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January 2024 Economic Review and Revenue Forecast Update

Prepared for the
State of Vermont
Emergency Board and
Legislative Joint Fiscal Office
Virtual and Live Presentation Materials

(Charts enlarged to full page for virtual presentation viewing)

January 18, 2024

Economic Review and Revenue Forecast Update

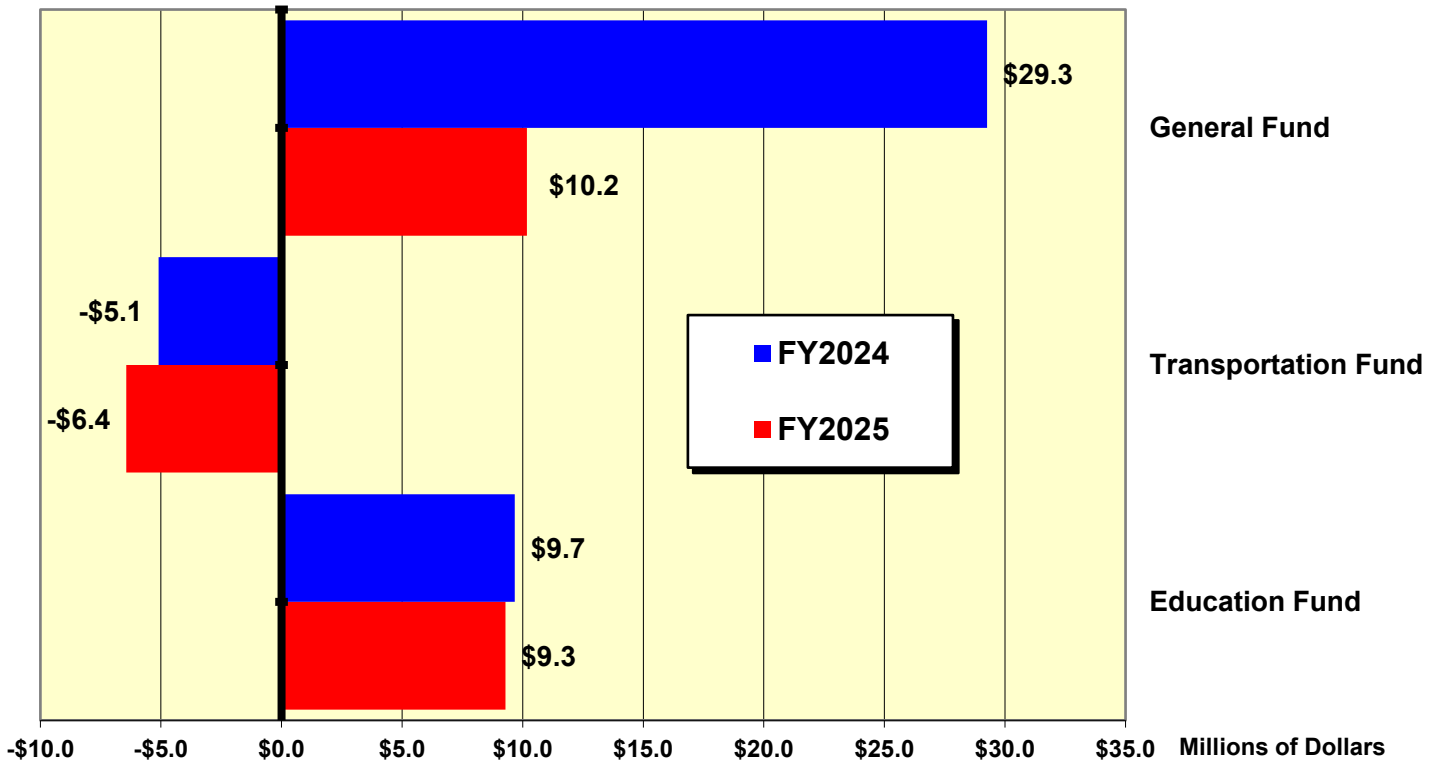
January 2024

Overview

In the teeth of the highest interest rates in more than two decades, calendar year 2023 exhibited surprising economic resilience. Job markets remained steadfast with unemployment below 4% for the entire year, extending a streak that started in February of 2022 and is now the longest such run in 53 years. Inflation receded from 2022 highs of more than 9% to between 3.0% and 3.7% in the second half of 2023, while the stock market set new records at the end of the year in the belief that the runway for the Fed’s hopeful “soft landing” is in sight. To be sure, many sectors of the economy have been downshifting, and revenues are still expected to decline in FY24, but if the Fed can lower interest rates sooner and faster than previously expected without inflation resuming, there may be less economic pain than anticipated.

Reflecting the economy’s durability, total revenues for the three major funds forecast herein closed the first half of FY24 slightly above July projections (+1.7% and +\$25.2M). The GFund was above targets by about 3%, as was the EFund at about 1%, while the TFund was about 6% below expectations. Accordingly, relatively minor adjustments to the three funds are recommended in this update, per the below chart.

Recommended Net Revenue Changes from July 2023 Forecasts



Economic, Fiscal and Monetary Policy Update

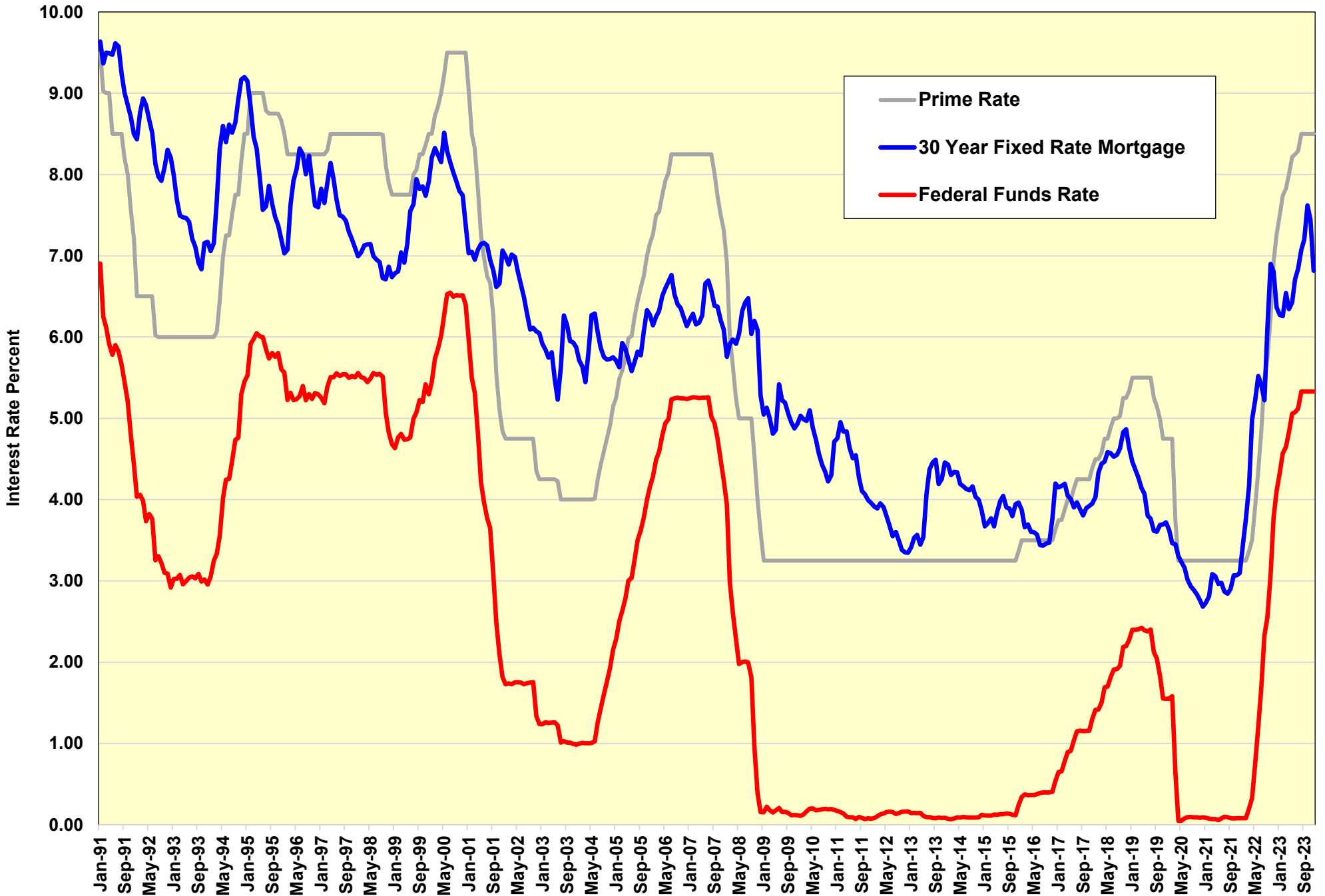
- Despite widespread pessimism about the state of the economy, GDP growth has been stellar, unemployment is close to record lows (and for a near-record number of consecutive months), all while inflation has been receding. The next 12-18 months, however, will be a period of maximum stress, as the lagged effects of the steep monetary tightening hit the economy and accrued savings from the pandemic continue to dwindle. Although our baseline forecast still does not assume a recession will occur during this period, the economy will slow substantially, along with State revenues. The “soft landing” runway may be in sight, but sticking the landing still carries considerable downside risks and will require both skill and luck to achieve.



- Inflation is the primary economic issue that has fueled much of the negative economic sentiment and is the impetus behind the Fed’s drastic policy action to slow the economy. Since peaking in June of 2022 at 9.1%, inflation (as measured by the non-seasonally adjusted CPI), has fallen to a range between 3.0% and 3.7%. Following a reading of 3.1% in November, December’s rate ticked up to 3.4%, still about a full percentage point above the Fed’s target rate, but low enough for the Fed to announce that it expects to lower interest rates by about 75 basis points in 2024. There is no firm schedule for this, however, and we assume most, if any, easing will be in the second half of the year.
- Despite the slowing of inflation, prices relative to pre-pandemic levels through November were up about 19%. There has been wide variation, however, between inflation levels for various goods and services, and some of the highest price growth since February of 2020 has been in energy, food and motor vehicle costs (including vehicle purchase prices, insurance and

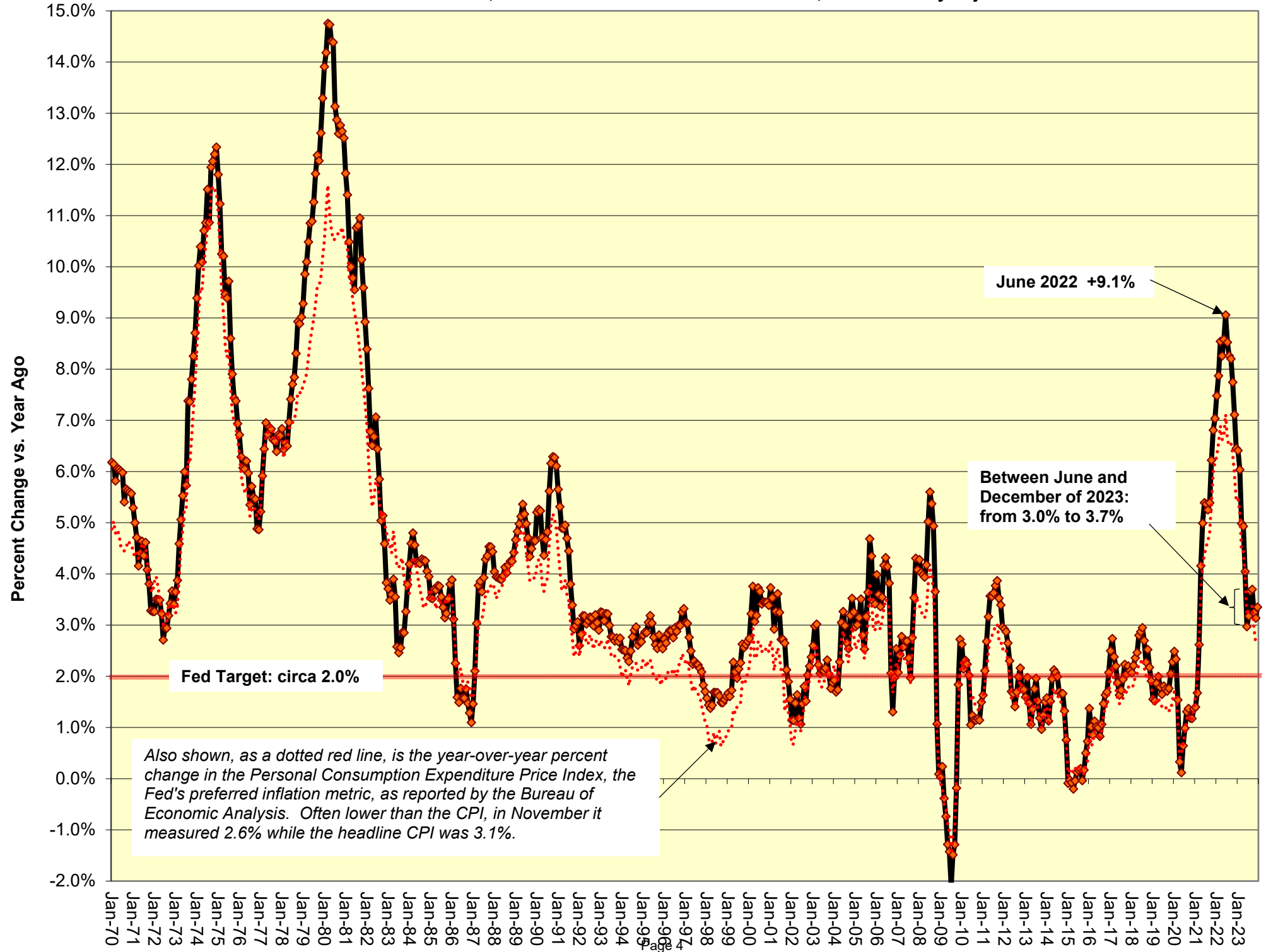
Fed Interest Rate Increases Choke Credit-Sensitive Sectors to Slow Economy and Tame Inflation

(Sources: Board of Governors of the Federal Reserve System, Freddie Mac)



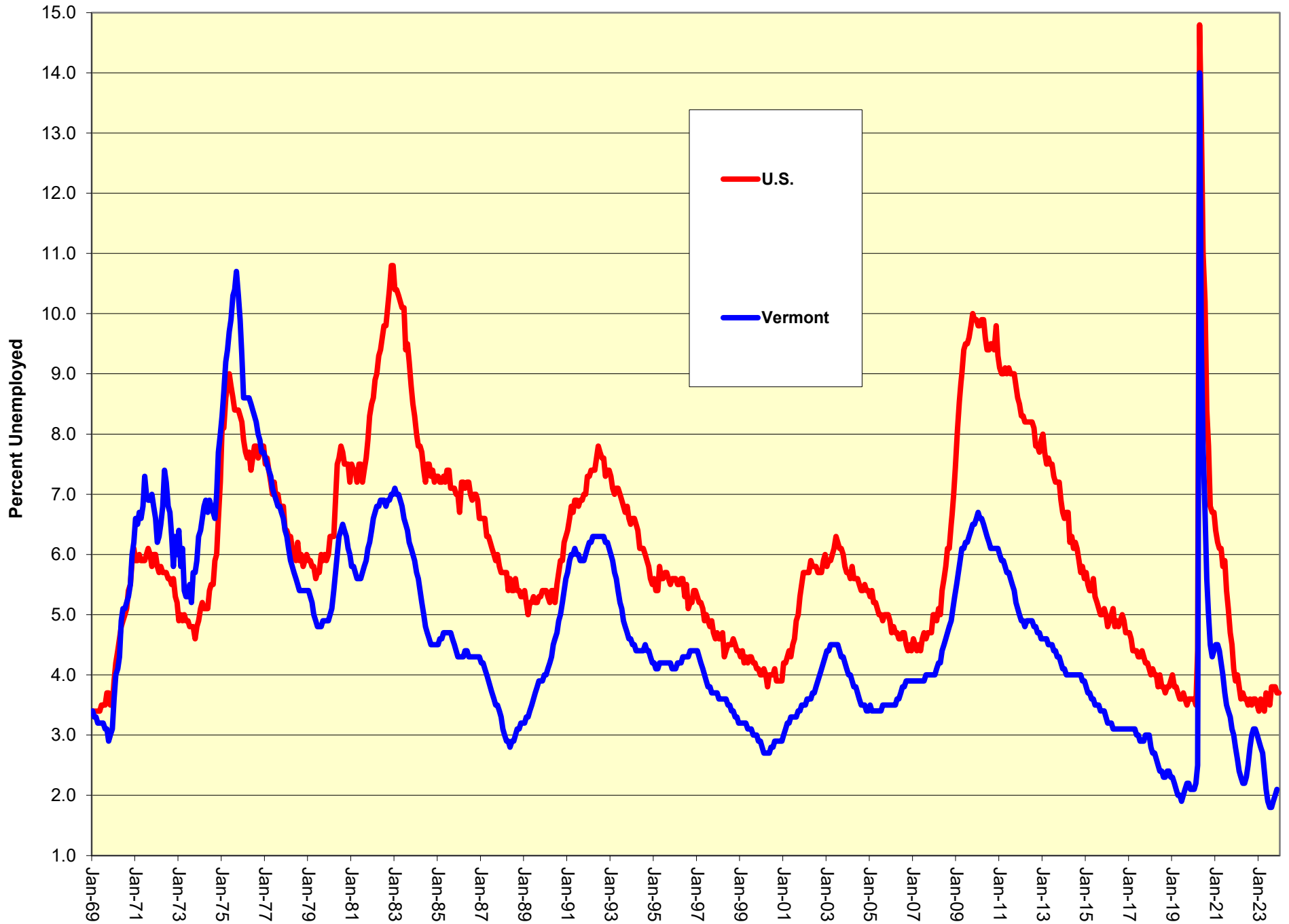
Inflation Drops Significantly in the Past Year, But Remains Above the Fed Target Rate

CPI-U - All Items, Source: U.S. Bureau of Labor Statistics, Not Seasonally Adjusted



