New England and 8th nationally (But this seems like the calm before the storm)—see Table 3 below.

- Professional and Business Services sector also registered a decent year-over-year job performance at +2.6% versus June of 2012—even though it did not rank high regionally or nationally. That sector was where the State posted an increase of 2.6% in jobs versus June 2012, ranking it 22nd among the 50 states—but 4th New England.

- The State also had a considerable positive performance in the Education and Health Services sector, at +2.2% versus June 2012. The Leisure and Hospitality sector, at +2.1% year-over-year, was positive but also ranked low nationally and in the region.

- The State's Construction sector contracted by -3.3%, ranking it 5th in New England and 45th in the 50 states—reflecting the wind down in public sector construction activity. Again, these year-over-year comparisons do not include any data regarding the possible impact of IBM layoffs to the state's nonfarm payroll job statistics.

Table 3: Payroll Job Performance By NAICS Supersector June 2012 vs. June 2013

Industry Supersector	% Change in VT	VT Rank in New England	VT Rank in U.S.	Highest Ranked New England State	# of States Reporting Job Losses
Total Nonfarm	**1.3%**	**3rd**	**29**	**NH (17th)**	**1**
Total Private	**1.4%**	**3rd**	**36**	**NH (23rd)**	**0**
Construction	-3.3%	5th	45	NH (8th)	13
Manufacturing	2.2%	1st	8	VT (8th)	18
Information	2.2%	3rd	12	ME (3rd)	27
Financial Activities	1.6%	3rd	21	RI (4th)	6
Trade, Transportation, Utilities	0.0%	3rd	44	ME (33rd)	6
Leisure and Hospitality	2.1%	4th	39	NH (11th)	3
Education and Health Services	2.2%	2nd	18	MA (9th)	4
Professional and Business Services	2.6%	4th	22	RI (6th)	5
Government	0.9%	2nd	9	CT (2nd)	28

Notes:
NAICS means North American Industry Classification System
Source: U.S. Bureau of Labor Statistics

- The chart below compares the level of payroll job loss and recovery versus the job count peak for the past few recessions, focusing on the most recent "Great Recession." The chart shows that job market recoveries in the more recent recessions are generally lengthening.

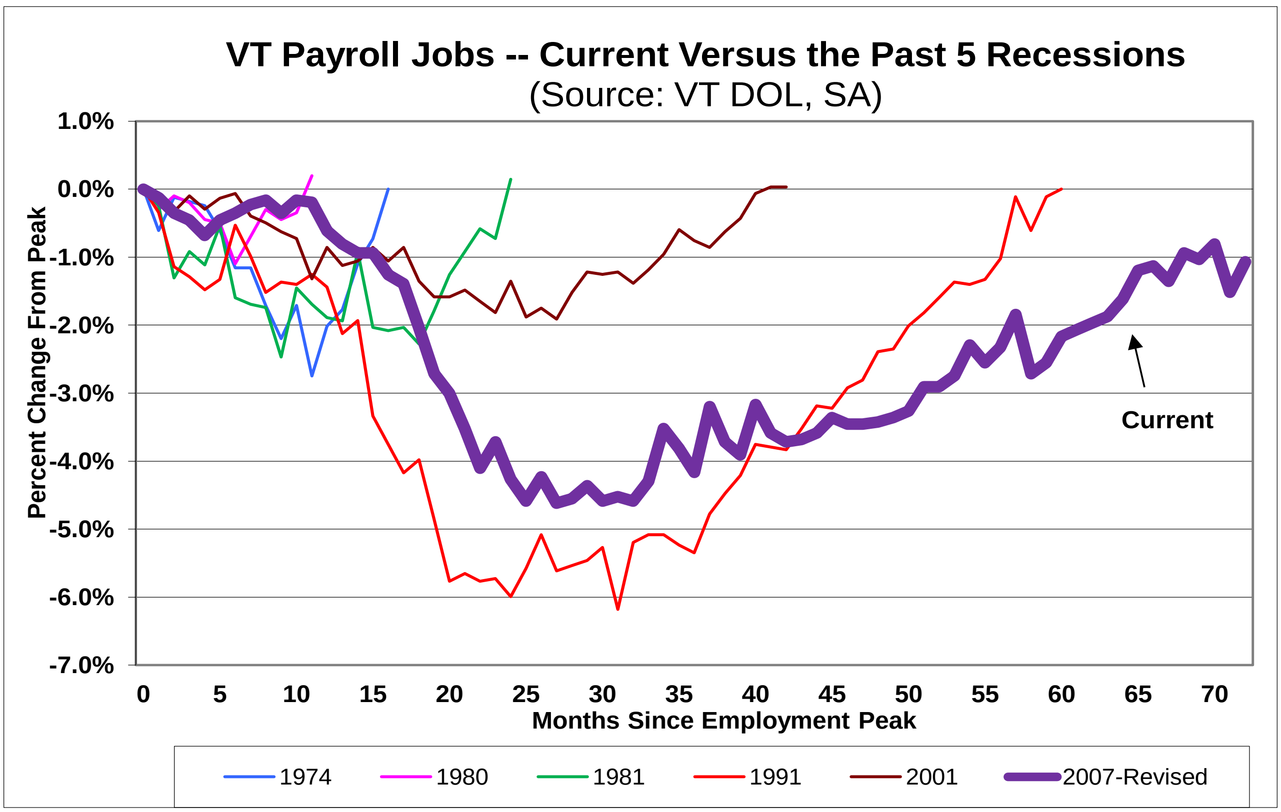
  - The vivid saw-toothed pattern of job gains and losses from month to month continues. The last two data points for May and June continue the whip-saw pattern—including a considerable decline in jobs for the month of May (seasonally adjusted) and a significant bounce-back in June. Much of this month-to-month movement cannot be explained by supporting labor market developments.

- In many cases, these sharp "ups and downs" often reflect nothing more than statistical anomalies and do not reflect actual developments in the state's labor market.

- The only redeeming aspect of the IBM layoffs is that they come at a time when the Vermont economy is in its best position—with a general upward trajectory to its labor markets—to absorb any displaced workers (in contrast to 4 to 5 years ago during the "Great Recession").

