

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

Fiscal Years 2021 through 2022

August 12, 2020

Prepared for the Vermont Emergency Board

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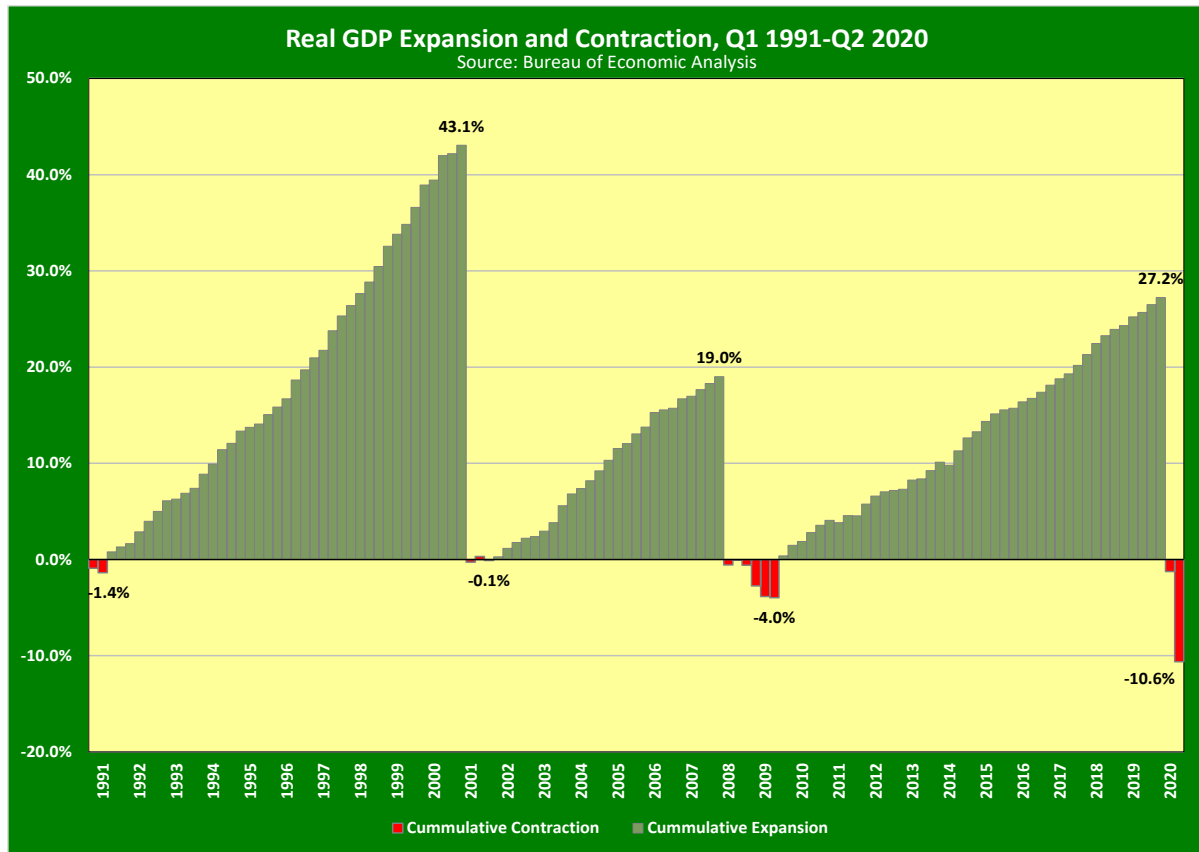
ECONOMIC, POLICY, AND FINANCIAL ANALYSTS

❖ **Background and Context: Discussion of the Updated Staff Recommended August 2020 Consensus Economic and Revenue Forecast Update for Fiscal Year 2021 through Fiscal Year 2025**

- The August 2020 staff recommended consensus revenue forecast includes a comprehensive update to the previous Emergency Board-approved consensus revenue forecast of January 16, 2020 and the May 18, 2020 and June 8, 2020 “updated revenue risk” analyses. Those May and June revenue risk analyses were intended to assess “an order-of-magnitude” level of risk to State revenues associated with the COVID-19 pandemic and its attendant negative economic impacts.
 - To-date, the negative economic impacts associated with the pandemic and the significant, but necessary public health steps taken to address it have been very harsh—both in terms of their large magnitude and the breathtaking speed in which they have occurred.
- The magnitude of the negative impacts in national and State labor markets have been unrivaled in scale and scope dating back to the Great Depression,¹ and the on-going, unprecedented level of uncertainty in the near-term economic outlook exceeds that associated with the mortgage and financial crisis-induced “Great Recession” of a little over a decade ago.
 - The outright decline of 68,200 total Vermont nonfarm payroll jobs (or -21.7% of the State’s seasonally adjusted total) between February and April corresponded to a loss of nearly one in five jobs over just a 60-day period overall.
 - The corresponding 64,300 decline in Vermont private sector nonfarm payroll jobs (or -25.0% of the State’s seasonally adjusted total) over the same February to April timeframe represented the loss of one in four private sector payroll jobs that existed back in February.
 - Nationally, payroll job losses over the short, but severe economic free-fall exceeded 20 million at the peak of the sharp national downturn and U.S. GDP has experienced a cumulative decline of

¹ Because State labor market information does not go back as far as the Great Depression, the assessment on State labor markets in this regard is inferential from U.S. labor market data.

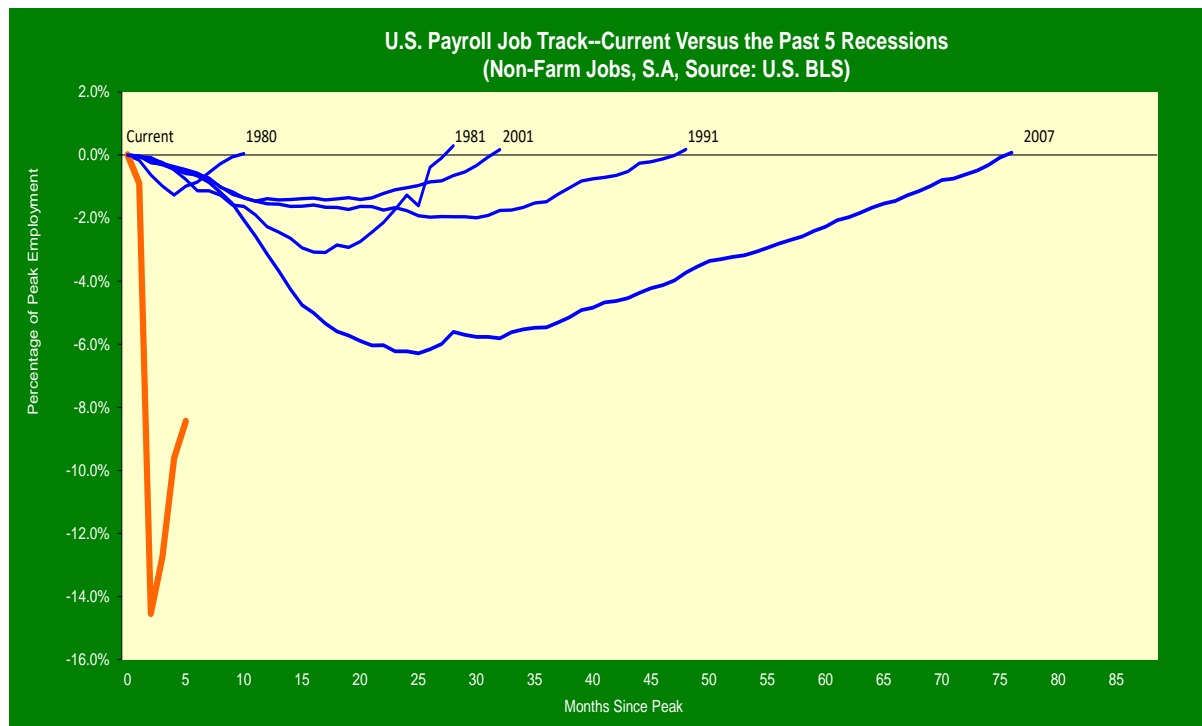
roughly 11% between the fourth quarter of calendar year 2020 and the second quarter of calendar year 2021 — far greater than the GDP declines experienced during the last three U.S. recessions dating back to the 1990s.



- Even after three months of “recovery,” total U.S. nonfarm payroll jobs remain down by roughly 8.4 percent—corresponding to the equivalent of nearly 13 million nonfarm payroll jobs lost since the COVID-induced recession began.
- As of July, the U.S. unemployment rate stood at 10.2 percent,² still higher than it ever was during the “Great Recession” and roughly three times the level that it was just prior to the pandemic. If workers who were involuntary part-time workers (under-employed), those who have given up looking for work, and those who are still being accidentally misclassified as employed despite being temporarily

² This is the so-called U-3 unemployment rate which is widely reported in the media.

laid off are included in the unemployment rate,³ the broader unemployment rate nationally would be closer to 17.5 percent.



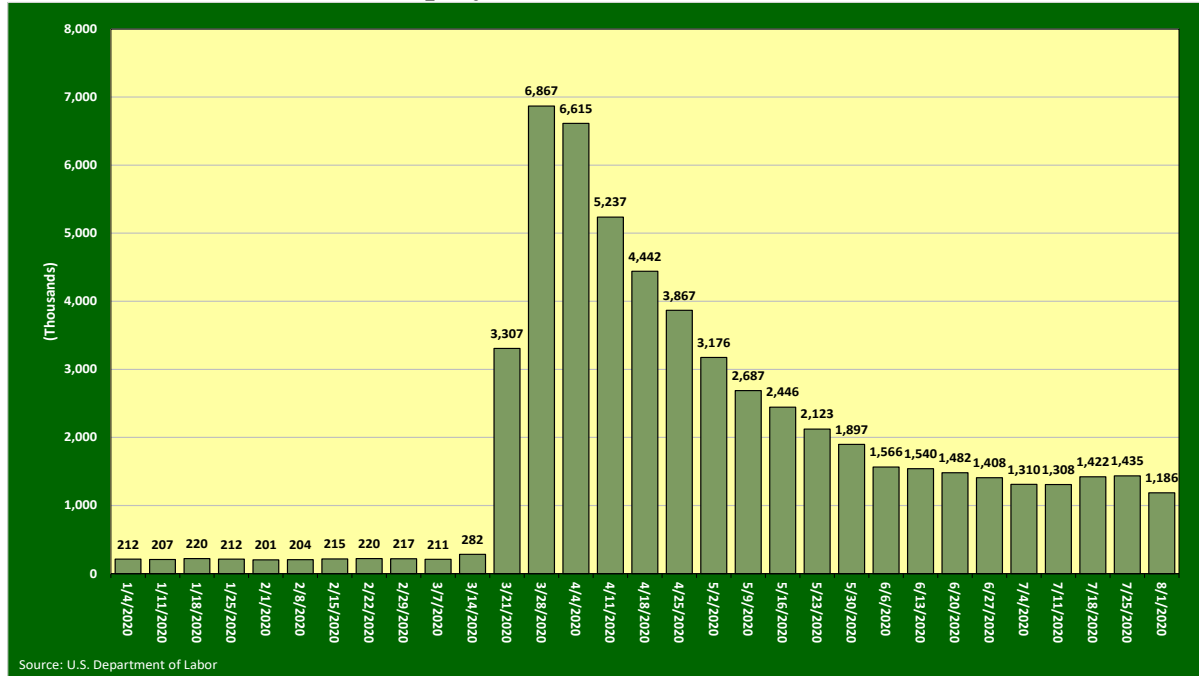
- A more coincident indicator of the high level of acute distress in national and State labor markets is perhaps best illustrated by initial (e.g. first-time) and continuing claims for unemployment insurance. In the most recent week, there were a total of 1.2 million Americans who filed for first-time unemployment benefits in the week ending August 1st. That was the 20th consecutive week that initial jobless benefits claims exceeded the 1.0 million level—but was the lowest since March. Before the COVID-19 pandemic hit the U.S. in March, the previous record for initial jobless benefits claims had been 695,000—as was registered back in 1982 during the painful 1981-82 U.S. economic downturn.
- A total of 15.8 million former workers continued to receive unemployment benefits nationally (for the week ended July 25th),⁴ the lowest since April, but more than two times the peak during the worst of the 2008-09 financial crisis. Back in early March—before the full force of the COVID-19 pandemic began to impact the U.S.

³ This corresponds to the so-called U-6 unemployment rate, which is not widely reported in the media.

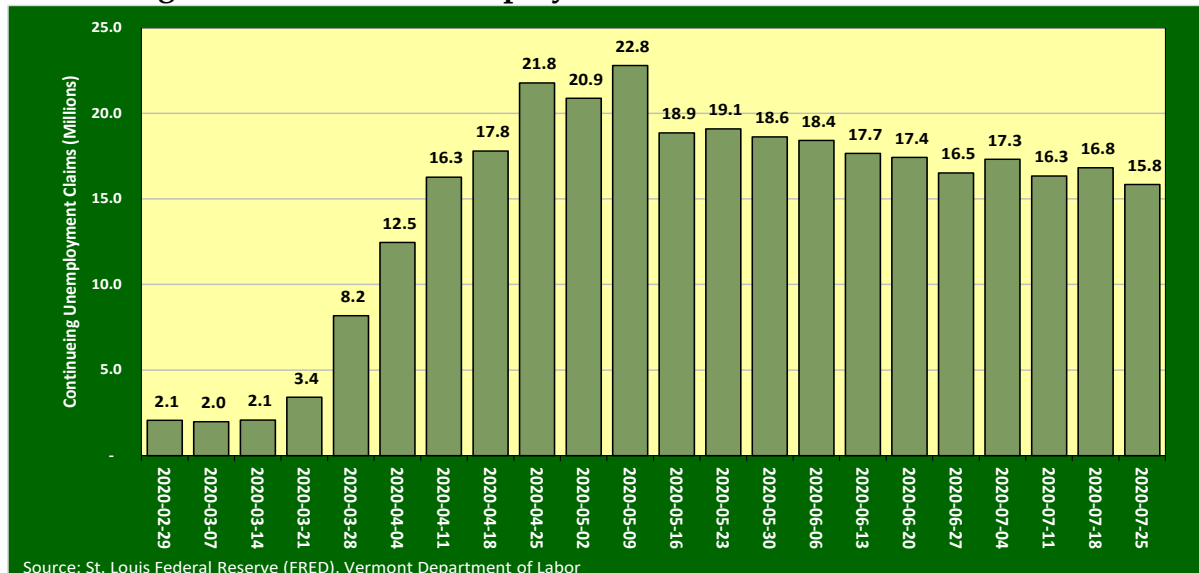
⁴ Which are typically lagged a week relative to the initial claims data.

economy—continued U.S. claims for unemployment benefits were roughly at the level of just 2.1 million.