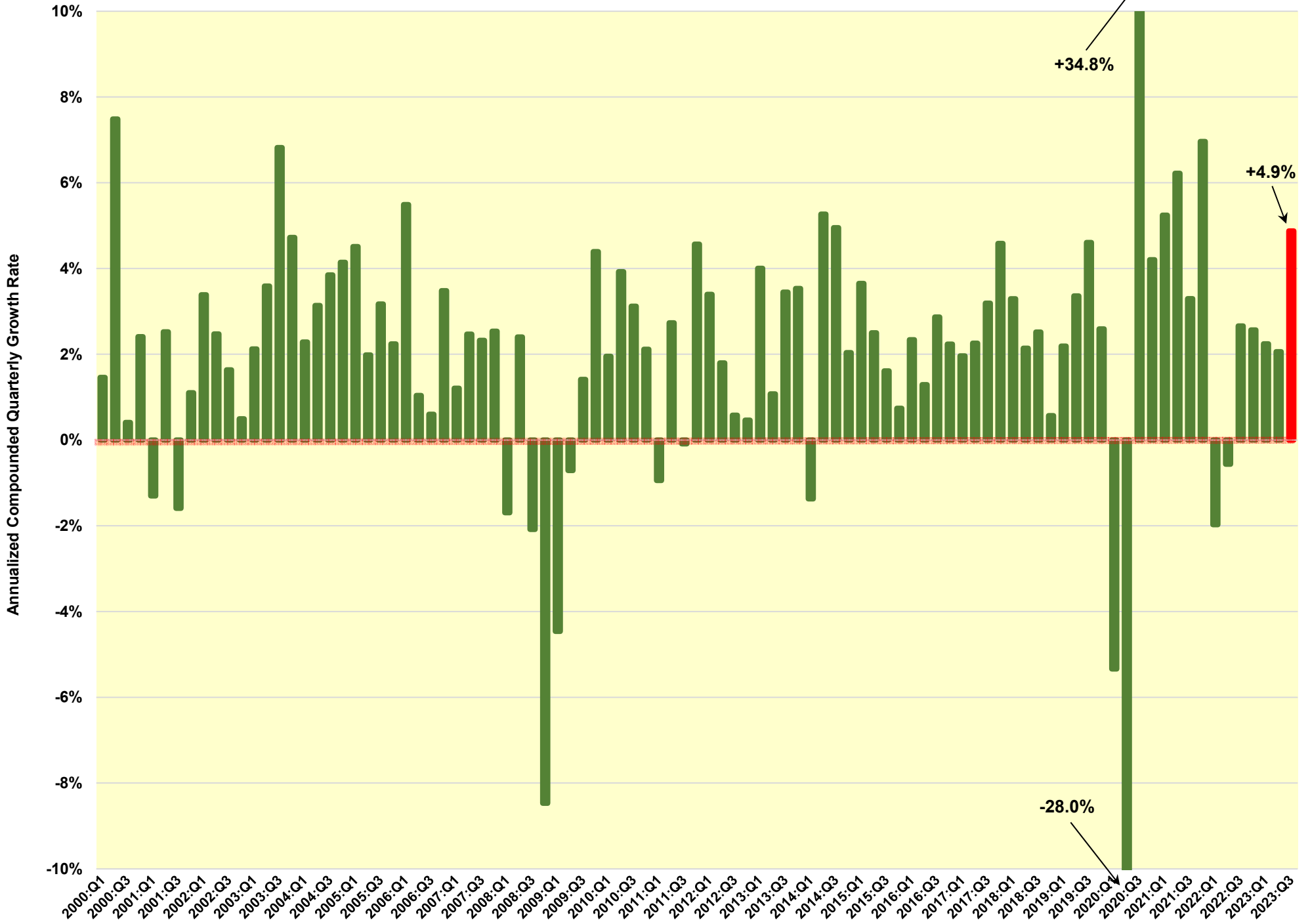
Unemployment Rates Rise Slightly But Remain Close to Historic Lows

(Seasonally adjusted data, Source: Bureau of Labor Statistics, U.S. Department of Labor)



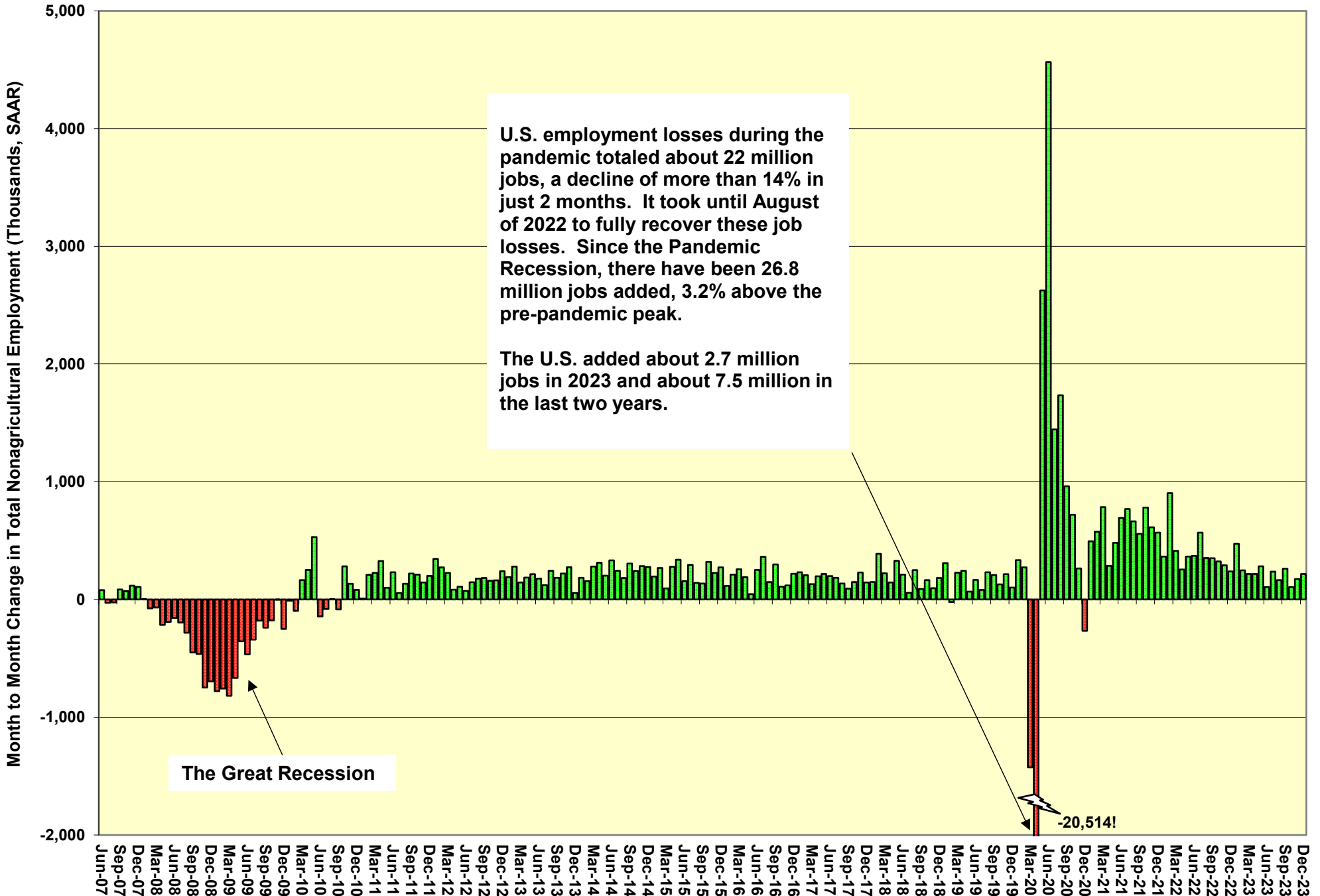
Third Quarter 2023 GDP Shows Impressive Growth at 4.9%

(Annualized Quarterly Growth in U.S. GDP, Source: U.S. BEA)



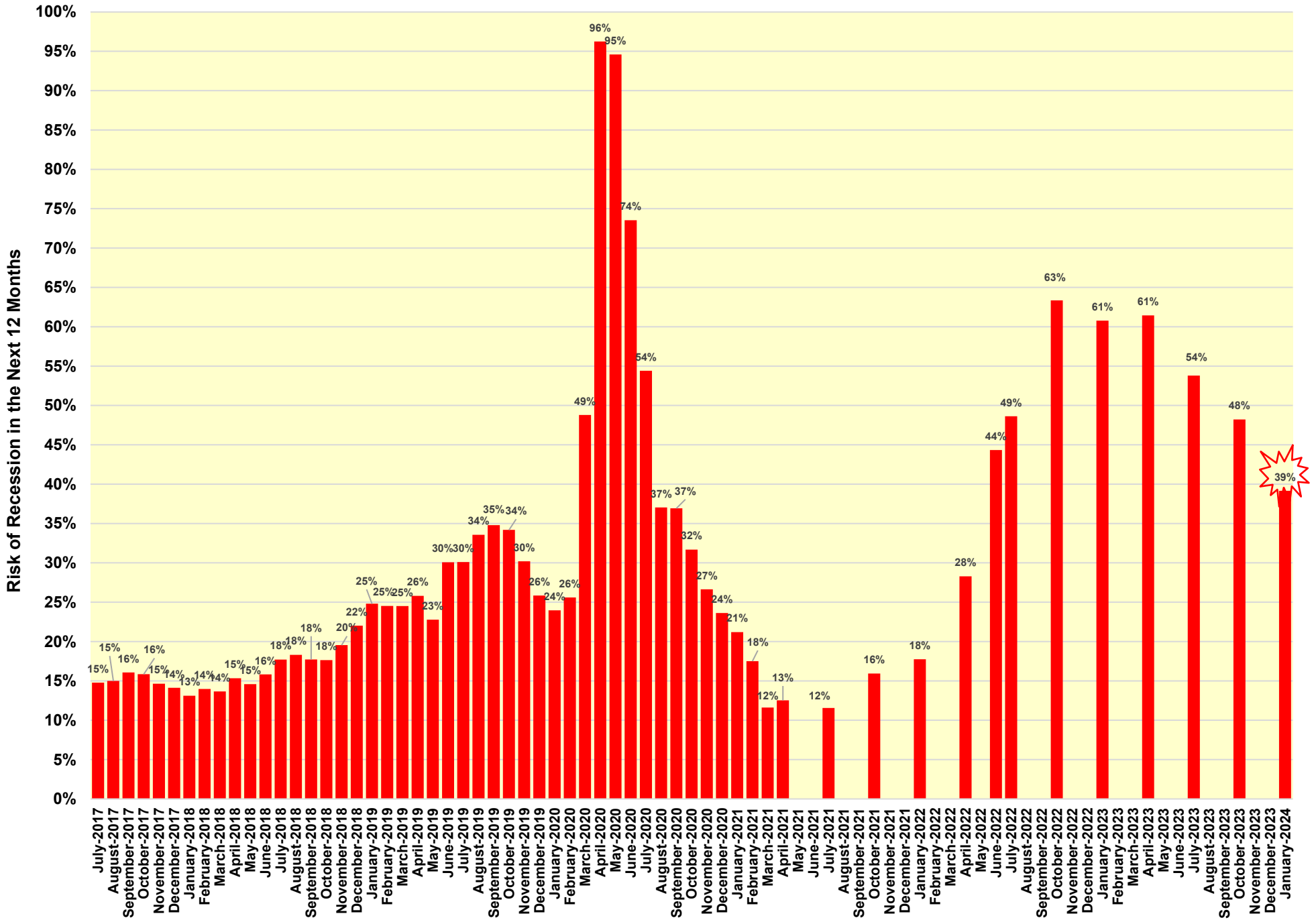
U.S. Employment Growth Persists, but Slows in the Face of Interest Rate Headwinds

Monthly Change in Total U.S. Payroll Employment, Seasonally-Adjusted, Source: U.S. Bureau of Labor Statistics



Near-Term Recession Risks Recede as "Soft-Landing" Seems Increasingly Possible

(Risk of Recession In the Next 12 Months - Source: Wall Street Journal Survey of 75 Economists)



Stocks Hit New Highs as Fed Signals Some Interest Rate Easing in 2024

(Data Through December 2023, S&P 500 Monthly Average, Source: FRED data from S&P Global)



maintenance and repair expenses). Inflation in these household essentials is a large part of the reason consumer sentiment is still negative, despite wage growth that is exceeding current inflation levels.



- Another reason for depressed consumer sentiment is the politicization of economic news and its interpretation. Never has there been a greater divide between consumer sentiment by party affiliation than in the last decade. Republican sentiment swings both higher (when a party member occupies the White House) and lower (when not) than Democratic sentiment. Republican sentiment hit a euphoric 127.2 during Trump’s presidency and has plummeted to a low of 33.0 during Biden’s term. Democratic sentiment never dropped below 71.6 during Trump’s tenure (excluding the early pandemic period, when all sentiment cratered) and has never topped 107.5, shortly after Biden was elected. Aside from a lesson in the power of propaganda and the many costs of social division, consumer sentiment would not matter if it did not affect consumer spending. While there is usually a direct connection, this is not the case, at present. Despite consumer sentiment that is usually only associated with a deep recession, consumer spending has continued unabated. The propensity to shop and spend is, apparently, a deeper part of American identity than even party labels.
- The conflict in Ukraine is also still impacting some components of the CPI. The severe disruption of European energy markets in the aftermath of the Russian invasion pushed up natural gas and oil prices, as Russian supplies were cut off or re-routed, and huge Ukrainian grain and vegetable oil exports have also been severely affected. The top two CPI components in the November report, relative to pre-pandemic levels (fuel oil and margarine - which is made from vegetable oils), were directly impacted by the war. Aside from global conflicts, other CPI component prices have risen for a variety of reasons, sometimes passing along production input costs and at other times using general “inflation”

**SELECTED ITEMS THAT HAVE RISEN IN PRICE BY MORE THAN 25%
SINCE BEFORE THE PANDEMIC**

(November 2023 vs February 2020 CPI Price Changes)

%CH

54.8%	Fuel oil
41.0%	Crackers, bread, and cracker products
40.4%	Motor vehicle repair
39.6%	Flour and prepared flour mixes
38.8%	Fats and oils
38.1%	Butter and margarine
37.4%	Used cars and trucks
36.4%	Other uncooked poultry including turkey
34.3%	Motor vehicle insurance
34.0%	Sugar and artificial sweeteners
33.7%	Propane, kerosene, and firewood
33.5%	Canned vegetables
33.3%	Utility (piped) gas service
33.1%	Salad dressing
32.2%	Carbonated drinks
32.2%	Delivery services
31.8%	Canned fruits and vegetables
30.8%	Cigarettes
30.4%	Gasoline, unleaded regular
30.3%	Chicken
30.3%	Motor vehicle maintenance and repair
30.3%	Beef and veal
29.7%	Bakery products
29.3%	Frozen vegetables
29.3%	Cookies
28.9%	Breakfast cereal
28.8%	Bread
28.6%	Processed fruits and vegetables
28.5%	Canned fruits
28.4%	Juices and nonalcoholic drinks
28.4%	New and used motor vehicles
28.4%	Frozen fruits and vegetables
28.4%	Uncooked ground beef
28.0%	Butter
27.2%	Electricity
27.2%	Pet services including veterinary
27.1%	Cereals and cereal products
26.4%	Stationery, stationery supplies, gift wrap
26.2%	Meats
26.2%	Nonalcoholic beverages and beverage materials
26.1%	Spices, seasonings, condiments, sauces
26.1%	Citrus fruits
26.0%	Oranges, including tangerines
25.7%	Soups
25.6%	Pork chops
25.5%	Nonfrozen noncarbonated juices and drinks
25.3%	Roasted coffee

THINGS THAT HAVE RISEN IN PRICE BETWEEN 20%-25% SINCE FEBRUARY 2020

(November 2023 vs February 2020 CPI Price Changes)

%CH

24.7%	Eggs
24.4%	Food
24.4%	Food away from home
23.9%	Outdoor equipment and supplies
23.8%	Indoor plants and flowers
23.8%	Tools, hardware, outdoor equipment and supplies
23.4%	Household cleaning products
23.3%	Coffee
23.2%	Tax return preparation and other accounting fees
23.2%	Housekeeping supplies
23.1%	Ice cream and related products
23.0%	Laundry and dry cleaning services
23.0%	Salt and other seasonings and spices
22.7%	Pet food
22.0%	Rice, pasta, cornmeal
21.9%	Bacon, breakfast sausage, and related products
21.7%	Garbage and trash collection
21.2%	Fresh whole milk
21.1%	Car and truck rental
21.1%	New trucks
21.0%	Pets, pet products and services
20.7%	New vehicles
20.7%	Rent of primary residence
20.6%	Pork
20.4%	Milk
20.3%	Housing
20.3%	Motor vehicle parts and equipment
20.0%	Owners' equivalent rent of primary residence

THINGS THAT HAVE RISEN IN PRICE BETWEEN 10%-20% SINCE FEBRUARY 2020

(November 2023 vs February 2020 CPI Price Changes)

%CH

19.9%	Rent of shelter
19.7%	Shelter
19.6%	Fresh fruits
19.6%	Tires
19.3%	Lettuce
18.8%	All items
18.3%	Fruits and vegetables
18.1%	Services
17.9%	Potatoes
17.9%	All items less energy
17.9%	All items less food
17.8%	Household furnishings and supplies
17.5%	Fish and seafood
17.1%	Admission to movies, theaters, and concerts
16.8%	All items less food and energy
16.7%	Personal care
16.6%	Dental services
16.6%	Furniture and bedding
16.5%	Cable and satellite television service
16.3%	Nursing homes and adult day services
16.1%	Pets and pet products
15.2%	Fresh fruits and vegetables
14.8%	Beer, ale, and other malt beverages at home
14.7%	Hospital services
14.6%	Ham
14.3%	Jewelry
14.2%	Child care and nursery school
13.7%	Inpatient hospital services
13.6%	Postage and delivery services
13.2%	Alcoholic beverages
13.2%	Laundry equipment
13.1%	Elementary and high school tuition and fees
13.0%	Funeral expenses
12.9%	Financial services
12.8%	Moving, storage, freight expense
12.6%	Admission to sporting events
12.0%	Recreation
11.8%	Jewelry and watches
11.7%	Cheese and related products
11.6%	Parking fees and tolls
11.1%	Postage
11.0%	Sporting goods
10.6%	Apples
10.5%	Fresh vegetables
10.3%	Appliances
10.3%	Sports equipment

