



Kavet, Rockler & Associates, LLC
Economic and Public Policy Consulting

985 Grandview Road
Williamstown, Vermont 05679-9003 U.S.A.
Telephone: 802-433-1360
Facsimile: 866-433-1360
Cellular: 802-433-1111
E-Mail: tek@kavet.net
Website: www.kavetrockler.com

January 2016 Economic Review and Revenue Forecast Update

Prepared for the
State of Vermont
Emergency Board and
Legislative Joint Fiscal Office

January 19, 2016

Economic Review and Revenue Forecast Update

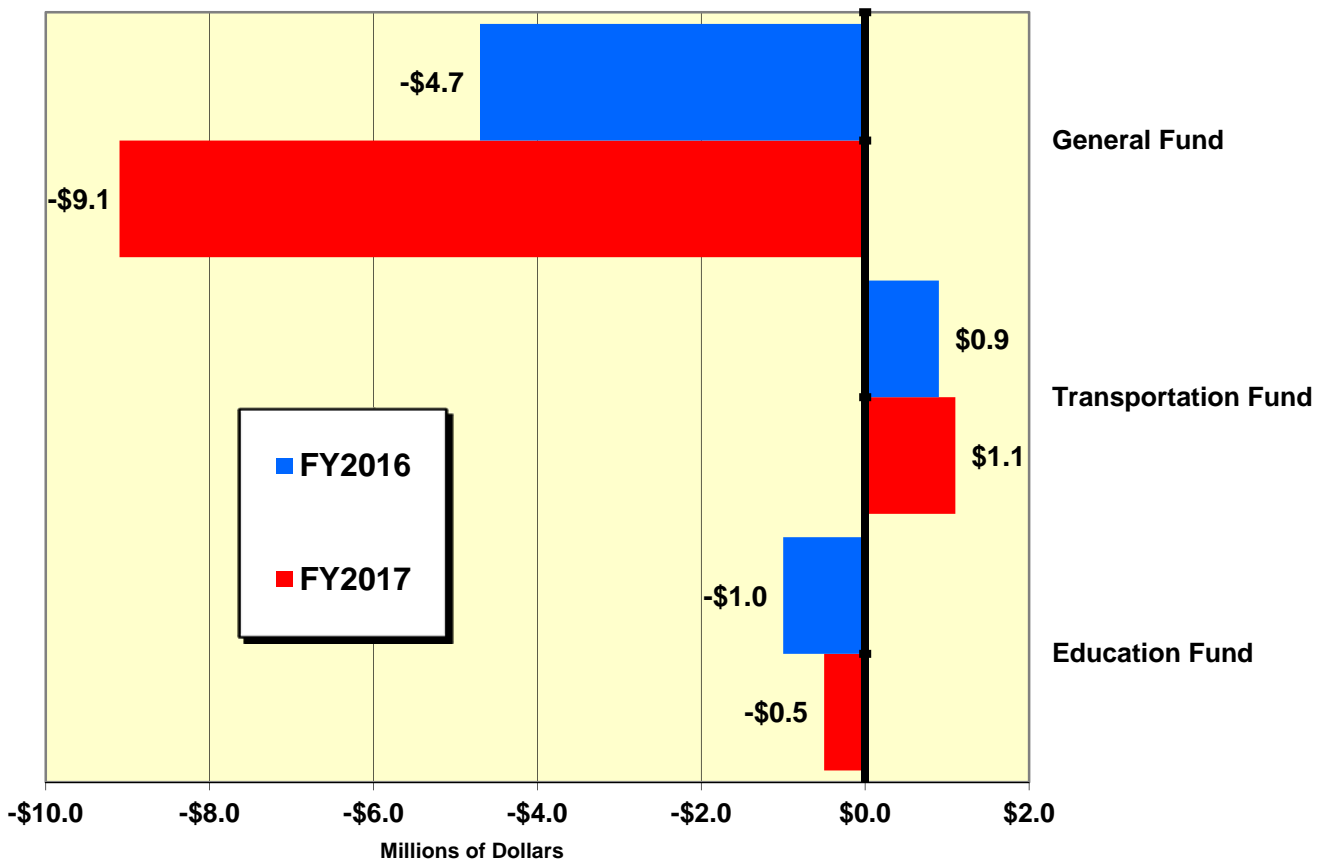
January 2016

Overview

Total State revenues have tracked exceptionally close to targets through the first half of FY16, but continued macroeconomic headwinds and technical revenue issues will result in very slight negative adjustments to General and Education Fund revenues, and comparably minor increases in Transportation Fund revenues, in FY16 and beyond. Although current revenues across all three funds through December were 0.18% above prior July projections, total forecast adjustments recommended herein are slightly negative, due to a poor start to the winter tourism season, continued global economic sluggishness, slightly lower than expected yields from new taxes and assorted technical issues associated with individual revenue categories.

Across the three funds, the total revenue forecast recommendation is a mere 0.25% below prior July forecasts for FY16 and 0.44% below FY17. Minor Transportation Fund increases over the forecast period reflect slightly higher gasoline and diesel consumption as a result of lower prices and higher revenue from newer car purchases and associated registration revenues.

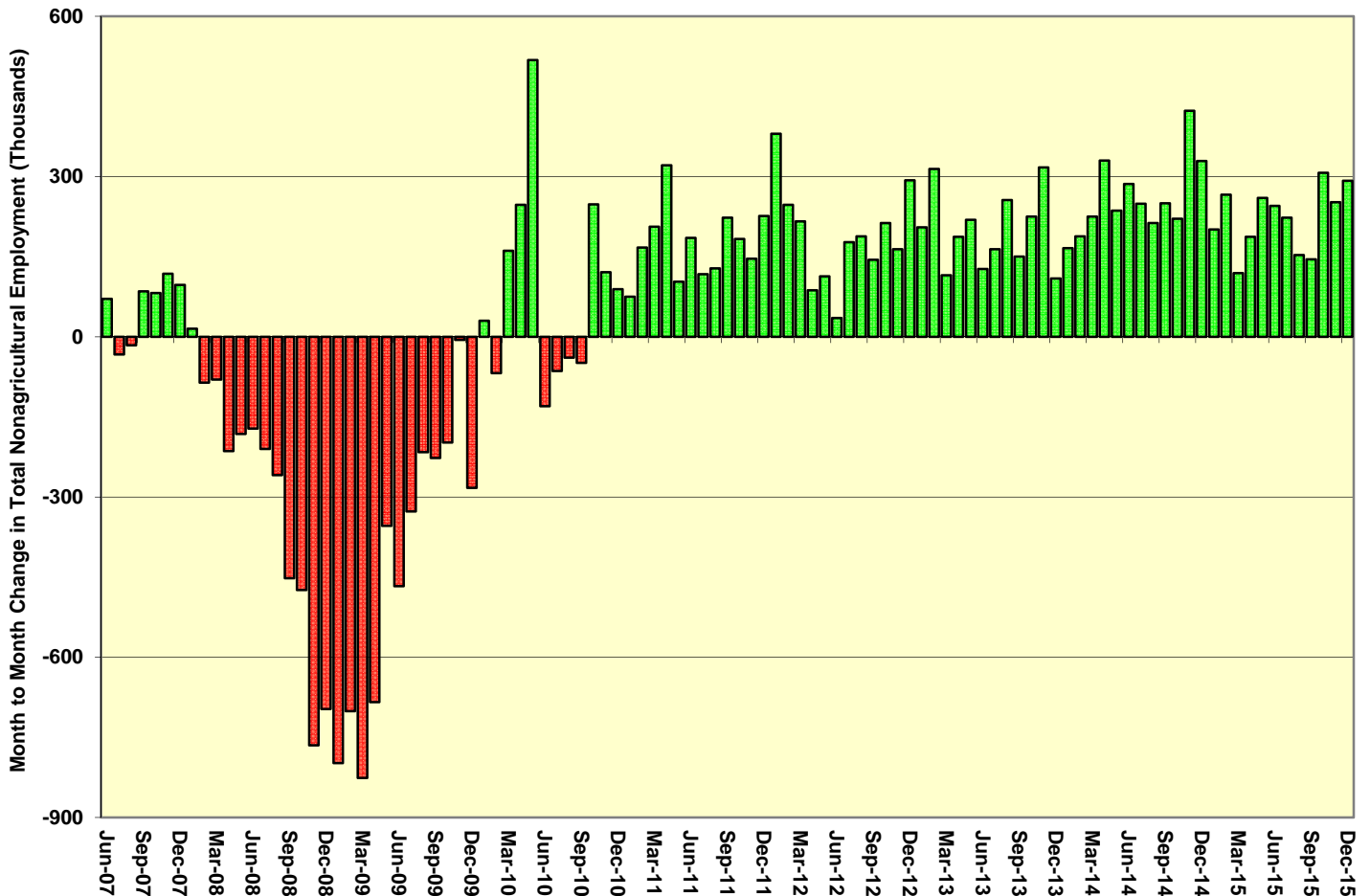
Recommended Net Revenue Changes from July 2015 Forecast



January 2016 Economic and Revenue Forecast Commentary

- Slow and steady, U.S. economic growth in this recovery is beginning to make up in duration what it has lacked in both vigor and speed. Now in its 78th month, the current expansion is among the longer expansionary periods in business cycle history (see chart on next page). As job growth has mounted with gains over the last 63 consecutive months, more than 13 million jobs have been created, the U.S. unemployment rate has been pushed to 5%, and broader wage and income gains are finally in sight.