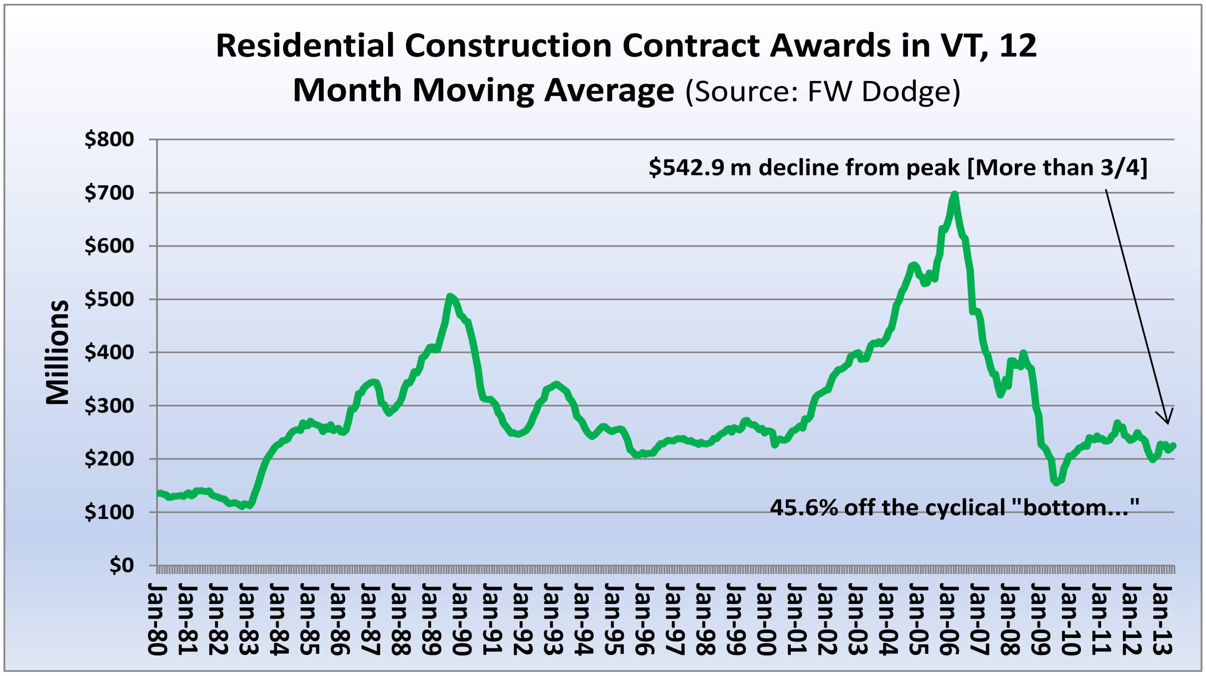
  - In addition, to the extent these "resource reductions" preserve other jobs at IBM, the news could probably have been much worse.

  - In the end, this layoff episode will likely only postpone Vermont's full labor market recovery by a few months from what had looked to be "on course" for completion some time later during calendar year 2013, as evidenced by the chart below.

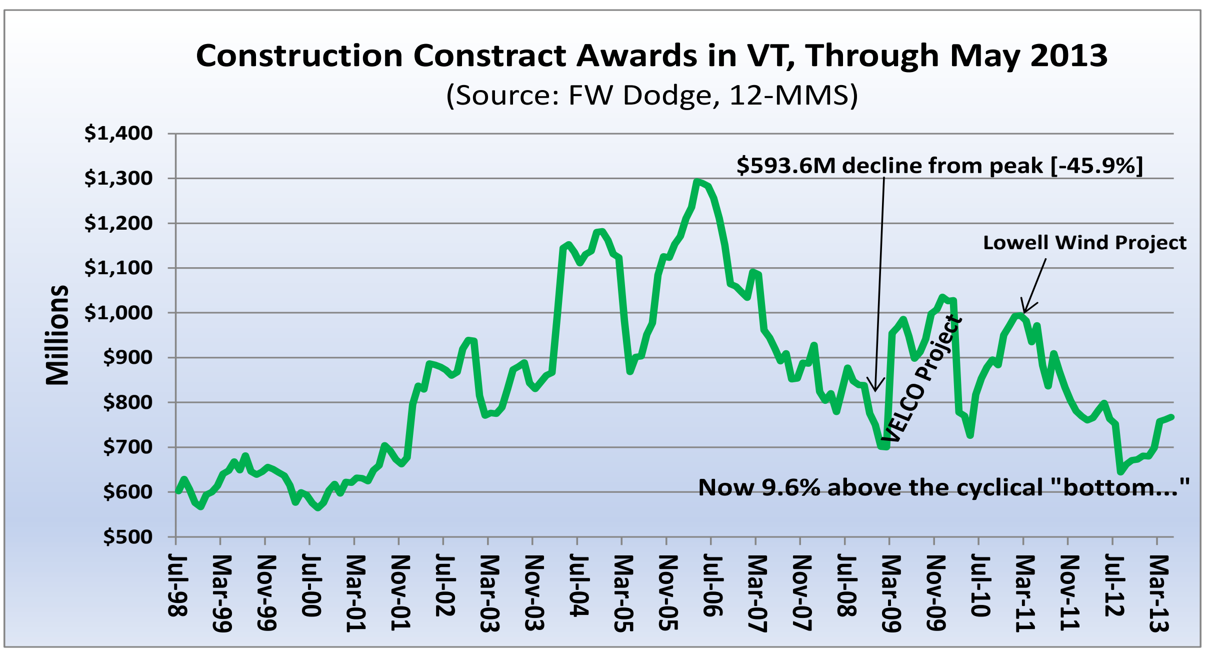


- Looking more closely at construction, recent contract construction activity using F.W. Dodge Contract Award data illustrates how the poor job performance referred to above comes into better focus.

  - Using a 12 month moving average of contract awards data as of May 2013, residential construction activity still remains lackluster low (even though it is 45.6% off the bottom from its cyclical low—see the chart below), and private nonresidential construction activity is still lagging.



- The data also seem to indicate the pace of public sector building activity has begun to slow, and the nonresidential construction categories no longer appear to be benefitting from the high profile infrastructure development projects such as the VELCO upgrade project and the Lowell Wind Project or the heightened level of Irene recovery spending that characterized recent seasons..



- Now that these special projects have run their respective courses, it is up to the private sector to pick up where these big-ticket projects left off.

C. Discussion of Recent Revenue Performance

- Annual net revenues available to the G-Fund at the end of fiscal year 2013 were +$26.1 million or +2.1% ahead of the January 2013 consensus forecast target (see Table 4 below).

Table 4: Through June Results Versus Target -- General Fund (ALL REVENUES)

FY 2013--Through June Component ($ Thousands)	Cumulative Receipts	Cumulative Target	Dollar Difference	Percent Difference
Personal Income	$ 660,647.9	$ 624,600.0	$ 36,047.9	5.8%
Net Sales & Use Tax	$ 231,175.2	$ 232,800.6	$ (1,625.3)	-0.7%
Corporate Income Tax	$ 94,951.1	$ 94,100.0	$ 851.1	0.9%
Meals & Rooms	$ 134,790.9	$ 132,200.0	$ 2,590.9	2.0%
Property Transfer Tax	$ 9,155.4	$ 9,152.4	$ 3.0	0.0%
Insurance Tax	$ 55,023.4	$ 59,300.0	$ (4,276.6)	-7.2%
Estate	$ 15,386.5	$ 21,600.0	$ (6,213.5)	-28.8%
Other	$ 157,894.4	$ 169,649.9	$ (11,755.5)	-6.9%
Total Net General Fund	$ 1,288,615.0	$ 1,262,503.0	$ 26,112.0	2.1%

Basic Data Source: VT Agency of Administration

- The positive variance in the Personal Income Tax component was likely the result of significant calendar year-end asset churning (based on “fear” of the fiscal cliff) which occurred during the 2012 tax year.

- The results of these capital gains and other income realizations positively impacted PI Tax receipts during the April 2013 return filing season.

- This “asset churning” activity which positively impacted fiscal 2013 PI Tax receipts will likely take away from PI Tax revenues in subsequent fiscal years—although the degree to which what would have otherwise would have been future PI Tax receipts growth is perhaps the central forecast question for the PI Tax for this fiscal year, next fiscal year and perhaps even beyond.

- The very positive PI Tax activity during the fiscal year 2013 Spring filing season for the PI Tax more than off-set the negative performances on G-Fund revenues resulting from the under-performances in the Sales & Use Tax, the Insurance Tax , and in the Estate Tax.

  - The Insurance Tax under-performance for fiscal year 2013 reflected heightened refunding activity, with the Estate Tax reflecting a systemic poor performance throughout the entire fiscal year for tax component which has become a “random walk” to forecast.