Initial U.S. Claims for Unemployment Insurance, 2020



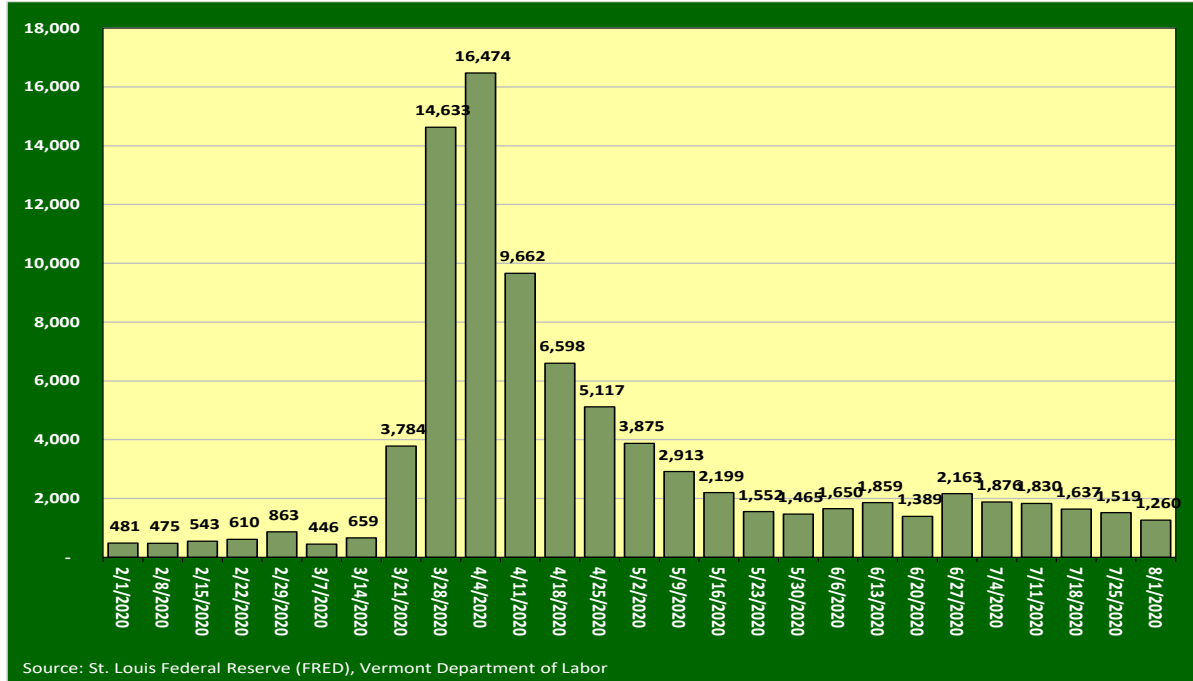
Continuing Claims for U.S. Unemployment Insurance, 2020



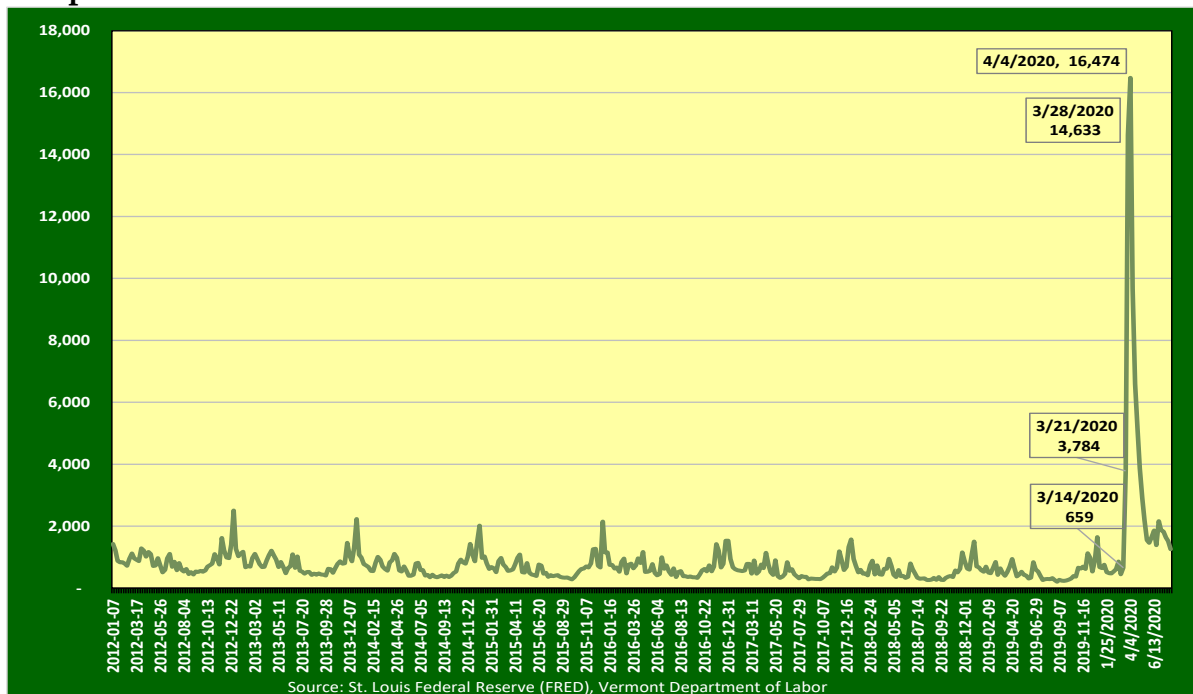
- In Vermont, the most recent initial claims for unemployment insurance data for the State also indicate a record level of labor market distress—at more than 1,000 for initial claims and almost 36,000 for continuing claims. Like the U.S. unemployment insurance claims numbers, these data continue to

be unprecedented in terms of the number of initial and continuing claims for unemployment insurance benefits in the State associated with the COVID-induced economic downturn.

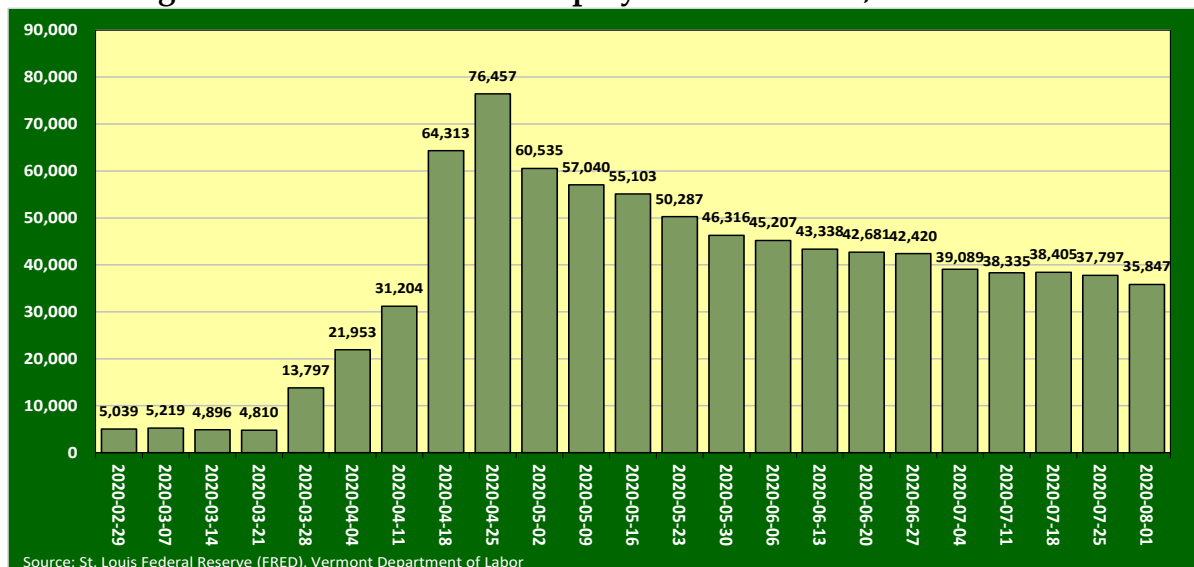
Initial Claims for Vermont Unemployment Insurance, 2020



Initial Claims for Vermont Unemployment Insurance—2012-20 for Historical Perspective



Continuing Claims for Vermont Unemployment Insurance, 2020



- Even against the backdrop of those unprecedented unemployment insurance claims data, economic and revenue developments overall during the months of May, June and July continued to support a still-developing narrative that the U.S. and Vermont economies have likely turned the corner. They have each begun to mend from the bottom of their sharp, pandemic-induced downturns.
 - If, as it now seems likely, the bottom of the recession was in fact during the month of April (barring a significant revision of the labor market's payroll jobs change data⁵), the U.S. and Vermont economies have each added back significant numbers of the jobs lost due to the COVID-induced downturn even if there are still significant numbers of jobs that were lost (or put into suspended animation) during the apparent three month February through April downturn.
 - While it is true that much of the initial re-hiring during the nascent period of recovery in national and Vermont labor markets to-date have occurred among those sectors where workers were laid off or furloughed as the COVID-19 pandemic spread through the

⁵ Which under these circumstances—including still high and in some states still rising numbers of COVID infections—does still remain a possibility.

economy,⁶ it does appear that labor markets, both national and State, are indeed healing faster than initial post-pandemic expectations.⁷ However, while the worst of the worst may in fact be over, we still appear to be finding our way “out of the economic woods.”

- Whether or not that initial recovery momentum will be maintained over the near-term time horizon—which will be important to limiting the permanent damage to the economic base of the country and Vermont⁸—will depend on continued progress being made on the significant public health issues that remain associated with containing the still unfolding, national COVID-19 pandemic.
 - As the sharp national and Vermont economic downturns were the result of the public health crisis and required steps needed to contain the COVID-19 pandemic, the path to full and enduring economic recovery for both will necessarily follow the path of the prospective full resolution of the COVID-induced public health crisis.
- Looking more closely at the recovery progress to date in Vermont, the State’s heavier than the national average reliance on the “hard-hit” travel and tourism sector, manufacturing, and on health services resulted in a larger than the U.S. average COVID-induced payroll job loss of -22.9% from the peak in February to the trough in April versus a national average payroll job decline of -14.5%.⁹
 - Although the corresponding monthly April-to-June initial rebound in Vermont payroll jobs was higher than the U.S. average, the labor market data showed that Vermont ranked fifth highest among the 50 states in year-over-year payroll job decline (at -13.2% in June 2020 in total payroll jobs and -15.0% for private sector nonfarm payroll jobs).

⁶ But that job category is also susceptible to another round of renewed layoffs or furloughs because a recent spike in COVID-19 cases in several states that has been causing governors-local municipal officials to halt or even roll back parts of their states’ business re-openings.

⁷ If it turns out that April was in fact the bottom of the COVID-19-induced economic downturn, the 2020 downturn will have been simultaneously the shortest (at only 3 months) and most severe economic recession in U.S. (and in Vermont), if not global, economic history.

⁸ Which to-date, has been significant and continues to increase according to surveys—including a survey conducted by Yelp during June-July.

⁹ Assuming that the State recession’s peak-to-trough period corresponded to the months of February (as the peak) through April (as the trough) that would be identical to the U.S. turning points. Given the identical, pandemic-induced cause of the recession, this would logically be expected.