After 63 Consecutive Months, 13.6M Jobs Underpin a Strengthening Economy
(Monthly Change in Total Payroll Employment, Seasonally-Adjusted, Source: U.S. Bureau of Labor Statistics)

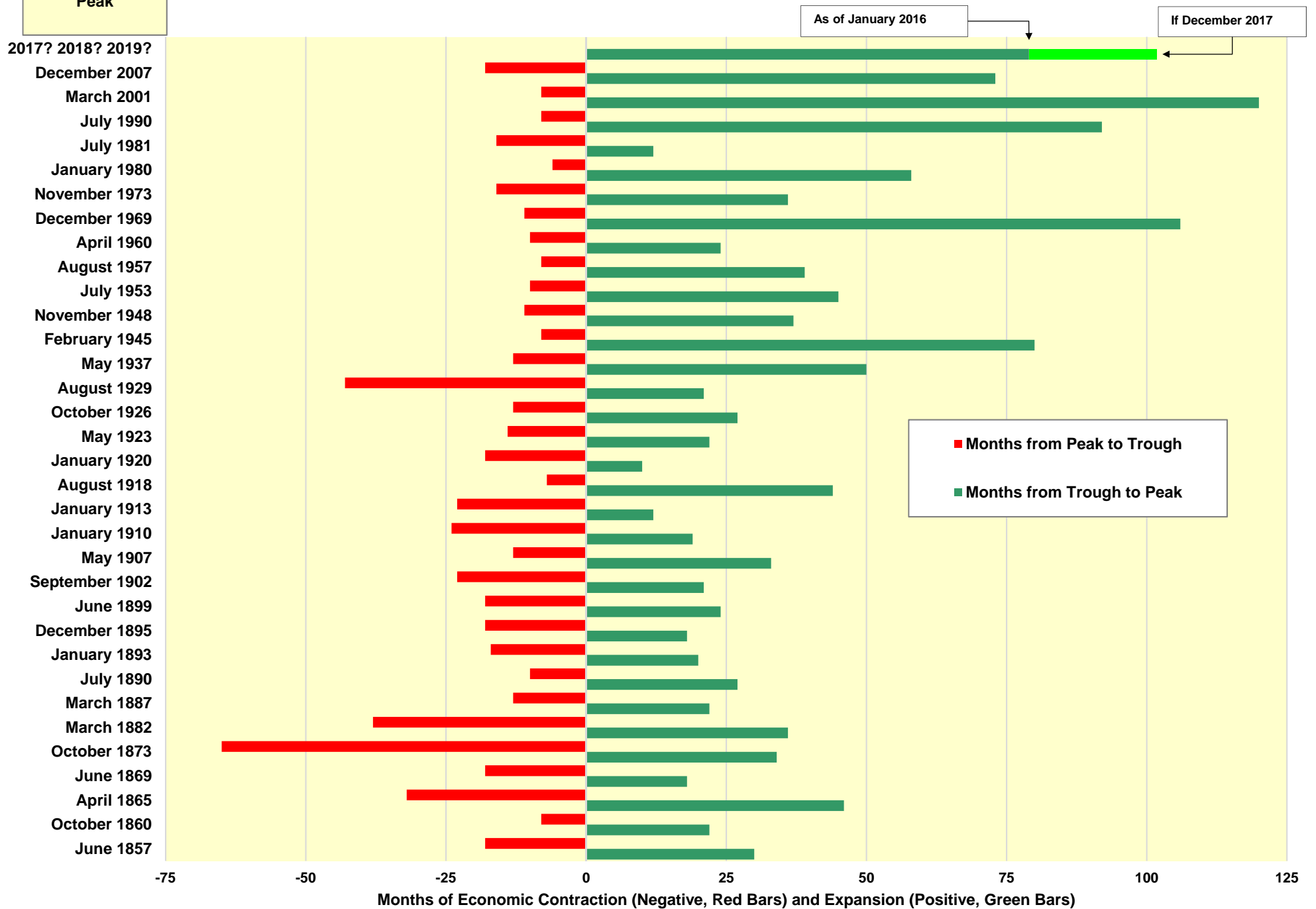


- Vermont job growth in November also showed renewed strength, with total nonagricultural payroll employment reaching 316,500, a new high, 21,600 jobs above the recessionary low posted in July of 2009. In November (the latest data available), the State had the 10th lowest unemployment rate in the country, at 3.7%, and was second only to New Hampshire, at 3.2%, in the region and among any state east of Iowa. Initial claims for unemployment insurance in Vermont recently dropped to their lowest level in more than 25 years (on a 3 month moving average basis), portending further labor market tightening ahead.

The Current Economic Expansion Could End Up Being Among the Longest

(Source: National Bureau of Economic Research)

Month of Business Cycle Peak



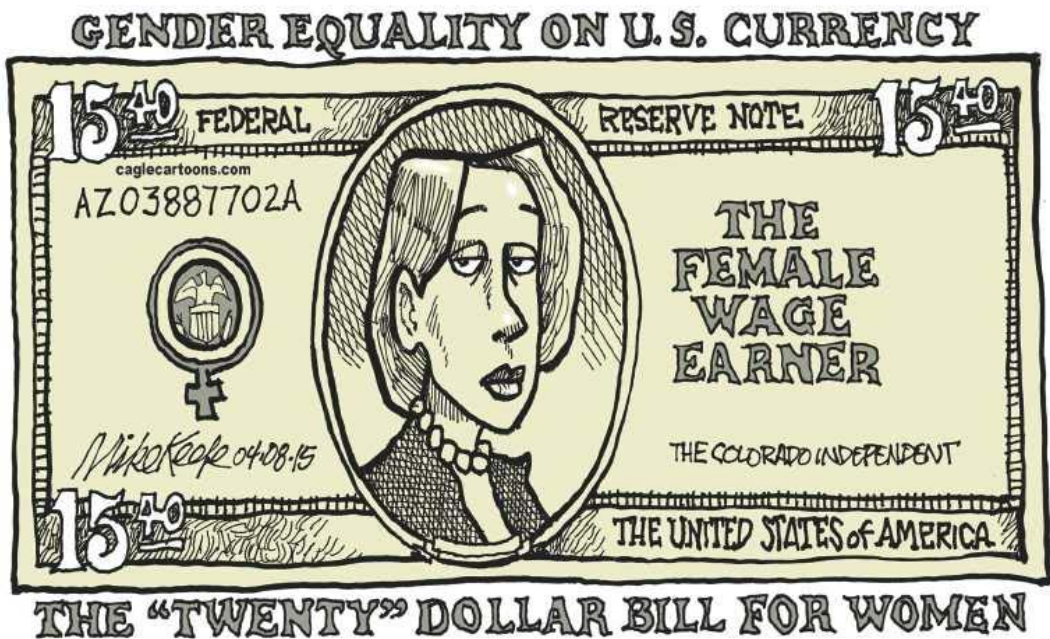
- Men and women were affected differently by labor market changes during the recent recession. While men were far more likely to lose their jobs, working women suffered greater pay and income reductions. As a result, the earnings ratio between women and men, also called the “gender pay gap,” which had risen steadily from about 60% in 1980 to about 78% in 2007, sank to about 76% in 2012. In 2013 and 2014, however, the longer-term trend towards pay equality resumed, with the pay gap reaching a record 78.6% in 2014.