- Without the effect of asset churning on FY 2013's PI revenues, negative pressure from the "Other" categories and Sales & Use taxes would certainly have exerted significant drag on the G-Fund's chances of reaching its annual consensus revenue target. [4]

- For the net revenues available to the T-Fund, fiscal year 2013 receipts finished the fiscal year at -$1.1 million or -0.4% below the January 2013 consensus forecast target (see Table 5 below).

Table 5: Through June Results Versus Target --Transportation Fund							
FY 2013--Through June Component ($ Thousands)		Cumulative Receipts		Cumulative Target		Dollar Difference	Percent Difference
Gasoline Tax	$	59,924.5	$	59,100.0	$	824.5	1.4%
Diesel Tax	$	15,647.4	$	15,600.0	$	47.4	0.3%
MvP&U Tax	$	55,701.9	$	55,800.0	$	(98.1)	-0.2%
MvFees	$	77,865.0	$	79,100.0	$	(1,235.0)	-1.6%
Other Fees-Revenues	$	19,054.5	$	19,500.0	$	(445.5)	-2.3%
Total Transportation Fund	**$**	**228,193.4**	**$**	**229,100.0**	**$**	**(906.6)**	**-0.4%**
Gasoline -TIB	$	21,208.8	$	21,300.0	$	(91.2)	-0.4%
Diesel-TIB	$	1,763.1	$	1,900.1	$	(137.1)	-7.2%
Total Transportation Fund (w/TIB)	**$**	**251,165.3**	**$**	**252,300.1**	**$**	**(1,134.9)**	**-0.4%**
				Basic Data Source: VT Agency of Administration			

- The fiscal 2013 revenue under-performance included 3 of the 5 major T-Fund components.

- As shown in Table 5, much of the -$1.1 million forecast variance in the T-Fund through FY 2013 came from revenue performance shortfalls in the Motor Vehicle Fees and the Other Fees components.

- It is important to note that, despite increasing the assessed fees during FY 2013, June receipts in MvFees were the lowest total for the month since June of FY 2009.[5]

- For the net revenues available to the E-Fund [Partial], the first half of fiscal year 2013 receipts were -$0.3 million or -0.2% below expectations relative to the January 2013 consensus forecast target (see Table 6 below).

[4] In fact, if not for the strong performance of the PI Tax in fiscal 2013, this revenue forecast update report would have been spending a lot more time talking about the significant under-performance of these two revenue sources for the G-Fund.

[5] It is estimated that the Gas Tax change added roughly $1.6 million to June receipts and without those receipts the T-Fund would have been closer to $2.4 million under target for fiscal year 2013.

Table 6: Through June Results Versus Target --Education Fund [Partial]								
FY 2013--Through June		Cumulative		Cumulative		Dollar	Percent
Component ($ Thousands)		Receipts		Target		Difference	Difference
Sales & Use Tax	$	115,585.9	$	116,399.4	$	(813.5)	-0.7%
MvP&U Tax	$	27,850.8	$	27,900.0	$	(49.2)	-0.2%
Lottery	$	22,935.8	$	22,400.0	$	535.8	2.4%
Interest	$	78.6	$	100.0	$	(21.4)	-21.4%
Total Education Fund [Partial]	**$**	**166,451.1**	**$**	**166,799.4**	**$**	**(348.3)**	**-0.2%**

Basic Data Source: VT Agency of Administration

- Also experienced by the G-Fund, underperformance in Sales & Use tax receipts' contribution to the E-Fund drew the entire aggregate into negative collections territory versus its consensus annual revenue target for FY 2013.

D. Discussion of the Updated Staff Recommended Consensus Revenue Forecast

- Given the above context, the staff recommendation consensus forecast update generally calls for largely technical re-specifications and changes across all three fund aggregates, and estimates of tax changes in the motor fuel taxes for the T-Fund.

  - The results of the consensus revenue forecast update for July 2013 includes a minor forecast upgrade for the G-Fund of $4.0 million in fiscal year 2014 and $0.6 million for fiscal year 2015, and a more significant upgrade for the T-Fund for those fiscal years reflecting the motor fuel tax changes.

  - For the E-Fund [Partial], both the fiscal year 2014 and fiscal 2015 forecast staff consensus calls for a relatively minor downgrade in the consensus revenue forecast—reflecting a mix of the ramifications related to the expected continuation of the slow recovery and various technical re-specifications and changes made to components that affect the E-Fund [Partial] (see Table 7 below).

Table 7: Staff Recommended Consensus Forecast Update-Difference from January 2013 Forecast

	2014		2015	
	Dollars	Percent	Dollars	Percent
General Fund	$4.0	0.3%	$0.6	0.0%
Transportation Fund	$17.2	7.4%	$21.9	9.1%
Education Fund [Partial]	($0.5)	-0.3%	($0.1)	-0.1%
Total--"Big 3 Funds"	$20.7	1.2%	$22.3	1.2%
MEMO: TIB:				
Gasoline	($0.6)	-2.7%	($1.0)	-4.4%
Diesel	($0.1)	-5.2%	($0.1)	-3.5%
Total TIB	($0.7)	-2.9%	($1.1)	-4.4%

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- Year-to-year dollars changes in the staff recommended consensus forecast update reflect current law, and the latest information and analysis pertaining to the state's various tax and fee sources.

- The staff recommended consensus forecast update includes the year-to-year changes in: (1) the Electrical Energy Tax in the G-Fund that was put into place in fiscal year 2013 (and for which we now have at least some limited actual collections experience with), (2) the T-Fund Gasoline Tax and Diesel Tax changes passed by the 2013 Vermont General Assembly.

- The current law staff recommended consensus revenue forecast update also includes the July 1, 2013 change in the Sales & Use Tax E-Fund allocation to 35% of total gross receipts—which will boost E-Fund revenues but decrease G-Fund revenues starting this fiscal year (or in fiscal 2014) and going forward.

▪ More specifically, the staff recommended consensus forecast includes only a slight increase in the "Available to the General Fund" revenues forecast for fiscal year 2014 of +$4.0 million or 0.3% relative to the consensus forecast for fiscal 2014 as provided last January.

  - For fiscal year 2015, the staff recommended consensus forecast update is unchanged, at +0.6 million or 0.0% of the consensus forecast for fiscal 2015 as provided last January.