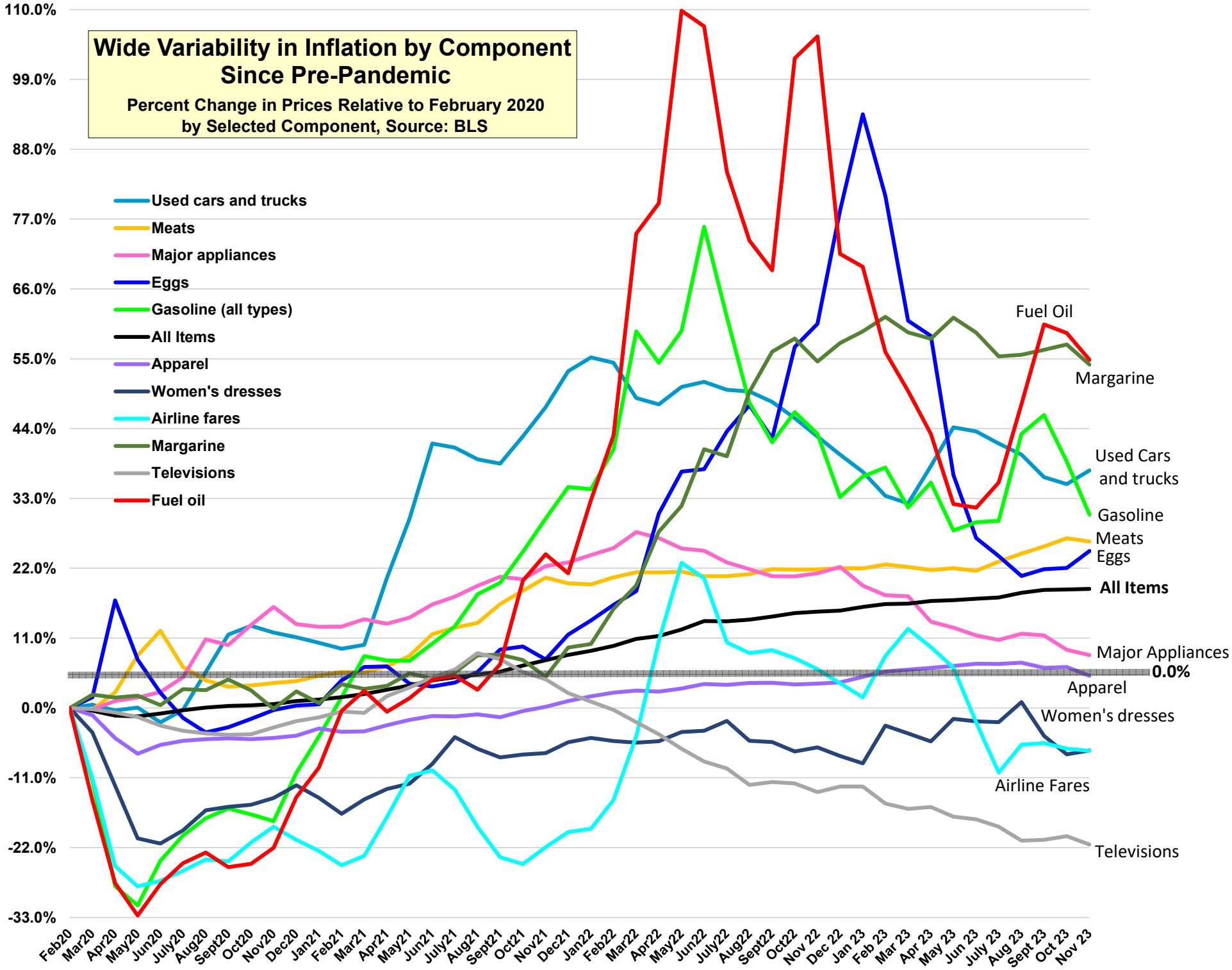
THINGS THAT HAVE RISEN IN PRICE BY 10% OR LESS SINCE FEBRUARY 2020

(November 2023 vs February 2020 CPI Price Changes)

%CH

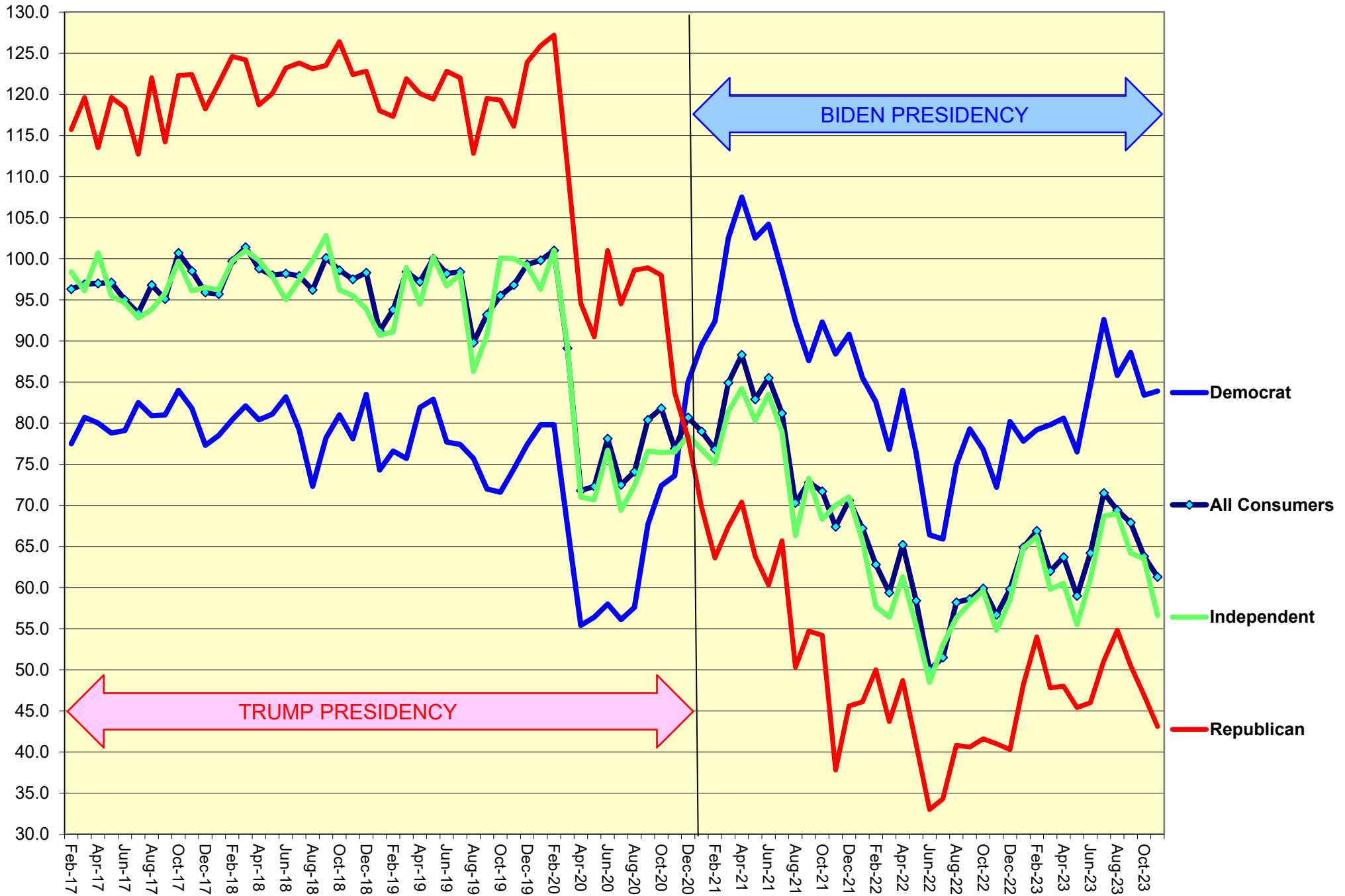
9.7%	Other lodging away from home including hotels and motels
9.6%	Lodging away from home
9.6%	Professional services
9.5%	Alcoholic beverages at home
8.9%	Tuition, other school fees, and childcare
8.3%	Major appliances
8.2%	Distilled spirits, excluding whiskey, at home
8.0%	Medical care services
7.8%	Medical care
7.8%	Watches
7.2%	Internet services and electronic information providers
7.1%	Men's and boys' apparel
6.9%	Technical and business school tuition and fees
6.7%	Sewing machines, fabric and supplies
6.7%	Eyeglasses and eye care
6.7%	Whiskey at home
6.7%	Physicians' services
6.6%	Medicinal drugs
6.5%	Bananas
6.5%	Ship fare
5.9%	Wine at home
5.4%	College tuition and fees
5.1%	Infants' and toddlers' apparel
5.1%	Footwear
5.1%	Apparel
4.8%	Toys, games, hobbies and playground equipment
4.1%	Girls' apparel
3.6%	Prescription drugs
3.2%	Nonelectric cookware and tableware
2.7%	Women's and girls' apparel
2.1%	Educational books and supplies
1.3%	Tomatoes
0.3%	Information and information processing
-1.2%	Public transportation
-3.1%	Toys
-5.2%	Personal computers and peripheral equipment
-5.3%	Information technology, hardware and services
-5.5%	Men's suits, sport coats, and outerwear
-6.5%	Audio equipment
-6.7%	Women's dresses
-6.8%	Airline fares
-12.2%	Video and audio products
-21.5%	Televisions

Wide Variability in Inflation by Component Since Pre-Pandemic
 Percent Change in Prices Relative to February 2020
 by Selected Component, Source: BLS



Party Affiliation Now Controls Consumer Sentiment More Than Economic Fact

(University of Michigan Consumer Sentiment Survey)

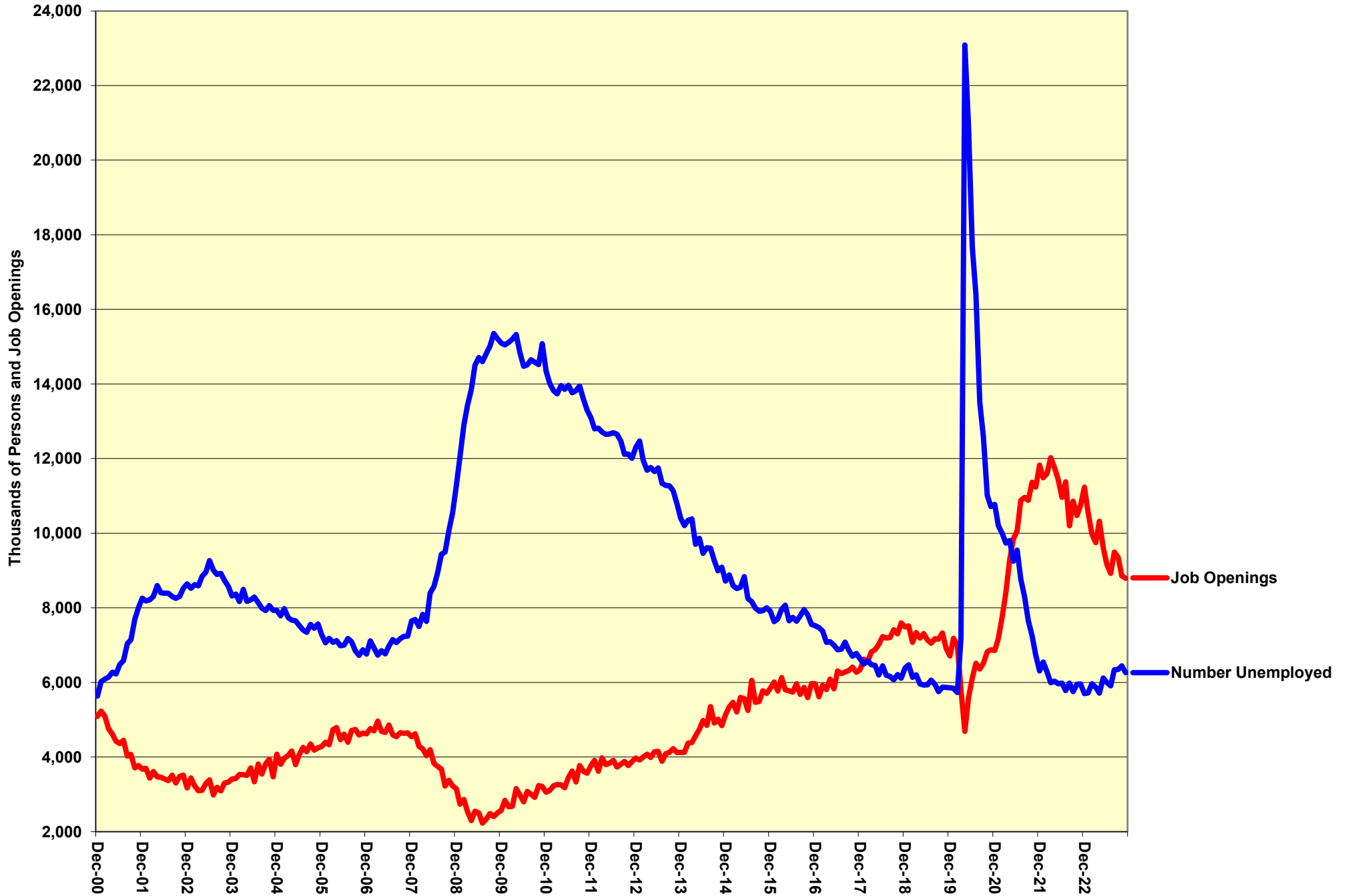


as an excuse for exercising pricing power – such as with cigarettes, which are 31% more expensive than in February of 2020.

- Producer price inflation spiked at more than 20% in June of 2022, but has dropped steeply since then and has been negative for the last ten months, declining almost 11% since its 2022 peak. While commodity and other product inputs will exert further downward price pressures, lagging labor costs could do the opposite. Wage increases are often associated with catch-up to past inflation, especially at the onset of an inflation spike, rather than anticipating future costs. Amidst current labor market conditions, there is likely to be continued upward wage and salary pressure from both organized labor and occupations experiencing labor shortages.
- The tightness in labor markets is evident in both persistently low unemployment rates and the gap between the number of unemployed persons and job openings. For more than 30 consecutive months, job openings in both the U.S. and Vermont have exceeded the number of unemployed persons. Labor markets are expected to loosen, however, in the coming two years as monetary policy effects reduce demand. Already, there have been small unemployment rate increases, fewer job openings posted and reductions in quit rates at both the State and national levels.
- Wage growth has moderated in recent months but at about 4% still exceeds rates of inflation. Although growth of about 3.5% is usually considered optimal, assuming long term productivity growth of about 1.5% (leaving the net cost of labor at about 2%), productivity growth of late appears to be closer to 2%. Thus, 4% wage growth could be consistent with the Fed's 2% inflation target if productivity growth from recent capital investment, AI, remote work and enhanced job satisfaction persists.
- Virtually all net employment growth in the U.S. since the pre-pandemic peak in February of 2020 has come from foreign-born workers. Unfortunately, Vermont has the 11th lowest foreign-born population share in the nation and is only one of four states (along with Montana, New Hampshire and Maine) that had a lower share of foreign-born residents in 2022 than in 1960. At only 4.2% in 2022, it is less than a third of the U.S. share of 13.9%. In 1960, Vermont's share of foreign-born residents was 6.0%, *higher* than the U.S. average of 5.4% at that time. A recent Boston Fed study showed that between 2010 and 2021, Vermont was the only New England state whose foreign-born population declined. While foreign-born population growth accounted for 56% of the total population growth in New England over this period – and 17% in New Hampshire and 23% in Maine – Vermont was the only New England state in which the contribution was negative. There are methodological issues with this study that may bias these estimates in smaller states such as Vermont (i.e., using single years of ACS data to derive annual estimates, rather than pooled 3 or 5 year data), and JFO has estimated small (+4.3%) foreign-born population gains over this same period in Vermont using 5 year pooled data, but the takeaway is the same: Vermont has a very low and relatively stagnant share of foreign-born population.

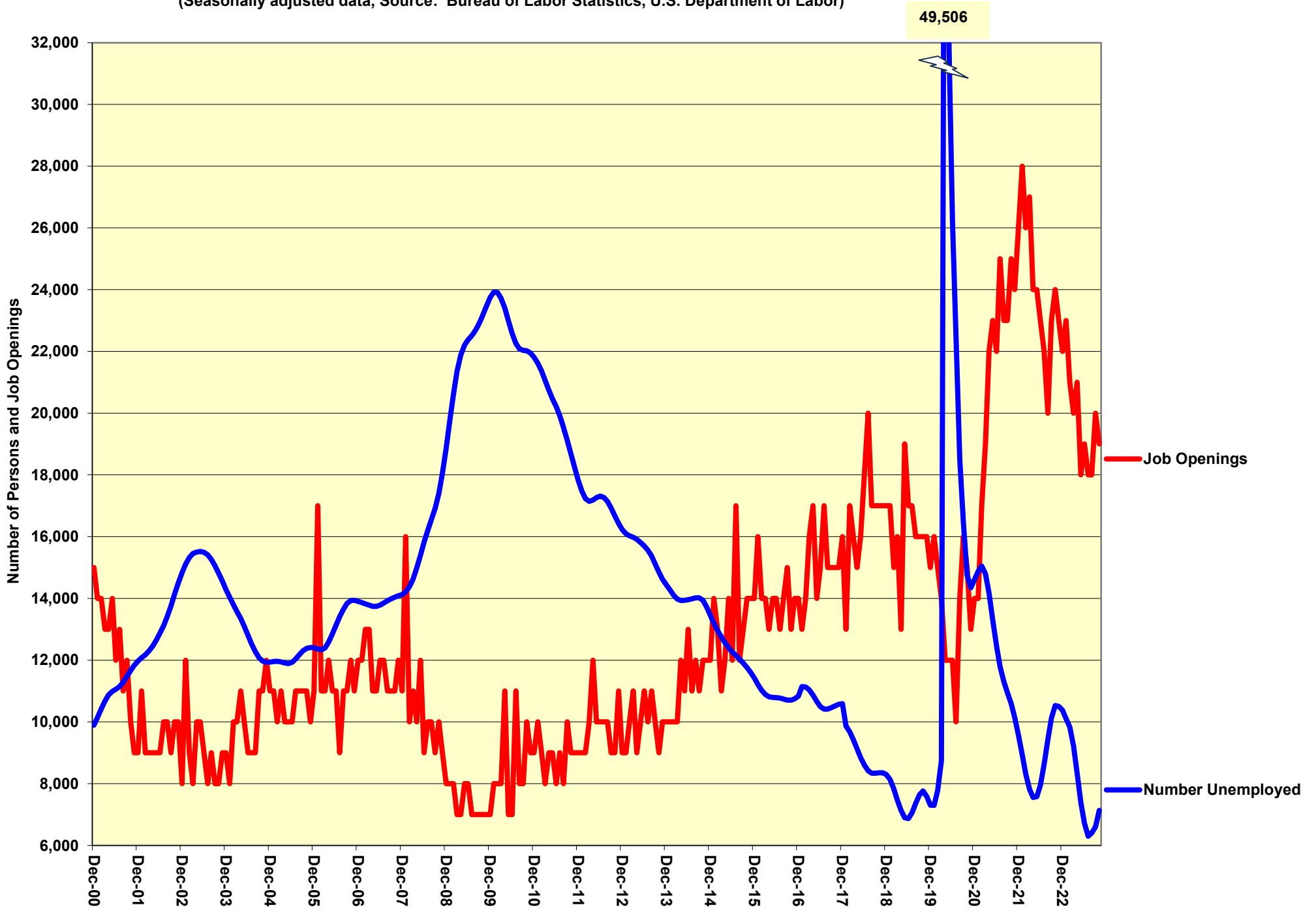
U.S. Labor Markets Remain Tight, With More Job Openings Than Unemployed Workers