Median Annual Earnings and Earnings Ratio for Full-Time, Year-Round Workers, Ages 16 and Older, by New England State and Gender, 2014

	<i>Earnings</i>		
	<i>Men</i>	<i>Women</i>	<i>Ratio</i>
Vermont	\$46,911	\$39,322	83.8%
Connecticut	\$61,385	\$50,706	82.6%
Massachusetts	\$61,611	\$50,459	81.9%
Rhode Island	\$50,765	\$41,469	81.7%
Maine	\$45,784	\$36,137	78.9%
New Hampshire	\$55,617	\$42,052	75.6%
U.S.	\$50,383	\$39,621	78.6%

(Source: U.S. Census Bureau)

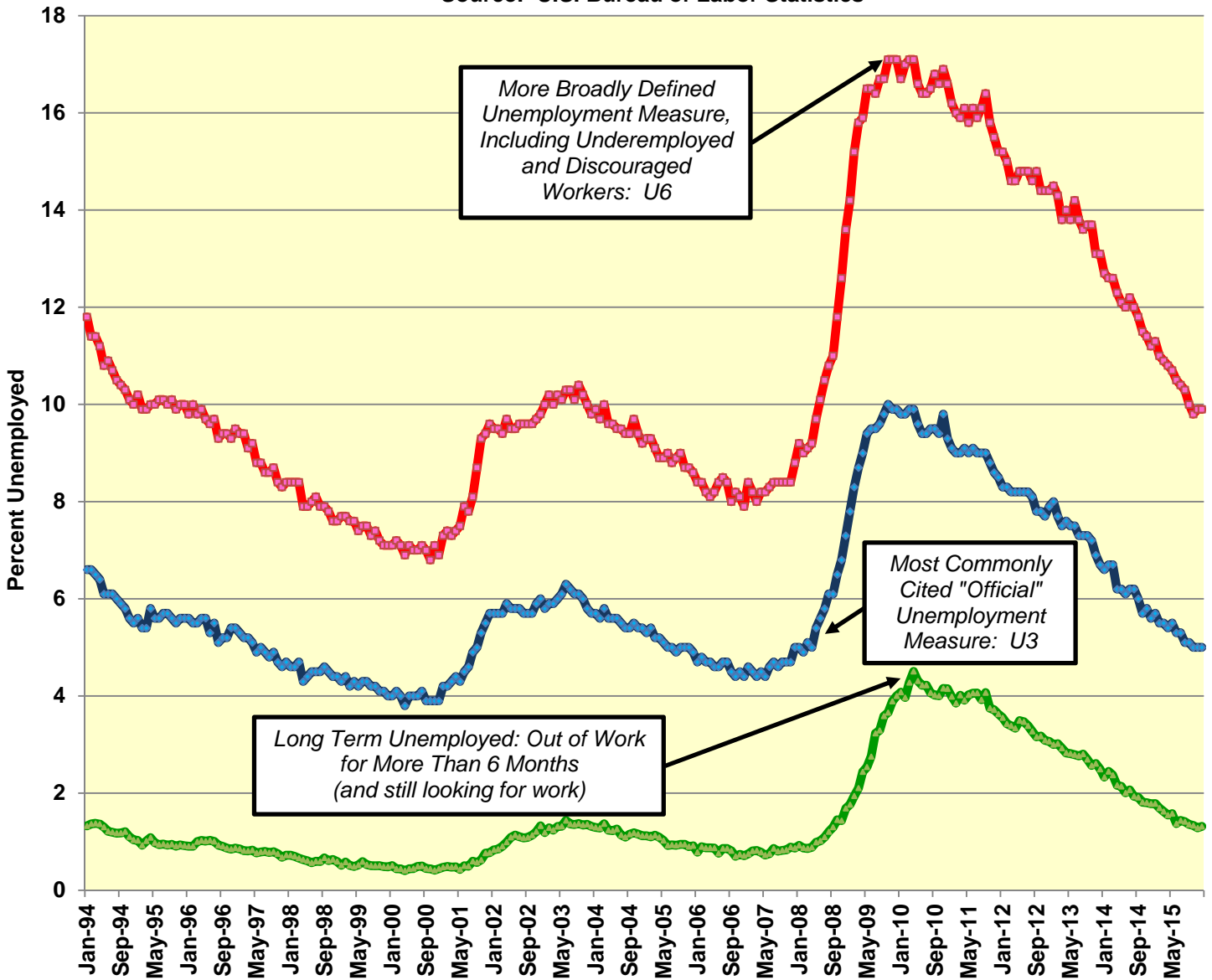
- Among the New England states, Vermont has the highest female to male earnings ratio and the 10th highest in the U.S.. These ratios tend to be positively correlated with minimum wages, with the top three NE states all at or close to \$10/hour in 2016 and the lowest two at or close to the U.S. minimum of \$7.25.



- Although chronic unemployment is reflected in a still elevated share of long-term unemployed workers, almost every measure of unemployment has improved in the last year. The most commonly referenced U.S. unemployment rate (U3) has dropped to 5%, while more expansive measures, such as U6, which include underemployed and discouraged workers, has declined from a high of 17.1% in April of 2010 to a current rate of 9.9%.

More Inclusive U.S. Unemployment Measures Depict Improvement, as Steady Job Growth Firms Labor Markets

Source: U.S. Bureau of Labor Statistics

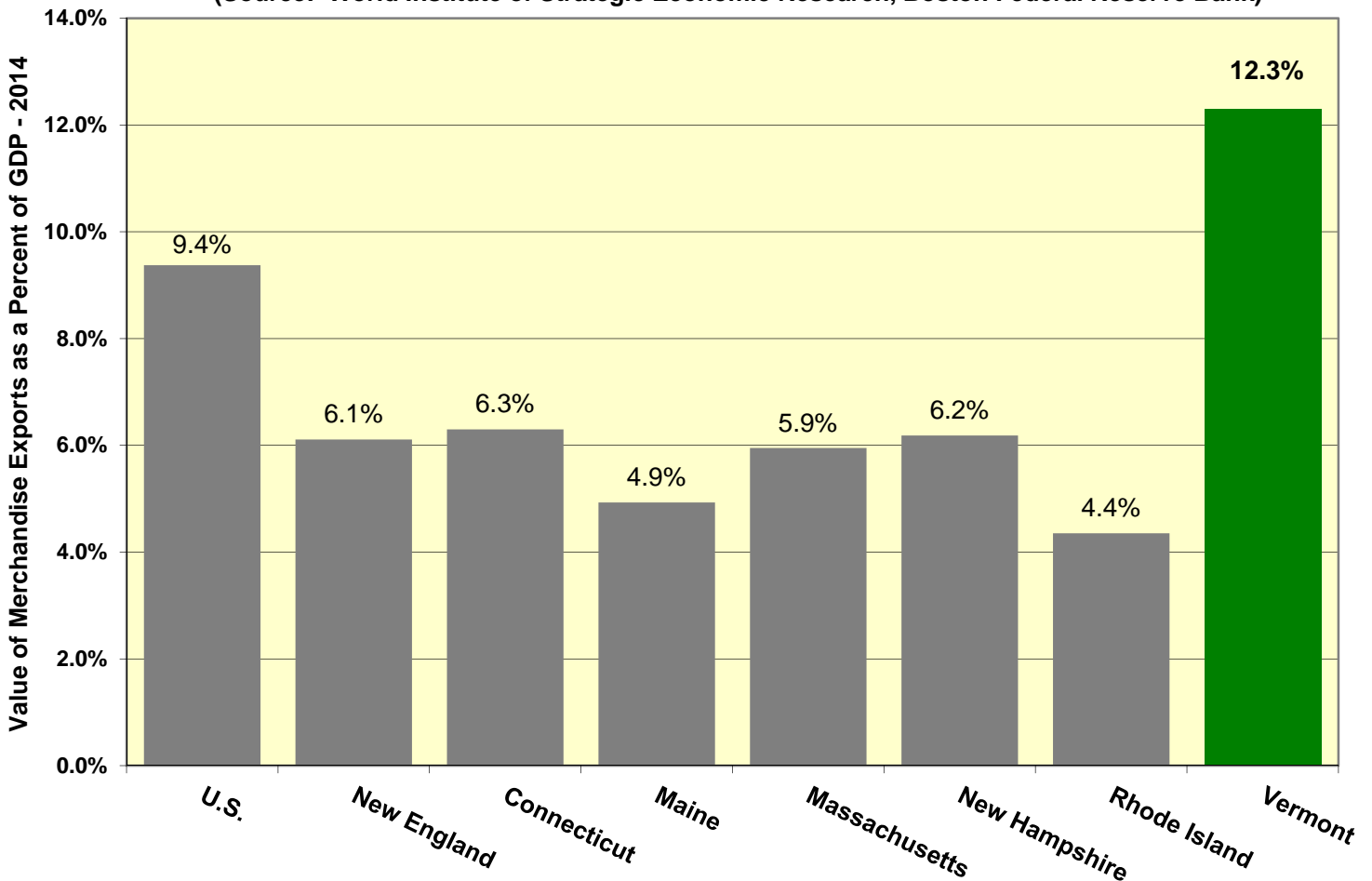


- Despite gradual improvement in labor markets, real wage and income growth has remained flat or negative for lower income groups, with virtually all recent gains in income accruing to the highest income quintile. Since 1980, the richest 5% of all U.S. households experienced real income growth of 74.8%, while the average real income of the bottom 20% declined 1.0%. Over this same period, the ratio of the average income of the top 5%, at \$332,347, to the bottom 20%,