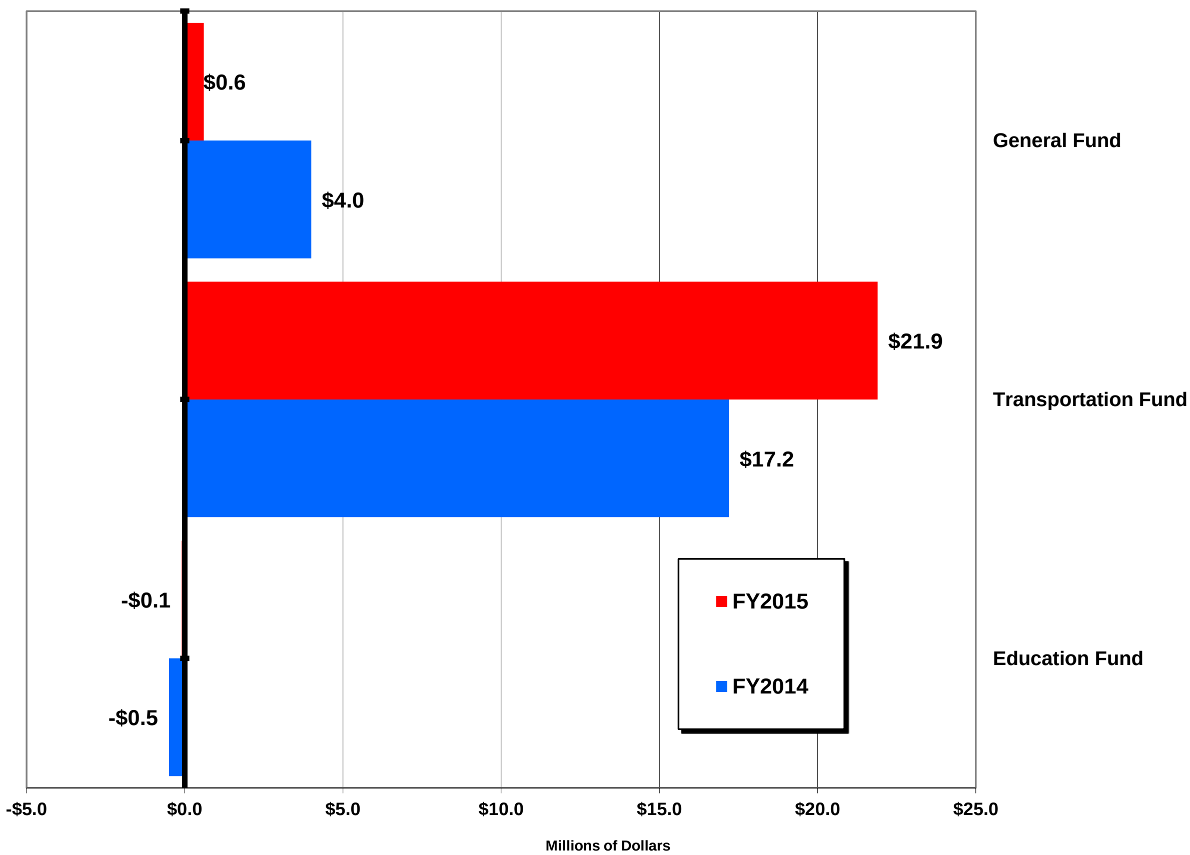
▪ The staff recommendation of the T-Fund aggregate is for a fiscal year 2014 forecast of $250.9 million in revenue "Available to the Transportation

Fund" for fiscal year 2014, and a $261.8 million staff recommended consensus forecast for 2015.

- Relative to the consensus revenue forecast of last January for fiscal year 2014, the July staff recommended consensus forecast update corresponds to a +$17.2 million (or +7.4% increase in the consensus forecast for the T-Fund from the consensus forecast of last January reflecting the recent motor fuel tax changes).

- For fiscal year 2015, the staff recommended consensus forecast update corresponds to another +$21.9 million forecast upgrade (or +9.1% relative to the staff recommended consensus forecast update of last January (again reflecting the recently enacted motor fuel tax changes).

Recommended Net Revenue Changes from January 2013 Forecast



- For the Education Fund [Partial] revenue aggregate, the staff recommends a $177.4 million annual forecast for fiscal year 2014, and a $184.3 million annual forecast for fiscal year 2015.

  - Those staff recommended forecasts correspond to a -$0.5 million forecast downgrade for the E-Fund for fiscal year 2014 (or -0.3%

relative to forecast of last January), and an unchanged forecast recommendation (or -\$0.1 million, corresponding to a -0.1% change versus the consensus forecast of last January.

- Given the above information regarding recent revenue trends and the updated—but somewhat more restrained near-term consensus economic forecast environment for fiscal year 2014 and fiscal year 2015 (see Tables 8 and 9 below), a considerable level of downside forecast risk still remains in this July 2013 consensus forecast update.

    - The principal sources of downside forecast risk includes: (1) the persistent European economic and fiscal crisis, (2) persistently high energy prices—particularly for gasoline which has recently spiked, (3) slowing productivity gains in the corporate sector and its likely slowing impact on corporate profits and tax payments), (4) unrest in the Middle East and the developing world and its impact on energy prices and its braking effect on U.S. exports, (5) ongoing weakness in the state and local fiscal situation in many parts of the U.S., and (6) the political uncertainty in Washington DC over fiscal policy and tax matters.

- On the other side of the risk ledger, there is: (1) improving confidence that is helping to boost vehicle sales, housing, and other consumption spending, (2) the strong balance sheet condition of U.S. businesses which provides a supportive financial basis for new hiring activity, (3) the bottoming of the housing market that is turning what had previously been a drag on growth into a “plus” for U.S. output and income growth, and (4) the Federal Reserve’s on-going commitment to continued accommodation in U.S. monetary policy—which is helping to off-set the drag of fiscal policy (mainly “sequestration”).

    - However, even with the clearly improving tone of the overall U.S. economic outlook, it remains surprising that even this most recent consensus forecast update, the forecast has still not crossed over to the side of the ledger where significant upgrades tend to occur.

- This dynamic is in fact continued testimony to the truly unusual economic circumstances associated with the current economic up-cycle—both nationally and in Vermont.

- While it is true that forward progress can in fact be clearly documented in the economy overall and in labor markets, progress has been made at historically slow rates, and progress has also been somewhat halting—with periods of gain slowed by periods of sideways and even sometimes backward steps.

- As such, these consensus forecast updates reflect the fact that the current recovery-expansion is still not “out of the woods.”

▪ These dynamics are reflected in the consensus economic forecast update, when compared to the most recent consensus economic forecast update in January (See Table 8 below). These differences include:

1. U.S. GDP growth has been reduced by 0.5 percentage points in calendar 2014 (following no change in calendar year 2013), increased by 0.1 percentage points in calendar year 2015, and reduced by 0.2 percentage points for calendar 2016.

2. The rate of payroll job creation was adjusted upward by 0.1 percentage points in calendar year 2013, then downward by 0.5 percentage points for calendar year 2014, and upward by 0.1 percentage points in calendar 2015, and another 0.2 percentage points in calendar year 2016.

3. Interest rates are expected to increase significantly over the 2015 through 2017 period following a period of continued low interest rates through 2014 as the rebound in housing firms. Energy prices are also expected to remain elevated over the forecast period, with the benchmark West Texas Intermediate Crude Oil price rising to over $114 per barrel in calendar 2016.

▪ The updated economic scenario for the State of Vermont includes a slower pace to output growth in in the near-term, with activity firming and proceeding at an “average” clip following calendar year 2013. Among the major macro variables:

1. Output growth that is expected to be 0.8 percentage points weaker in calendar 2013 and 0.7 percentage points weaker in calendar year 2014. Output growth is expected to firm in calendar 2015 (at +0.2 percentage points) and calendar 2016 (at -0.2 percentage points).

2. The job recovery rate in Vermont is expected to be roughly

equal (at -0.1 percentage points slower versus last January in calendar 2013) and be roughly half of the rate increase in calendar 2014 versus what was expected last January (at -0.9 percentage points). Calendar year 2016's payroll job growth rate is expected to be roughly equal to last January's consensus forecast update (at +0.1 percentage points).

3. Personal income growth in calendar year 2013 is forecasted to be 2.4 percentage points weaker than was expected last January. Calendar 2014 is expected to have 2.8 percentage point slower income increase and a 2.1 percentage point lower rate of increase in calendar 2015—relative to last January. The same is true for calendar year 2016.