(Seasonally adjusted data, Source: Bureau of Labor Statistics, U.S. Department of Labor)



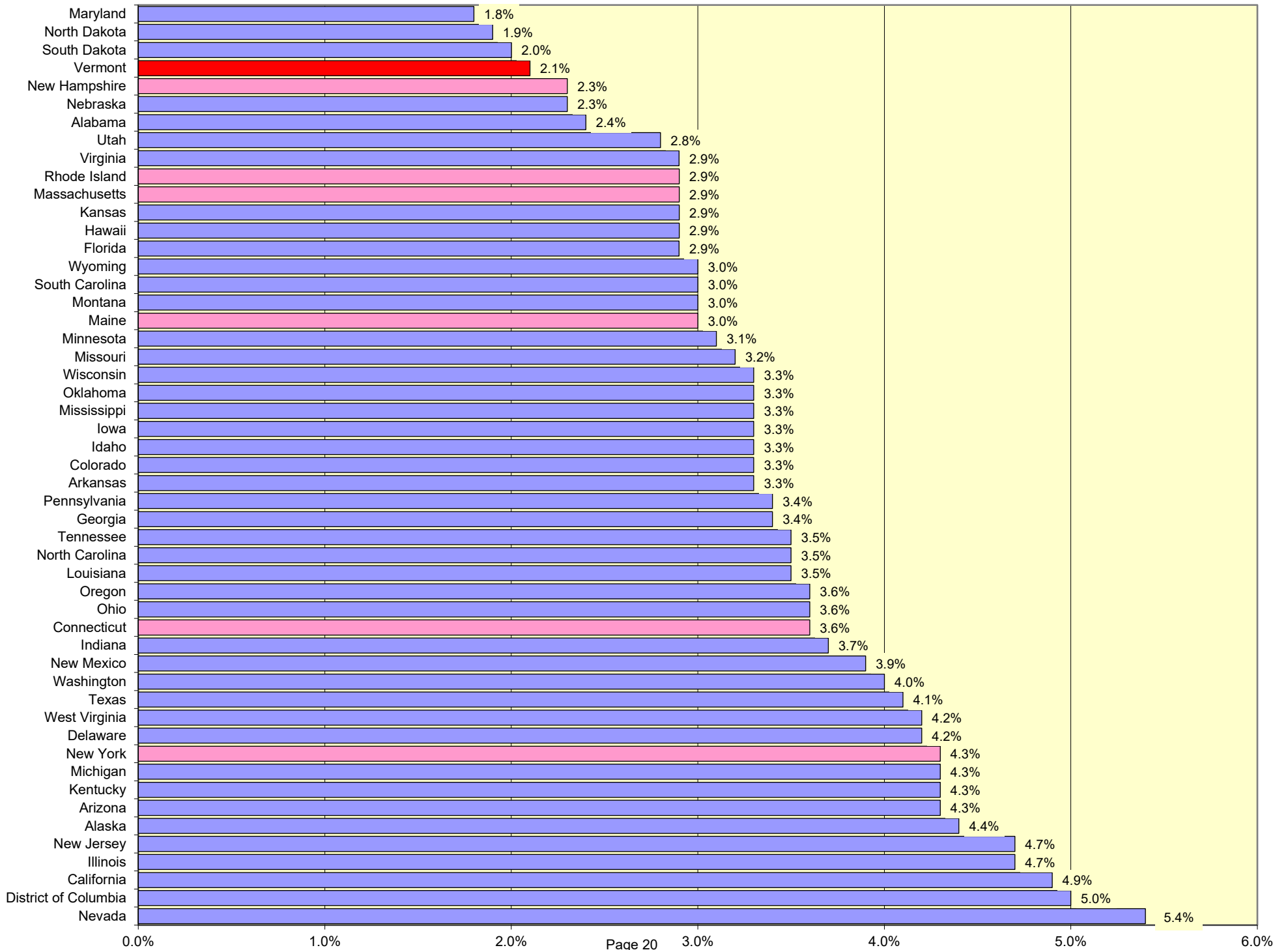
Vermont Job Openings Also Continue to Exceed Unemployed Worker Counts

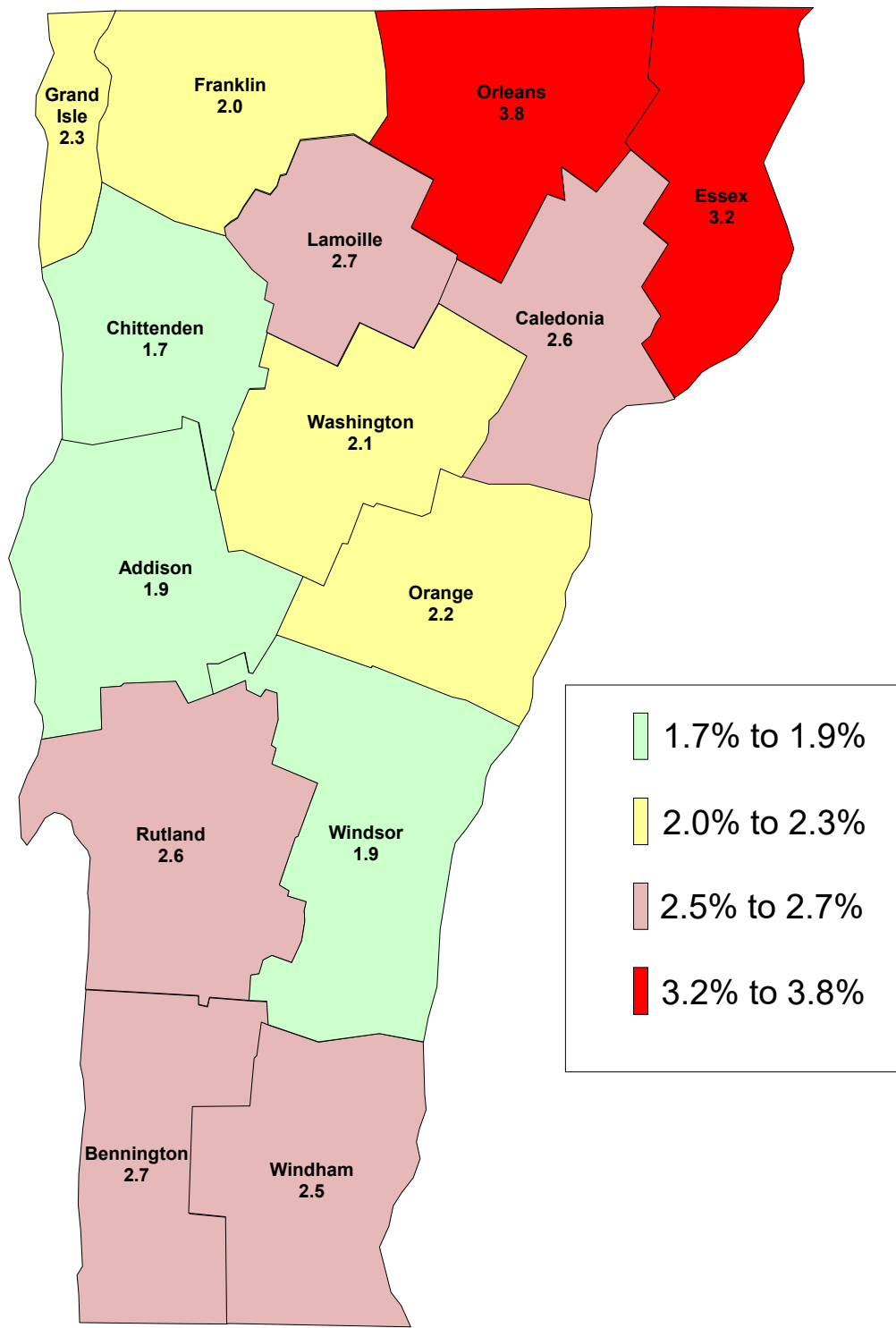
(Seasonally adjusted data, Source: Bureau of Labor Statistics, U.S. Department of Labor)



Unemployment Rate by State - November 2023

Seasonally Adjusted Data, Source: U.S. Bureau of Labor Statistics





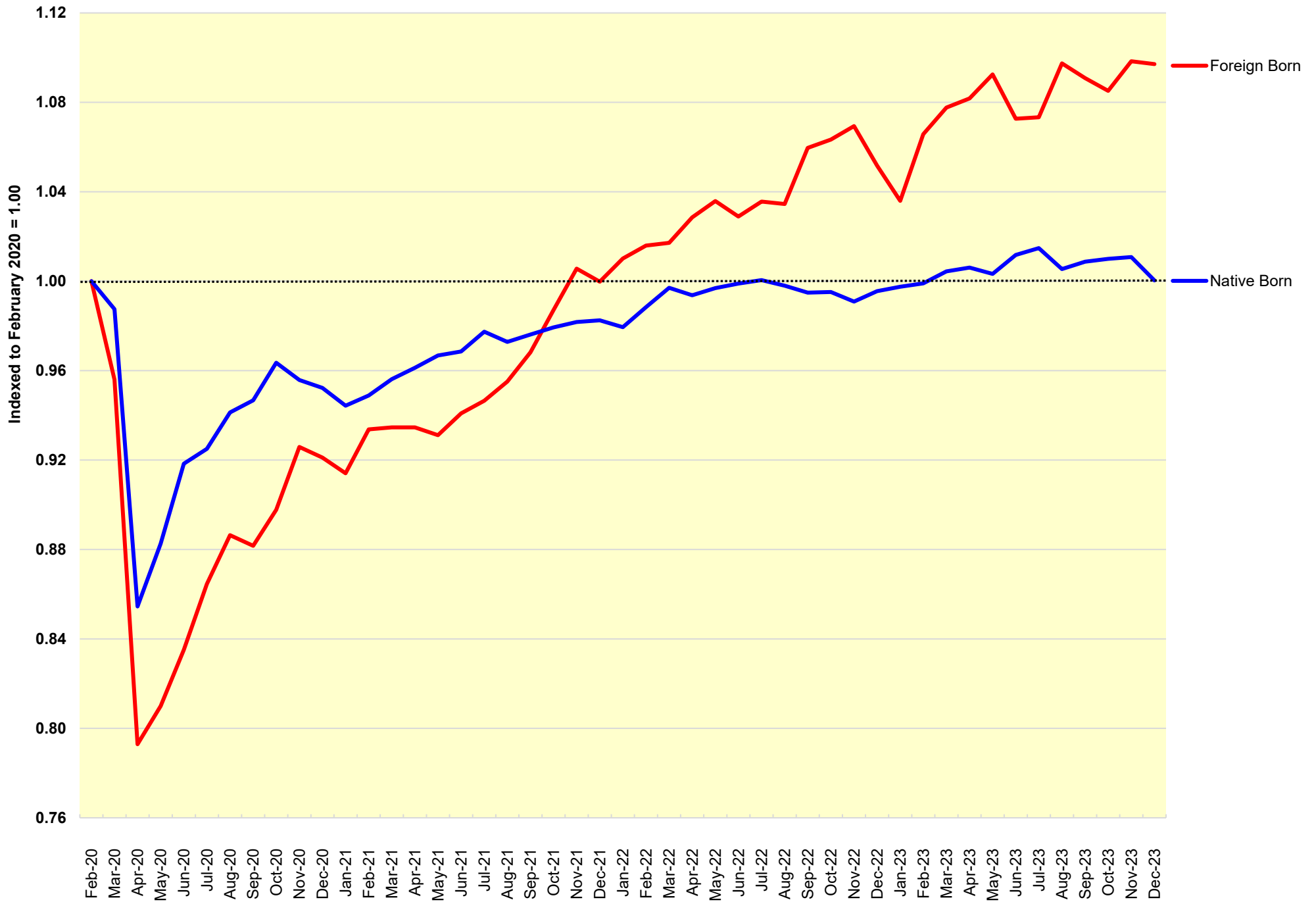
Vermont Unemployment Rates by County

12 Month Average, December 2022 to November 2023

Source: Vermont Department of Labor

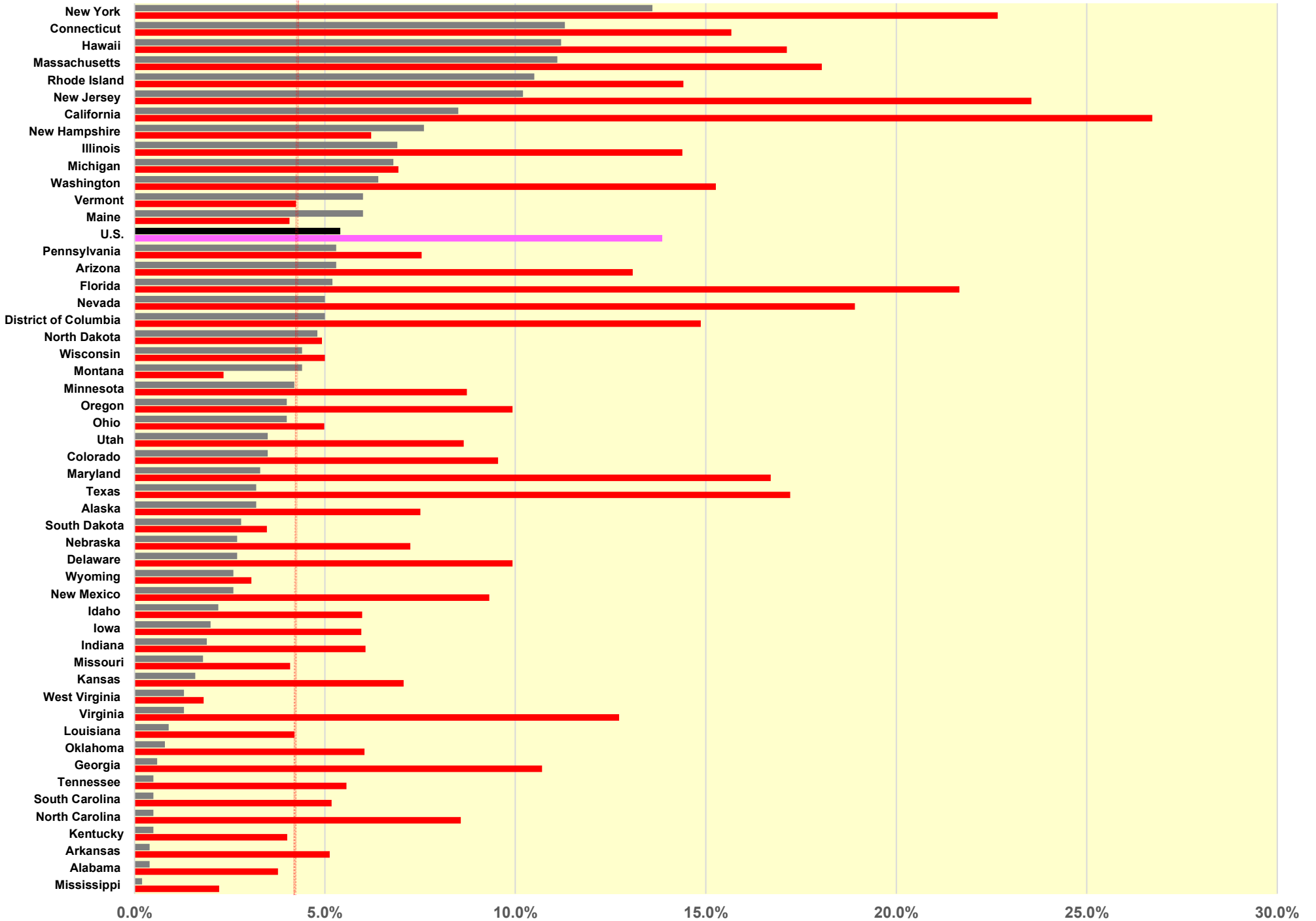
Virtually All Net U.S. Employment Growth Since the Pre-Pandemic Peak Has Come From Foreign Born Workers

U.S. Payroll Employment by Nativity, Indexed to February 2020 = 1.00, Source U.S. BLS



Share of Foreign Born Population by State, 1960 (Grey) and 2022 (Red)
 Sources: Pew Research Center and U.S. Census Bureau American Community Survey data

