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Andrew A. Pallito, Commissioner

MEMORANDUM

TO: Mitzi Johnson, Chair, House Committee on Appropriations
Jane Kitchel, Chair, Senate Committee on Appropriations

FROM: Andrew Pallito, Commissioner, Department of Finance and Management

DATE: January 19, 2016

RE: SFY 2016 Revenue Downgrade Mitigation Plan



As you are aware, at today's Emergency Board meeting, the adopted general fund revenue forecast results in decrease in available SFY 2016 general fund revenues of \$4.8 million. This has an impact on the SFY 2016 Governor's Proposed Budget Adjustment.

Attached you will find our recommendation to address this downgrade and bring the SFY 2016 Budget Adjustment back into balance.

If you have any questions or concerns, please do not hesitate to contact me.

C: Steve Klein, Chief Fiscal Officer, Joint Fiscal Office
Stephanie Barrett, Associate Fiscal Officer, Joint Fiscal Office
Maria Belliveau, Associate Fiscal Officer, Joint Fiscal Office
Emily Byrne, Budget Director, Finance & Management



Administration FY 2016 General Fund Revenue Downgrade Plan

General Fund Revenue Downgrade - January 19, 2016	(4.80)
Property Transfer Tax Decrease	(0.13)
Cigarette Tax Increase	1.71
Balance	(3.22)
Additional General Fund (Direct App from the Office of the State Auditor, additional funds from the Labor Savings exercise)	0.08
Transfer the remaining balance Vermont Enterprise Fund	0.42
Reduce Available BAA funds for the Medicaid 53rd week to \$0	1.74
Balance	(0.98)
Delay DCF Positions to a start date to July 1, 2016	0.31
Reduce Executive Branch Pay Act Funds	0.67
Balance	0.00

This Plan:

- 1) Maintains Current Rainy Day Fund Balance
- 2) Removes any funding for the Medicaid 53rd Week, we will fully address this issue in the SFY 2017 Governor's Proposed Budget
- 3) Brings the balance in the Vermont Enterprise Fund, after current commitments to \$0