TABLE 8
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
June 2011Through December 2012, Selected Variables, Calendar Year Basis

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Real GDP Growth									
December-11	*-0.3*	*-3.5*	*3.0*	*1.8*	*2.6*	*3.4*	*4.1*	*3.7*	
June-12	*-0.3*	*-3.5*	*3.0*	*1.7*	*2.2*	*2.6*	*4.0*	*3.7*	
December-12	*-0.3*	*-3.1*	*2.4*	*1.8*	*2.2*	*2.0*	*3.9*	*4.2*	*3.5*
June-13	*-0.3*	*-3.1*	*2.4*	*1.8*	*2.2*	*2.0*	*3.4*	*4.3*	*3.3*
S&P 500 Growth (Annual Avg.)									
December-11	*-17.3*	*-22.5*	*20.3*	*0.0*	*9.2*	*11.5*	*8.7*	*2.9*	
June-12	*-17.3*	*-22.5*	*20.3*	*11.4*	*4.8*	*0.6*	*2.1*	*2.1*	
December-12	*-17.3*	*-22.5*	*20.3*	*11.4*	*8.1*	*6.9*	*7.1*	*-0.4*	*1.7*
June-13	*-17.3*	*-22.5*	*20.3*	*11.4*	*8.7*	*14.4*	*3.6*	*-0.7*	*0.4*
Employment Growth (Non-Ag)									
December-11	*-0.6*	*-4.4*	*-0.7*	*1.0*	*1.0*	*1.5*	*3.0*	*2.0*	
June-12	*-0.6*	*-4.4*	*-0.7*	*1.2*	*1.4*	*1.5*	*2.3*	*2.6*	
December-12	*-0.6*	*-4.4*	*-0.7*	*1.2*	*1.4*	*1.3*	*2.1*	*2.6*	*2.2*
June-13	*-0.6*	*-4.4*	*-0.7*	*1.2*	*1.7*	*1.4*	*1.6*	*2.7*	*2.4*
Unemployment Rate									
December-11	*5.8*	*9.3*	*9.6*	*9.0*	*8.8*	*8.4*	*7.0*	*5.9*	
June-12	*5.8*	*9.3*	*9.6*	*9.0*	*8.1*	*7.8*	*6.9*	*6.0*	
December-12	*5.8*	*9.3*	*9.6*	*9.0*	*8.1*	*7.8*	*7.1*	*6.3*	*5.8*
June-13	*5.8*	*9.3*	*9.6*	*8.9*	*8.1*	*7.7*	*7.0*	*6.2*	*5.7*
West Texas Int. Crude Oil $/Bbl									
December-11	*99.6*	*61.7*	*79.4*	*94.7*	*104.2*	*106.5*	*106.8*	*107.0*	
June-12	*99.6*	*61.7*	*79.4*	*95.1*	*98.1*	*100.9*	*110.7*	*108.9*	
December-12	*99.6*	*61.7*	*79.4*	*95.1*	*94.4*	*95.7*	*105.3*	*110.3*	*114.0*
June-13	*99.6*	*61.7*	*79.4*	*95.1*	*94.2*	*96.8*	*104.6*	*110.3*	*114.0*
Prime Rate									
December-11	*5.09*	*3.25*	*3.25*	*3.21*	*3.08*	*3.32*	*4.69*	*6.43*	
June-12	*5.09*	*3.25*	*3.25*	*3.25*	*3.13*	*3.12*	*4.30*	*6.02*	
December-12	*5.09*	*3.25*	*3.25*	*3.25*	*3.25*	*3.25*	*3.32*	*4.92*	*6.86*
June-13	*5.09*	*3.25*	*3.25*	*3.25*	*3.25*	*3.25*	*3.25*	*4.26*	*6.60*
Consumer Price Index Growth									
December-11	*3.8*	*-0.3*	*1.6*	*3.2*	*2.1*	*2.4*	*2.9*	*2.4*	
June-12	*3.8*	*-0.3*	*1.6*	*3.1*	*1.9*	*1.9*	*2.7*	*2.7*	
December-12	*3.8*	*-0.3*	*1.6*	*3.1*	*2.1*	*2.2*	*2.6*	*2.6*	*2.4*
June-13	*3.8*	*-0.3*	*1.6*	*3.1*	*2.1*	*1.7*	*2.1*	*2.3*	*2.5*
Avg. Home Price Growth									
December-11	*-4.3*	*-4.6*	*-3.6*	*-3.9*	*-0.4*	*1.0*	*4.1*	*4.7*	
June-12	*-4.5*	*-4.8*	*-3.7*	*-3.5*	*-0.9*	*0.0*	*3.1*	*4.7*	
December-12	*-4.6*	*-5.1*	*-3.8*	*-3.5*	*-0.5*	*0.8*	*4.6*	*5.3*	*3.5*
June-13	*-4.7*	*-5.3*	*-3.9*	*-3.6*	*-0.1*	*2.7*	*4.9*	*3.7*	*2.3*

TABLE 9
Comparison of Consensus Administration and JFO Vermont State Forecasts
June 2010 Through December 2012, Selected Variables, Calendar Year Basis