Vermont
in 2022
4.2%

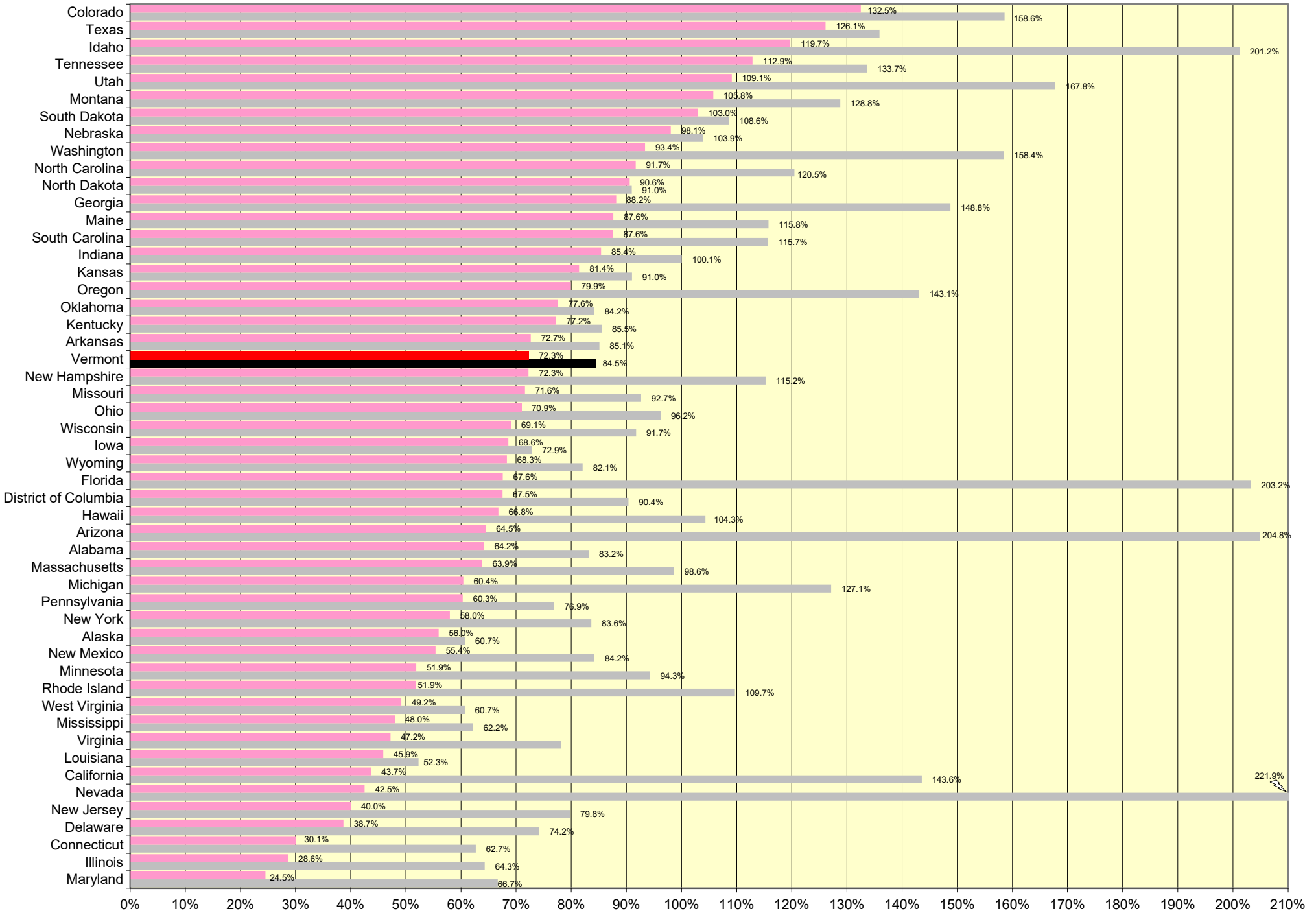


- Despite all the hand-wringing about Vermont's low and now flat population growth, and with virtually no affordable State policy action that can meaningfully affect birth rates, death rates, elderly labor force participation rates, domestic migration or external immigration, there are actions that could be taken to accept, welcome and help transition foreign-born families and workers that may be affordable - and could make a difference. Even returning to shares of foreign-born residents Vermont managed 60 years ago could have a measurable impact on the State's demographic future.
- Despite crippling mortgage rates, home prices remain elevated and are still growing as of the third quarter of last year (the latest available data). As home price growth slows in some of the hottest western and southern markets, New England states that benefitted from pandemic work relocation are now topping the charts. In fact, in the second quarter of 2023, Vermont (+10.9%) and Maine (+10.2%) showed the highest year-over-year home price increases in the nation. Connecticut and New Hampshire were not far behind, ranking fourth and sixth, with gains of about 8.0% each. Since the pre-pandemic fourth quarter of 2019, home price growth in Maine was the second highest in the nation (+66.4%) and Vermont (+59.7%) and New Hampshire (+59.3%), logged the eighth and ninth highest growth rates.
- Over the last 30 years, New Hampshire, Massachusetts and Maine are clustered as the 12th, 13th and 14th fastest growing states, with compound average annual home price growth between 4.86% and 4.93% (resulting in price appreciation of between 315% and 323%), while Vermont is 21st, with average annual growth at 4.43%, resulting in a 30 year gain of 267%. Over this period, the highest growth states include four western states (UT, CO, MT, and OR), but the highest is Washington, D.C., at 5.80% per year, yielding 30 year price growth of 443%.
- The economic effects of these home price increases is double-edged: As the largest component of household wealth, home price appreciation expands wealth, with greater home equity against which to borrow and spend. The downside is, of course, that higher prices exacerbate already extreme housing affordability issues and drive up rental prices as well.
- Even though home prices are expected to dramatically slow and decline for much of the forecast period, the current shortage of housing, nationally estimated to be about 1.7 million units, will limit the decline – especially in comparison to prior real estate cycles. The problem now with clearing markets is not reducing an oversupply, as is usually concomitant with the downside of the cycle, it is with high interest rates that limit existing home relocation and new construction responses to the elevated prices.
- Offsetting the intentions of the Fed to slow the economy, there are still substantial savings and other retained wealth from the pandemic, as well as unspent funds from prior federal stimulus programs (such as those now swelling Vermont State cash balances). Both household and business balance

Real Estate Update: Housing Values Relative to Last Peak (pink) and Trough (grey)

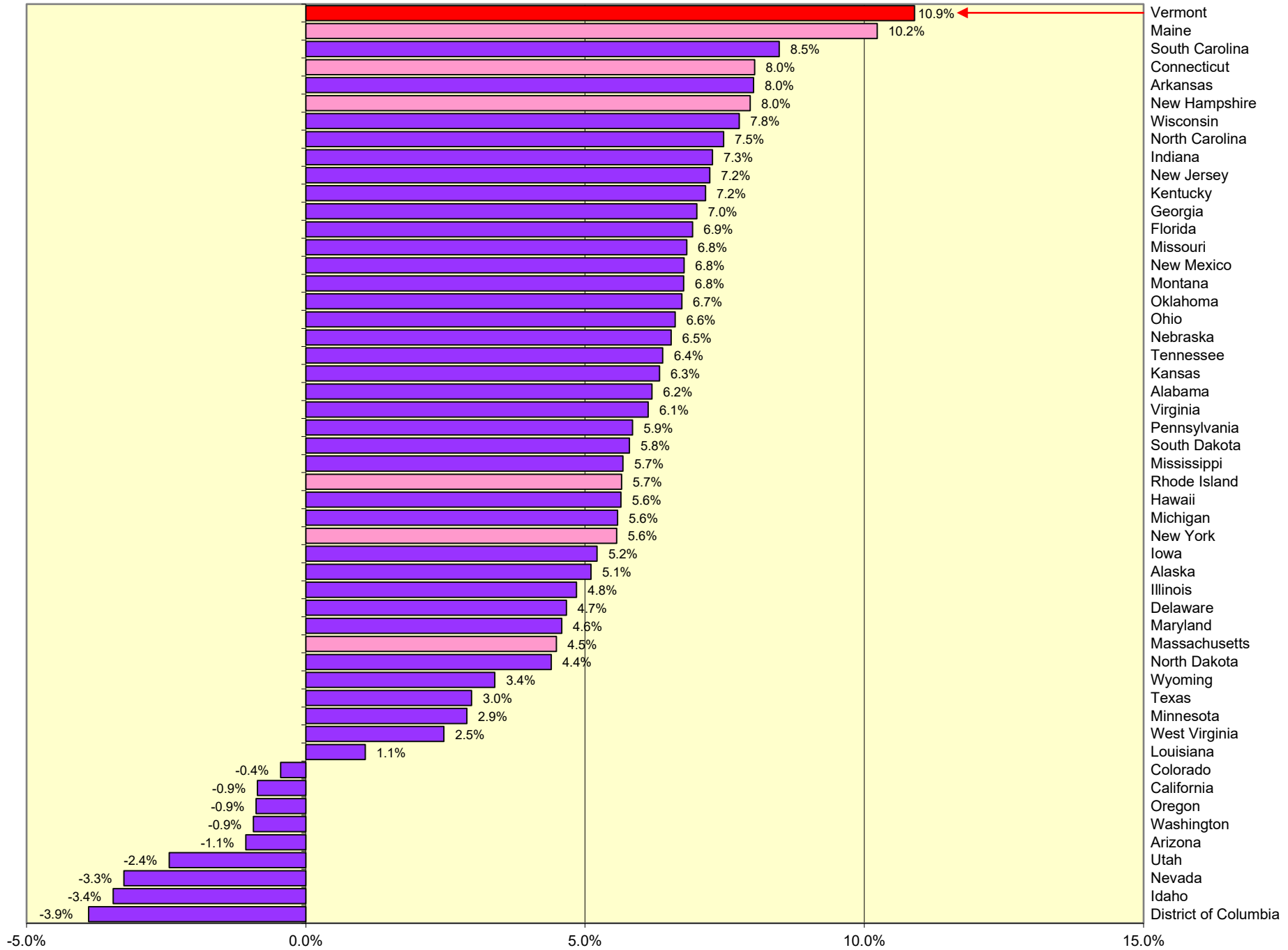
Percent Change, 2023Q3 vs. Peak Price by State Between 2005Q3 and 2009Q3 (Pink) and 2023Q3 vs. Trough Price Between 2009Q3 and 2014Q1 (Grey)

Source: FHFA House Price Index, All Transactions, Not Seasonally Adjusted



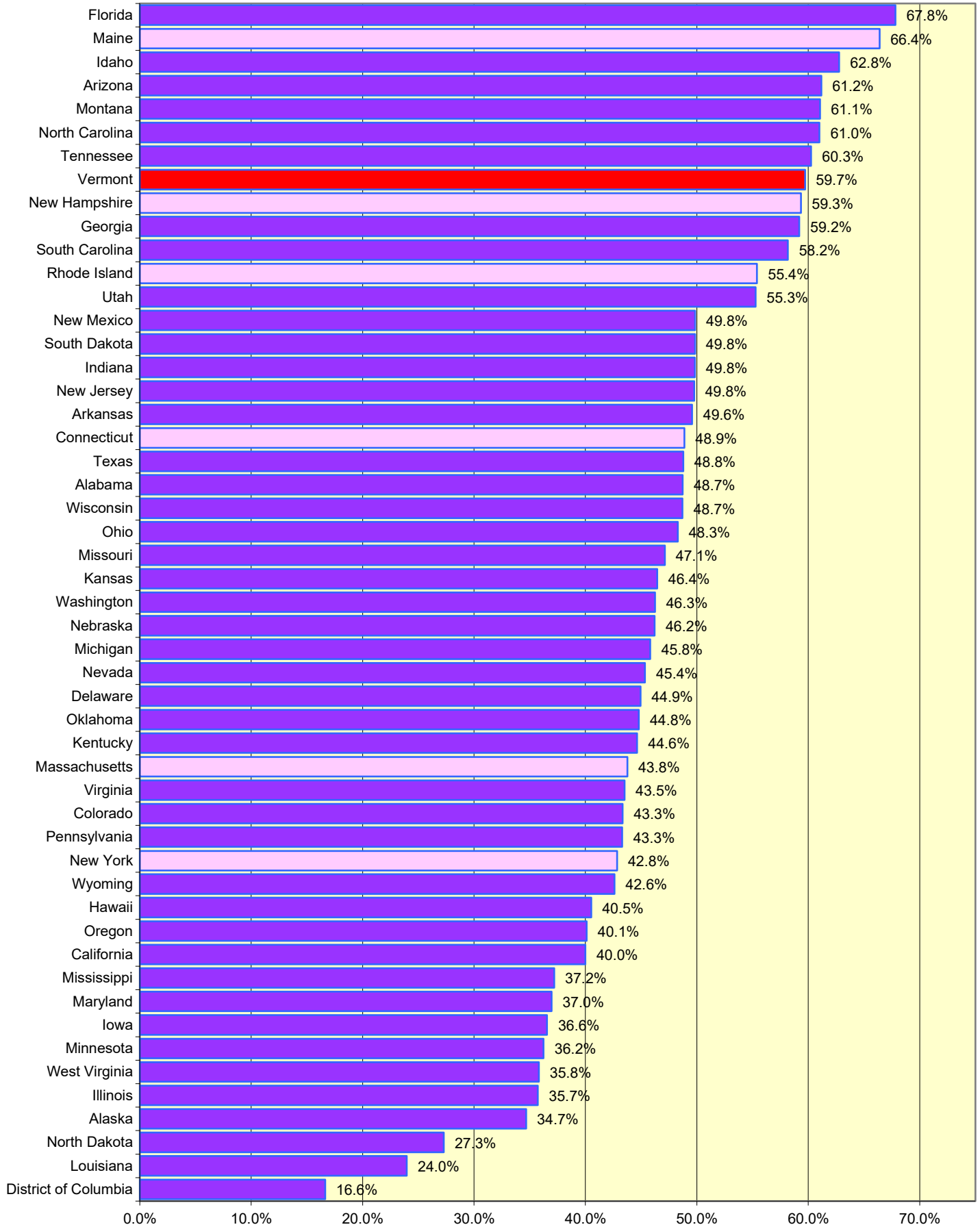
Northern NE Home Price Growth is Now Among the Strongest in the Nation

Percent Change, Second Quarter of 2023 vs. Second Quarter of 2022, Source: FHFA House Price Index



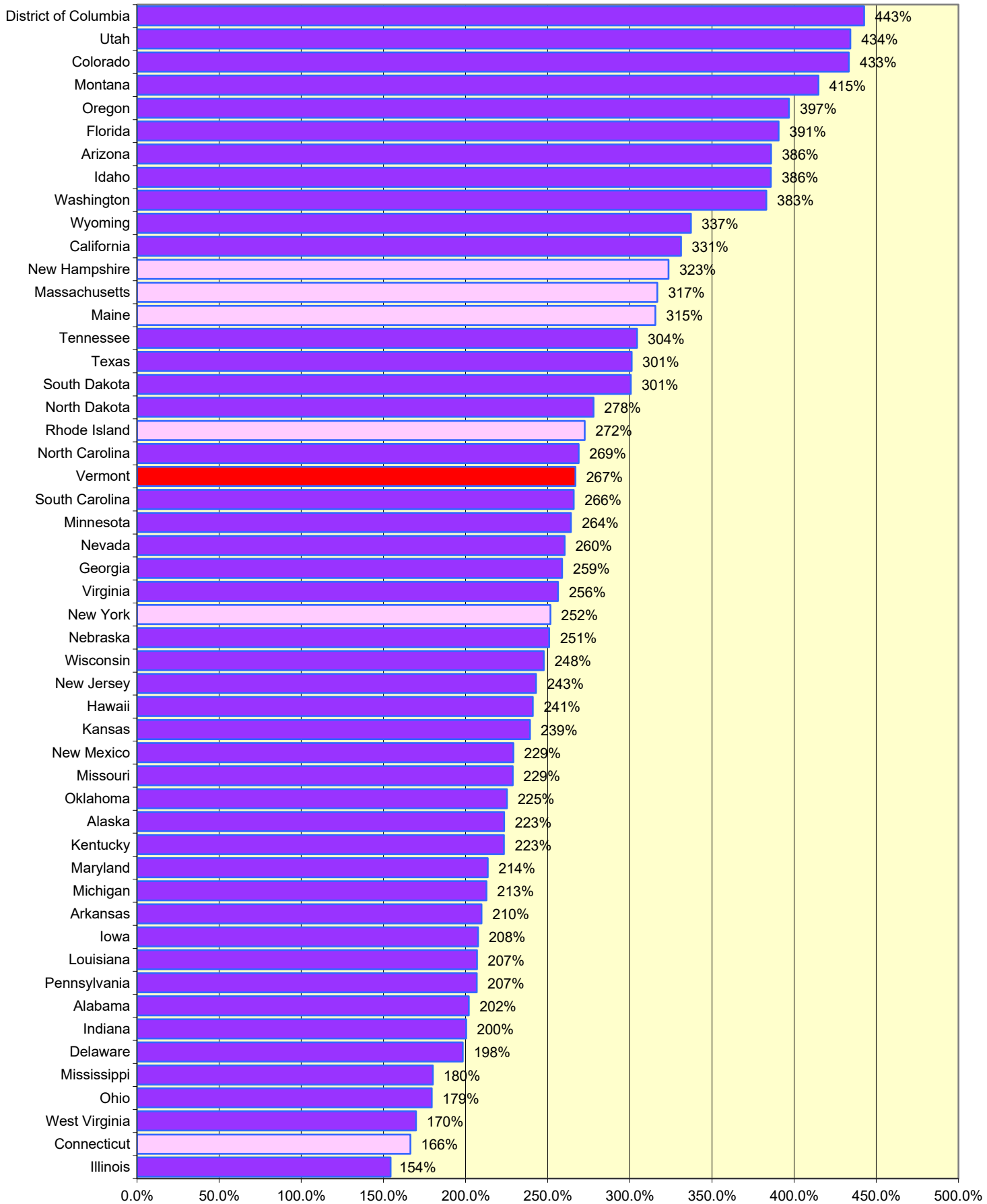
Post-Pandemic Asset Price Appreciation Sends Home Prices Soaring

Home Price Percent Change, Third Quarter of 2023 vs. Fourth Quarter of 2019, Source: FHFA Home Price Index



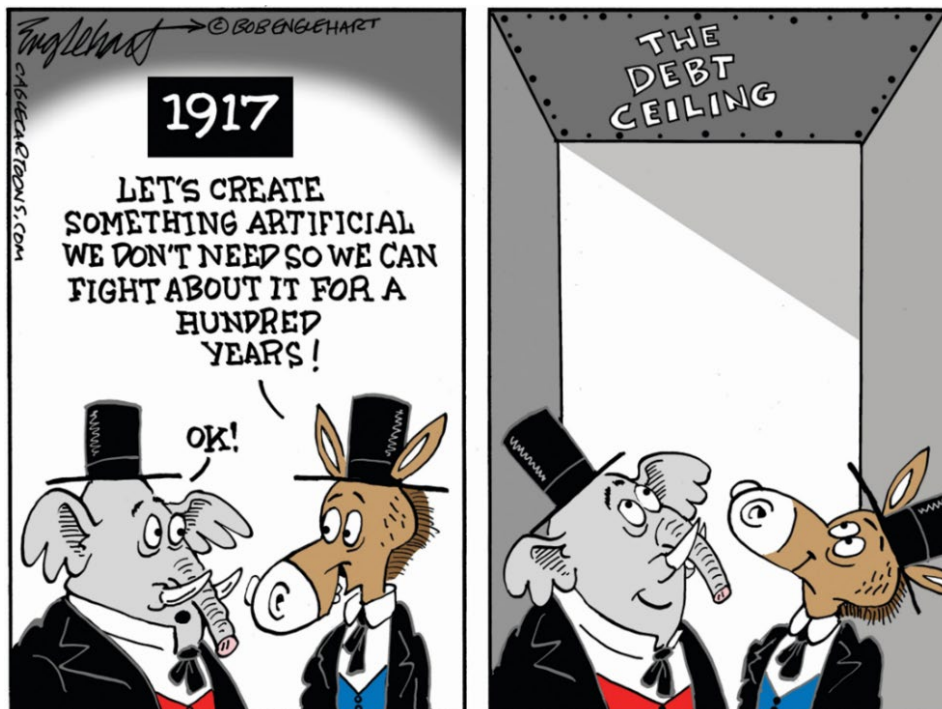
Real Estate Markets are Regional: 30 Year Change in Home Prices

Home Price Percent Change, Third Quarter of 2023 vs. Third Quarter of 1993, Source: FHFA Home Price Index



sheets remain healthy, as reflected in the net worth statistics compiled by the Federal Reserve. The latest data (through the third quarter of 2023) shows that total wealth declined through most of 2022 after reaching a peak in the first quarter, but recovered in 2023 and will very likely exceed prior record levels by the fourth quarter of 2023, due to large gains in corporate equities and continued appreciation in real estate and other asset classes. In the third quarter of 2023, total net worth was up 5.9% from the year ago quarter, despite mortgage liabilities growing 3.1% and consumer credit, 3.7%.