at \$11,676, has grown from a factor of about 16 to more than 28. Detailed Tax Department statistics for 2014 income in Vermont have yet to be released, but are likely to show a continuation of the long term trend of ever-increasing income concentration in the top quintile and above in the State as well.

- As illustrated in the chart on the next page, real estate markets in Vermont and throughout the U.S. continue to improve. For the sixth consecutive quarter, housing prices increased on a year over year basis in every U.S. state. Through the third quarter of 2015 (the latest currently available), 19 states equaled or exceeded their pre-recession peak levels (ND, DC, TX, CO, SD, NE, AK, IA, OK, LA, WY, KY, KS, MT, TN, WV, IN, HI and AR).

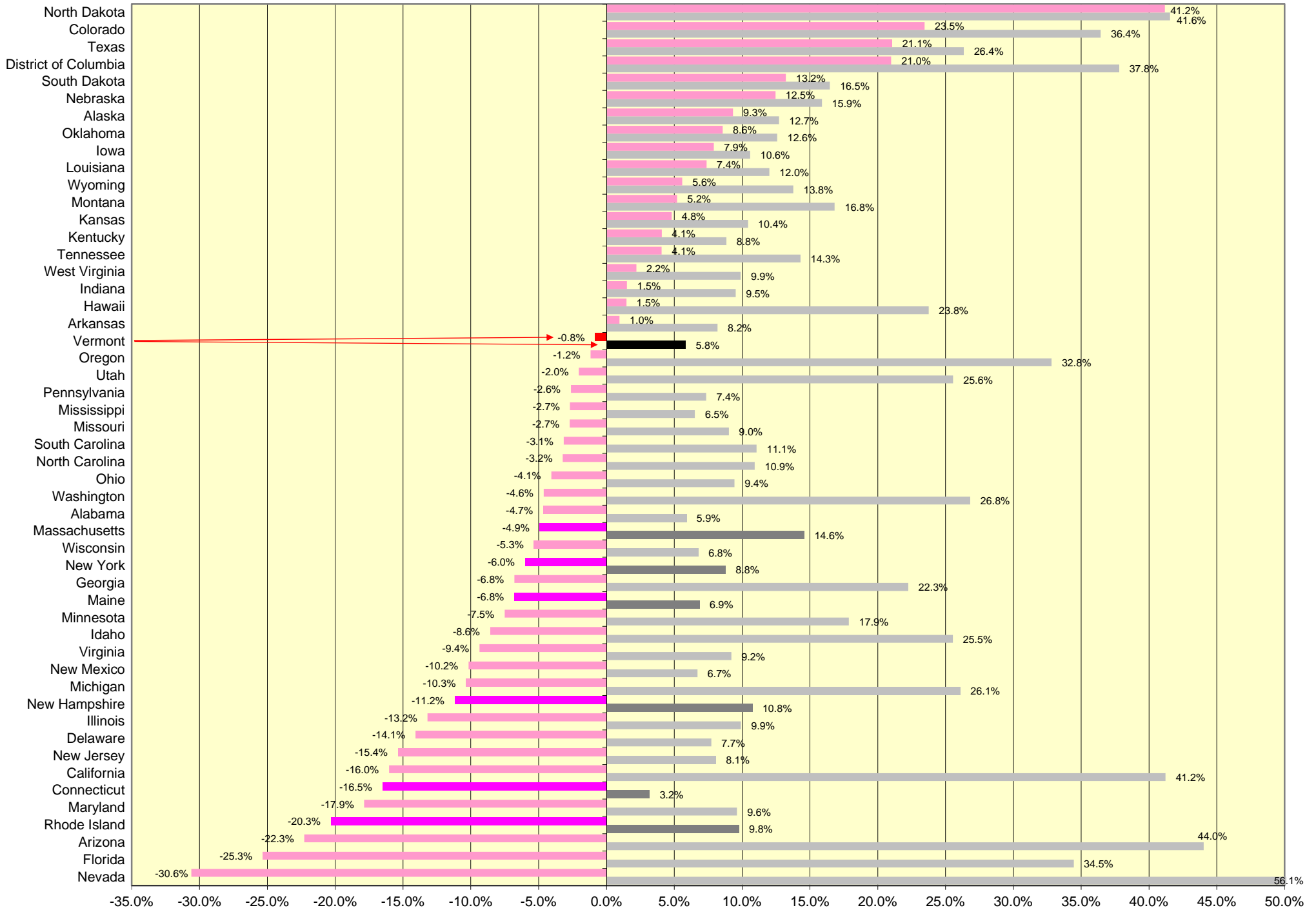
Exports Are More Important to the Vermont Economy Than to Most States
Merchandise Exports as a Percentage of Gross Domestic Product - 2014
 (Source: World Institute of Strategic Economic Research, Boston Federal Reserve Bank)



- As the U.S. dollar has rapidly appreciated against most major currencies, U.S. exporters have suffered. With a relatively high reliance on international exports, particularly to Canada, Vermont is especially sensitive to such currency fluctuations. In the face of the appreciating U.S. dollar over the past two years, the value of international exports as a share of the Vermont economy has dropped from 15.2% to 12.3%.

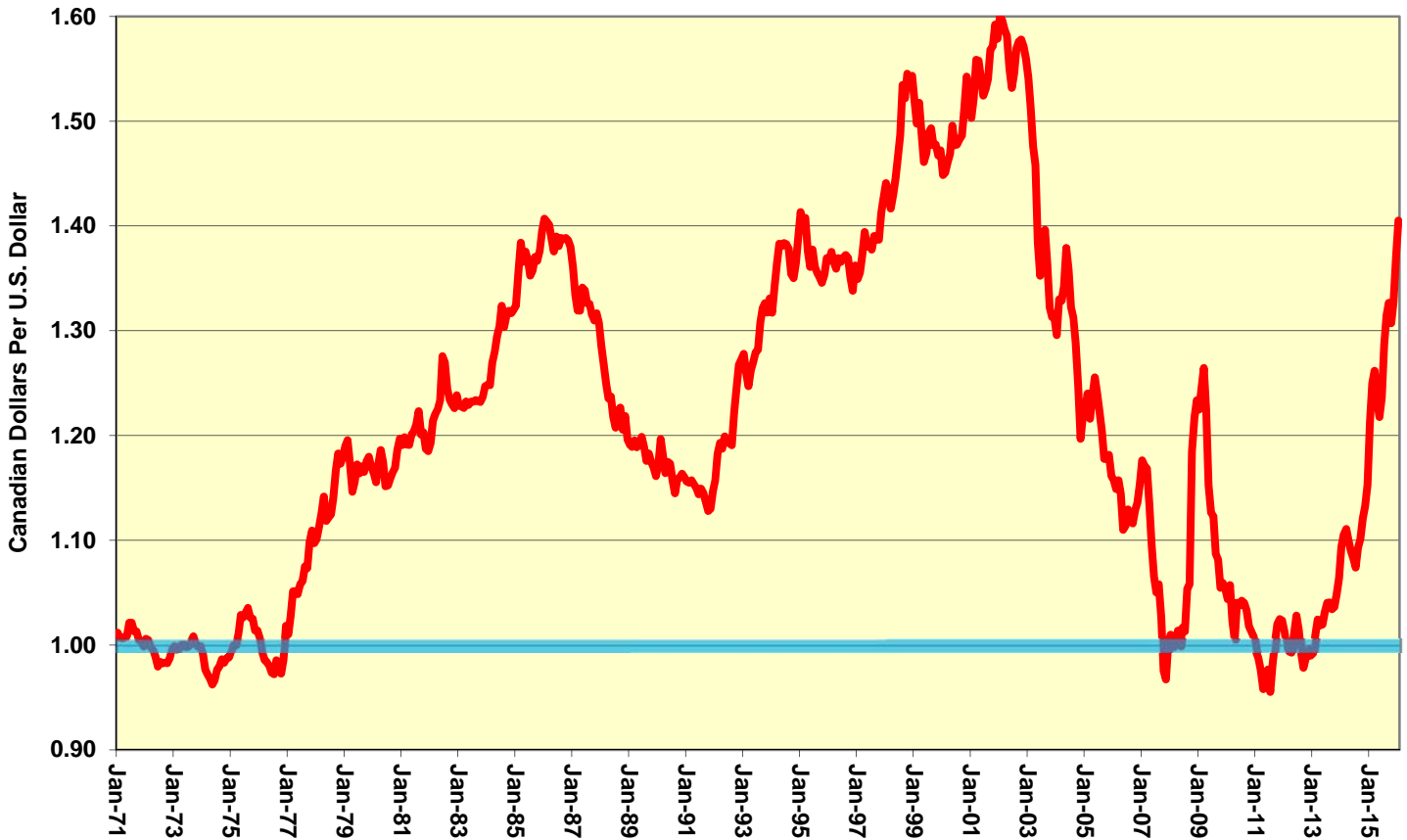
Real Estate Update: Housing Values Relative to Last Peak (pink) and Trough (grey)