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Real GSP Growth									
December-10	*2.0*	*-0.7*	*3.4*	*4.1*	*5.3*	*3.8*			
June-11	*0.4*	*-2.3*	*3.2*	*3.5*	*4.0*	*3.9*	*3.0*		
December-11	*0.4*	*-2.3*	*3.2*	*2.3*	*2.8*	*3.5*	*3.6*	*3.3*	
June-12	*-0.2*	*-3.6*	*4.1*	*0.5*	*2.3*	*2.9*	*3.3*	*3.4*	
December-12	*-0.2*	*-3.6*	*4.1*	*0.5*	*2.0*	*2.2*	*3.7*	*4.0*	*3.1*
June-13	*-0.2*	*-2.9*	*5.6*	*1.3*	*1.2*	*1.3*	*3.0*	*4.2*	*2.9*
Population Growth									
December-10	*0.1*	*0.1*	*0.1*	*0.3*	*0.4*	*0.5*			
June-11	*0.2*	*0.1*	*0.2*	*0.3*	*0.3*	*0.3*	*0.3*		
December-11	*0.2*	*0.1*	*0.2*	*0.3*	*0.3*	*0.3*	*0.4*	*0.3*	
June-12	*0.1*	*0.1*	*0.2*	*0.1*	*0.3*	*0.3*	*0.4*	*0.4*	
December-12	*0.1*	*0.1*	*0.2*	*0.1*	*0.3*	*0.3*	*0.3*	*0.4*	*0.5*
June-13	*0.1*	*0.1*	*0.2*	*0.1*	*-0.1*	*0.3*	*0.3*	*0.3*	*0.4*
Employment Growth									
December-10	*-0.4*	*-3.3*	*-0.9*	*0.5*	*1.8*	*2.7*			
June-11	*-0.4*	*-3.2*	*0.1*	*2.6*	*1.0*	*1.9*	*2.4*		
December-11	*-0.4*	*-3.2*	*0.1*	*1.8*	*1.3*	*1.9*	*2.5*	*2.2*	
June-12	*-0.3*	*-3.3*	*0.2*	*0.7*	*1.2*	*1.1*	*2.0*	*2.3*	
December-12	*-0.3*	*-3.3*	*0.2*	*0.7*	*1.1*	*0.9*	*1.8*	*2.3*	*1.8*
June-13	*-0.4*	*-3.3*	*-0.2*	*0.7*	*1.2*	*1.0*	*0.9*	*2.2*	*1.9*
Unemployment Rate									
December-10	*4.5*	*6.9*	*6.2*	*6.1*	*5.2*	*4.1*			
June-11	*4.5*	*6.9*	*6.2*	*5.7*	*5.5*	*4.6*	*3.4*		
December-11	*4.5*	*6.9*	*6.2*	*5.5*	*5.4*	*5.1*	*4.4*	*3.5*	
June-12	*4.6*	*6.9*	*6.4*	*5.6*	*4.8*	*4.7*	*4.3*	*3.9*	
December-12	*4.6*	*6.9*	*6.4*	*5.6*	*5.0*	*5.0*	*4.4*	*3.9*	*3.5*
June-13	*4.6*	*6.9*	*6.4*	*6.6*	*5.0*	*4.4*	*4.1*	*3.6*	*3.3*
Personal Income Growth									
December-10	*2.7*	*0.2*	*2.5*	*2.8*	*5.8*	*6.5*			
June-11	*3.7*	*-0.3*	*3.4*	*5.5*	*4.8*	*6.8*	*6.1*		
December-11	*3.7*	*-1.3*	*3.4*	*4.0*	*5.0*	*5.3*	*5.1*	*4.8*	
June-12	*4.4*	*-1.3*	*3.4*	*4.3*	*3.3*	*4.4*	*6.0*	*6.2*	
December-12	*4.4*	*-2.2*	*3.3*	*4.7*	*3.2*	*3.4*	*5.6*	*6.3*	*5.2*
June-13	*4.4*	*-2.2*	*3.3*	*4.7*	*3.4*	*1.0*	*2.8*	*4.2*	*3.7*
Home Price Growth (JFO*)									
December-10	*0.3*	*-1.5*	*-1.3*	*-0.1*	*0.7*	*1.3*			
June-11	*0.1*	*-1.5*	*-0.9*	*0.0*	*0.7*	*1.3*	*1.5*		
December-11	*0.1*	*-1.5*	*-0.8*	*-0.5*	*0.5*	*1.2*	*1.6*	*2.1*	
June-12	*0.0*	*-1.6*	*-0.9*	*-0.4*	*0.6*	*1.1*	*1.6*	*2.0*	
December-12	*0.0*	*-1.9*	*-1.0*	*-0.4*	*0.5*	*1.0*	*1.5*	*2.0*	*3.1*
June-13	*0.4*	*-2.0*	*-1.1*	*-0.5*	*0.5*	*1.0*	*2.6*	*2.7*	*3.5*

E. Notes and Comments on Methods:

- All figures presented above are presented as described, including current law "net" revenues available to cover appropriations for the respective funds listed in the consensus forecast estimate for fiscal years 2014, 2015, and 2016 that are part of the official Emergency Board motion.

- The revenue forecasting process is a collaborative one involving the staff of the Vermont Department of Taxes, VTrans, the Legislative Joint Fiscal Office, and many others throughout state government and the staff of Economic & Policy Resources. Special thanks are due to Sharon Asay (of the Vermont Department of Taxes), Lenny LeBlanc of VTrans, and Sara Teachout and many others at the JFO.

- The consensus forecasting process involves the discussion and agreement of two independent forecasts completed by Thomas E. Kavet of the JFO and the staff at Economic & Policy Resources. Agreement on the consensus forecast occurs after a complete vetting and reconciliation of these independent forecasts.

F. Detailed Forecast Tables.

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE/ADMINISTRATION
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2013

SOURCE G-FUND

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

	FY 2008 (Actual)	% Change	FY 2009 (Actual)	% Change	FY 2010 (Actual)	% Change	FY 2011 (Actual)	% Change	FY 2012 (Actual)	% Change	FY 2013 (Preliminary)	% Change	FY 2014 (Forecast)	% Change	FY 2015 (Forecast)	% Change
REVENUE SOURCE																
Personal Income	$622.3	7.1%	$530.3	-14.8%	$498.0	-6.1%	$553.3	11.1%	$597.0	7.9%	$660.6	10.6%	$686.3	3.9%	$738.6	7.6%
Sales & Use*	$338.4	1.4%	$321.2	-5.1%	$311.1	-3.1%	$325.6	4.7%	$341.8	5.0%	$346.8	1.4%	$357.2	3.0%	$369.1	3.3%
Corporate	$74.6	2.4%	$66.2	-11.3%	$62.8	-5.1%	$89.7	42.7%	$85.9	-4.2%	$95.0	10.5%	$91.8	-3.3%	$94.6	3.1%
Meals and Rooms	$121.1	5.4%	$117.1	-3.3%	$118.0	0.8%	$122.6	4.0%	$126.9	3.5%	$134.8	6.2%	$137.3	1.9%	$142.5	3.8%
Cigarette and Tobacco**	$59.2	-7.9%	$64.1	8.3%	$70.1	9.2%	$72.9	4.0%	$80.1	9.9%	$74.3	-7.2%	$72.5	-2.6%	$70.5	-2.7%
Liquor and Wine	$14.2	3.7%	$15.0	6.0%	$14.9	-1.0%	$15.4	3.1%	$16.4	7.0%	$17.0	3.4%	$17.4	2.4%	$18.0	3.4%
Insurance	$54.8	3.8%	$53.7	-2.1%	$53.3	-0.9%	$55.0	3.3%	$56.3	2.5%	$55.0	-2.3%	$54.3	-1.3%	$53.6	-1.3%
Telephone	$9.5	-4.6%	$9.1	-3.8%	$7.9	-13.9%	$11.4	44.4%	$9.6	-15.3%	$9.4	-2.6%	$9.3	-0.8%	$9.2	-1.1%
Beverage	$5.6	1.9%	$5.6	0.3%	$5.7	0.4%	$5.8	2.2%	$6.0	3.3%	$6.2	3.3%	$6.3	2.1%	$6.5	3.2%
Electric**	$2.7	3.3%	$2.8	4.0%	$2.9	2.5%	$2.9	0.8%	$2.9	0.3%	$8.9	204.5%	$12.5	NM	$11.7	NM
Estate***	$15.7	-11.9%	$23.4	49.1%	$14.2	-39.5%	$35.9	153.3%	$13.3	-62.8%	$15.4	15.4%	$19.1	24.1%	$19.7	3.1%
Property	$34.0	-13.5%	$25.9	-23.7%	$23.8	-8.2%	$25.6	7.7%	$24.1	-6.0%	$28.5	18.3%	$31.7	11.2%	$36.2	14.2%
Bank	$10.2	-3.4%	$20.6	102.5%	$10.4	-49.7%	$15.4	49.0%	$10.7	-30.9%	$10.7	0.2%	$10.8	1.1%	$10.9	0.5%
Other Tax	$3.2	-51.1%	$2.8	-12.7%	$3.7	32.1%	$3.7	1.7%	$1.2	-66.7%	$1.8	42.9%	$2.2	24.4%	$2.5	13.6%
Total Tax Revenue	$1,365.5	3.0%	$1,257.9	-7.9%	$1,196.5	-4.9%	$1,335.1	11.6%	$1,372.4	2.8%	$1,464.3	6.7%	$1,508.6	3.0%	$1,583.5	5.0%
Business Licenses	$2.7	-1.0%	$3.0	9.4%	$3.0	-0.2%	$2.9	-1.2%	$3.0	3.4%	$2.8	-8.0%	$3.0	7.0%	$3.2	6.7%
Fees	$14.7	3.6%	$19.1	29.5%	$19.2	0.9%	$20.5	6.4%	$20.9	2.1%	$21.4	2.2%	$21.7	1.6%	$22.6	4.1%
Services	$1.7	15.9%	$1.5	-11.0%	$1.2	-19.9%	$1.1	-8.7%	$2.3	105.8%	$2.5	8.3%	$1.8	-28.7%	$1.9	5.6%
Fines	$4.4	38.6%	$9.8	122.0%	$7.4	-24.8%	$5.7	-22.2%	$7.4	28.7%	$4.7	-35.9%	$5.9	25.1%	$6.3	6.8%
Interest	$3.9	10.1%	$1.4	-63.9%	$0.6	-57.0%	$0.3	-46.0%	$0.4	30.8%	$0.6	28.2%	$1.2	117.0%	$2.8	133.3%
Lottery	$22.7	-2.5%	$20.9	-7.7%	$21.6	3.0%	$21.4	-0.7%	$22.3	4.2%	$22.9	2.6%	$22.9	0.0%	$23.4	2.2%
All Other	$0.6	-44.1%	$0.2	-64.7%	$0.3	57.4%	$0.7	115.7%	$0.9	19.7%	$1.7	86.8%	$1.0	-40.1%	$1.1	10.0%
Total Other Revenue	$50.9	2.5%	$56.0	10.0%	$53.3	-4.7%	$52.8	-1.1%	$57.3	8.6%	$56.5	-1.3%	$57.5	1.7%	$61.3	6.6%
TOTAL GENERAL FUND	**$1,416.4**	**3.0%**	**$1,313.9**	**-7.2%**	**$1,249.9**	**-4.9%**	**$1,387.9**	**11.0%**	**$1,429.7**	**3.0%**	**$1,520.8**	**6.4%**	**$1,566.1**	**3.0%**	**$1,644.8**	**5.0%**