- Over the past three years there have been a multitude of challenges endured by the economy. When recently reviewing our economic and revenue analysis performed in January of 2020, we are reminded of the unseen forecast risks that can consume an economy and society in rapid fashion. Given the fragility of a deliberately slowing economy, any number of known and unknown shocks could precipitate a recession with much deeper declines. These include, prominently, excessive Federal Reserve tightening, an oil price spike, various nonbank financial system crises, a commercial real estate crash, election year social disunity with the potential for violence, another debt-ceiling inspired government shutdown, and, ominously, global conflicts from Russia-Ukraine, to Israel-Palestine and neighbors, to China-Taiwan.
- While downside risks abound, there are also upsides. The same good luck in the first half of FY24 could continue, with unprecedented wealth supporting consumer spending, continued public spending from appropriated but unspent funds associated with prior Federal programs, and growing nonbank financial activity blunting the Fed's interest rate hikes. If so, corporate and personal income tax revenues could be considerably stronger than anticipated and consumption taxes could also experience enhanced near-term growth.



State Revenue Update

- Revenues through December of FY24 were close to expectations, with a total positive variance of 1.7% (+\$25.2M), due primarily to strength in the General Fund, which offset a lackluster first half in the Transportation Fund. The General Fund was 2.8% above target (+\$28.0M), while the Transportation Fund was 4.0% below expectations (-\$5.9M) and the Education Fund (excluding property tax revenues), was up 0.8% (\$3.1M).

January 2024 vs. July 2023					
	FY2024	FY2025	FY2026	FY2027	FY2028
Education Fund	\$9.7	\$9.3	\$6.8	\$4.4	\$2.6
Transportation Fund	-\$5.1	-\$6.4	-\$7.4	-\$7.2	-\$6.1
General Fund	\$29.3	\$10.2	\$17.1	\$9.2	\$10.5
(Healthcare Only)	\$0.4	\$2.0	\$3.5	\$5.0	\$6.7
(General Fund Ex HC)	\$28.8	\$8.2	\$13.7	\$4.2	\$3.9
Total Current Law	\$33.8	\$13.0	\$16.5	\$6.4	\$7.0

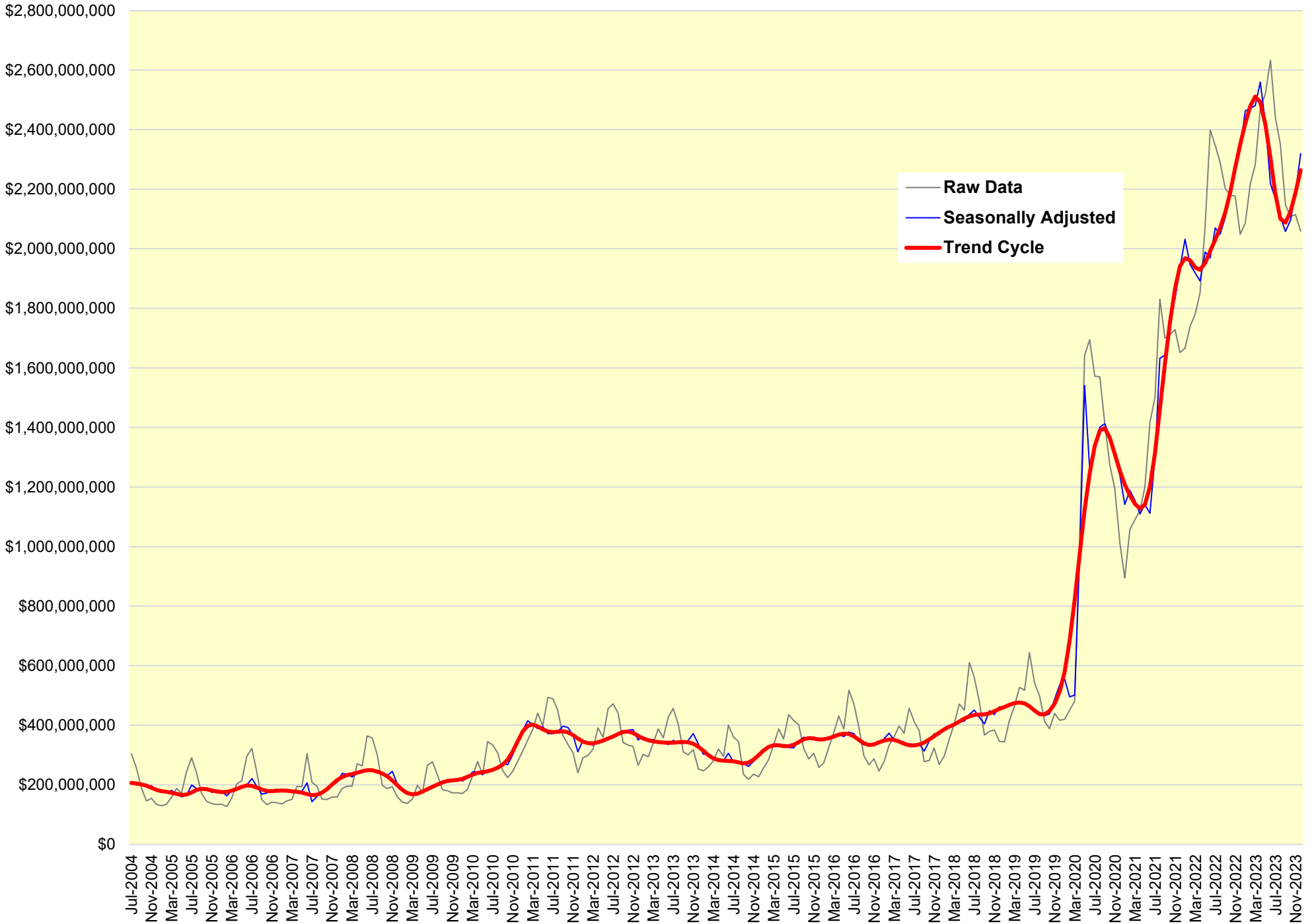
- Most of the General Fund strength was in Personal Income receipts, which more than offset weak first quarter Corporate tax receipts. Both of these large revenue sources will face growing headwinds as the economy continues to slow in the next year.
- Meals and Rooms revenues (-2.2% vs. targets) largely recovered from early visitation and property damage impacts (and delayed tax payments) associated with the Great Vermont Flood of July 10-11, only to be confronted with a poor start to the winter ski season, with warm and wet weather affecting much of the State over the Christmas/New Year holiday season. With cold weather now enabling extensive snowmaking and a few seasonal storms finally adding natural snow to the mix, things could still improve, but revenues are likely to be slightly below prior FY24 forecasts – though still positive for the year.
- In the Transportation Fund, only the fuel taxes were at or slightly above target. All other subcategories were sub-par, with high financing and sticker prices conspiring with still limited inventories to push Motor Vehicle Purchase and Use tax revenues 5.5% below target (-\$2.7M to the TFund and -\$1.3M to the EFund) and Motor Vehicle Fees off by 7.2% (down -\$3.1M). Adoption of a new computer system in November limited available second quarter fiscal year data with which to analyze the MVFee variance. We expect this to be remedied within a few months and will know more then. Unfortunately, this lapse comes at a critical time, since major DMV fee increases are expected to be realized in the second half of FY24 and this introduces some uncertainty regarding yields.



- In the Education Fund, continued robust consumer spending and higher than expected cannabis sales helped the Sales and Use Tax exceed first half expectations by about 1.9% (+\$5.6M). While spending is expected to slow in the second half of the year, S&U revenues will still exceed prior forecast levels and avoid revenue declines in both FY24 and FY25.
- Estimates of the interest income flowing into the State from massive cash balances associated with Federal stimulus and infrastructure programs are still being refined as new and better data are made available. Modeling based on updated interest rates, effective yields and available cash balances resulted in technical adjustments to expected interest income that will lower FY24 “Source” revenue, which includes both the General and Education Fund, by \$6.8M (-\$4.7M in the GF, -\$2.1M in the EF), increase FY25 by \$4.9M (+\$5.3M in the GF, -\$0.4M in the EF), increase FY26 by \$7.9M (+\$7.6M in the GF, +\$0.3M in the EF), increase FY27 by \$2.2M (+\$2.4M in the GF, -\$0.2M in the EF) and lower FY28 by \$0.4M (\$0.0 in the GF and -\$0.4M in the EF).
- Lottery revenues in the first half of FY24 benefitted from three of the five largest Powerball jackpots in history and the largest Mega Millions jackpot ever, to surge 14.6% above target (+\$2.0M). The plethora of large recent jackpots is due to several factors: Jackpot odds of winning have been reduced, thereby allowing jackpots to grow larger; Ticket prices have increased over time, adding to the jackpot size and, most importantly of late; High interest rates have inflated advertised jackpot sizes because they are based on annual payments over time (annuities) that include interest. With the recent rapid rise in interest rates, the payout over time has increased. In selling “hope” against almost impossible odds, larger jackpots stimulate game participation and revenues by raising the value of “hope,” attracting attention to it, and knowing that reducing the odds of winning will be imperceptible to those playing. Since none of these

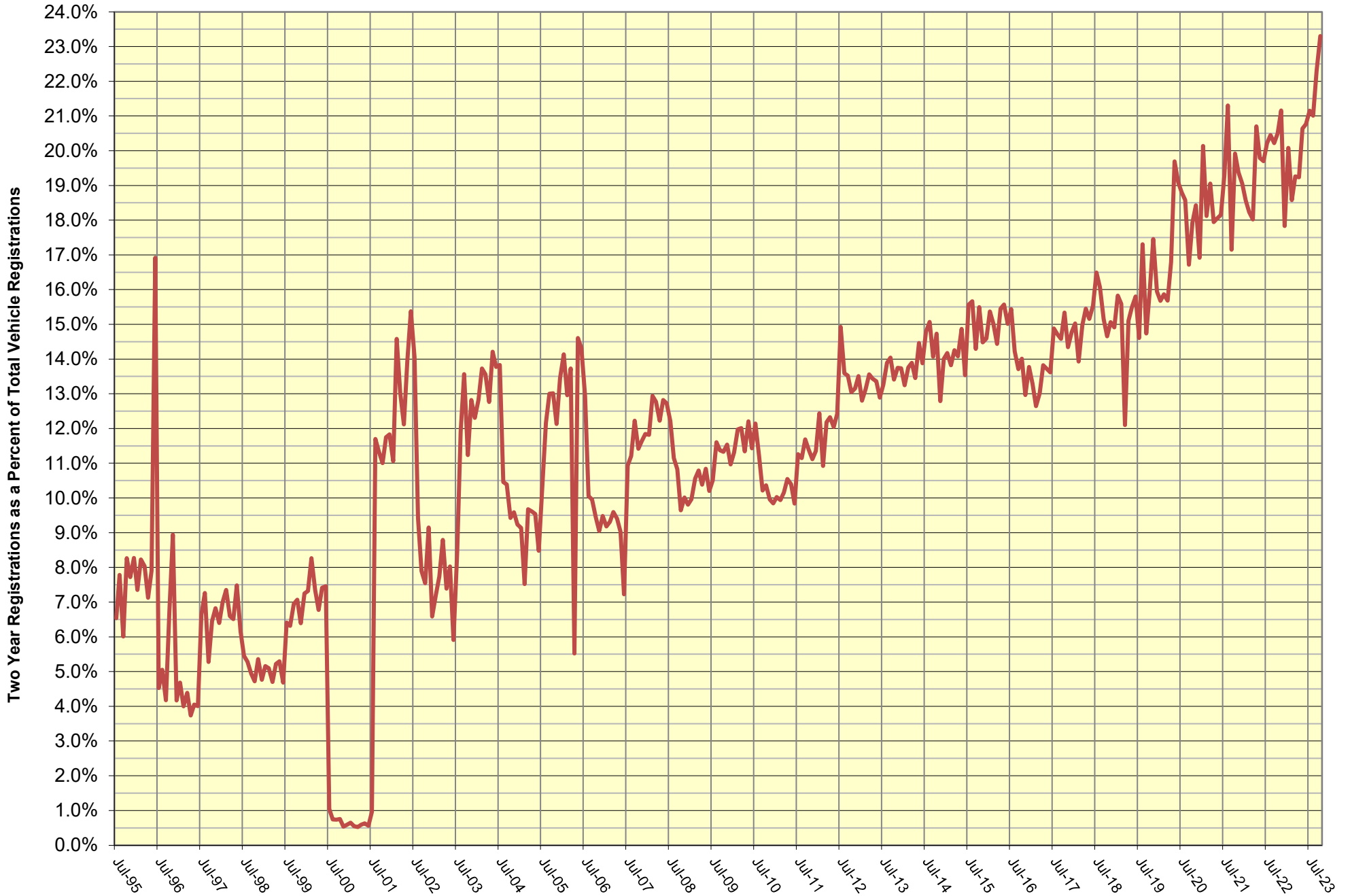
Average Monthly Vermont State Cash Balances

(Source: Office of the State Treasurer)



Monthly Shares of 2 Year Vehicle Registrations

(Sources: History - Vermont Agency of Transportation)



factors is likely to change soon (unless game fatigue or mathematical logic take hold), State Lottery revenues will benefit from this environment.

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- The U.S. and Vermont macroeconomic forecasts upon which the revenue forecasts in this update are based are summarized in Tables A and B on the following two pages, and represent a consensus JFO and Administration forecast developed using internal JFO and Administration State economic models with input from Moody's Analytics December 2023 projections and other major forecasting entities, including the Federal Reserve, EIA, CBO, IMF, The Conference Board and other private forecasting firms with whom we interact.

TABLE A
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
June 2022 through December 2023, Selected Variables, Calendar Year Basis

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Real GDP Growth									
June-22	2.9	2.3	-3.4	5.7	2.0	1.9	2.3	2.4	2.4
December-22	2.9	2.3	-2.8	5.9	1.9	1.0	1.7	2.6	2.8
June 2023	2.9	2.3	-2.8	5.9	2.1	1.5	1.3	2.5	2.7
December 2023	3.0	2.5	-2.2	5.8	1.9	2.4	1.6	1.8	2.1
S&P 500 Growth (Annual Avg.)									
June-22	12.1	6.1	10.5	32.6	-3.9	1.0	4.0	6.0	4.8
December-22	12.1	6.1	10.5	32.6	-4.1	-2.1	2.1	4.7	5.6
June 2023	12.1	6.1	10.5	32.6	-3.9	6.7	3.9	3.0	5.0
December 2023	12.1	6.1	10.5	32.6	-3.9	4.5	6.5	2.5	4.6
Employment Growth (Non-Ag)									
June-22	2.9	2.3	-3.4	5.7	2.7	1.4	2.3	2.5	2.6
December-22	1.6	1.3	-5.8	2.8	4.1	1.6	0.7	0.7	0.3
July 2023	1.6	1.3	-5.8	2.9	4.3	2.2	0.9	0.7	0.7
December 2022	1.6	1.3	-5.8	2.9	4.3	2.3	0.7	0.4	0.5
Unemployment Rate									
June-22	3.9	3.7	8.1	5.4	3.7	3.9	4.0	4.1	4.0
December-22	3.9	3.7	8.1	5.4	3.7	4.1	4.3	4.1	4.0
June 2023	3.9	3.7	8.1	5.4	3.6	3.8	4.3	4.5	4.4
December 2022	3.9	3.7	8.1	5.4	3.6	3.6	3.9	4.0	4.0
West Texas Int. Crude Oil \$/Bbl									
June-22	65	57	40	68	99	90	70	71	77
December-22	65	57	40	68	95	87	69	68	70
June 2023	65	57	40	68	94	76	79	81	81
December 2023	65	57	40	68	94	78	79	83	84
Prime Rate									
June-22	4.90	5.29	3.54	3.25	5.40	6.65	5.80	5.67	5.67
December-22	4.90	5.29	3.54	3.25	4.84	8.14	7.52	6.40	5.70
June 2023	4.90	5.29	3.54	3.25	4.85	8.09	7.57	6.33	5.67
December 2023	4.90	5.29	3.54	3.25	4.85	8.20	8.28	7.33	6.36
Consumer Price Index Growth									
June-22	2.4	1.8	1.2	4.7	7.4	3.8	2.7	2.6	2.5
December-22	2.4	1.8	1.2	4.7	8.0	5.0	3.0	2.4	2.3
June 2023	2.4	1.8	1.3	4.7	8.0	4.3	3.1	2.6	2.5
December 2023	2.4	1.8	1.3	4.7	8.0	4.1	3.0	2.6	2.5
Average Home Price Growth									
June-22	5.5	4.6	5.1	13.7	11.7	4.8	2.4	0.7	1.2
December-22	5.6	4.6	5.1	13.7	17.0	5.3	-1.1	-0.4	1.8
June 2023	5.5	4.6	5.2	13.7	17.0	4.9	-1.3	-2.1	0.4
December 2023	5.5	4.6	5.2	13.7	16.9	5.4	0.1	-1.6	0.4

TABLE B
Comparison of Consensus Administration and JFO Vermont State Forecasts
June 2021 through December 2023, Selected Variables, Calendar Year Basis