Percent Change, 2015Q3 vs. Peak Price by State Reached Between 2005Q3 and 2009Q2 - Pink and 2015Q3 vs. Trough Price Reached Between 2009Q3 and 2015Q3 - Grey
 Source: FHFA H



The U.S. Dollar Appreciates More Than 40% Against the Loonie Since 2013

Source: Board of Governors of the Federal Reserve System



- Despite significant economic vulnerabilities - most notably, widespread global economic weakness, led by China, and an aging business cycle expansion - major imbalances that could lead to a U.S. recession in 2016 are not evident.



- The dismal start to the important winter ski season has dampened prospects for FY16 Meals and Rooms receipts as well as Sales & Use and other tourism-affected tax sources. December snowfall was virtually non-existent and unseasonably warm weather limited snow-making, resulting in a depressed initial holiday tourism period. Extensive news coverage of the brown 2015 Christmas season, similarly warm weather in major population areas to the south, and good conditions at many western ski areas, also limited early ski area visitation in Vermont. Although the season is not over, and could rapidly improve with a storm or two, FY16 revenue for Meals & Rooms is likely to slide by more than \$2 million as a result of the slow start. Despite additional natural snowfall at higher altitudes and cold weather over the MLK holiday, the average base depth at Vermont's 17 largest ski areas was only 10-24 inches and about 40% of the trails remained closed as of this writing.¹
- Corporate tax revenues soared in the first quarter of FY16 and, despite higher than expected refunding in the second, closed about \$6M above targets. Due to the changing corporate mix of companies in Vermont, and slowing U.S. corporate profits as the business cycle ages, this volatile revenue source is expected to drop at least 25% over the next several years, before stabilizing at about \$90-\$100M in FY18.
- Personal income tax revenues in FY15 were very close to target through the first six months of FY16 (-\$1.0M), but will need a record April tax season to meet FY16 expectations. With about \$25 million in additional FY16 (and beyond) revenues from tax law changes enacted during the 2015 legislative session, total revenues are expected to top \$760M in FY16. Tax rate and other changes, such as those enacted, however, introduce considerable uncertainty into forecasts, until revenue experience from actual receipts associated with implementation become available.
- Telephone Property tax revenue is now expected to drop from \$7.2M in FY15 to \$3.1M in FY16, due to prior overpayments connected to changes in property valuation methods. As it appears the Tax Department has accepted these changes in assessed valuations, FY17 revenues should rebound to about \$6.5M and gradually decline thereafter.
- The billion dollar Powerball jackpot this month stimulated about \$1M in State Lottery sales, resulting in an FY16 revenue upgrade of about \$0.4M.
- Bank Franchise tax receipts continue to suffer from mounting credits and flat or declining deposits in recent quarters. With multiple options for on-line and other electronic banking outside of the state, and proliferating credits, bank receipts are now estimated to be approximately \$0.5M per year lower over most of the forecast period.
- General Fund Special revenues will receive a further upgrade connected to new estimates associated with a creative prison bed arbitrage that is expected to ultimately generate State Service revenues in excess of \$3 million per year.

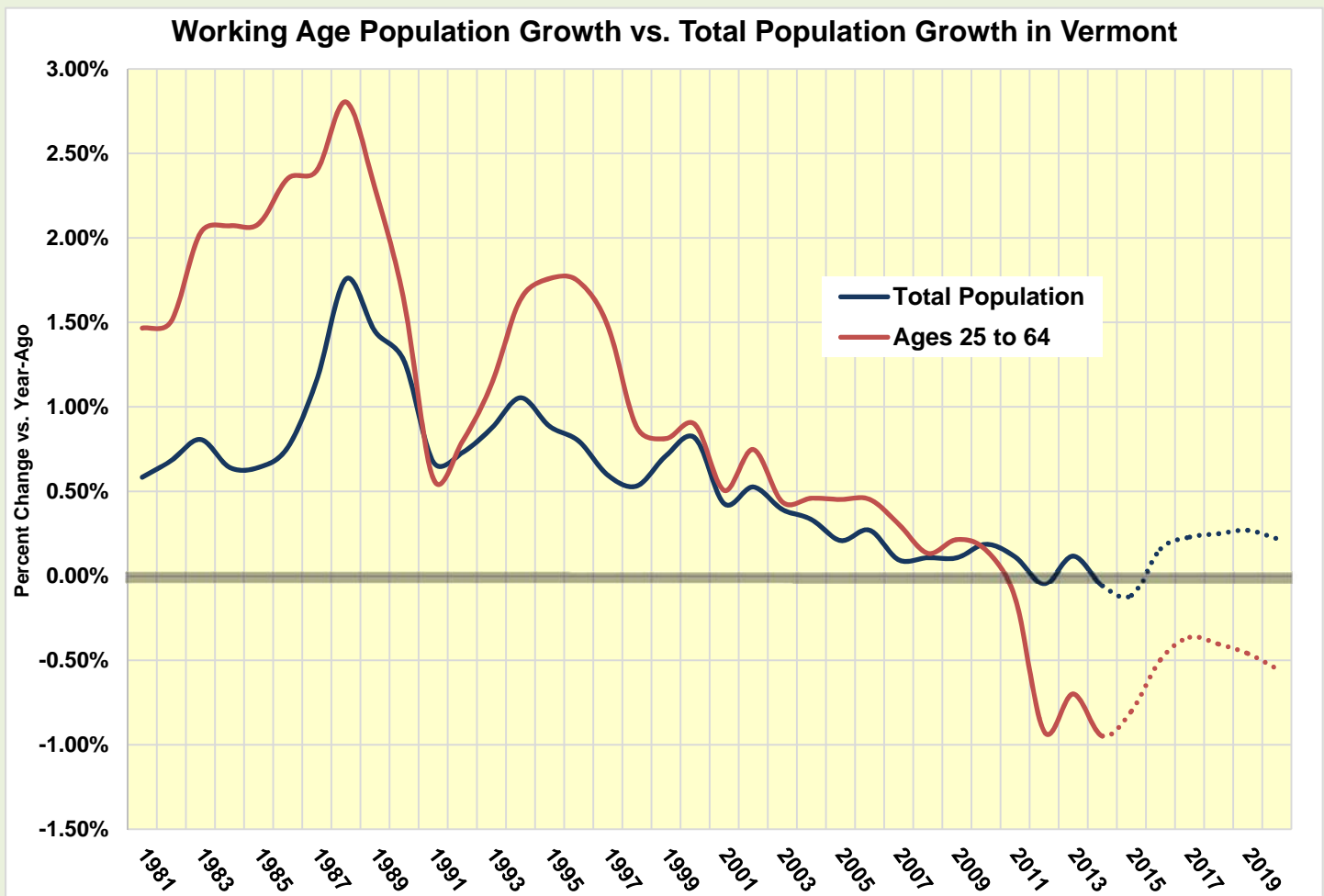
¹ According to the Ski Vermont website, <http://skivermont.com/conditions>, on January 18, 2016.