Notes:

* Includes Telecommunications Tax; includes $3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error.

** Assumes Vermont Yankee continues to operate, pending legal and regulatory rulings, and excludes all appropriations to the Clean Energy Development Fund and Education Fund.

*** Excludes transfer to the Higher Education Trust Fund of $2.4M in FY05, $5.2M in FY06 and $11.0 million in FY11.

TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE/ADMINISTRATION
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2013

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	**FY 2008** *(Actual)*	**%** Change	**FY 2009** *(Actual)*	**%** Change	**FY 2010** *(Actual)*	**%** Change	**FY 2011** *(Actual)*	**%** Change	**FY 2012** *(Actual)*	**%** Change	**FY 2013** *(Preliminary)*	**%** Change	**FY 2014** *(Forecast)*	**%** Change	**FY 2015** *(Forecast)*	**%** Change
REVENUE SOURCE																
Personal Income	$622.3	7.1%	$530.3	-14.8%	$498.0	-6.1%	$553.3	11.1%	$597.0	7.9%	$660.6	10.6%	$686.3	3.9%	$738.6	7.6%
Sales and Use*	$225.6	1.4%	$214.1	-5.1%	$207.4	-3.1%	$217.1	4.7%	$227.9	5.0%	$231.2	1.4%	$232.2	0.4%	$239.9	3.3%
Corporate	$74.6	2.4%	$66.2	-11.3%	$62.8	-5.1%	$89.7	42.7%	$85.9	-4.2%	$95.0	10.5%	$91.8	-3.3%	$94.6	3.1%
Meals and Rooms	$121.1	5.4%	$117.1	-3.3%	$118.0	0.8%	$122.6	4.0%	$126.9	3.5%	$134.8	6.2%	$137.3	1.9%	$142.5	3.8%
Cigarette and Tobacco	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM
Liquor	$14.2	3.7%	$15.0	6.0%	$14.9	-1.0%	$15.4	3.1%	$16.4	7.0%	$17.0	3.4%	$17.4	2.4%	$18.0	3.4%
Insurance	$54.8	3.8%	$53.7	-2.1%	$53.3	-0.9%	$55.0	3.3%	$56.3	2.5%	$55.0	-2.3%	$54.3	-1.3%	$53.6	-1.3%
Telephone	$9.5	-4.6%	$9.1	-3.8%	$7.9	-13.9%	$11.4	44.4%	$9.6	-15.3%	$9.4	-2.6%	$9.3	-0.8%	$9.2	-1.1%
Beverage	$5.6	1.9%	$5.6	0.3%	$5.7	0.4%	$5.8	2.2%	$6.0	3.3%	$6.2	3.3%	$6.3	2.1%	$6.5	3.2%
Electric**	$2.7	3.3%	$2.8	4.0%	$2.9	2.5%	$2.9	0.8%	$2.9	0.3%	$8.9	204.5%	$12.5	39.7%	$11.7	-6.3%
Estate***	$15.7	-11.9%	$21.9	39.4%	$14.2	-35.2%	$24.9	75.6%	$13.3	-46.4%	$15.4	15.4%	$19.1	24.1%	$19.7	3.1%
Property	$10.7	-16.3%	$8.5	-21.1%	$7.8	-8.2%	$8.4	7.6%	$7.9	-6.1%	$9.2	16.5%	$10.3	12.0%	$11.7	14.2%
Bank	$10.2	-3.4%	$20.6	102.5%	$10.4	-49.7%	$15.4	49.0%	$10.7	-30.9%	$10.7	0.2%	$10.8	1.1%	$10.9	0.5%
Other Tax	$3.2	-51.1%	$2.8	-12.7%	$3.7	32.1%	$3.7	1.7%	$1.2	-66.7%	$1.8	42.9%	$2.2	24.4%	$2.5	13.6%
Total Tax Revenue	$1,170.3	4.1%	$1,067.7	-8.8%	$1,006.7	-5.7%	$1,125.4	11.8%	$1,162.1	3.3%	$1,255.0	8.0%	$1,289.7	2.8%	$1,359.4	5.4%
Business Licenses	$2.7	-1.0%	$3.0	9.4%	$3.0	-0.2%	$2.9	-1.2%	$3.0	3.4%	$2.8	-8.0%	$3.0	7.0%	$3.2	6.7%
Fees	$14.7	3.6%	$19.1	29.5%	$19.2	0.9%	$20.5	6.4%	$20.9	2.1%	$21.4	2.2%	$21.7	1.6%	$22.6	4.1%
Services	$1.7	15.9%	$1.5	-11.0%	$1.2	-19.9%	$1.1	-8.7%	$2.3	105.8%	$2.5	8.3%	$1.8	-28.7%	$1.9	5.6%
Fines	$4.4	38.6%	$9.8	122.0%	$7.4	-24.8%	$5.7	-22.2%	$7.4	28.7%	$4.7	-35.9%	$5.9	25.1%	$6.3	6.8%
Interest	$5.3	7.2%	$1.2	-77.8%	$0.5	-54.7%	$0.3	-45.9%	$0.4	36.3%	$0.5	25.9%	$1.1	124.2%	$2.6	136.4%
All Other	$0.6	-44.1%	$0.2	-64.7%	$0.3	57.4%	$0.7	115.7%	$0.9	19.7%	$1.7	86.8%	$1.0	-40.1%	$1.1	10.0%
Total Other Revenue	$29.5	6.5%	$34.8	18.0%	$31.7	-8.8%	$31.3	-1.2%	$34.9	11.6%	$33.6	-3.9%	$34.5	2.8%	$37.7	9.3%
TOTAL GENERAL FUND	**$1,199.7**	**4.2%**	**$1,102.5**	**-8.1%**	**$1,038.4**	**-5.8%**	**$1,156.7**	**11.4%**	**$1,197.0**	**3.5%**	**$1,288.5**	**7.6%**	**$1,324.2**	**2.8%**	**$1,397.1**	**5.5%**

* Includes $2.5M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors.