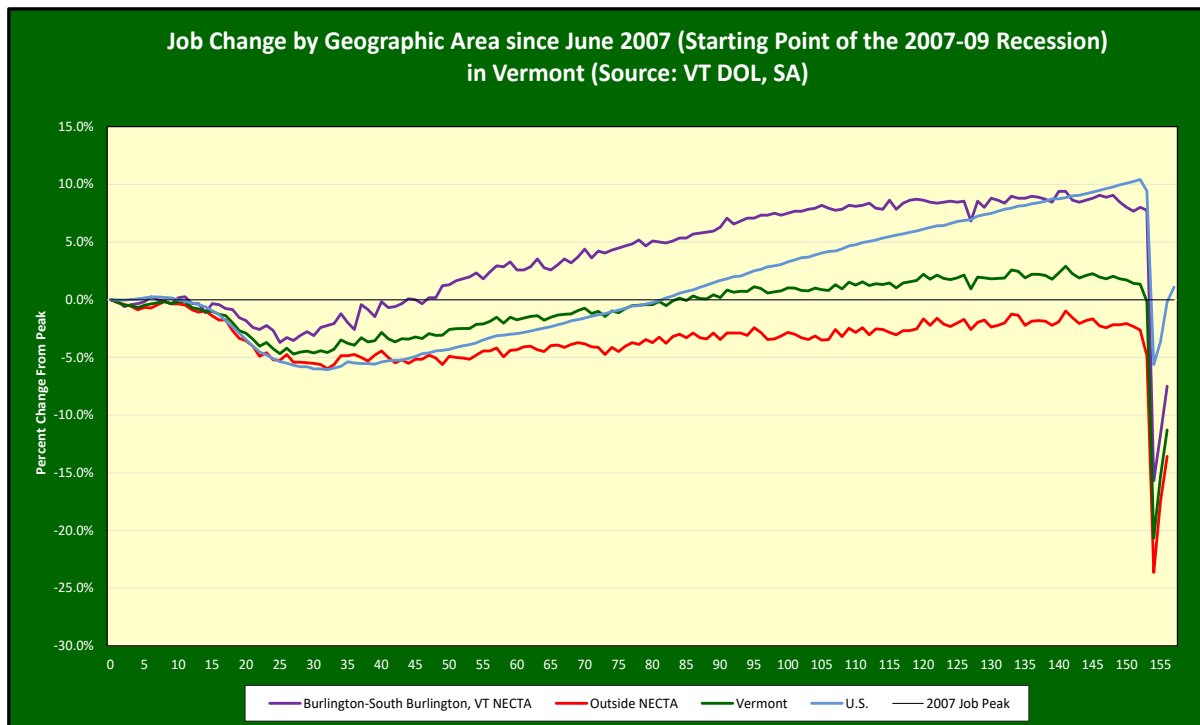
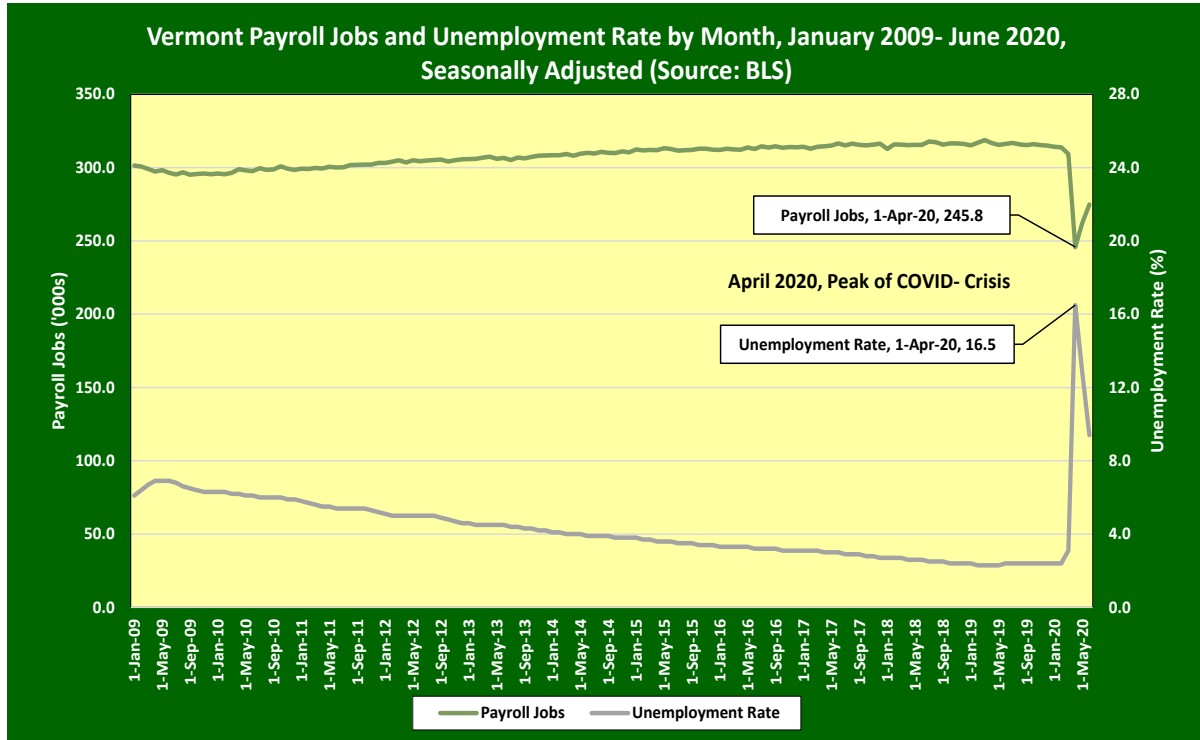
- The states that had a more significant year-over-year payroll job decline during the June 2019 through June 2020 time frame relative to Vermont included the states of Hawaii (at -15.5% year-over-year and at -17.6% for private sector jobs year-over-year), New York (at -15.1% year-over-year and at -16.8% for private sector jobs year-over-year), New Jersey (at -13.5% year-over-year and at -14.9% for private sector jobs year-over-year), and Massachusetts (at -14.4% year-over-year and at -14.8% year-over-year for private sector jobs).¹⁰
- The states that had larger year-over-year total payroll job declines versus Vermont likely fared more poorly due to a combination of public health issues (e.g. comparatively higher COVID-19 case levels and the attendant more significant public health measures taken to contain the pandemic) and economic mix factors (such as the importance of visitor and other tourism-related business activities to their respective economic-job base).

Year Over Year Total/Private Sector Job Change for the States, June 2020

Year-Over-Year Job Change by State Total Payroll Jobs (June 2019-June 2020)			Year-Over-Year Job Change by State Private Sector Payroll Jobs (June 2019-June 2020)		
Rank	State	% Change	Rank	State	% Change
1	Utah	-2.8%	1	Idaho	-2.4%
2	Idaho	-2.8%	2	Utah	-2.7%
3	Arizona	-3.3%	3	Arizona	-3.2%
4	Mississippi	-4.6%	4	Nebraska	-4.6%
5	Montana	-4.7%	5	South Dakota	-4.6%
10	Texas	-5.3%	10	Texas	-5.5%
36	California	-10.0%	35	California	-10.4%
40	Connecticut	-10.5%	37	Connecticut	-10.5%
41	New Hampshire	-10.8%	39	New Hampshire	-11.3%
42	Maine	-11.1%	42	Maine	-11.6%
43	Rhode Island	-11.5%	44	Rhode Island	-12.6%
46	Vermont	-13.2%	46	Massachusetts	-14.8%
47	New Jersey	-13.5%	47	New Jersey	-14.9%
48	Massachusetts	-14.4%	48	Vermont	-15.0%
49	New York	-15.1%	49	New York	-16.8%
50	Hawaii	-15.8%	50	Hawaii	-17.6%
Source: U.S. Department of Labor, BLS			Source: U.S. Department of Labor, BLS		

¹⁰ Although it should be noted that Massachusetts and New Jersey had slightly lower private sector payroll jobs declines over the most recent year even though their respective total nonfarm payroll job declines over the most recent year exceeded Vermont's decline.

- The data also highlights the still significant amount of “recovery” left to go for Vermont labor markets and regional labor markets within Vermont after the initial stages of the State’s labor market mending process as the charts below suggest.



- On a sector by sector basis, year-over-year payroll job change ranged from a pronounced -49.9% in the Leisure and Hospitality sector June 2020 versus June 2019 to “only” a -4.0 year-over-year job change performance in the Education and Health Services sector—where the State ranked 2nd among the six states in the New England region. Another notable year-over-year job change was the -27.0% year-over-year job change performance in the Construction sector where Vermont ranked 6th in New England and 50th among the states where a total of 34 states through June had experienced outright year-over-year payroll job declines. In the Manufacturing sector (as the other major good-producing sector in the Vermont economy), the State’s double-digit, -11.2% year-over-year job decline ranked 45th nationally and 6th in the New England region.

Comparative Year-Over-Year, State-by-State Job Change Performance, June 2020

Payroll Job Performance By NAICS Supersector June 2019 vs. June 2020					
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	-13.2%	5	46	CT (40)	50
Total Private	-15.0%	6	48	CT (37)	50
Construction	-27.0%	6	50	ME (16)	34
Manufacturing	-11.2%	6	45	RI (10)	49
Information	-9.3%	5	28	MA (6)	50
Financial Activities	-8.9%	6	48	RI (12)	41
Trade, Transportation, and Utilities	-8.1%	3	40	ME (27)	46
Leisure and Hospitality	-49.9%	6	49	CT (37)	50
Education and Health Services	-4.0%	2	12	NH (8)	49
Professional and Business Services	-9.3%	5	42	MA (18)	49
Government	-5.0%	2	23	RI (21)	49
Notes: NAICS means North American Industry Classification System					
Source: U.S. Department of Labor, BLS					

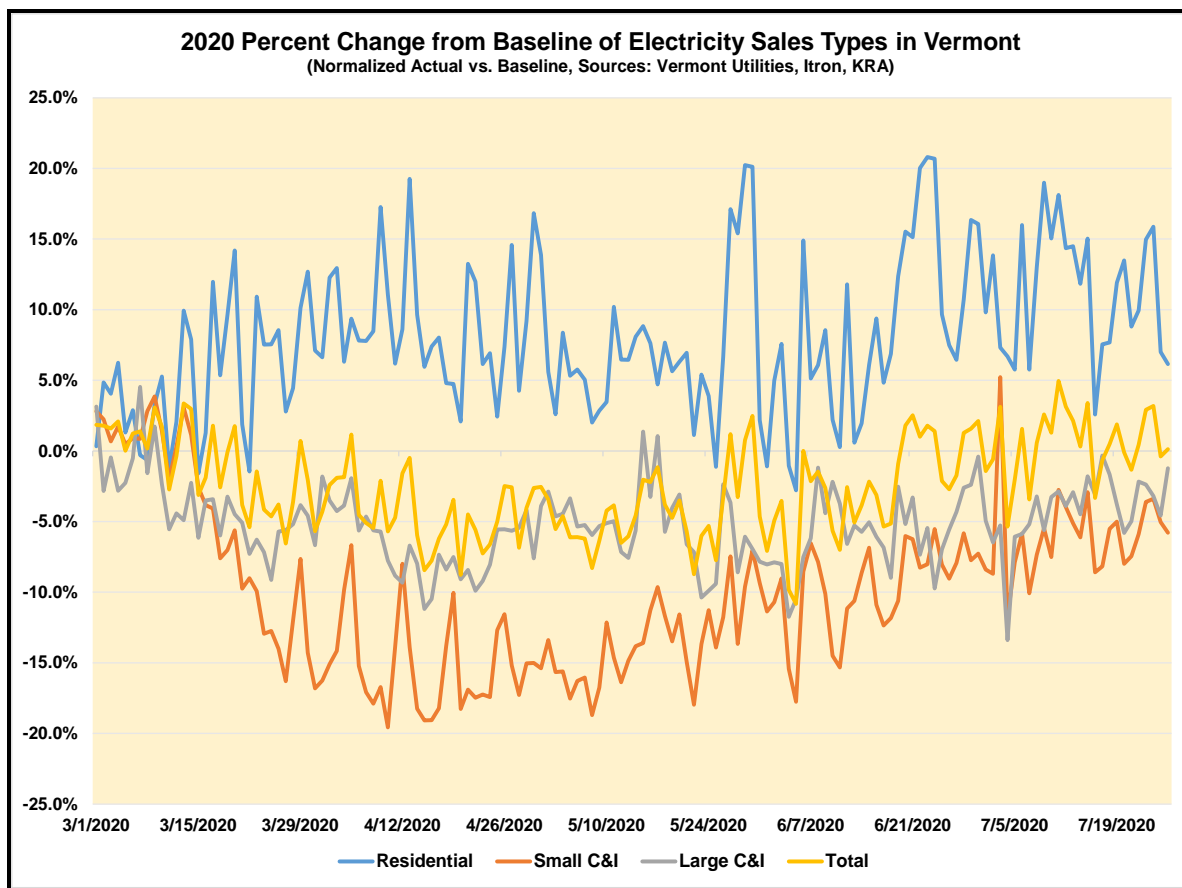
- Elsewhere among the major sectors in the Vermont economy, the “only” -9.3% year-over-year decline in the Professional and Business Services sector (at 42nd nationally and 5th in the New England region), the -8.1% year-over-year decline in the Trade, Transportation, and Utilities sector (at 40th nationally and 3rd in the New England region), the -9.3% year-over-year decline in the Information sector (at 28th nationally and 5th in the New England region), and the -8.9% year over year decline Financial Activities sector (at 48th nationally and 6th in the New England region) rounded out the more important key private sector categories through June.

- The year-over-year payroll job change of -5.0% in the Government sector (at 23rd nationally and 2nd in the New England region) rounded out the year-over-year job change data for the State’s job base through June.
- These data are consistent with other data on the Vermont economy that the State economists have been tracking as part of the series of roughly monthly to every six weeks revenue risk assessment analyses since the pandemic began.
 - These data are also consistent with survey data from a variety of sources, data on electricity use throughout the State developed in conjunction with the Vermont Department of Public Service, and other data that has been assembled—sometimes anecdotally.
 - For the most part economic activity remains at unusually low levels (which for some indicators would probably be characterized as “depressed” by any reasonable historical benchmark)—but looks to be on an improving trend (at least through recent weeks).
- For example, electricity sales look to still be down versus pre-COVID recession levels in the industrial and commercial parts of overall electricity demand in Vermont versus normalized levels¹¹ for the current period.¹²
 - However, commercial and industrial electricity demand is down by far less than was the case during the initial period of the State’s pandemic-induced partial economic shutdown.¹³
 - Electricity demand in the residential sector continues to be higher, given the increase in working remotely that has gained greater acceptance in what appears to be the new, pandemic-era “normal.”

¹¹ Including adjustments for differences in weather.