Demographic Changes Are Here – With Significant Economic Implications

The economy is defined and determined in large measure by demographics. It reflects people's needs and propensities based on their age, gender and geographic location. While the post-WWII baby-boom population bulge continues to be among the most pronounced features of the U.S. and Vermont demographic profile, there are also important changes occurring in downstream generations that are shaping the current and future economic environment of both the State and country.

One such feature is the dramatic delay and decline in births starting 25 years ago that led first to declining school enrollments in Vermont and now, exacerbated by weak interstate migration throughout the recent recession, a declining working age population. As illustrated below, while total State population has hovered near zero growth during the recession, the working age population has declined since 2011 and is likely to continue to do so. This means that economic metrics that measure aggregate employment and wages could show substantially lower growth than at times of high population growth and not reflect economic distress. The economy ultimately reflects the number and characteristics of the people who comprise it, not abstract historical growth rates.

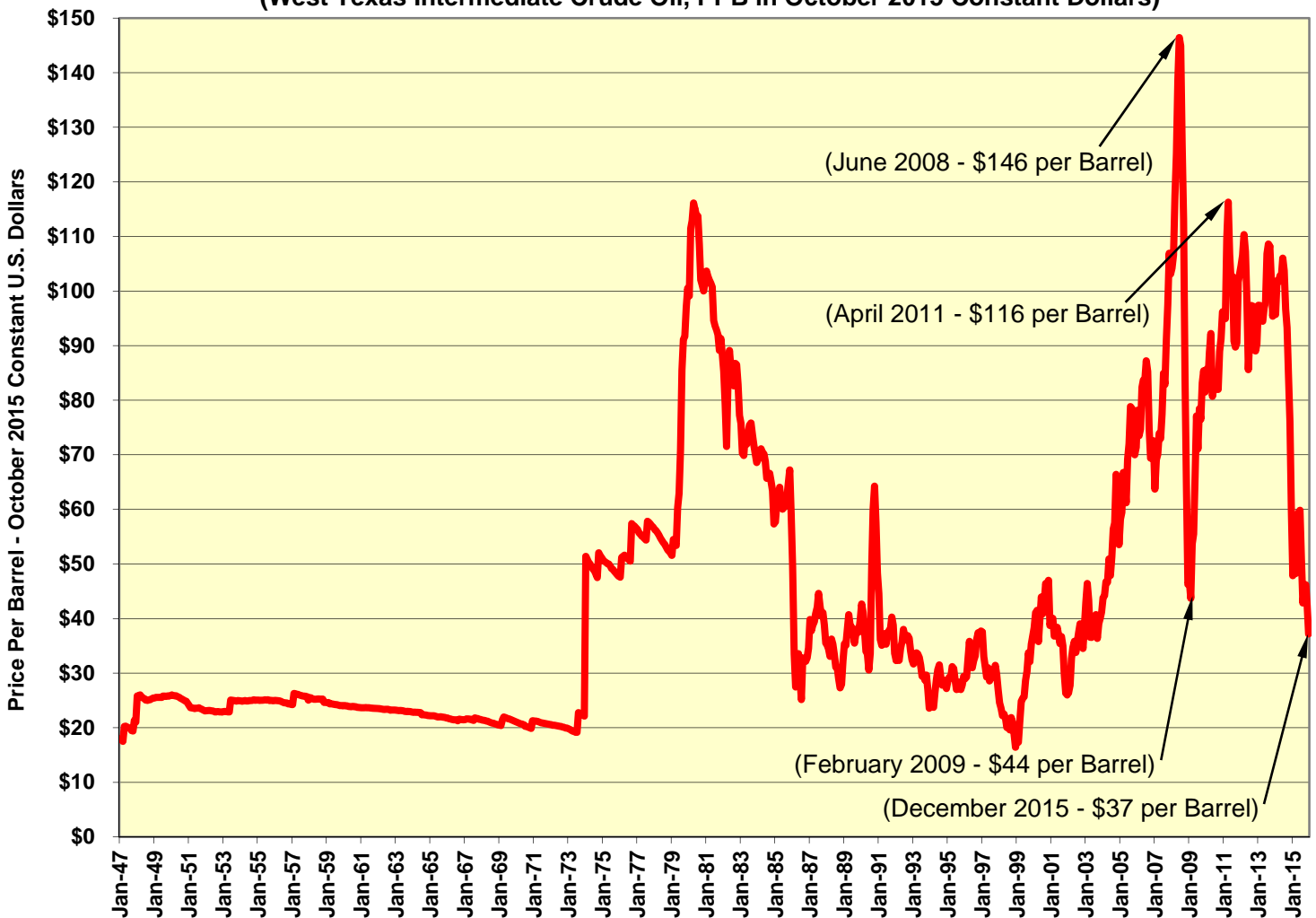
Economists at several Vermont State entities (JFO, Commerce, Tax, Labor, Administration, Auditor and others) have recently engaged in a cooperative venture to expand and improve the demographic forecasting capability of the State. Stay tuned for more comprehensive analyses of some of the most pressing demographic issues the State will be facing in the future.



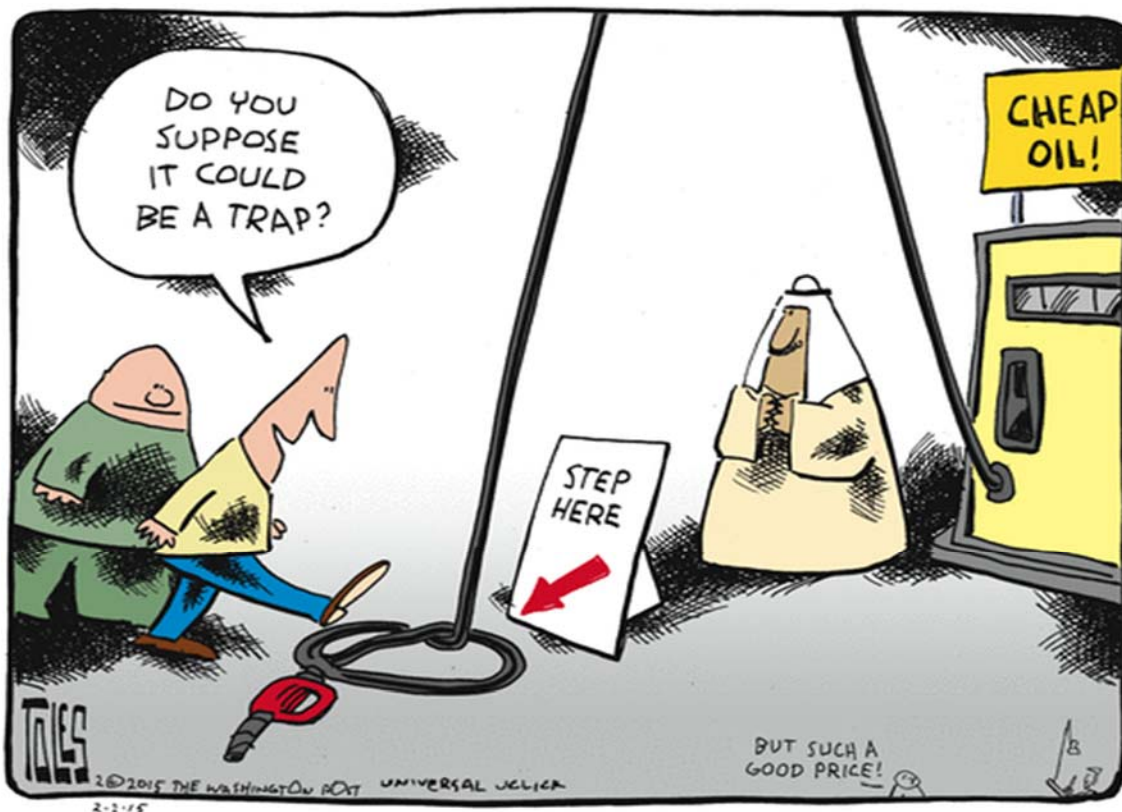
This revenue is based on sales of Vermont prison beds by the Department of Corrections to the U.S. Marshal Service at a price exceeding the Vermont State cost to house Vermont prisoners out-of-state.