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Real GSP Growth									
June-21	0.9	0.8	-5.4	6.2	4.6	2.8	2.6	2.4	2.0
December-21	0.4	1.0	-4.2	4.4	4.2	3.0	2.8	2.6	2.3
June-22	0.4	1.0	-4.2	3.5	2.4	1.8	2.3	2.5	2.5
December-22	0.4	1.1	-2.9	5.1	2.7	0.5	1.5	2.5	2.6
June 2023	0.4	1.1	-2.9	5.1	2.8	1.6	1.2	2.1	2.5
December 2023	0.7	1.2	-2.7	4.8	2.2	1.5	1.1	1.2	1.8
Population Growth									
June-21	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.2
December-21	0.3	0.3	0.3	0.5	0.4	0.3	0.3	0.2	0.2
June-22	0.3	0.3	0.3	0.5	0.3	0.3	0.3	0.3	0.2
December-22	0.3	0.3	0.3	0.6	0.0	0.3	0.3	0.3	0.2
June 2023	0.1	0.0	-0.1	0.6	0.0	0.3	0.3	0.2	0.2
December 2023	0.1	0.0	-0.1	0.6	0.0	0.1	0.2	0.2	0.2
Employment Growth									
June-21	0.3	0.1	-9.4	2.7	3.8	1.8	0.9	0.6	0.6
December-21	0.3	0.1	-9.4	2.7	3.1	1.6	1.0	0.8	0.6
June-22	0.3	0.1	-9.3	2.4	2.8	1.3	1.0	1.1	0.8
December-22	0.3	0.1	-9.3	2.4	2.5	0.9	0.5	0.6	0.7
June 2023	0.3	0.1	-9.3	2.7	3.0	1.9	0.8	1.1	0.8
December 2023	0.3	0.1	-9.3	2.7	3.0	1.5	0.6	0.9	0.8
Unemployment Rate									
June-21	2.6	2.3	5.6	2.8	2.3	2.4	2.7	3.1	3.3
December-21	2.6	2.3	5.6	2.9	2.2	2.3	2.6	2.8	3.0
June-22	2.6	2.3	5.6	3.4	2.5	2.6	2.8	3.1	3.2
December-22	2.6	2.3	5.6	3.4	2.4	2.8	3.1	3.1	3.3
June 2023	2.5	2.1	5.7	3.7	2.6	2.7	3.1	3.2	3.3
December 2023	2.5	2.1	5.7	3.7	2.6	2.2	2.7	3.0	3.1
Personal Income Growth									
June-21	3.5	3.2	6.0	3.5	1.3	4.6	4.5	4.4	4.3
December-21	3.2	3.4	6.7	3.6	2.2	4.7	4.6	4.5	4.3
June-22	3.2	3.4	6.7	4.5	2.2	5.2	5.0	4.6	4.4
December-22	3.5	6.0	7.1	4.9	2.1	5.0	4.8	4.3	4.6
June 2023	3.5	6.0	7.1	4.9	2.4	5.6	5.2	4.5	4.2
December 2023	3.6	5.2	7.0	6.3	3.0	5.5	4.2	4.3	4.4
Average Home Price Growth									
June-21	3.1	3.6	5.2	8.7	10.2	8.9	6.6	3.7	0.3
December-21	3.0	3.8	5.1	13.3	13.5	8.7	3.8	0.4	0.2
June-22	3.0	3.7	5.1	14.0	13.4	5.6	2.6	1.9	2.2
December-22	3.1	3.7	5.1	14.1	17.8	5.9	1.4	-1.1	0.5
June 2023	3.0	3.7	5.1	14.0	18.2	6.7	0.3	-1.4	-0.3
December 2023	3.0	3.7	5.1	14.0	18.1	9.6	1.1	-1.5	-0.5

Methodological Notes and Other Comments

- This analysis has benefited significantly from the input and support of Tax Department and Joint Fiscal Office personnel. In the Joint Fiscal Office, Emily Byrne, Chris Rupe, Joyce Manchester, Pat Titterton, Ted Barnett, Nolan Langweil, Julia Richter and Sorsha Anderson have contributed to numerous policy and revenue impact analyses and coordinated JFO forecast production and related legislative committee support functions. They have also painstakingly organized and updated large tax and other databases in support of JFO revenue forecasting activities. In the Tax Department, Sharon Asay, Jennifer McNall, Ian Kimmel, Renae DiGregorio, Jake Feldman, and Rebecca Sameroff provided important data and analytic contributions to many tax and revenue forecasts, including tax law change analyses and statistical and related background information associated with the detailed tax databases they oversee. In the Treasurer's Office, Jeremiah Breer, Dan Currier, Scott Baker, John Booth, Gavin Boyles and State Treasurer, Mike Pieciak provided essential information in analyzing and forecasting interest income. In the Department of Liquor and Lottery, Commissioner Knight and supporting analysts provided important data and insights into Lottery issues affecting current and future revenues. In the Agency of Transportation, Diane Coles and Joel Collins provided both data and insights into Transportation Fund revenue categories. Our thanks to all of the above for their many contributions to this analysis.
- The analysis in support of JFO economic and revenue projections are based on statistical and econometric models, and professional analytic judgment. All models are based on 46 years of data for each of the 25 General Fund categories (three aggregates), 43 years of data for most of the Transportation Fund categories (one aggregate), and 24 to 45 years for each of the Education Fund categories. The analyses employed includes seasonal adjustment using U.S. Census Bureau X-13-ARIMA-SEATS and TRAMO-SEATS methods, various moving average techniques (such as Henderson Curves, etc.), Box-Jenkins ARIMA type models, pressure curve analysis, comparable-pattern analysis of monthly, quarterly and half year trends for current year estimation, and behavioral econometric forecasting models.
- Because the State does not currently fund an internal State or U.S. macro-economic model, this analysis relies primarily on semi-annual macroeconomic models from Moody's Analytics with consensus model adjustments made by JFO and Administration economists using a customized Moody's Vermont model prepared during the month preceding the revenue forecast. Dynamic and other input/output-based models for the State of Vermont, including those from Regional Economic Models, Inc. (REMI), Regional Dynamics, Inc. (REDYN), and IMPLAN are also maintained and managed by the JFO and KRA for use in selected economic impact and simulation analyses used herein.
- The Consensus JFO and Administration forecasts are developed following discussion, analysis and synthesis of independent revenue projections, econometric models and source data produced by Administration and Joint Fiscal Office economists.

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2024**

SOURCE G-FUND

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<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>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Personal Income	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1140.9	-5.7%	\$1134.7	-0.5%	\$1184.5	4.4%
Sales and Use ¹	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$596.6	2.1%	\$606.9	1.7%	\$623.9	2.8%
Corporate	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$241.5	-14.2%	\$229.2	-5.1%	\$238.2	3.9%
Meals and Rooms ²	\$163.6	-10.1%	\$143.8	-12.1%	\$216.8	50.8%	\$237.7	9.6%	\$239.4	0.7%	\$245.8	2.7%	\$254.3	3.5%
Liquor	\$21.6	0.8%	\$28.7	32.8%	\$30.1	5.0%	\$30.8	2.1%	\$31.2	1.3%	\$31.8	1.9%	\$32.4	1.9%
Insurance	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$70.2	2.0%	\$71.2	1.4%	\$72.7	2.1%
Telephone	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.2	-7.3%	\$2.1	-4.5%	\$2.0	-4.8%
Beverage	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$7.1	-2.2%	\$7.2	1.4%	\$7.3	1.4%
Estate	\$15.2	20.1%	\$26.9	77.5%	\$14.0	-48.0%	\$18.6	33.1%	\$22.4	20.2%	\$23.1	3.1%	\$24.0	3.9%
Property	\$42.3	2.9%	\$73.9	74.8%	\$77.7	5.1%	\$69.2	-10.9%	\$60.2	-13.0%	\$58.1	-3.5%	\$59.9	3.1%
Bank	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$17.9	0.7%	\$17.6	-1.7%	\$17.2	-2.3%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$16.3	142.4%	\$19.0	16.6%	\$20.4	7.4%
Other Tax	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$0.9	-35.7%	\$1.0	11.1%	\$1.1	10.0%
Total Tax Revenue	\$1829.7	3.8%	\$2068.5	13.1%	\$2468.2	19.3%	\$2536.1	2.7%	\$2446.8	-3.5%	\$2447.7	0.0%	\$2537.9	3.7%
Business Licenses	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$0.7	23.6%	\$0.8	14.3%	\$0.9	12.5%
Fees	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.1	-3.3%	\$44.2	0.2%	\$44.4	0.5%
Services	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$3.8	1.6%	\$3.6	-5.3%	\$3.7	2.8%
Fines	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.9	9.8%	\$3.1	6.9%	\$3.2	3.2%
Interest	\$4.1	-18.0%	\$0.9	-77.9%	\$2.6	185.2%	\$56.9	2102%	\$72.2	26.8%	\$55.5	-23.1%	\$37.2	-33.0%
Special Assessments	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Lottery	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$34.9	8.6%	\$35.7	2.3%	\$36.5	2.2%
All Other ³	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.8	-47.6%	\$0.9	12.5%	\$1.0	11.1%
Total Other Revenue	\$84.8	-9.7%	\$84.1	-0.8%	\$83.9	-0.2%	\$143.1	70.5%	\$159.4	11.4%	\$143.8	-9.8%	\$126.9	-11.8%
Healthcare Revenue⁴	\$284.7	3.0%	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$327.4	2.5%	\$337.5	3.1%	\$343.2	1.7%
TOTAL GENERAL FUND	\$2199.2	3.1%	\$2433.6	10.7%	\$2855.6	17.3%	\$2998.5	5.0%	\$2933.6	-2.2%	\$2929.0	-0.2%	\$3007.9	2.7%

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.

5) Includes Clean Water Fund redirect consisting of 6% of total M&R collections

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2024**

CURRENT LAW BASIS

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<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>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Personal Income	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1140.9	-5.7%	\$1134.7	-0.5%	\$1184.5	4.4%
Sales and Use ¹	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$241.5	-14.2%	\$229.2	-5.1%	\$238.2	3.9%
Meals and Rooms	\$116.1	-15.0%	\$99.2	-14.5%	\$149.6	50.8%	\$164.0	9.6%	\$165.2	0.7%	\$169.6	2.7%	\$175.5	3.5%
Liquor ⁶	\$3.6	-83.2%	\$4.8	32.8%	\$5.0	5.0%	\$5.1	2.1%	\$5.2	1.3%	\$5.3	1.9%	\$5.4	1.9%
Insurance	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$70.2	2.0%	\$71.2	1.4%	\$72.7	2.1%
Telephone	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.2	-7.3%	\$2.1	-4.5%	\$2.0	-4.8%
Beverage	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$7.1	-2.2%	\$7.2	1.4%	\$7.3	1.4%
Estate ³	\$15.2	20.1%	\$23.4	54.1%	\$14.0	-40.1%	\$18.6	33.1%	\$22.4	20.2%	\$23.1	3.1%	\$24.0	3.9%
Property	\$12.9	3.0%	\$23.1	79.6%	\$24.3	5.3%	\$21.6	-11.2%	\$18.7	-13.5%	\$18.0	-3.6%	\$18.6	3.2%
Bank	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$17.9	0.7%	\$17.6	-1.7%	\$17.2	-2.3%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$0.0	-100.0%	\$0.0	NM	\$20.4	NM
Other Tax	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$0.9	-35.7%	\$1.0	11.1%	\$1.1	10.0%
Total Tax Revenue	\$1302.3	2.0%	\$1438.1	10.4%	\$1777.4	23.6%	\$1805.1	1.6%	\$1692.1	-6.3%	\$1679.0	-0.8%	\$1766.8	5.2%
Business Licenses	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$0.7	23.6%	\$0.8	14.3%	\$0.9	12.5%
Fees	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.1	-3.3%	\$44.2	0.2%	\$44.4	0.5%
Services	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$3.8	1.6%	\$3.6	-5.3%	\$3.7	2.8%
Fines	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.9	9.8%	\$3.1	6.9%	\$3.2	3.2%
Interest	\$3.3	-24.5%	\$0.8	-75.5%	\$2.3	187.4%	\$51.2	2129%	\$64.9	26.9%	\$49.9	-23.1%	\$33.4	-33.1%
All Other ⁴	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.8	-47.6%	\$0.9	12.5%	\$1.0	11.1%
Total Other Revenue	\$57.2	-10.3%	\$51.5	-9.9%	\$52.9	2.6%	\$105.2	99.1%	\$117.2	11.4%	\$102.5	-12.5%	\$86.6	-15.5%
Healthcare Revenue⁵	\$280.9	3.1%	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$322.0	2.5%	\$332.0	3.1%	\$337.5	1.7%
TOTAL GENERAL FUND	\$1640.4	1.7%	\$1767.7	7.8%	\$2129.5	20.5%	\$2224.6	4.5%	\$2131.4	-4.2%	\$2113.5	-0.8%	\$2191.0	3.7%

- 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 - January 2024**

SOURCE HEALTHCARE¹

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<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>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.5%	\$72.3	-3.4%	\$71.4	-1.2%	\$70.4	-1.4%
Claims Assessment	\$20.7	5.7%	\$19.7	-4.7%	\$21.7	10.3%	\$23.0	5.7%	\$26.8	16.6%	\$27.5	2.5%	\$28.2	2.5%
Employer Assessment	\$20.2	2.4%	\$17.9	-11.4%	\$21.9	22.2%	\$24.9	13.9%	\$26.3	5.6%	\$28.3	7.6%	\$29.5	4.0%
Hospital Provider Tax	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$185.5	6.7%	\$193.8	4.5%	\$198.7	2.5%
Nursing Home Provider Tax	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.1%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.0	4.0%	\$2.0	0.0%	\$2.0	0.0%
TOTAL HEALTHCARE	\$284.7	3.0%	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$327.4	2.5%	\$337.5	3.1%	\$343.2	1.7%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2024**

CURRENT LAW BASIS

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<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>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.6%	\$72.3	-3.3%	\$71.4	-1.2%	\$70.4	-1.4%
Claims Assessment	\$16.9	7.8%	\$16.4	-3.0%	\$17.6	7.3%	\$18.0	2.6%	\$21.4	19.0%	\$22.0	2.5%	\$22.5	2.5%
Employer Assessment	\$20.2	2.4%	\$18.4	-9.2%	\$21.9	19.2%	\$24.9	13.9%	\$26.3	5.6%	\$28.3	7.6%	\$29.5	4.0%
Hospital Provider Tax	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$185.5	6.7%	\$193.8	4.5%	\$198.7	2.5%
Nursing Home Provider Tax	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.1%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.0	4.0%	\$2.0	0.0%	\$2.0	0.0%
TOTAL HEALTHCARE	\$280.9	3.1%	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$322.0	2.5%	\$332.0	3.1%	\$337.5	1.7%

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 - January 2024**

SOURCE T-FUND

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<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>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Gasoline	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.4	-3.3%	\$70.4	-1.4%	\$69.9	-0.7%
Diesel****	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.0%	\$17.7	-0.6%	\$17.8	0.6%
Purchase and Use*	\$105.4	-5.7%	\$134.1	27.2%	\$137.1	2.3%	\$142.2	3.7%	\$141.7	-0.3%	\$147.4	4.0%	\$152.6	3.5%
Motor Vehicle Fees	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$92.8	6.0%	\$103.8	11.9%	\$104.3	0.5%
Other Revenue**	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$22.9	7.1%	\$25.5	11.4%	\$26.1	2.4%
TOTAL TRANS. FUND	\$299.2	-6.0%	\$327.4	9.4%	\$333.5	1.9%	\$342.5	2.7%	\$346.6	1.2%	\$364.8	5.3%	\$370.7	1.6%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2024**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<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>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Gasoline	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.4	-3.3%	\$70.4	-1.4%	\$69.9	-0.7%
Diesel	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.0%	\$17.7	-0.6%	\$17.8	0.6%
Purchase and Use ¹	\$70.3	-5.7%	\$89.4	27.2%	\$91.4	2.3%	\$94.8	3.7%	\$94.5	-0.3%	\$98.3	4.0%	\$101.7	3.5%
Motor Vehicle Fees	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$92.8	6.0%	\$103.8	11.9%	\$104.3	0.5%
Other Revenue ²	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$22.9	7.1%	\$25.5	11.4%	\$26.1	2.4%
TOTAL TRANS. FUND	\$264.1	-6.0%	\$282.7	7.0%	\$287.8	1.8%	\$295.1	2.5%	\$299.4	1.4%	\$315.7	5.4%	\$319.8	1.3%

OTHER (TIB³)

TIB Gasoline	\$12.7	-12.8%	\$10.2	-19.5%	\$15.1	48.2%	\$20.1	32.6%	\$17.27	-14.0%	\$16.26	-5.8%	\$15.37	-5.5%
TIB Diesel and Other ⁴	\$2.0	-2.5%	\$1.9	-4.5%	\$1.9	1.7%	\$2.2	13.6%	\$1.93	-12.7%	\$1.92	-0.5%	\$1.92	0.0%
TOTAL OTHER (TIB)	\$14.7	-11.6%	\$12.1	-17.5%	\$17.1	40.8%	\$22.3	30.4%	\$19.2	-13.8%	\$18.2	-5.3%	\$17.3	-4.9%

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 - January 2024**

CURRENT LAW BASIS

Source General and Transportation
Fund taxes allocated to or associated
with the Education Fund only

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<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>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
GENERAL FUND														
Meals and Rooms	\$40.9	-10.1%	\$36.0	-12.1%	\$54.2	50.8%	\$59.4	9.6%	\$59.9	0.7%	\$61.5	2.7%	\$63.6	3.5%
Sales & Use ²	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$596.6	2.1%	\$606.9	1.7%	\$623.9	2.8%
Interest	\$0.8	23.9%	\$0.1	-87.1%	\$0.3	169.1%	\$5.8	1892%	\$7.3	26.4%	\$5.6	-23.3%	\$3.8	-32.1%
Lottery	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$34.9	8.6%	\$35.7	2.3%	\$36.5	2.2%
TRANSPORTATION FUND														
Purchase and Use ³	\$35.1	-5.7%	\$44.7	27.2%	\$45.7	2.3%	\$47.4	3.7%	\$47.2	-0.3%	\$49.1	4.0%	\$50.9	3.5%
TOTAL EDUCATION FUND	\$536.2	2.0%	\$620.9	15.8%	\$676.2	8.9%	\$728.77	7.8%	\$745.9	2.3%	\$758.8	1.7%	\$778.6	2.6%

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 100.0% beginning in FY19; Includes Cannabis Sales tax revenues beginning in FY23