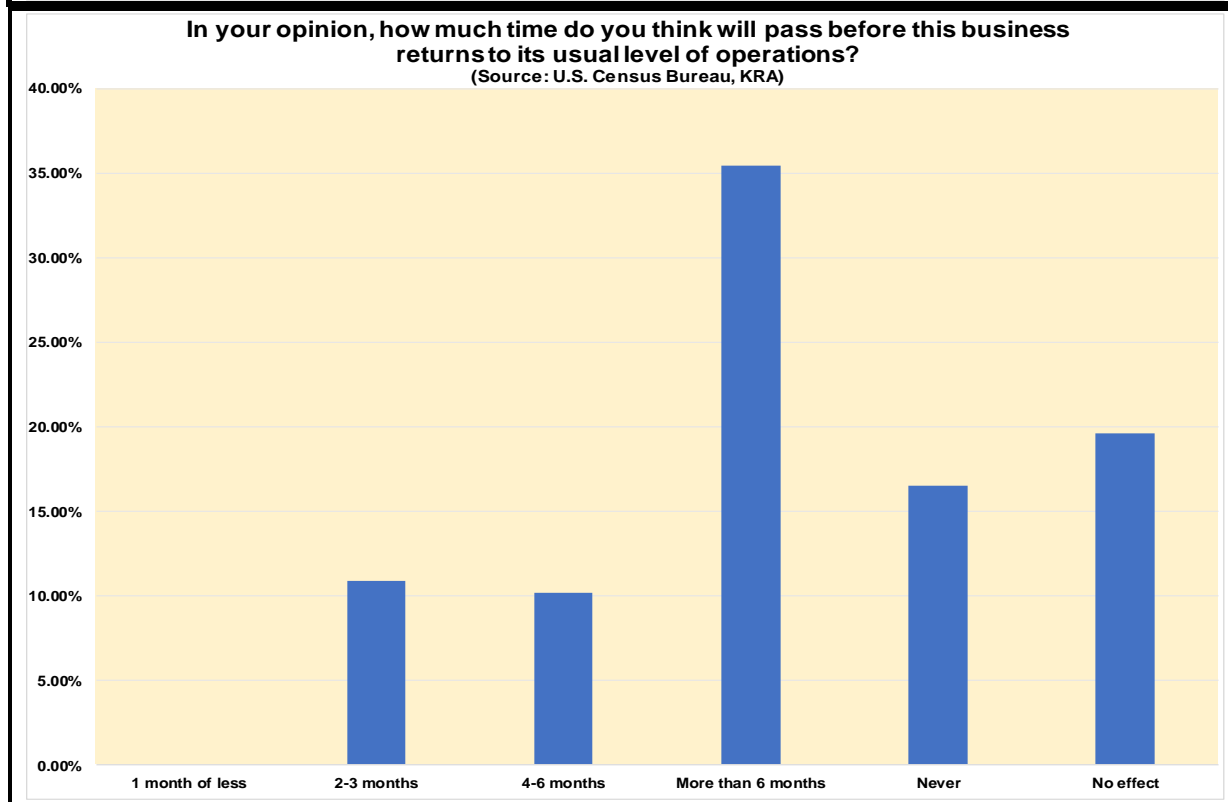
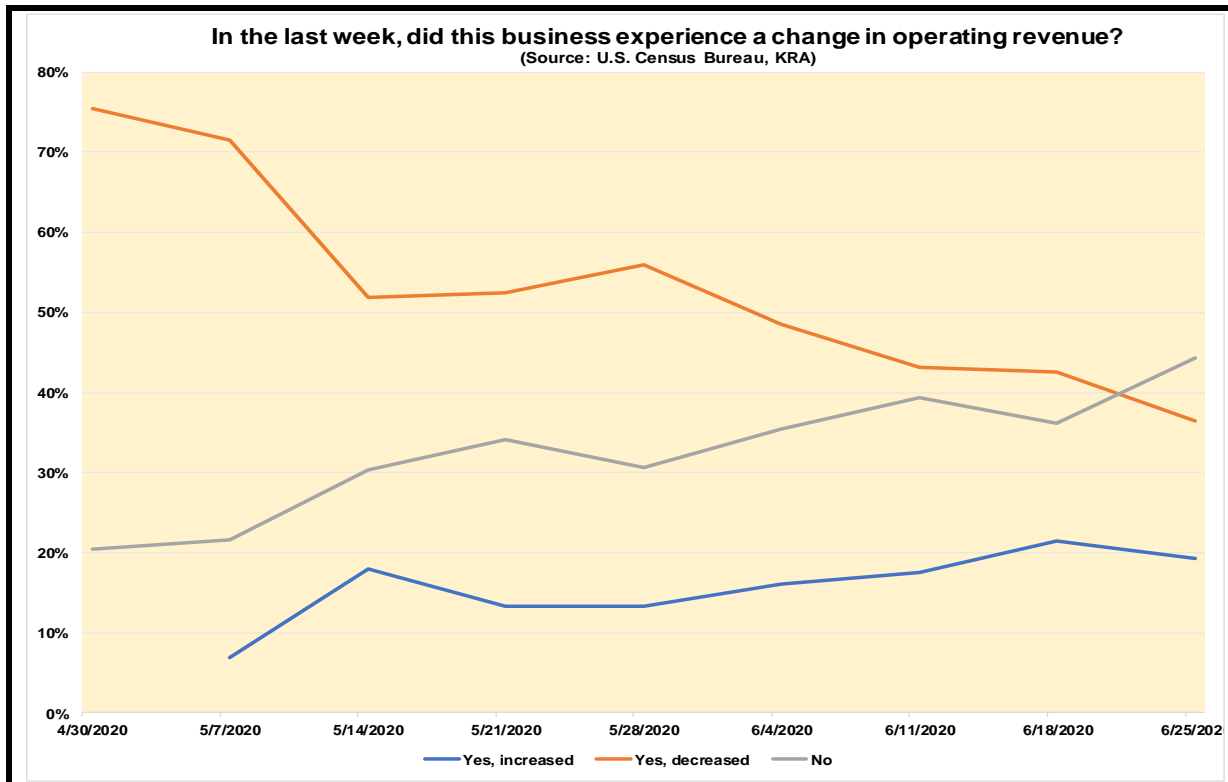
¹² These data have been charted by Ms. Breanna Parker of Kavet, Rockler and Associates, Inc. over the roughly the past 6 months.

¹³ Residential demand is likely higher due to “stay at home” remote working and other activities.



- In addition, according to a weekly survey conducted by the U.S. Census Bureau survey of business-people around the State,¹⁴ Vermont respondents believe that the recovery from the COVID-19 induced downturn will take “a long time.”
- More than one-third of respondents to a weekly survey replied that a recovery will take longer than six months for their business and almost 1 in 5 respondents replied that they expected their businesses will never recover to pre-pandemic levels based on their end of June outlook for their businesses (see the charts below).

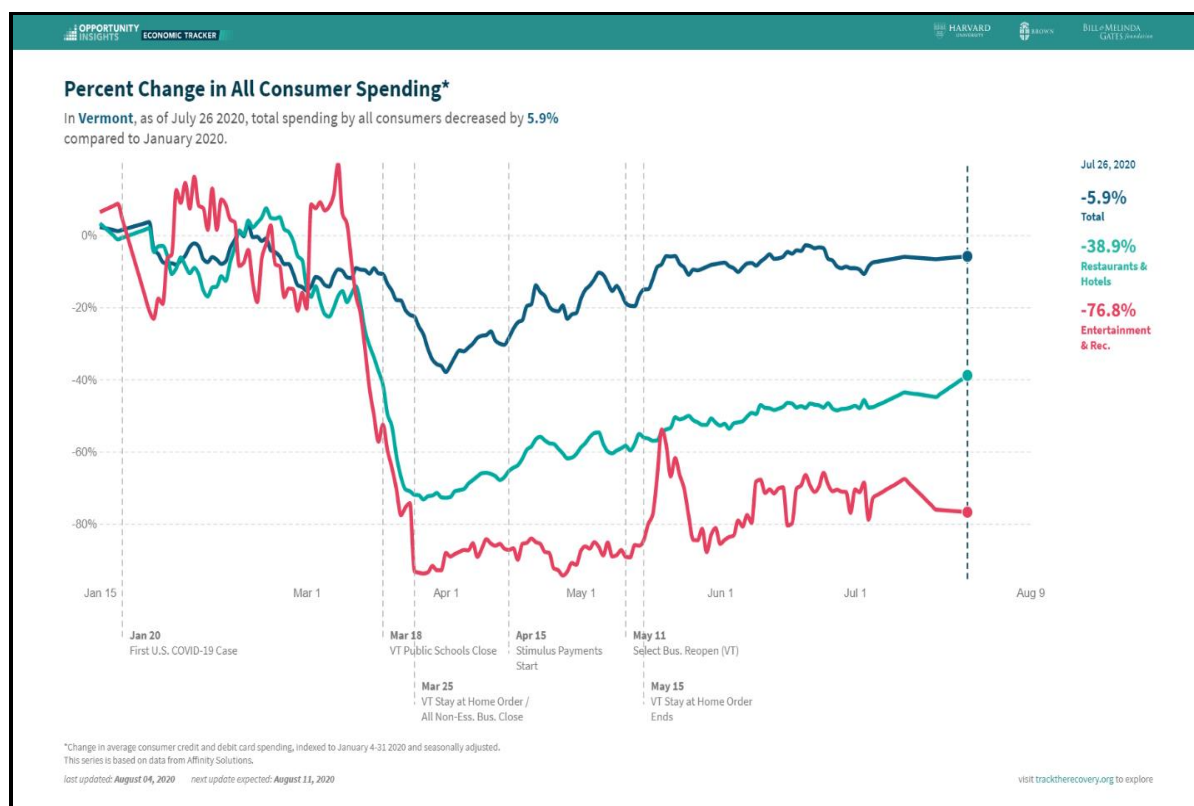
¹⁴ At least through the end of June 2020 when the results of the survey were provided without a fees or a subscription.

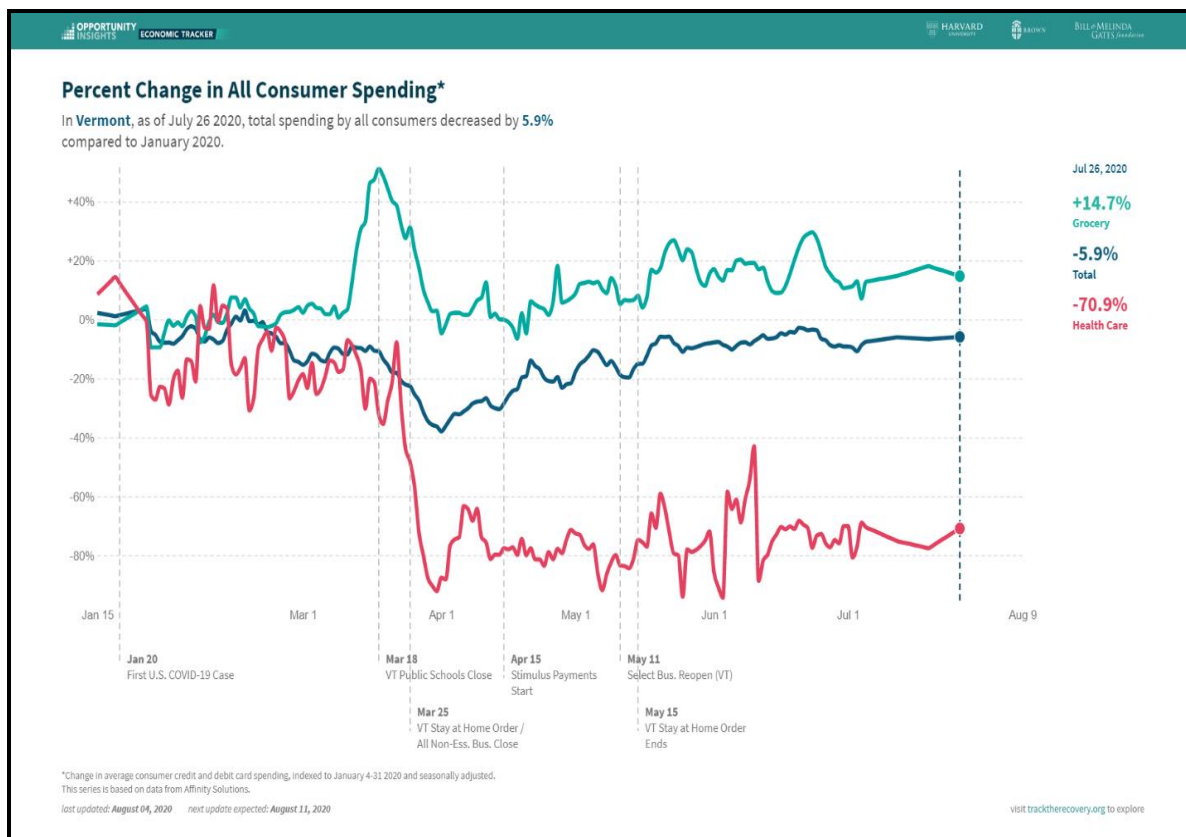


- Finally, according to the Opportunity Insights “Recovery Tracker” for Vermont as of July 26, 2020, total spending by all consumers decreased by

5.9% compared to January 2020 (and is down by 38.9% for restaurants and hotels and by 76.8% for entertainment and recreation since January 2020).

- While there clearly may be some seasonality to the household spending captured by this benchmark, it nevertheless provides a close to real-time assessment of total expenditures—using credit-debit card data—in the State since the beginning of the 2020 calendar year.
- The charts below are reproduced from the **tracktherecovery.org** website which is a collaborative effort of several prominent higher education institutions and the Bill and Melinda Gates Foundation. The charts show the on-going struggle among various sectors and groups of companies within the State of Vermont to recover. The charts are updated weekly.





❖ Updated Consensus Economic Forecast for Fiscal Year 2021 through Fiscal Year 2025

- The updated August 2020 staff recommended consensus revenue forecast includes an updated consensus economic forecast for the period and extends through calendar year 2025 as developed in late-July (see below).
 - This staff recommended consensus revenue forecast update takes into account the most current information regarding the economic and fiscal fallout of the COVID-19 pandemic and resulting fiscal and monetary policy official responses to-date—and perhaps most importantly are still pending as of mid-week for the week ending August 14th.
 - It also takes into account the latest State revenue data, including the magnitude of the so-called ‘fiscal shift’ of receipts for FY 2020 which were actually be received during July of FY 2021 (the first month of FY 2021).