- Cigarette and Other Tobacco tax revenues continue to exceed expectations, closing the first half of the year more than \$1M above targets. The recent tax increase (from \$2.75 to \$3.08) is now projected to yield an additional \$1.9M in this fiscal year before declining in FY17 and beyond.
- Transportation Fund revenues (notably excluding Transportation Infrastructure Bond revenues) have benefitted from low oil and gasoline prices, which have slightly increased consumption for the first time in 10 years, and are now expected to exceed prior FY16 and FY17 revenue projections by about \$1M.
- The persistence of lower oil and gas prices well into 2016 will also benefit Vermont consumers, who could save more than \$700 million in home heating oil, gasoline and other petroleum product purchases in 2016, relative to price expectations of just 18 months ago.

Transformative Oil Price Declines Now Expected to Persist Through 2016
 (West Texas Intermediate Crude Oil, PPB in October 2015 Constant Dollars)



Sources: Federal Reserve Bank of St. Louis, KRA



- Five year revenue projections are included in Appendix A, on pages 21 to 24. Although these are not required by statute, they have been requested by both the JFO and Administration for several years for longer term planning purposes. During the 2015 legislative session, there was considerable misinformation and confusion regarding the role these longer term projections played in the recent (though not new) discussions of structural budget deficits. As a result of this, these tables will be published on a regular basis, so as to provide clarity with respect to longer term revenue potential and expectations. As illustrated in these tables, and consistent with past projections, longer term revenue growth from the mix and structure of the taxes in the three funds analyzed herein is unlikely to keep pace with recent levels of expenditure growth.
- The U.S. and Vermont macro-economic forecasts upon which the revenue forecasts in this Update are based are summarized in Tables A and B on pages 17 and 18, and represent a consensus JFO and Administration forecast developed using internal JFO and Administration State economic models with input from Moody's Analytics December 2015 projections and other major forecasting entities, including the Federal Reserve, EIA, CBO, IMF, Conference Board and private forecasting firms.
- Due to the reduced availability of forecasts from the New England Economic Partnership (NEEP), State consensus macroeconomic forecasts were developed using a new State on-line modeling capability provided by Moody's Analytics. This forecasting capability allows timely, customized state forecasts with modeling capabilities similar to the prior NEEP capability.

TABLE A
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
June 2014 through December 2015, Selected Variables, Calendar Year Basis

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Real GDP Growth									
June-14	-2.8	2.5	1.8	2.8	1.9	2.8	3.9	3.2	2.8
December-14	-2.8	2.5	1.6	2.3	2.2	2.2	3.6	3.8	3.1
June-15	-2.8	2.5	1.6	2.3	2.2	2.4	2.6	3.2	3.0
December-15	-2.8	2.5	1.6	2.2	1.5	2.4	2.5	2.9	3.1
S&P 500 Growth (Annual Avg.)									
June-14	-22.5	20.3	11.4	8.7	19.1	13.1	3.4	-5.5	4.8
December-14	-22.5	20.3	11.4	8.7	19.1	17.5	7.1	1.3	2.2
June-15	-22.5	20.3	11.4	8.7	19.1	17.5	7.8	1.9	2.3
December-15	-22.5	20.3	11.4	8.7	19.1	17.5	-0.7	2.7	4.8
Employment Growth (Non-Ag)									
June-14	-4.4	-0.7	1.2	1.7	1.7	1.8	2.4	2.4	1.9
December-14	-4.3	-0.7	1.2	1.7	1.7	2.0	2.4	2.6	1.7
June-15	-4.3	-0.7	1.2	1.7	1.7	1.9	2.2	2.2	2.3
December-15	-4.4	-0.7	1.2	1.7	1.7	1.9	2.1	2.0	2.0
Unemployment Rate									
June-14	9.3	9.6	8.9	8.1	7.4	6.3	6.0	5.7	5.2
December-14	9.3	9.6	8.9	8.1	7.4	6.2	5.4	5.1	4.8
June-15	9.3	9.6	8.9	8.1	7.4	6.1	5.3	4.9	4.7
December-15	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.8	4.7
West Texas Int. Crude Oil \$/Bbl									
June-14	62	79	95	94	98	100	103	104	105
December-14	62	79	95	94	98	94	63	76	81
June-15	62	79	95	94	98	94	58	70	79
December-15	62	79	95	94	98	93	49	55	64
Prime Rate									
June-14	3.25	3.25	3.25	3.25	3.25	3.25	3.37	5.00	6.30
December-14	3.25	3.25	3.25	3.25	3.25	3.25	3.37	5.12	6.52
June-15	3.25	3.25	3.25	3.25	3.25	3.25	3.30	4.70	6.20
December-15	3.25	3.25	3.25	3.25	3.25	3.25	3.26	3.97	5.74
Consumer Price Index Growth									
June-14	-0.3	1.6	3.1	2.1	1.5	1.9	2.2	2.5	2.6
December-14	-0.3	1.6	3.1	2.1	1.5	1.6	1.5	2.3	2.6
June-15	-0.3	1.6	3.1	2.1	1.5	1.6	0.5	2.5	2.6
December-15	-0.3	1.6	3.1	2.1	1.5	1.6	0.2	2.2	2.9
Average Home Price Growth									
June-14	-5.5	-4.0	-3.7	-0.1	4.1	4.9	5.6	6.4	5.8
December-14	-5.5	-4.0	-3.7	-0.1	4.1	5.7	5.0	5.4	5.7
June-15	-5.5	-4.1	-3.7	-0.1	4.1	5.7	4.7	5.1	5.5
December-15	-5.5	-4.1	-3.7	-0.1	4.0	5.6	5.5	5.7	5.9

TABLE B
Comparison of Consensus Administration and JFO Vermont State Forecasts
June 2013 through December 2015, Selected Variables, Calendar Year Basis

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Real GSP Growth									
June-13	-2.9	5.6	1.3	1.2	1.3	3.0	4.2	2.9	
December-13	-2.9	5.6	1.3	1.2	1.4	3.1	4.1	2.9	2.2
June-14	-2.9	5.6	1.3	1.2	0.5	2.9	4.0	3.2	2.4
December-14	-2.5	4.4	2.2	1.1	1.9	1.0	3.3	3.6	2.8
June-15	-2.5	4.4	2.2	1.1	1.9	1.2	2.4	3.0	2.6
December-15	-2.4	3.7	2.8	0.4	-0.3	0.6	2.2	2.8	2.4
Population Growth									
June-13	0.1	0.2	0.1	-0.1	0.3	0.3	0.3	0.4	
December-13	0.1	0.2	0.1	-0.1	0.1	0.1	0.1	0.2	0.2
June-14	0.1	0.2	0.1	-0.1	0.1	0.1	0.1	0.2	0.2
December-14	0.1	0.2	0.1	0.0	0.1	0.0	0.1	0.2	0.3
June-15	0.1	0.2	0.1	0.0	0.1	0.0	0.1	0.2	0.3
December-15	0.1	0.2	0.1	-0.1	0.1	-0.1	-0.1	0.2	0.2
Employment Growth									
June-13	-3.3	-0.2	0.7	1.2	1.0	0.9	2.2	1.9	
December-13	-3.3	-0.2	0.7	1.2	1.0	1.3	2.2	1.9	1.4
June-14	-3.3	0.3	0.8	1.3	0.5	1.4	2.0	1.8	1.6
December-14	-3.3	0.3	0.8	1.3	0.5	1.0	1.6	1.9	1.3
June-15	-3.3	0.3	0.9	1.3	0.8	1.0	1.7	1.9	1.8
December-15	-3.3	0.3	0.9	1.3	0.8	1.0	1.6	1.7	1.8
Unemployment Rate									
June-13	6.9	6.4	5.6	5.0	4.4	4.1	3.6	3.3	
December-13	6.9	6.4	5.6	5.0	4.4	4.1	3.6	3.3	3.0
June-14	6.9	6.4	5.6	4.9	4.4	3.9	3.6	3.3	3.0
December-14	6.9	6.4	5.6	4.9	4.4	3.7	3.5	3.2	2.9
June-15	6.6	6.1	5.5	4.9	4.4	4.1	3.6	3.2	2.9
December-15	6.6	6.1	5.5	4.9	4.4	4.1	3.7	3.4	3.3
Personal Income Growth									
June-13	-2.2	3.3	4.7	3.4	1.0	2.8	4.2	3.7	
December-13	-2.2	3.3	4.7	3.4	3.8	5.7	6.2	5.1	4.5
June-14	-1.4	1.7	7.1	3.7	2.9	4.9	5.6	5.0	4.6
December-14	-1.4	1.7	7.1	3.7	2.9	3.8	5.1	5.4	4.7
June-15	-1.4	1.6	7.2	3.4	2.5	4.0	4.8	5.2	4.7
December-15	-2.0	2.2	6.8	3.6	1.4	3.5	4.5	5.1	4.6
Home Price Growth (JFO)									
June-13	-2.0	-1.1	-0.5	0.5	0.7	1.5	2.0	3.2	
December-13	-2.0	-1.2	-0.6	0.5	0.5	1.5	2.1	3.1	3.7
June-14	-2.1	-1.2	-0.6	0.5	0.2	0.4	1.7	2.9	3.7
December-14	-2.1	-1.2	-0.6	0.5	0.2	0.9	2.1	2.7	3.4
June-15	-2.1	-1.2	-0.7	0.4	0.2	0.7	2.3	2.8	3.4
December-15	-2.1	-1.2	-0.8	0.4	0.1	0.7	2.5	2.9	3.4