3) Includes Motor Vehicle Rental revenues, restated

Appendix A

Five Year Revenue Forecast Tables

January 2024

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2024**

SOURCE G-FUND	<i>revenues are prior to all E-Fund allocations and other out-transfers; used for analytic and comparative purposes only</i>																				
	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	
	<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>(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>	<i>(Forecast)</i>	<i>Change</i>	
REVENUE SOURCE																					
Personal Income	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1140.9	-5.7%	\$1134.7	-0.5%	\$1184.5	4.4%	\$1245.8	5.2%	\$1307.2	4.9%	\$1360.8	4.1%	
Sales and Use ¹	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$596.6	2.1%	\$606.9	1.7%	\$623.9	2.8%	\$643.0	3.1%	\$663.4	3.2%	\$683.1	3.0%	
Corporate	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$241.5	-14.2%	\$229.2	-5.1%	\$238.2	3.9%	\$250.7	5.2%	\$262.3	4.6%	\$273.5	4.3%	
Meals and Rooms ²	\$163.6	-10.1%	\$143.8	-12.1%	\$216.8	50.8%	\$237.7	9.6%	\$239.4	0.7%	\$245.8	2.7%	\$254.3	3.5%	\$264.3	3.9%	\$274.6	3.9%	\$285.0	3.8%	
Liquor	\$21.6	0.8%	\$28.7	32.8%	\$30.1	5.0%	\$30.8	2.1%	\$31.2	1.3%	\$31.8	1.9%	\$32.4	1.9%	\$33.0	1.9%	\$33.6	1.8%	\$34.2	1.8%	
Insurance	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$70.2	2.0%	\$71.2	1.4%	\$72.7	2.1%	\$74.3	2.2%	\$75.9	2.2%	\$77.6	2.2%	
Telephone	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.2	-7.3%	\$2.1	-4.5%	\$2.0	-4.8%	\$1.9	-5.0%	\$1.8	-5.3%	\$1.7	-5.6%	
Beverage	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$7.1	-2.2%	\$7.2	1.4%	\$7.3	1.4%	\$7.4	1.4%	\$7.5	1.4%	\$7.6	1.3%	
Estate	\$15.2	20.1%	\$26.9	77.5%	\$14.0	-48.0%	\$18.6	33.1%	\$22.4	20.2%	\$23.1	3.1%	\$24.0	3.9%	\$24.9	3.7%	\$25.8	3.6%	\$26.7	3.5%	
Property	\$42.3	2.9%	\$73.9	74.8%	\$77.7	5.1%	\$69.2	-10.9%	\$60.2	-13.0%	\$58.1	-3.5%	\$59.9	3.1%	\$62.8	4.8%	\$66.1	5.3%	\$69.4	5.0%	
Bank	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$17.9	0.7%	\$17.6	-1.7%	\$17.2	-2.3%	\$16.9	-1.7%	\$17.1	1.2%	\$17.2	0.6%	
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$16.3	142.4%	\$19.0	16.6%	\$20.4	7.4%	\$21.2	3.9%	\$21.7	2.4%	\$22.2	2.3%	
Other Tax	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$0.9	-35.7%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%	\$1.4	7.7%	
Total Tax Revenue	\$1829.7	3.8%	\$2068.5	13.1%	\$2468.2	19.3%	\$2536.1	2.7%	\$2446.8	-3.5%	\$2447.7	0.0%	\$2537.9	3.7%	\$2647.4	4.3%	\$2758.3	4.2%	\$2860.4	3.7%	
Business Licenses	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$0.7	23.6%	\$0.8	14.3%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%	
Fees	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.1	-3.3%	\$44.2	0.2%	\$44.4	0.5%	\$45.1	1.6%	\$45.9	1.8%	\$46.8	2.0%	
Services	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$3.8	1.6%	\$3.6	-5.3%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%	\$4.0	2.6%	
Fines	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.9	9.8%	\$3.1	6.9%	\$3.2	3.2%	\$3.3	3.1%	\$3.4	3.0%	\$3.5	2.9%	
Interest	\$4.1	-18.0%	\$0.9	-77.9%	\$2.6	185.2%	\$56.9	2102%	\$72.2	26.8%	\$55.5	-23.1%	\$37.2	-33.0%	\$25.7	-30.9%	\$21.3	-17.1%	\$19.9	-6.6%	
Special Assessments	\$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	
Lottery	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$34.9	8.6%	\$35.7	2.3%	\$36.5	2.2%	\$37.3	2.2%	\$38.1	2.1%	\$38.9	2.1%	
All Other ³	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.8	-47.6%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%	
Total Other Revenue	\$84.8	-9.7%	\$84.1	-0.8%	\$83.9	-0.2%	\$143.1	70.5%	\$159.4	11.4%	\$143.8	-9.8%	\$126.9	-11.8%	\$117.3	-7.6%	\$114.9	-2.0%	\$115.6	0.6%	
Healthcare Revenue⁴	\$284.7	3.0%	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$327.4	2.5%	\$337.5	3.1%	\$343.2	1.7%	\$349.0	1.7%	\$355.3	1.8%	\$361.8	1.8%	
TOTAL GENERAL FUND	\$2199.2	3.1%	\$2433.6	10.7%	\$2855.6	17.3%	\$2998.5	5.0%	\$2933.6	-2.2%	\$2929.0	-0.2%	\$3007.9	2.7%	\$3113.7	3.5%	\$3228.4	3.7%	\$3337.8	3.4%	

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.
5) Includes Clean Water Fund redirect consisting of 6% of total M&R collections

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2024**

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	<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>(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>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																				
Personal Income	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1140.9	-5.7%	\$1134.7	-0.5%	\$1184.5	4.4%	\$1245.8	5.2%	\$1307.2	4.9%	\$1360.8	4.1%
Sales and Use ¹	\$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
Corporate	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$241.5	-14.2%	\$229.2	-5.1%	\$238.2	3.9%	\$250.7	5.2%	\$262.3	4.6%	\$273.5	4.3%
Meals and Rooms	\$116.1	-15.0%	\$99.2	-14.5%	\$149.6	50.8%	\$164.0	9.6%	\$165.2	0.7%	\$169.6	2.7%	\$175.5	3.5%	\$182.4	3.9%	\$189.5	3.9%	\$196.7	3.8%
Liquor ²	\$3.6	-83.2%	\$4.8	32.8%	\$5.0	5.0%	\$5.1	2.1%	\$5.2	1.3%	\$5.3	1.9%	\$5.4	1.9%	\$5.5	1.9%	\$5.6	1.8%	\$5.7	1.8%
Insurance	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$70.2	2.0%	\$71.2	1.4%	\$72.7	2.1%	\$74.3	2.2%	\$75.9	2.2%	\$77.6	2.2%
Telephone	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.2	-7.3%	\$2.1	-4.5%	\$2.0	-4.8%	\$1.9	-5.0%	\$1.8	-5.3%	\$1.7	-5.6%
Beverage	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$7.1	-2.2%	\$7.2	1.4%	\$7.3	1.4%	\$7.4	1.4%	\$7.5	1.4%	\$7.6	1.3%
Estate ³	\$15.2	20.1%	\$23.4	54.1%	\$14.0	-40.1%	\$18.6	33.1%	\$22.4	20.2%	\$23.1	3.1%	\$24.0	3.9%	\$24.9	3.7%	\$25.8	3.6%	\$26.7	3.5%
Property	\$12.9	3.0%	\$23.1	79.6%	\$24.3	5.3%	\$21.6	-11.2%	\$18.7	-13.5%	\$18.0	-3.6%	\$18.6	3.2%	\$19.5	5.1%	\$20.6	5.5%	\$21.6	5.2%
Bank	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$17.9	0.7%	\$17.6	-1.7%	\$17.2	-2.3%	\$16.9	-1.7%	\$17.1	1.2%	\$17.2	0.6%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$0.0	-100.0%	\$0.0	NM	\$20.4	NM	\$21.2	3.9%	\$21.7	2.4%	\$22.2	2.3%
Other Tax	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$0.9	-35.7%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%	\$1.4	7.7%
Total Tax Revenue	\$1302.3	2.0%	\$1438.1	10.4%	\$1777.4	23.6%	\$1805.1	1.6%	\$1692.1	-6.3%	\$1679.0	-0.8%	\$1766.8	5.2%	\$1851.7	4.8%	\$1936.2	4.6%	\$2012.7	3.9%
Business Licenses	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$0.7	23.6%	\$0.8	14.3%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%
Fees	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.1	-3.3%	\$44.2	0.2%	\$44.4	0.5%	\$45.1	1.6%	\$45.9	1.8%	\$46.8	2.0%
Services	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$3.8	1.6%	\$3.6	-5.3%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%	\$4.0	2.6%
Fines	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.9	9.8%	\$3.1	6.9%	\$3.2	3.2%	\$3.3	3.1%	\$3.4	3.0%	\$3.5	2.9%
Interest	\$3.3	-24.5%	\$0.8	-75.5%	\$2.3	187.4%	\$51.2	2129%	\$64.9	26.9%	\$49.9	-23.1%	\$33.4	-33.1%	\$23.1	-30.8%	\$19.1	-17.3%	\$17.9	-6.3%
All Other ⁴	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.8	-47.6%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%
Total Other Revenue	\$57.2	-10.3%	\$51.5	-9.9%	\$52.9	2.6%	\$105.2	99.1%	\$117.2	11.4%	\$102.5	-12.5%	\$86.6	-15.5%	\$77.4	-10.6%	\$74.6	-3.6%	\$74.7	0.1%
Healthcare Revenue⁵	\$280.9	3.1%	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$322.0	2.5%	\$332.0	3.1%	\$337.5	1.7%	\$343.3	1.7%	\$349.4	1.8%	\$355.7	1.8%
TOTAL GENERAL FUND	\$1640.4	1.7%	\$1767.7	7.8%	\$2129.5	20.5%	\$2224.6	4.5%	\$2131.4	-4.2%	\$2113.5	-0.8%	\$2191.0	3.7%	\$2272.3	3.7%	\$2360.2	3.9%	\$2443.1	3.5%

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 - January 2024**

SOURCE HEALTHCARE¹

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.5%	\$72.3	-3.4%	\$71.4	-1.2%	\$70.4	-1.4%	\$69.4	-1.4%	\$68.6	-1.2%	\$67.9	-1.0%
Claims Assessment	\$20.7	5.7%	\$19.7	-4.7%	\$21.7	10.3%	\$23.0	5.7%	\$26.8	16.6%	\$27.5	2.5%	\$28.2	2.5%	\$28.9	2.5%	\$29.6	2.5%	\$30.3	2.5%
Employer Assessment	\$20.2	2.4%	\$17.9	-11.4%	\$21.9	22.2%	\$24.9	13.9%	\$26.3	5.6%	\$28.3	7.6%	\$29.5	4.0%	\$30.7	4.0%	\$31.9	4.0%	\$33.2	4.0%
Hospital Provider Tax	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$185.5	6.7%	\$193.8	4.5%	\$198.7	2.5%	\$203.7	2.5%	\$208.8	2.5%	\$214.0	2.5%
Nursing Home Provider Tax	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.1%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.0	4.0%	\$2.0	0.0%	\$2.0	0.0%	\$2.0	0.0%	\$2.0	0.0%	\$2.0	0.0%
TOTAL HEALTHCARE	\$284.7	3.0%	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$327.4	2.5%	\$337.5	3.1%	\$343.2	1.7%	\$349.0	1.7%	\$355.3	1.8%	\$361.8	1.8%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2024**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.6%	\$72.3	-3.3%	\$71.4	-1.2%	\$70.4	-1.4%	\$69.4	-1.4%	\$68.6	-1.2%	\$67.9	-1.0%
Claims Assessment	\$16.9	7.8%	\$16.4	-3.0%	\$17.6	7.3%	\$18.0	2.6%	\$21.4	19.0%	\$22.0	2.5%	\$22.5	2.5%	\$23.1	2.5%	\$23.7	2.5%	\$24.3	2.5%
Employer Assessment	\$20.2	2.4%	\$18.4	-9.2%	\$21.9	19.2%	\$24.9	13.9%	\$26.3	5.6%	\$28.3	7.6%	\$29.5	4.0%	\$30.7	4.0%	\$31.9	4.0%	\$33.2	4.0%
Hospital Provider Tax	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$185.5	6.7%	\$193.8	4.5%	\$198.7	2.5%	\$203.7	2.5%	\$208.8	2.5%	\$214.0	2.5%
Nursing Home Provider Tax	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.1%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.0	4.0%	\$2.0	0.0%	\$2.0	0.0%	\$2.0	0.0%	\$2.0	0.0%	\$2.0	0.0%
TOTAL HEALTHCARE	\$280.9	3.1%	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$322.0	2.5%	\$332.0	3.1%	\$337.5	1.7%	\$343.3	1.7%	\$349.4	1.8%	\$355.7	1.8%

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 - January 2024**

SOURCE T-FUND

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	
	<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>(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>	<i>(Forecast)</i>	<i>Change</i>	
REVENUE SOURCE																					
Gasoline	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.4	-3.3%	\$70.4	-1.4%	\$69.9	-0.7%	\$69.4	-0.7%	\$68.6	-1.2%	\$67.7	-1.3%	
Diesel****	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.0%	\$17.7	-0.6%	\$17.8	0.6%	\$17.7	-0.6%	\$17.6	-0.6%	\$17.5	-0.6%	
Purchase and Use*	\$105.4	-5.7%	\$134.1	27.2%	\$137.1	2.3%	\$142.2	3.7%	\$141.7	-0.3%	\$147.4	4.0%	\$152.6	3.5%	\$158.9	4.1%	\$166.1	4.5%	\$171.4	3.2%	
Motor Vehicle Fees	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$92.8	6.0%	\$103.8	11.9%	\$104.3	0.5%	\$105.1	0.8%	\$105.8	0.7%	\$106.4	0.6%	
Other Revenue**	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$22.9	7.1%	\$25.5	11.4%	\$26.1	2.4%	\$26.8	2.7%	\$27.5	2.6%	\$28.2	2.5%	
TOTAL TRANS. FUND	\$299.2	-6.0%	\$327.4	9.4%	\$333.5	1.9%	\$342.5	2.7%	\$346.6	1.2%	\$364.8	5.3%	\$370.7	1.6%	\$377.9	1.9%	\$385.6	2.0%	\$391.2	1.5%	

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2024**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%	
	<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>(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>	<i>(Forecast)</i>	<i>Change</i>	
REVENUE SOURCE																					
Gasoline	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.4	-3.3%	\$70.4	-1.4%	\$69.9	-0.7%	\$69.4	-0.7%	\$68.6	-1.2%	\$67.7	-1.3%	
Diesel	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.0%	\$17.7	-0.6%	\$17.8	0.6%	\$17.7	-0.6%	\$17.6	-0.6%	\$17.5	-0.6%	
Purchase and Use ¹	\$70.3	-5.7%	\$89.4	27.2%	\$91.4	2.3%	\$94.8	3.7%	\$94.5	-0.3%	\$98.3	4.0%	\$101.7	3.5%	\$105.9	4.1%	\$110.7	4.5%	\$114.3	3.2%	
Motor Vehicle Fees	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$92.8	6.0%	\$103.8	11.9%	\$104.3	0.5%	\$105.1	0.8%	\$105.8	0.7%	\$106.4	0.6%	
Other Revenue ²	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$22.9	7.1%	\$25.5	11.4%	\$26.1	2.4%	\$26.8	2.7%	\$27.5	2.6%	\$28.2	2.5%	
TOTAL TRANS. FUND	\$264.1	-6.0%	\$282.7	7.0%	\$287.8	1.8%	\$295.1	2.5%	\$299.4	1.4%	\$315.7	5.4%	\$319.8	1.3%	\$324.9	1.6%	\$330.2	1.6%	\$334.1	1.2%	

OTHER (TIB³)

TIB Gasoline	\$12.7	-12.8%	\$10.2	-19.5%	\$15.1	48.2%	\$20.1	32.6%	\$17.27	-14.0%	\$16.26	-5.8%	\$15.37	-5.5%	\$15.27	-0.7%	\$15.30	0.2%	\$15.39	0.6%	
TIB Diesel and Other ⁴	\$2.0	-2.5%	\$1.9	-4.5%	\$1.9	1.7%	\$2.2	13.6%	\$1.93	-12.7%	\$1.92	-0.5%	\$1.92	0.0%	\$1.91	-0.5%	\$1.90	-0.5%	\$1.89	-0.5%	
TOTAL OTHER (TIB)	\$14.7	-11.6%	\$12.1	-17.5%	\$17.1	40.8%	\$22.3	30.4%	\$19.2	-13.8%	\$18.2	-5.3%	\$17.3	-4.9%	\$17.2	-0.6%	\$17.2	0.1%	\$17.3	0.5%	

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 - January 2024**

CURRENT LAW BASIS

Source General and Transportation
Fund taxes allocated to or associated
with the Education Fund only

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	<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>(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>	<i>(Forecast)</i>	<i>Change</i>
GENERAL FUND																				
Meals and Rooms	\$40.9	-10.1%	\$36.0	-12.1%	\$54.2	50.8%	\$59.4	9.6%	\$59.9	0.7%	\$61.5	2.7%	\$63.6	3.5%	\$66.1	3.9%	\$68.7	3.9%	\$71.3	3.8%
Sales & Use ²	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$596.6	2.1%	\$606.9	1.7%	\$623.9	2.8%	\$643.0	3.1%	\$663.4	3.2%	\$683.1	3.0%
Interest	\$0.8	23.9%	\$0.1	-87.1%	\$0.3	169.1%	\$5.8	1892%	\$7.3	26.4%	\$5.6	-23.3%	\$3.8	-32.1%	\$2.6	-31.6%	\$2.2	-15.4%	\$2.0	-9.1%
Lottery	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$34.9	8.6%	\$35.7	2.3%	\$36.5	2.2%	\$37.3	2.2%	\$38.1	2.1%	\$38.9	2.1%
TRANSPORTATION FUND																				
Purchase and Use ³	\$35.1	-5.7%	\$44.7	27.2%	\$45.7	2.3%	\$47.4	3.7%	\$47.2	-0.3%	\$49.1	4.0%	\$50.9	3.5%	\$53.0	4.1%	\$55.4	4.5%	\$57.1	3.2%
TOTAL EDUCATION FUND	\$536.2	2.0%	\$620.9	15.8%	\$676.2	8.9%	\$728.77	7.8%	\$745.9	2.3%	\$758.8	1.7%	\$778.6	2.6%	\$801.9	3.0%	\$827.7	3.2%	\$852.4	3.0%

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 100.0% beginning in FY19; Includes Cannabis Sales tax revenues beginning in FY23

3) Includes Motor Vehicle Rental revenues, restated

Recommended Net Revenue Changes from July 2023 Forecast - Current Law Basis