- The Moody's Analytics baseline forecast for July—which served as the initial basis for the consensus economic forecast update for the U.S. and Vermont economies—assumed there would be another \$1.0 trillion to \$1.5 trillion of additional federal stimulus spending passing before Labor Day 2020, which was assumed to be sufficient to keep federal fiscal policy “stimulative” through the beginning of calendar year 2021.
 - This package would also ideally include some state and local government fiscal assistance (although this is still in some doubt) to prevent a significant round of layoffs at the state and local government level, an extension of some form of enhanced unemployment insurance benefits, and some additional assistance for lower income households.

- On August 7th, with the Congress deadlocked on the details of additional stimulus legislation, the Administration issued a series of Executive Orders which, among other objectives, were intended to facilitate the provision of a reported \$400 weekly payment to replace the supplemental federal unemployment insurance payment of \$600 which expired at the end of July. The new \$400 amount is intended to be funded 75% by the federal government and 25% by states (for at least most states), but many states are signaling their inability to afford their share which may result in the reduction of UI supplemental payments (e.g. the COVID-enhancement portion of those UI benefits) to residents of those states to only the \$300 weekly amount on top of normal UI benefit checks.
 - Debate among Washington policymakers continues (as this report is being finalized) regarding another full-fledged federal stimulus bill to extend/replace the provisions of the CARES Act and to provide other forms of economic stimulus.

- As part of fiscal stimulus counter-measures to the very severe self-induced recession, the Federal Government extended tax due dates from April 15th to July 15th for all payers (which was followed by states issuing the same change for their payers including Vermont), and paid out \$2.2 trillion of aid to individuals and businesses.
 - The monetary policy power of the Federal Reserve kicked into “high gear,” and was used to reduce short-term interest rates to essentially zero. The Fed's unprecedented policy response also included

massive additional purchases of various types of debt which increased the balance sheet holdings of the Fed to nearly \$7 Trillion, or by nearly two-thirds since the COVID pandemic began in March.

- The Fed's monetary policy response also deftly shifted feet since pandemic began to establish new emergency lending programs that have been instrumental in stabilizing U.S. credit markets.
- More recently, despite initial monthly job reports showing some significant initial steps of a labor market recovery both nationally and in Vermont, an increasing number of COVID-19 cases in key parts of the country (mostly in the South and Western regions) has resulted in the loss of some of the initial, impressive forward momentum in the still-nascent economic recovery.
 - In particular, the rising threat of the need for additional rounds of economy-restraining, public health actions to address increasing COVID-19 cases threatens to curtail the initial recovery from the pandemic just as the previous recovery-supporting actions of federal fiscal policy associated with the federal CARES Act and the previous rounds of fiscal policy stimulus measures have begun to fully run their respective economy-supporting courses.¹⁵
- The most recent consensus update in the near-term economic outlook for the U.S. and Vermont economies and the dynamics of the updated consensus economic forecast are presented in Tables 1 and 2 (see below)—reflecting a now COVID pandemic-induced economic recession that has been impacting the U.S. and Vermont economies since March that accompanies this August 2020 staff recommended consensus revenue forecast update.
 - Data are presented for the current consensus macroeconomic forecast along with previous consensus economic forecasts used in the revenue forecast updates back to June of 2018 (for the U.S. economy) and back to December of 2017 (for the Vermont economic forecast update).

¹⁵ The on-going State assistance programs targeted at “hard hit” sectors such as the hospitality industry notwithstanding.

**Table 1: Comparison of Recent Administration and JFO Consensus
U.S. Macroeconomic Forecasts**
December 2018 through July 2020, Selected Variables, Calendar Year Basis

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real GDP Growth									
December-18	2.5	2.9	1.6	2.2	3.0	2.4	1.1	1.9	2.3
June-19	2.5	2.9	1.6	2.4	2.9	2.3	1.8	1.9	2.2
December-19	2.5	2.9	1.6	2.4	2.9	2.3	1.8	1.9	2.5
July-20	2.5	2.9	1.6	2.4	2.9	2.3	-5.9	3.2	5.2
S&P 500 Growth (Annual Avg.)									
December-18	17.5	6.8	1.5	17.0	12.2	-2.5	-4.7	9.0	6.6
June-19	17.5	6.8	1.5	17.0	12.1	6.4	-7.6	4.4	6.3
December-19	17.5	6.8	1.5	17.0	12.1	6.1	-2.0	1.8	6.3
July-20	17.5	6.8	1.5	17.0	12.1	6.1	-3.0	-2.9	12.4
Employment Growth (Non-Ag)									
December-18	1.9	2.1	1.8	1.6	1.6	1.3	0.5	0.0	0.6
June-19	1.9	2.1	1.8	1.6	1.7	1.6	0.9	-0.1	0.5
December-19	1.9	2.1	1.8	1.6	1.7	1.6	1.0	0.2	0.8
July-20	1.9	2.1	1.8	1.6	1.6	1.4	-5.9	0.5	3.5
Unemployment Rate									
December-18	6.2	5.3	4.9	4.4	3.8	3.6	3.9	4.5	5.2
June-19	6.2	5.3	4.9	4.4	3.9	3.6	3.7	4.1	4.3
December-19	6.2	5.3	4.9	4.3	3.9	3.7	3.8	4.1	4.3
July-20	6.2	5.3	4.9	4.3	3.9	3.7	9.2	8.1	6.6
West Texas Int. Crude Oil \$/Bbl									
December-18	93	49	43	51	65	60	68	72	75
June-19	93	49	43	51	65	59	63	63	62
December-19	93	49	43	51	65	57	57	59	59
July-20	93	49	43	51	65	57	37	45	55
Prime Rate									
December-18	3.25	3.26	3.51	4.10	4.90	5.98	6.54	6.31	5.96
June-19	3.25	3.26	3.51	4.10	4.90	5.55	5.58	5.78	6.09
December-19	3.25	3.26	3.51	4.10	4.90	5.27	4.60	4.70	5.53
July-20	3.25	3.26	3.51	4.10	4.90	5.29	3.50	3.25	3.25
Consumer Price Index Growth									
December-18	1.6	0.1	1.3	2.1	2.4	2.5	2.1	2.3	2.3
June-19	1.6	0.1	1.3	2.1	2.4	1.9	2.1	2.3	2.3
December-19	1.6	0.1	1.3	2.1	2.4	1.9	2.2	2.4	2.4
July-20	1.6	0.1	1.3	2.1	2.4	1.8	0.4	1.6	2.3
Average Home Price Growth									
December-18	5.2	5.2	5.6	6.2	6.5	6.8	5.8	5.1	4.5
June-19	5.1	5.2	5.5	6.1	6.6	4.8	4.0	3.1	3.2
December-19	5.1	5.2	5.5	6.0	6.5	4.9	4.4	4.1	3.9
July-20	5.1	5.2	5.4	5.9	6.2	5.1	3.5	1.8	3.1

**Table 2: Comparison of Consensus Administration and JFO Vermont
State Forecasts**

December 2017 through July2020, Selected Variables, Calendar Year Basis

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real GSP Growth									
December-17	0.5	0.9	0.7	0.9	1.4	0.8	0.1	0.9	1.3
June-18	0.5	0.7	1.5	1.1	1.9	1.6	0.3	2.1	2.4
December-18	0.5	0.7	1.5	1.1	2.2	1.9	0.6	1.9	2.2
June-19	0.0	1.1	1.6	1.3	1.2	1.1	1.4	1.8	2.1
December-19	0.1	1.3	1.6	0.1	1.2	2.6	1.7	1.8	2.4
July-20	0.1	1.3	1.6	0.1	1.2	2.5	-7.4	0.1	1.9
Population Growth									
December-17	-0.1	-0.2	-0.2	0.1	-0.0	0.1	0.1	0.1	0.2
June-18	-0.1	-0.2	-0.2	0.1	0.0	0.1	0.1	0.1	0.2
December-18	-0.2	0.0	-0.2	0.1	0.3	0.1	0.2	0.2	0.2
June-19	-0.2	0.0	-0.3	0.1	0.3	0.1	0.2	0.2	0.2
December-19	-0.2	0.0	-0.3	0.1	0.0	-0.1	0.1	0.1	0.1
July-20	-0.2	0.0	-0.3	0.1	0.0	-0.1	0.1	0.2	0.2
Employment Growth									
December-17	1.0	0.8	0.3	0.9	1.2	0.7	0.1	0.4	0.8
June-18	1.0	0.8	0.3	0.3	0.5	0.9	0.1	0.0	0.8
December-18	1.0	0.8	0.3	0.3	-0.1	0.4	0.2	-0.2	0.5
June-19	0.9	0.8	0.3	0.6	0.1	0.8	0.6	-0.2	0.5
December-19	0.9	0.8	0.3	0.6	0.1	0.8	0.5	0.1	0.6
July-20	0.9	0.9	0.3	0.6	0.2	0.1	-8.0	1.3	3.2
Unemployment Rate									
December-17	3.9	3.6	3.3	3.0	2.8	2.9	3.3	3.7	3.8
June-18	4.0	3.6	3.2	3.0	2.7	2.6	3.2	3.8	3.9
December-18	4.0	3.6	3.2	3.0	2.8	2.7	3.2	3.6	3.9
June-19	3.9	3.6	3.2	3.0	2.7	2.4	2.6	3.3	3.6
December-19	3.9	3.6	3.2	3.0	2.7	2.2	2.5	3.2	3.4
July-20	3.9	3.6	3.2	2.9	2.6	2.4	7.9	6.1	4.9
Personal Income Growth									
December-17	3.3	3.6	2.0	2.4	2.0	2.5	1.9	2.1	2.1
June-18	3.3	3.6	2.0	2.1	3.4	3.4	2.8	2.9	3.4
December-18	3.9	3.5	2.3	3.2	3.0	2.8	2.6	2.5	3.0
June-19	3.9	3.5	2.3	3.2	3.1	2.5	3.0	2.2	3.1
December-19	3.9	3.7	2.2	2.5	4.5	4.9	3.1	2.5	3.2
July-20	3.9	3.7	2.2	2.5	4.5	4.2	4.0	-1.1	4.3
Home Price Growth (JFO)									
December-17	0.2	2.0	1.6	2.1	3.2	3.8	4.5	5.4	5.8
June-18	0.2	2.0	1.5	2.7	3.4	4.2	5.1	5.4	5.2
December-18	0.1	1.9	1.6	2.6	4.5	5.3	6.2	6.1	5.4
June-19	0.1	1.9	1.5	2.6	3.4	4.1	5.6	5.3	4.9
December-19	0.0	1.8	1.7	2.5	3.6	3.8	4.2	4.6	4.8
July-20	0.0	1.8	1.6	2.4	3.5	4.1	4.9	5.2	6.0

❖ The Staff Consensus Forecast Update Recommendations for Fiscal Year 2021 through Fiscal Year 2023

- Within the above macroeconomic environment and considering the scale and nature of the recent revenue receipts data, the staff recommended consensus revenue forecast for G-Fund, T-Fund and E-Fund [Partial] revenues for the fiscal 2021 through 2023 consensus revenue forecast update has been significantly changed through the fiscal year 2023 period to reflect the COVID-19 pandemic and the still evolving U.S. and Vermont economic recoveries.
 - On an apples-to-apples basis and using the consensus “fiscal shift” revenue estimate of \$181.1 million,^{16,17} the size of the staff recommended consensus revenue forecast changes in the G-Fund total -\$182.4 million for fiscal year 2021, -\$103.8 for fiscal year 2022, and -\$36.0 million for fiscal year 2023—including Health Care revenues as presented in Table 3 (below).
 - Excluding Health Care revenues, the staff recommended consensus forecast changes in the G-Fund over the next three fiscal years total -\$171.2 million for fiscal year 2021, -\$101.5 for fiscal year 2022, and a somewhat lesser amount of -\$39.9 million for fiscal year 2023 forecast (see the chart below where Health Care revenues have been excluded).
 - For the Health Care revenues portion of the updated consensus revenue forecast, the staff recommended Health Care revenues forecast change include -\$11.2 million for fiscal year 2021, -\$2.3 million for fiscal year 2022, and +\$3.9 million for fiscal year 2023.

¹⁶ Consisting \$162.0 million in fiscal shift revenues in the Personal Income Tax (at +\$33.4 million in higher PI Estimated Payments, \$122.7 million in higher final return and extension return payments, a total of \$4.5 million in higher refunds, and a total of \$10.3 million in higher Fiduciary Tax payments—which are part of the Personal Income Tax in Vermont. For Corporate Tax receipts, the consensus estimate of fiscal shift revenues included \$19.2 million in higher Corporate Tax receipts that were received in July but shifted back to fiscal year 2020 revenues. These included a mix of Corporate Estimated Tax payments that were deemed otherwise due during the January 2020 to June 2020 time frame and final payment or extension payments made by corporate taxpayers whose fiscal year end payments would have otherwise been paid prior to June 30th, “but for” the federal (and conforming State) extension of the filing and payment due dates to July 15th.