** Assumes Vermont Yankee continues to operate, pending legal and regulatory rulings, and excludes all appropriations to the Clean Energy Development Fund and Education Fund.

*** Excludes transfer to the Higher Education Trust Fund of $2.4M in FY05, $5.2M in FY06 and $11.0 million in FY11.

TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE/ADMINISTRATION
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2013

SOURCE T-FUND *revenues are prior to all E-Fund allocations and other out-transfers. Used for analytic and comparative purposes only.*	**FY 2008** (Actual)	% Change	**FY 2009** (Actual)	% Change	**FY 2010** (Actual)	% Change	**FY 2011** (Actual)	% Change	**FY 2012** (Actual)	% Change	**FY 2013** (Preliminary)	% Change	**FY 2014** (Forecast)	% Change	**FY 2015** (Forecast)	% Change
REVENUE SOURCE																
Gasoline	$62.6	-1.6%	$60.6	-3.1%	$61.0	0.6%	$60.6	-0.6%	$59.3	-2.2%	$59.9	1.1%	$77.5	29.3%	$81.1	4.6%
Diesel	$16.6	-7.8%	$15.5	-6.5%	$15.1	-2.6%	$15.4	2.0%	$16.0	3.9%	$15.6	-2.2%	$17.2	9.9%	$18.3	6.4%
Purchase and Use*	$79.0	-2.0%	$65.9	-16.6%	$69.7	5.7%	$77.1	10.5%	$81.9	6.3%	$83.6	2.0%	$88.1	5.4%	$94.4	7.2%
Motor Vehicle Fees	$67.5	3.2%	$65.5	-3.0%	$72.5	10.7%	$72.3	-0.3%	$73.5	1.7%	$77.9	5.9%	$78.2	0.4%	$79.8	2.0%
Other Revenue**	$23.7	17.2%	$18.0	-24.0%	$18.2	1.4%	$17.9	-2.0%	$18.3	2.2%	$19.1	4.2%	$19.3	1.3%	$19.7	2.1%
TOTAL TRANS. FUND	**$249.4**	**0.6%**	**$225.6**	**-9.6%**	**$236.6**	**4.9%**	**$243.3**	**2.8%**	**$249.0**	**2.3%**	**$256.0**	**2.8%**	**$280.3**	**9.5%**	**$293.3**	**4.6%**

TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE/ADMINISTRATION
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2013

CURRENT LAW BASIS *including all Education Fund allocations and other out-transfers*	**FY 2008** (Actual)	% Change	**FY 2009** (Actual)	% Change	**FY 2010** (Actual)	% Change	**FY 2011** (Actual)	% Change	**FY 2012** (Actual)	% Change	**FY 2013** (Preliminary)	% Change	**FY 2014** (Forecast)	% Change	**FY 2015** (Forecast)	% Change
REVENUE SOURCE																
Gasoline	$62.6	-1.6%	$60.6	-3.1%	$61.0	0.6%	$60.6	-0.6%	$59.3	-2.2%	$59.9	1.1%	$77.5	29.3%	$81.1	4.6%
Diesel	$16.6	-7.8%	$15.5	-6.5%	$15.1	-2.6%	$15.4	2.0%	$16.0	3.9%	$15.6	-2.2%	$17.2	9.9%	$18.3	6.4%
Purchase and Use*	$52.7	-2.0%	$44.0	-16.6%	$46.5	5.7%	$51.4	10.5%	$54.6	6.3%	$55.7	2.0%	$58.7	5.4%	$62.9	7.2%
Motor Vehicle Fees	$67.5	3.2%	$65.5	-3.0%	$72.5	10.7%	$72.3	-0.3%	$73.5	1.7%	$77.9	5.9%	$78.2	0.4%	$79.8	2.0%
Other Revenue**	$23.7	23.5%	$18.0	-24.0%	$18.2	1.4%	$17.9	-2.0%	$18.3	2.2%	$19.1	4.2%	$19.3	1.3%	$19.7	2.1%
TOTAL TRANS. FUND	**$223.1**	**1.4%**	**$203.6**	**-8.7%**	**$213.3**	**4.8%**	**$217.6**	**2.0%**	**$221.7**	**1.9%**	**$228.2**	**2.9%**	**$250.9**	**10.0%**	**$261.8**	**4.3%**
OTHER																
TIB Gasoline					$13.4	NM	$16.5	23.6%	$20.9	26.6%	$21.2	1.4%	$21.0	-1.0%	$22.0	4.6%
TIB Diesel					$1.5	NM	$2.0	31.7%	$1.9	-1.7%	$1.8	-8.6%	$1.8	3.8%	$1.9	5.5%
Total TIB					$14.9	NM	$18.5	24.4%	$22.8	23.6%	$23.0	0.6%	$22.8	-0.6%	$23.9	4.6%

* As of FY04, includes Motor Vehicle Rental tax revenue

** 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

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE/ADMINISTRATION
AVAILABLE EDUCATION FUND* REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2013

CURRENT LAW BASIS

Source General and Transportation Fund taxes allocated to or associated with the Education Fund only.	**FY 2008** *(Actual)*	% Change	**FY 2009** *(Actual)*	% Change	**FY 2010** *(Actual)*	% Change	**FY 2011** *(Actual)*	% Change	**FY 2012** *(Actual)*	% Change	**FY 2013** *(Preliminary)*	% Change	**FY 2014** *(Forecast)*	% Change	**FY 2015** *(Forecast)*	% Change
GENERAL FUND																
Meals and Rooms	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.000	NM	$0.0	NM	$0.0	NM
Sales & Use**	$112.8	1.4%	$107.1	-5.1%	$103.7	-3.1%	$108.5	4.7%	$113.9	5.0%	$115.586	1.4%	$125.0	8.2%	$129.2	3.3%
Bank	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.000	NM	$0.0	NM	$0.0	NM
Corporate	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.000	NM	$0.0	NM	$0.0	NM
Security Registration Fees	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.0	NM	$0.000	NM	$0.0	NM	$0.0	NM
Interest	($1.3)	-0.8%	$0.3	NM	$0.1	NM	$0.0	NM	$0.0	NM	$0.079	NM	$0.1	NM	$0.2	NM
Lottery	$22.7	-2.5%	$20.9	-7.7%	$21.6	3.0%	$21.4	-0.7%	$22.3	4.2%	$22.936	2.7%	$22.9	-0.2%	$23.4	2.2%
TRANSPORTATION FUND																
Purchase and Use***	$26.3	-2.0%	$22.0	-16.6%	$23.2	5.7%	$25.7	10.5%	$27.3	6.3%	$27.851	2.0%	$29.4	5.4%	$31.5	7.2%
TOTAL	**$160.5**	**0.3%**	**$150.2**	**-6.4%**	**$148.6**	**-1.1%**	**$155.7**	**4.8%**	**$163.6**	**5.1%**	**$166.451**	**1.7%**	**$177.4**	**6.6%**	**$184.3**	**3.9%**

** Includes Telecommunications Tax; Includes $1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors

*** Includes Motor Vehicle Rental revenues, restated