¹⁷ That resulted in that revenue total to be collected in July fiscal year 2021 that would have otherwise likely have been collected during fiscal year 2020 “but for” the federally-induced filing and payment “due dates” being delayed to July 15th

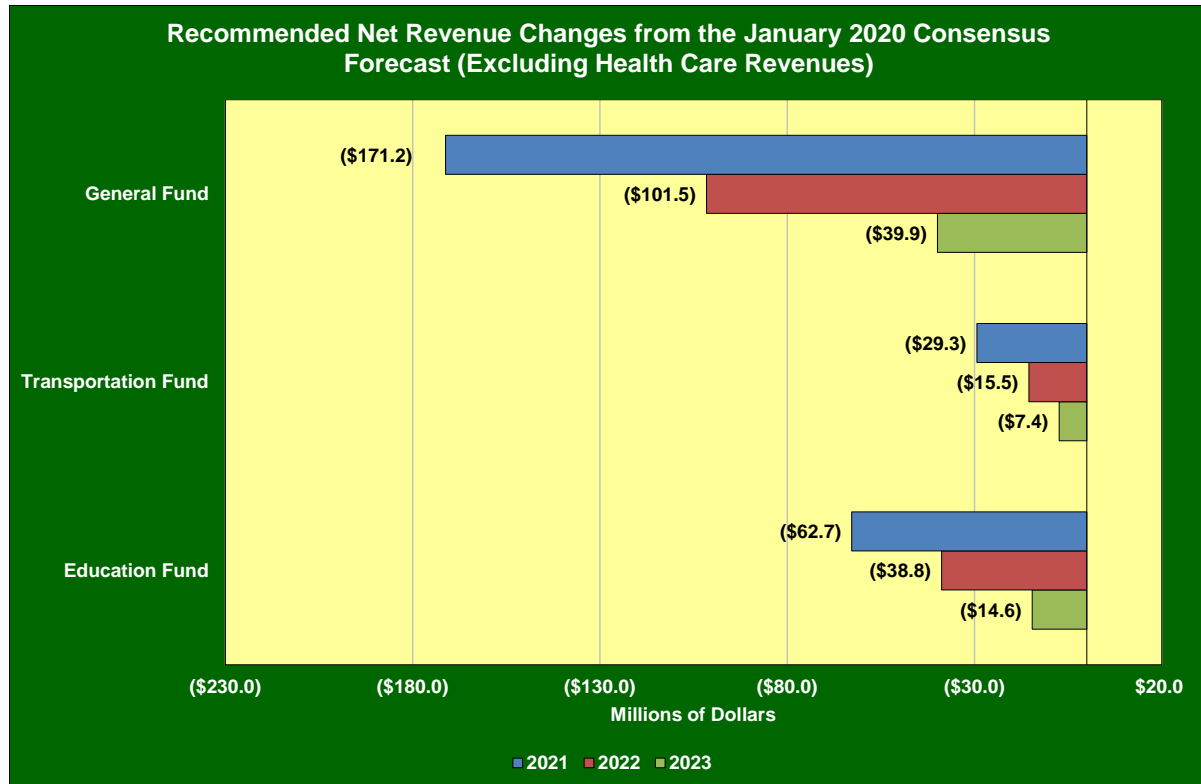
**Table 3: Staff Recommended Consensus Revenue Forecast Update—Change from the July Consensus Forecast (FY 2021-FY 2023)
Current Law (Including Health Care Taxes-Fees)**

Differences-August 2020 Proposed Consensus Forecast versus the January 2020 Consensus Forecast (By Fund)						
Current Law	2021		2022		2023	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
General Fund	(\$182.4)	-11.4%	(\$103.8)	-6.4%	(\$36.0)	-2.2%
Available to the General Fund-Per Act 6 of 2019/Act 76 of 2019-Incl. Health Care Revenues						
Transportation Fund	(\$29.3)	-10.2%	(\$15.5)	-5.4%	(\$7.4)	-2.5%
Available to the Transportation Fund						
Education Fund	(\$62.7)	-10.9%	(\$38.8)	-6.6%	(\$14.6)	-2.4%
Partial-Including all Recent Fund Allocation Changes						
Total--"Big 3 Funds"	(\$274.5)	-11.2%	(\$158.0)	-6.3%	(\$58.0)	-2.3%
MEMO #1: TIB [3]						
Gasoline	(\$3.0)	-20.1%	(\$2.8)	-18.5%	(\$0.5)	-2.9%
Diesel	(\$0.2)	-8.8%	(\$0.1)	-4.4%	(\$0.1)	-2.9%
Total TIB	(\$3.2)	-18.7%	(\$2.9)	-16.8%	(\$0.5)	-2.9%
Notes:						
[1] Current Law (Incl. Healthcare Taxes-Fees).						
[2] Totals in the TIB may not add due to rounding.						
Prepared by: Economic & Policy Resources, Inc.						

- The staff recommended forecast for the T-Fund includes a forecast downgrade of -\$29.3 million for fiscal year 2021, a -\$15.5 million forecast reduction for fiscal year 2022, and a smaller -\$7.4 million forecast downgrade for fiscal year 2023 on a current law basis. The staff recommended consensus forecast also includes downward consensus revenue forecast downgrades for the T-Fund's two TIB categories totaling -\$3.2 million for fiscal year 2021, -\$2.9 million for fiscal year 2022, and -\$0.5 million for fiscal year 2023.¹⁸
- For the E-Fund [Partial], this updated staff recommended consensus forecast on an apples-to-apples basis calls for a staff recommended forecast downgrade of -\$62.7 million for fiscal year 2021, a downgrade of -\$38.8 million for fiscal year 2022, and a staff recommended consensus forecast reduction of -\$14.6 million for fiscal year 2023 on a current law basis.
- The August 2020 staff recommended forecast update for all three fund aggregates is presented graphically below for the next three fiscal years by major fund—excluding Health Care revenues.

¹⁸ Please note that totals for these small T-Fund TIB revenue categories may not add due to rounding as consensus forecast recommendations are out to two decimal places for the TIB Diesel receipts category.

- Like Table 1 above, the bar chart below presents the changes by fund on a current law basis. However, the chart differs from Table 1 in that presents changes excluding Health Care revenues.



- Because of the unusual COVID-19 pandemic, this staff recommended consensus forecast update carries more than the usual level of risk. This is so not only because of the uncertainties associated with the still unfolding economic recovery, but also because of the uncertainties associated with the on-going pandemic and the still uncertain outcome of further federal fiscal policy stimulus measures. If federal fiscal policymakers are unable to reach agreement on further, significant stimulus measures (within the range of than \$1.0 trillion to \$1.5 trillion), the likelihood of a second dip to the COVID recession increases significantly.
- This is because federal fiscal policy would likely turn contractionary by the late Fall-Winter timeframe and it is expected that the U.S. recovery by that time will not have had enough time to builds its own, unassisted level of forward momentum to avoid a second dip—likely resulting in a so-called “double dip recession.”

- If a second dip to the current COVID-induced recession for the U.S. and/or Vermont economies were to occur, the State's major fund aggregates could experience significant additional reductions that will have significant and negative impacts throughout the State's fiscal revenues environment.
- With respect to the changes outlined above, Table 4 (below) presents the current dollar levels of the staff recommended forecast for the Emergency Board motion for the General Fund, Transportation Fund, and Education Fund [Partial] based on current law, with the General Fund dollar figure including Health Care Taxes-Fees.
 - For the G-Fund, the staff recommends a consensus forecast of \$1,413.9 million for fiscal year 2021, \$1,508.0 million for fiscal year 2022, and \$1,619.3 million for fiscal year 2023.
 - For the T-Fund, the staff recommends a forecast of \$258.6 million for fiscal year 2021, \$275.7 million for fiscal year 2022, and \$287.5 million in fiscal year 2023.
 - For the E-Fund [Partial], the staff recommends a forecast of \$511.6 million for fiscal year 2021, a forecast of \$552.1 million for fiscal year 2022, and a forecast of \$592.6 million for fiscal year 2023.
 - For the TIB funds, the staff recommends a Gas TIB forecast of \$10.9 million for fiscal year 2021, a forecast of \$11.7 million for fiscal year 2022, and a forecast of \$14.7 million for fiscal year 2023. The staff recommended forecast for Diesel TIB includes a total of \$1.9 million for fiscal year 2021, \$2.0 million for fiscal year 2022, and \$2.1 million for fiscal year 2023.

Table 4: Staff Recommended Consensus Forecast Revenue Collections by Fund

Revenue Levels by Fiscal Year--August 2020 Economists' Consensus Recommendation			
(\$ Millions)	2021	2022	2023
Available to the General Fund (Including Health Care Revenues)	\$1,413.9	\$1,508.0	\$1,619.3
Available to the Transportation Fund	\$258.6	\$275.7	\$287.5
E-Fund [Partial]	\$511.6	\$552.1	\$592.6
Total	\$2,184.0	\$2,335.8	\$2,499.4
TIB Funds:			
Gasoline TIB	\$10.9	\$11.7	\$14.7
Diesel TIB	\$1.9	\$2.0	\$2.1
Total TIB Funds	\$12.8	\$13.7	\$16.8
Prepared by: Economic & Policy Resources, Inc.			

▪ **Notes and Comments on Methods:**

- All figures presented above reflect current law revenues for the respective funds listed in the consensus forecast estimate for fiscal years 2021 through fiscal year 2022 that are part of the official Emergency Board motion. Fiscal year 2023 through 2025 staff recommended consensus forecasts are presented for fiscal planning purposes only.
- The revenue forecasting process is a collaborative process that involves ongoing involvement by the staff of the Vermont Department of Taxes, VTrans, the Legislative Joint Fiscal Office, Kavet Rockler & Associates, LLC (including Breanna Parker), and many others throughout state government and the staff of Economic & Policy Resources. Special thanks are due to several staff members of the Vermont Department of Taxes, including Sharon Asay, Mary Cox, Jake Feldman, Erin Hicks-Tibbles, and Douglas Farnham for their assistance. Special thanks also is due to Lenny LeBlanc, Christopher Banning, Michael Smith, and Renea Bordeau (all at VTrans). The JFO staff also provided key assistance to this forecast update, including Steve Klein, Graham Campbell, Stephanie Barrett, Dan Dickenson, Catherine Benham, Neil Strickner, Chloe Wexler, Joyce Manchester, and Mark Perrault. Because this process involved the development and tracking of additional data including electricity use, staff at the Vermont Department of Public Service (Deputy Commissioner Riley Allen) and at several Vermont public utilities were also helpful in developing and reporting these data on a weekly basis since the COVID-19 pandemic began. There also were many others in both the Administration and the JFO who contributed time and energy to assembling data, providing analysis, or technical assistance that was crucial to completing these forecasts that are simply too numerous to mention here.
- 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 discussion-vetting and reconciliation of these independent forecasts.
- The State continues to develop an internal State macroeconomic model which may eventually replace the model maintained at Moody's Analytics through the New England Economic Partnership (NEEP). The NEEP forecast for Vermont is managed by Economic & Policy Resources, Inc., who currently supports the Vermont Agency of Administration with the Administration's

part of the consensus forecasting process. Since October 2001, input and review of initial Vermont NEEP model design and output prior to its release has been provided by Tom Kavet of KRA, as the State Economist and Principal Economic Advisor to the Vermont Legislature.

Staff Recommended Consensus Forecast Update Tables

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

SOURCE G-FUND

revenues are prior to all E-Fund allocations

and other out-transfers; used for

analytic and comparative purposes only

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$925.8	5.8%	\$836.1	-9.7%	\$865.5	3.5%
Sales & Use ¹	\$370.7	1.7%	\$376.7	1.6%	\$397.8	5.6%	\$412.5	3.7%	\$432.5	4.8%	\$416.8	-3.6%	\$444.8	6.7%
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$147.9	10.2%	\$49.3	-66.7%	\$83.4	69.2%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$182.1	5.1%	\$163.6	-10.1%	\$134.7	-17.7%	\$160.9	19.5%
Liquor	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$21.6	0.8%	\$23.2	7.4%	\$23.3	0.4%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$58.0	2.1%	\$58.9	1.5%	\$59.6	1.2%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.2	-26.4%	\$2.7	-15.2%	\$2.4	-11.1%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.2	-5.3%	\$7.1	-0.8%	\$7.5	5.6%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$15.2	20.1%	\$18.7	23.3%	\$15.9	-15.0%
Property	\$35.7	6.2%	\$38.7	8.4%	\$40.9	5.6%	\$41.1	0.6%	\$42.3	2.9%	\$44.4	5.0%	\$48.8	9.9%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.1	-3.0%	\$12.1	-0.1%	\$12.3	1.7%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.4	-84.7%	\$0.4	-6.7%	\$0.3	-2.9%
Total Tax Revenue	\$1534.0	2.5%	\$1553.7	1.3%	\$1667.2	7.3%	\$1763.0	5.7%	\$1829.7	3.8%	\$1604.4	-12.3%	\$1724.7	7.5%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.1	-4.5%	\$1.1	-3.8%	\$1.1	3.6%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$44.7	-4.7%	\$42.8	-4.3%	\$43.8	2.3%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$2.4	-27.1%	\$2.4	-1.9%	\$2.3	-4.2%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$4.8	44.3%	\$3.5	-27.5%	\$3.6	2.9%
Interest	\$0.7	130.6%	\$1.5	111.5%	\$2.8	80.1%	\$5.0	79.1%	\$4.1	-18.0%	\$3.4	-17.7%	\$3.1	-7.4%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$26.8	-9.0%	\$27.2	1.4%	\$29.4	8.1%
All Other ³	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$0.7	-83.6%	\$0.9	13.7%	\$1.0	17.6%
Total Other Revenue	\$58.9	12.9%	\$87.1	47.9%	\$87.0	-0.1%	\$93.9	7.9%	\$84.8	-9.7%	\$81.2	-4.2%	\$84.4	3.9%
Healthcare Revenue⁴	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$284.7	3.0%	\$267.5	-6.0%	\$280.0	4.7%
TOTAL GENERAL FUND	\$1862.1	3.2%	\$1917.4	3.0%	\$2029.8	5.9%	\$2133.2	5.1%	\$2199.2	3.1%	\$1953.1	-11.2%	\$2089.1	7.0%

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

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13; Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and E-Fund.

3) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

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

TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

CURRENT LAW BASIS

*including all Education Fund
allocations and other out-transfers*

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$925.8	5.8%	\$836.1	-9.7%	\$865.5	3.5%
Sales and Use ¹	\$241.0	1.7%	\$244.9	1.6%	\$258.6	5.6%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$147.9	10.2%	\$49.3	-66.7%	\$83.4	69.2%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$136.5	-21.2%	\$116.1	-15.0%	\$92.9	-19.9%	\$111.0	19.5%
Liquor ⁶	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$4.1	-80.7%	\$4.2	1.4%	\$4.3	2.4%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$58.0	2.1%	\$58.9	1.5%	\$59.6	1.2%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.2	-26.4%	\$2.7	-15.2%	\$2.4	-11.1%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.2	-5.3%	\$7.1	-0.8%	\$7.5	5.6%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate ³	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$15.2	20.1%	\$18.7	23.3%	\$15.9	-15.0%
Property	\$11.5	6.0%	\$12.6	9.0%	\$12.4	-1.5%	\$12.5	0.9%	\$12.9	3.0%	\$13.6	5.4%	\$15.0	10.5%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.1	-3.0%	\$12.1	-0.1%	\$12.3	1.7%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.4	-84.7%	\$0.4	-6.7%	\$0.3	-2.9%
Total Tax Revenue	\$1380.1	2.5%	\$1395.7	1.1%	\$1499.5	7.4%	\$1276.4	-14.9%	\$1302.9	2.1%	\$1095.9	-15.9%	\$1177.2	7.4%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.1	-4.5%	\$1.1	-3.8%	\$1.1	3.6%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$44.7	-4.7%	\$42.8	-4.3%	\$43.8	2.3%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$2.4	-27.1%	\$2.4	-1.9%	\$2.3	-4.2%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$4.8	44.3%	\$3.5	-27.5%	\$3.6	2.9%
Interest	\$0.6	136.1%	\$1.2	108.2%	\$2.3	96.1%	\$4.3	87.8%	\$3.3	-24.5%	\$2.9	-10.9%	\$2.7	-6.9%
All Other ⁴	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$0.7	-83.6%	\$0.9	13.7%	\$1.0	17.6%
Total Other Revenue	\$32.3	10.1%	\$61.2	89.3%	\$59.4	-3.0%	\$63.7	7.4%	\$57.2	-10.3%	\$53.6	-6.3%	\$54.5	1.8%
Healthcare Revenue⁵	\$0.0		\$0.0		\$0.0		\$272.3	NM	\$280.9	3.1%	\$264.4	-5.9%	\$276.2	4.5%
TOTAL GENERAL FUND	\$1412.4	2.7%	\$1457.0	3.2%	\$1558.9	7.0%	\$1612.5	3.4%	\$1640.9	1.8%	\$1413.9	-13.8%	\$1508.0	6.7%

1) Includes \$2.5M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors; Transfer to the Education Fund increases from 33.3% to 35.0% effective in FY14 and 35.0% to 36.0% effective in FY19.

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13;

Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and Education Fund.

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

4) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

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

6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

SOURCE HEALTHCARE¹

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$80.7	5.2%	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$71.4	4.3%	\$69.9	-2.1%	\$68.1	-2.6%
Claims Assessment	\$17.2	-1.5%	\$17.7	2.9%	\$19.8	12.1%	\$19.6	-1.3%	\$20.7	5.7%	\$17.2	-17.0%	\$20.6	20.0%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.2	2.4%	\$16.5	-18.4%	\$16.5	0.0%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$150.2	2.6%	\$141.7	-5.6%	\$152.5	7.6%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.6%	\$14.7	-0.4%	\$14.7	0.0%
Home Health Provider Tax	\$4.5	2.6%	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.2%	\$5.8	0.0%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-5.9%	\$1.8	0.0%
TOTAL HEALTHCARE	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$284.7	3.0%	\$267.5	-6.0%	\$280.0	4.7%

TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$80.7	4.0%	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$71.4	4.3%	\$69.9	-2.1%	\$68.1	-2.6%
Claims Assessment	\$13.8	-1.5%	\$14.1	2.1%	\$15.9	13.2%	\$15.6	-1.7%	\$16.9	7.8%	\$14.0	-17.0%	\$16.8	20.0%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.2	2.4%	\$16.5	-18.4%	\$16.5	0.0%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$150.2	2.6%	\$141.7	-5.6%	\$152.5	7.6%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.6%	\$14.7	-0.4%	\$14.7	0.0%
Home Health Provider Tax	\$4.5	2.6%	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.2%	\$5.8	0.0%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-5.9%	\$1.8	0.0%
TOTAL HEALTHCARE	\$265.7	4.8%	\$272.9	2.7%	\$271.7	-0.5%	\$272.3	0.2%	\$280.9	3.1%	\$264.4	-5.9%	\$276.2	4.5%

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

TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

SOURCE T-FUND

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$71.0	-8.7%	\$68.1	-4.1%	\$72.4	6.3%
Diesel****	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$17.9	-3.5%	\$17.5	-2.3%	\$18.5	5.7%
Purchase and Use*	\$100.1	2.9%	\$103.2	3.1%	\$109.4	6.0%	\$111.8	2.2%	\$105.4	-5.7%	\$100.3	-4.8%	\$111.9	11.6%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$83.6	-2.1%	\$83.5	-0.2%	\$86.3	3.4%
Other Revenue**	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$21.3	-13.5%	\$22.6	6.3%	\$23.9	5.8%
TOTAL TRANS. FUND	\$298.0	1.4%	\$305.8	2.6%	\$315.4	3.1%	\$318.2	0.9%	\$299.2	-6.0%	\$292.0	-2.4%	\$313.0	7.2%

TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$71.0	-8.7%	\$68.1	-4.1%	\$72.4	6.3%
Diesel	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$17.9	-3.5%	\$17.5	-2.3%	\$18.5	5.7%
Purchase and Use ¹	\$66.8	2.9%	\$68.8	3.1%	\$73.0	6.0%	\$74.5	2.2%	\$70.3	-5.7%	\$66.9	-4.8%	\$74.6	11.6%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$83.6	-2.1%	\$83.5	-0.2%	\$86.3	3.4%
Other Revenue ²	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$21.3	-13.5%	\$22.6	6.3%	\$23.9	5.8%
TOTAL TRANS. FUND	\$264.6	1.2%	\$271.4	2.6%	\$279.0	2.8%	\$280.9	0.7%	\$264.1	-6.0%	\$258.6	-2.1%	\$275.7	6.6%

OTHER (TIB³)

TIB Gasoline	\$13.0	-28.4%	\$12.6	-3.3%	\$12.9	2.2%	\$14.6	13.1%	\$12.7	-12.8%	\$10.9	-14.1%	\$11.7	7.3%
TIB Diesel and Other ⁴	\$1.9	-6.1%	\$1.7	-11.3%	\$2.0	16.1%	\$2.1	3.7%	\$2.0	-2.5%	\$1.9	-5.2%	\$2.01	5.8%
TOTAL OTHER (TIB)	\$15.0	-26.1%	\$14.5	-2.9%	\$14.9	2.4%	\$16.6	11.9%	\$14.7	-11.6%	\$12.8	-12.9%	\$13.7	7.1%

1) As of FY04, includes Motor Vehicle Rental tax revenue.

2) Beginning in FY07, includes Stabilization Reserve interest; FY08 data includes \$3.76M transfer from G-Fund for prior Jet Fuel tax processing errors and inclusion of this tax in subsequent years.

3) Transportation Infrastructure Bond revenues

4) Includes TIB Fund interest income (which has never exceeded \$85,000 per year); Includes FY17 adjustment of \$215,000 from reported TIB Diesel revenue to Diesel revenue due to a data entry error

TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - August 2020

CURRENT LAW BASIS

Source General and Transportation

Fund taxes allocated to or associated
with the Education Fund only

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
GENERAL FUND														
Meals and Rooms	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$45.5	NM	\$40.9	-10.1%	\$33.7	-17.7%	\$40.2	19.5%
Sales & Use ²	\$129.8	1.7%	\$131.8	1.6%	\$139.2	5.6%	\$412.5	196.3%	\$432.5	4.8%	\$416.8	-3.6%	\$444.8	6.7%
Interest	\$0.2	135.7%	\$0.4	122.7%	\$0.5	30.3%	\$0.7	38.1%	\$0.8	23.9%	\$0.5	-43.9%	\$0.4	-10.6%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$26.8	-9.0%	\$27.2	1.4%	\$29.4	8.1%
TRANSPORTATION FUND														
Purchase and Use ³	\$33.4	2.9%	\$34.4	3.1%	\$36.5	6.0%	\$37.3	2.2%	\$35.1	-5.7%	\$33.433	-4.8%	\$37.3	11.6%
TOTAL EDUCATION FUND	\$189.7	3.7%	\$192.2	1.3%	\$203.3	5.8%	\$525.4	158.4%	\$536.2	2.0%	\$511.6	-4.6%	\$552.1	7.9%

1) Includes only General and Transportation Fund taxes allocated to the Education Fund.

This Table excludes all Education Fund property taxes, which are updated in October/November of each year and are the largest Education Fund tax sources.

2) Includes Telecommunications Tax; Includes \$1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors; Transfer percentage from the General Fund increases from 33.3% to 35.0% effective in FY14 and to 36.0% in FY19.

3) Includes Motor Vehicle Rental revenues, restated

Five Year Forecast Update Tables

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

SOURCE G-FUND

revenues are prior to all E-Fund allocations

and other out-transfers; used for
analytic and comparative purposes only

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																				
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$925.8	5.8%	\$836.1	-9.7%	\$865.5	3.5%	\$934.5	8.0%	\$975.1	4.3%	\$1008.7	3.4%
Sales & Use ¹	\$370.7	1.7%	\$376.7	1.6%	\$397.8	5.6%	\$412.5	3.7%	\$432.5	4.8%	\$416.8	-3.6%	\$444.8	6.7%	\$472.7	6.3%	\$490.9	3.9%	\$506.1	3.1%
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$147.9	10.2%	\$49.3	-66.7%	\$83.4	69.2%	\$92.8	11.3%	\$100.6	8.4%	\$106.0	5.4%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$182.1	5.1%	\$163.6	-10.1%	\$134.7	-17.7%	\$160.9	19.5%	\$191.1	18.8%	\$203.3	6.4%	\$211.0	3.8%
Liquor	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$21.6	0.8%	\$23.2	7.4%	\$23.3	0.4%	\$23.5	0.9%	\$23.8	1.3%	\$24.2	1.7%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$58.0	2.1%	\$58.9	1.5%	\$59.6	1.2%	\$59.9	0.5%	\$60.2	0.5%	\$60.4	0.3%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.2	-26.4%	\$2.7	-15.2%	\$2.4	-11.1%	\$2.2	-8.3%	\$2.1	-4.5%	\$2.0	-4.8%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.2	-5.3%	\$7.1	-0.8%	\$7.5	5.6%	\$7.8	4.0%	\$8.1	3.8%	\$8.4	3.7%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$15.2	20.1%	\$18.7	23.3%	\$15.9	-15.0%	\$15.6	-1.9%	\$16.1	3.2%	\$16.7	3.7%
Property	\$35.7	6.2%	\$38.7	8.4%	\$40.9	5.6%	\$41.1	0.6%	\$42.3	2.9%	\$44.4	5.0%	\$48.8	9.9%	\$51.2	4.9%	\$53.4	4.3%	\$55.6	4.1%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.1	-3.0%	\$12.1	-0.1%	\$12.3	1.7%	\$12.6	2.4%	\$12.8	1.6%	\$12.9	0.8%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.4	-84.7%	\$0.4	-6.7%	\$0.3	-2.9%	\$0.4	5.9%	\$0.4	5.6%	\$0.4	5.3%
Total Tax Revenue	\$1534.0	2.5%	\$1553.7	1.3%	\$1667.2	7.3%	\$1763.0	5.7%	\$1829.7	3.8%	\$1604.4	-12.3%	\$1724.7	7.5%	\$1864.3	8.1%	\$1946.8	4.4%	\$2012.4	3.4%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.1	-4.5%	\$1.1	-3.8%	\$1.1	3.6%	\$1.2	4.4%	\$1.2	3.4%	\$1.3	2.4%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$44.7	-4.7%	\$42.8	-4.3%	\$43.8	2.3%	\$44.8	2.3%	\$45.6	1.8%	\$46.0	0.9%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$2.4	-27.1%	\$2.4	-1.9%	\$2.3	-4.2%	\$2.4	4.3%	\$2.5	4.2%	\$2.6	4.0%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$4.8	44.3%	\$3.5	-27.5%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%
Interest	\$0.7	130.6%	\$1.5	111.5%	\$2.8	80.1%	\$5.0	79.1%	\$4.1	-18.0%	\$3.4	-17.7%	\$3.1	-7.4%	\$3.7	18.6%	\$4.70	27.0%	\$5.7	21.3%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$26.8	-9.0%	\$27.2	1.4%	\$29.4	8.1%	\$30.9	5.1%	\$32.1	3.9%	\$33.0	2.8%
All Other ³	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$0.7	-83.6%	\$0.9	13.7%	\$1.0	17.6%	\$1.1	10.0%	\$1.2	4.5%	\$1.2	4.3%
Total Other Revenue	\$58.9	12.9%	\$87.1	47.9%	\$87.0	-0.1%	\$93.9	7.9%	\$84.8	-9.7%	\$81.2	-4.2%	\$84.4	3.9%	\$87.8	4.1%	\$91.1	3.7%	\$93.7	2.8%
Healthcare Revenue⁴	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$284.7	3.0%	\$267.5	-6.0%	\$280.0	4.7%	\$289.0	3.2%	\$291.1	0.7%	\$293.4	0.8%
TOTAL GENERAL FUND	\$1862.1	3.2%	\$1917.4	3.0%	\$2029.8	5.9%	\$2133.2	5.1%	\$2199.2	3.1%	\$1953.1	-11.2%	\$2089.1	7.0%	\$2241.1	7.3%	\$2329.0	3.9%	\$2399.5	3.0%

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

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13; Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and E-Fund.

3) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

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

TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

CURRENT LAW BASIS

*including all Education Fund
allocations and other out-transfers*

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																				
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$925.8	5.8%	\$836.1	-9.7%	\$865.5	3.5%	\$934.5	8.0%	\$975.1	4.3%	\$1008.7	3.4%
Sales and Use ¹	\$241.0	1.7%	\$244.9	1.6%	\$258.6	5.6%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$147.9	10.2%	\$49.3	-66.7%	\$83.4	69.2%	\$92.8	11.3%	\$100.6	8.4%	\$106.0	5.4%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$136.5	-21.2%	\$116.1	-15.0%	\$92.9	-19.9%	\$111.0	19.5%	\$131.9	18.8%	\$140.3	6.4%	\$145.6	3.8%
Liquor ²	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$4.1	-80.7%	\$4.2	1.4%	\$4.3	2.4%	\$4.4	2.3%	\$4.5	2.3%	\$4.6	2.2%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$58.0	2.1%	\$58.9	1.5%	\$59.6	1.2%	\$59.9	0.5%	\$60.2	0.5%	\$60.4	0.3%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.2	-26.4%	\$2.7	-15.2%	\$2.4	-11.1%	\$2.2	-8.3%	\$2.1	-4.5%	\$2.0	-4.8%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.2	-5.3%	\$7.1	-0.8%	\$7.5	5.6%	\$7.8	4.0%	\$8.1	3.8%	\$8.4	3.7%
Electric ³	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate ³	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$15.2	20.1%	\$18.7	23.3%	\$15.9	-15.0%	\$15.6	-1.9%	\$16.1	3.2%	\$16.7	3.7%
Property	\$11.5	6.0%	\$12.6	9.0%	\$12.4	-1.5%	\$12.5	0.9%	\$12.9	3.0%	\$13.6	5.4%	\$15.0	10.5%	\$15.7	5.2%	\$16.5	4.5%	\$17.2	4.3%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.1	-3.0%	\$12.1	-0.1%	\$12.3	1.7%	\$12.6	2.4%	\$12.8	1.6%	\$12.9	0.8%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.4	-84.7%	\$0.4	-6.7%	\$0.3	-2.9%	\$0.4	5.9%	\$0.4	5.6%	\$0.4	5.3%
Total Tax Revenue	\$1380.1	2.5%	\$1395.7	1.1%	\$1499.5	7.4%	\$1276.4	-14.9%	\$1302.9	2.1%	\$1095.9	-15.9%	\$1177.2	7.4%	\$1277.8	8.5%	\$1336.6	4.6%	\$1382.9	3.5%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.1	-4.5%	\$1.1	-3.8%	\$1.1	3.6%	\$1.2	4.4%	\$1.2	3.4%	\$1.3	2.4%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$44.7	-4.7%	\$42.8	-4.3%	\$43.8	2.3%	\$44.8	2.3%	\$45.6	1.8%	\$46.0	0.9%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$2.4	-27.1%	\$2.4	-1.9%	\$2.3	-4.2%	\$2.4	4.3%	\$2.5	4.2%	\$2.6	4.0%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$4.8	44.3%	\$3.5	-27.5%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%
Interest	\$0.6	136.1%	\$1.2	108.2%	\$2.3	96.1%	\$4.3	87.8%	\$3.3	-24.5%	\$2.9	-10.9%	\$2.7	-6.9%	\$3.2	18.5%	\$4.1	28.1%	\$5.0	22.0%
All Other ⁴	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$0.7	-83.6%	\$0.9	13.7%	\$1.0	17.6%	\$1.1	10.0%	\$1.2	4.5%	\$1.2	4.3%
Total Other Revenue	\$32.3	10.1%	\$61.2	89.3%	\$59.4	-3.0%	\$63.7	7.4%	\$57.2	-10.3%	\$53.6	-6.3%	\$54.5	1.8%	\$56.4	3.4%	\$58.4	3.5%	\$60.0	2.7%
Healthcare Revenue⁵	\$0.0		\$0.0		\$0.0		\$272.3	NM	\$280.9	3.1%	\$264.4	-5.9%	\$276.2	4.5%	\$285.2	3.2%	\$287.2	0.7%	\$289.4	0.8%
TOTAL GENERAL FUND	\$1412.4	2.7%	\$1457.0	3.2%	\$1558.9	7.0%	\$1612.5	3.4%	\$1640.9	1.8%	\$1413.9	-13.8%	\$1508.0	6.7%	\$1619.3	7.4%	\$1682.2	3.9%	\$1732.2	3.0%

1) Includes \$2.5M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors; Transfer to the Education Fund increases from 33.3% to 35.0% effective in FY14 and 35.0% to 36.0% effective in FY19.

2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13;

Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and Education Fund.

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

4) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.

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

6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

**TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020**

SOURCE HEALTHCARE¹

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$80.7	5.2%	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$71.4	4.3%	\$69.9	-2.1%	\$68.1	-2.6%	\$66.2	-2.8%	\$64.3	-2.9%	\$62.5	-2.8%
Claims Assessment	\$17.2	-1.5%	\$17.7	2.9%	\$19.8	12.1%	\$19.6	-1.3%	\$20.7	5.7%	\$17.2	-17.0%	\$20.6	20.0%	\$21.0	2.0%	\$21.4	2.0%	\$21.9	2.0%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.2	2.4%	\$16.5	-18.4%	\$16.5	0.0%	\$16.7	1.5%	\$17.0	1.5%	\$17.3	1.5%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$150.2	2.6%	\$141.7	-5.6%	\$152.5	7.6%	\$162.7	6.7%	\$166.0	2.0%	\$169.3	2.0%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.6%	\$14.7	-0.4%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$4.5	2.6%	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.2%	\$5.8	0.0%	\$5.9	1.5%	\$6.0	1.5%	\$6.1	1.5%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-5.9%	\$1.8	0.0%	\$1.8	0.0%	\$1.8	0.0%	\$1.8	0.0%
TOTAL HEALTHCARE	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$284.7	3.0%	\$267.5	-6.0%	\$280.0	4.7%	\$289.0	3.2%	\$291.1	0.7%	\$293.4	0.8%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$80.7	4.0%	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$71.4	4.3%	\$69.9	-2.1%	\$68.1	-2.6%	\$66.2	-2.8%	\$64.3	-2.9%	\$62.5	-2.8%
Claims Assessment	\$13.8	-1.5%	\$14.1	2.1%	\$15.9	13.2%	\$15.6	-1.7%	\$16.9	7.8%	\$14.0	-17.0%	\$16.8	20.0%	\$17.1	2.0%	\$17.5	2.0%	\$17.8	2.0%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.2	2.4%	\$16.5	-18.4%	\$16.5	0.0%	\$16.7	1.5%	\$17.0	1.5%	\$17.3	1.5%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$150.2	2.6%	\$141.7	-5.6%	\$152.5	7.6%	\$162.7	6.7%	\$166.0	2.0%	\$169.3	2.0%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.6%	\$14.7	-0.4%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$4.5	2.6%	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.6	16.3%	\$5.8	4.2%	\$5.8	0.0%	\$5.9	1.5%	\$6.0	1.5%	\$6.1	1.5%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.9	-26.5%	\$1.8	-5.9%	\$1.8	0.0%	\$1.8	0.0%	\$1.8	0.0%	\$1.8	0.0%
TOTAL HEALTHCARE	\$265.7	4.8%	\$272.9	2.7%	\$271.7	-0.5%	\$272.3	0.2%	\$280.9	3.1%	\$264.4	-5.9%	\$276.2	4.5%	\$285.2	3.2%	\$287.2	0.7%	\$289.4	0.8%

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

TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

SOURCE T-FUND

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																				
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$71.0	-8.7%	\$68.1	-4.1%	\$72.4	6.3%	\$74.9	3.5%	\$75.7	1.1%	\$75.6	-0.1%
Diesel****	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$17.9	-3.5%	\$17.5	-2.3%	\$18.5	5.7%	\$19.2	3.8%	\$19.5	1.6%	\$19.8	1.5%
Purchase and Use*	\$100.1	2.9%	\$103.2	3.1%	\$109.4	6.0%	\$111.8	2.2%	\$105.4	-5.7%	\$100.3	-4.8%	\$111.9	11.6%	\$122.2	9.2%	\$127.0	3.9%	\$130.4	2.7%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$83.6	-2.1%	\$83.5	-0.2%	\$86.3	3.4%	\$87.1	0.9%	\$88.4	1.5%	\$89.1	0.8%
Other Revenue**	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$21.3	-13.5%	\$22.6	6.3%	\$23.9	5.8%	\$24.8	3.8%	\$25.4	2.4%	\$25.9	2.0%
TOTAL TRANS. FUND	\$298.0	1.4%	\$305.8	2.6%	\$315.4	3.1%	\$318.2	0.9%	\$299.2	-6.0%	\$292.0	-2.4%	\$313.0	7.2%	\$328.2	4.9%	\$336.0	2.4%	\$340.8	1.4%

TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - August 2020

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																				
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$71.0	-8.7%	\$68.1	-4.1%	\$72.4	6.3%	\$74.9	3.5%	\$75.7	1.1%	\$75.6	-0.1%
Diesel	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$17.9	-3.5%	\$17.5	-2.3%	\$18.5	5.7%	\$19.2	3.8%	\$19.5	1.6%	\$19.8	1.5%
Purchase and Use ¹	\$66.8	2.9%	\$68.8	3.1%	\$73.0	6.0%	\$74.5	2.2%	\$70.3	-5.7%	\$66.9	-4.8%	\$74.6	11.6%	\$81.5	9.2%	\$84.7	3.9%	\$86.9	2.7%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$83.6	-2.1%	\$83.5	-0.2%	\$86.3	3.4%	\$87.1	0.9%	\$88.4	1.5%	\$89.1	0.8%
Other Revenue ²	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$21.3	-13.5%	\$22.6	6.3%	\$23.9	5.8%	\$24.8	3.8%	\$25.4	2.4%	\$25.9	2.0%
TOTAL TRANS. FUND	\$264.6	1.2%	\$271.4	2.6%	\$279.0	2.8%	\$280.9	0.7%	\$264.1	-6.0%	\$258.6	-2.1%	\$275.7	6.6%	\$287.5	4.3%	\$293.7	2.2%	\$297.3	1.2%

OTHER (TIB³)

TIB Gasoline	\$13.0	-28.4%	\$12.6	-3.3%	\$12.9	2.2%	\$14.6	13.1%	\$12.7	-12.8%	\$10.9	-14.1%	\$11.7	7.3%	\$14.7	25.6%	\$16.2	10.2%	\$16.7	3.1%
TIB Diesel and Other ⁴	\$1.9	-6.1%	\$1.7	-11.3%	\$2.0	16.1%	\$2.1	3.7%	\$2.0	-2.5%	\$1.9	-5.2%	\$2.01	5.8%	\$2.07	3.0%	\$2.11	1.9%	\$2.14	1.4%
TOTAL OTHER (TIB)	\$15.0	-26.1%	\$14.5	-2.9%	\$14.9	2.4%	\$16.6	11.9%	\$14.7	-11.6%	\$12.8	-12.9%	\$13.7	7.1%	\$16.8	22.3%	\$18.3	9.2%	\$18.8	2.9%

1) As of FY04, includes Motor Vehicle Rental tax revenue.

2) Beginning in FY07, includes Stabilization Reserve interest; FY08 data includes \$3.76M transfer from G-Fund for prior Jet Fuel tax processing errors and inclusion of this tax in subsequent years.

3) Transportation Infrastructure Bond revenues

4) Includes TIB Fund interest income (which has never exceeded \$85,000 per year); Includes FY17 adjustment of \$215,000 from reported TIB Diesel revenue to Diesel revenue due to a data entry error

TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - August 2020

CURRENT LAW BASIS

Source General and Transportation

Fund taxes allocated to or associated

with the Education Fund only

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
GENERAL FUND																				
Meals and Rooms	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$45.5	NM	\$40.9	-10.1%	\$33.7	-17.7%	\$40.2	19.5%	\$47.8	18.8%	\$50.8	6.4%	\$52.8	3.8%
Sales & Use ²	\$129.8	1.7%	\$131.8	1.6%	\$139.2	5.6%	\$412.5	196.3%	\$432.5	4.8%	\$416.8	-3.6%	\$444.8	6.7%	\$472.7	6.3%	\$490.9	3.9%	\$506.1	3.1%
Interest	\$0.2	135.7%	\$0.4	122.7%	\$0.5	30.3%	\$0.7	38.1%	\$0.8	23.9%	\$0.5	-43.9%	\$0.4	-10.6%	\$0.5	19.0%	\$0.6	20.0%	\$0.7	16.7%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$26.8	-9.0%	\$27.2	1.4%	\$29.4	8.1%	\$30.9	5.1%	\$32.1	3.9%	\$33.0	2.8%
TRANSPORTATION FUND																				
Purchase and Use ³	\$33.4	2.9%	\$34.4	3.1%	\$36.5	6.0%	\$37.3	2.2%	\$35.1	-5.7%	\$33.433	-4.8%	\$37.3	11.6%	\$40.733	9.2%	\$42.3	3.9%	\$43.5	2.7%
TOTAL EDUCATION FUND	\$189.7	3.7%	\$192.2	1.3%	\$203.3	5.8%	\$525.4	158.4%	\$536.2	2.0%	\$511.6	-4.6%	\$552.1	7.9%	\$592.6	7.3%	\$616.8	4.1%	\$636.0	3.1%

1) Includes only General and Transportation Fund taxes allocated to the Education Fund.

This Table excludes all Education Fund property taxes, which are updated in October/November of each year and are the largest Education Fund tax sources.

2) Includes Telecommunications Tax; Includes \$1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors; Transfer percentage from the General Fund increases from 33.3% to 35.0% effective in FY14 and to 36.0% in F19.

3) Includes Motor Vehicle Rental revenues, restated