Methodological Notes and Other Comments

- This analysis has benefited significantly from the input and support of Tax Department and Joint Fiscal Office personnel, as well as Deb Brighton of Ad Hoc Associates. In the Joint Fiscal Office, Sara Teachout, Stephanie Barrett, Dan Dickerson, Catherine Benham, Neil Schickner and Mark Perrault have contributed to numerous policy and revenue impact analyses and coordinated JFO forecast production and related legislative committee support functions. Theresa Utton-Jerman, Dan Dickerson and Sara Teachout have painstakingly organized and updated large tax and other databases in support of JFO revenue forecasting activities. In the Tax Department, Sharon Asay, Mary Cox, Rebecca Sameroff, Jake Feldman and Doug Farnham provided important 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 maintain. 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 39 years of data for each of the 25 General Fund categories (three aggregates), 36 years of data for most of the Transportation Fund categories (one aggregate), and 17 to 39 years for each of the Education Fund categories. The analyses employed includes seasonal adjustment using U.S. Census Bureau X-12, 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 macro-economic models from Moody's Analytics and, when available, the New England Economic Partnership (NEEP). The NEEP forecast for Vermont is managed by Jeff Carr, of Economic & Policy Resources, Inc., who is also the current Administration economist. Since October of 2001, input and review of initial Vermont NEEP model design and output prior to its release has been provided by the Joint Fiscal Office through KRA. In this forecast cycle, consensus macroeconomic State forecasts were developed using a new Moody's on-line Vermont model. 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 economic advisors.

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2016**

SOURCE G-FUND

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

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%
	<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>
REVENUE SOURCE														
Personal Income	\$597.0	7.9%	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$760.8	7.8%	\$793.7	4.3%	\$817.0	2.9%
Sales & Use*	\$341.8	5.0%	\$346.8	1.4%	\$353.6	2.0%	\$364.6	3.1%	\$378.3	3.8%	\$392.1	3.6%	\$403.9	3.0%
Corporate	\$85.9	-4.2%	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$104.2	-14.5%	\$92.6	-11.1%	\$89.8	-3.0%
Meals and Rooms	\$126.9	3.5%	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$155.6	3.2%	\$161.3	3.7%	\$166.8	3.4%
Cigarette and Tobacco**	\$80.1	9.9%	\$74.3	-7.2%	\$71.9	-3.3%	\$76.8	6.7%	\$79.4	3.4%	\$76.3	-3.9%	\$74.1	-2.8%
Liquor	\$16.4	7.0%	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.7%	\$19.0	3.8%	\$19.6	3.2%
Insurance	\$56.3	2.5%	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$57.0	3.1%	\$57.7	1.2%	\$58.4	1.2%
Telephone	\$9.6	-15.3%	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.1	-60.0%	\$6.3	103.2%	\$6.1	-3.2%
Beverage	\$6.0	3.3%	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.8	2.1%	\$7.0	2.9%	\$7.2	2.9%
Electric***	\$2.9	0.3%	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM
Estate	\$13.3	-62.8%	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$20.5	107.3%	\$22.1	7.8%	\$23.6	6.8%
Property	\$24.1	-6.0%	\$28.5	18.3%	\$30.9	8.5%	\$33.6	8.6%	\$36.6	8.9%	\$39.5	7.9%	\$41.8	5.8%
Bank	\$10.7	-30.9%	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.3	-4.2%	\$10.5	1.9%	\$10.6	0.9%
Other Tax	\$1.2	-66.7%	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$2.2	8.7%	\$2.5	13.6%	\$2.8	12.0%
Total Tax Revenue	\$1372.4	2.8%	\$1464.3	6.7%	\$1517.0	3.6%	\$1573.5	3.7%	\$1633.1	3.8%	\$1680.6	2.9%	\$1721.7	2.4%
Business Licenses	\$3.0	2.8%	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$0.5	-54.8%	\$0.5	2.0%	\$0.5	2.0%
Fees	\$20.9	2.1%	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$22.1	0.1%	\$22.8	3.2%	\$23.5	3.1%
Services	\$2.3	105.8%	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$3.3	120.9%	\$3.8	15.2%	\$4.2	10.5%
Fines	\$7.4	28.7%	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$4.0	15.5%	\$3.8	-5.0%	\$3.9	2.6%
Interest	\$0.4	42.4%	\$0.6	26.3%	\$0.2	-59.2%	\$0.3	40.4%	\$0.6	89.1%	\$0.9	55.0%	\$1.3	34.4%
Lottery	\$22.3	4.2%	\$22.9	2.7%	\$22.6	-1.6%	\$22.8	0.8%	\$23.6	3.7%	\$23.7	0.4%	\$23.9	0.8%
All Other	\$0.9	15.8%	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.7	68.2%	\$1.5	-11.8%	\$1.6	6.7%
Total Other Revenue****	\$57.3	8.6%	\$56.6	-1.2%	\$50.7	-10.4%	\$52.2	3.0%	\$55.8	6.9%	\$57.0	2.2%	\$58.9	3.2%
TOTAL GENERAL FUND	\$1429.7	3.0%	\$1520.9	6.4%	\$1567.6	3.1%	\$1625.7	3.7%	\$1688.9	3.9%	\$1737.6	2.9%	\$1780.6	2.5%

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

** Includes Cigarette, Tobacco Products and Floor Stock tax revenues

*** 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

**** Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2016**

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%
	<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>
REVENUE SOURCE														
Personal Income	\$597.0	7.9%	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$760.8	7.8%	\$793.7	4.3%	\$817.0	2.9%
Sales and Use*	\$227.9	5.0%	\$231.2	1.4%	\$229.9	-0.6%	\$237.0	3.1%	\$245.9	3.8%	\$254.9	3.6%	\$262.5	3.0%
Corporate	\$85.9	-4.2%	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$104.2	-14.5%	\$92.6	-11.1%	\$89.8	-3.0%
Meals and Rooms	\$126.9	3.5%	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$155.6	3.2%	\$161.3	3.7%	\$166.8	3.4%
Cigarette and Tobacco	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Liquor	\$16.4	7.0%	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.7%	\$19.0	3.8%	\$19.6	3.2%
Insurance	\$56.3	2.5%	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$57.0	3.1%	\$57.7	1.2%	\$58.4	1.2%
Telephone	\$9.6	-15.3%	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.1	-60.0%	\$6.3	103.2%	\$6.1	-3.2%
Beverage	\$6.0	3.3%	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.8	2.1%	\$7.0	2.9%	\$7.2	2.9%
Electric**	\$2.9	0.3%	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM
Estate***	\$13.3	-36.5%	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$20.5	107.3%	\$22.1	7.8%	\$23.6	6.8%
Property	\$7.9	-6.2%	\$9.2	16.5%	\$10.0	9.3%	\$10.9	8.7%	\$11.8	8.9%	\$12.8	7.9%	\$13.5	5.8%
Bank	\$10.7	-30.9%	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.3	-4.2%	\$10.5	1.9%	\$10.6	0.9%
Other Tax	\$1.2	-66.7%	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$2.2	8.7%	\$2.5	13.6%	\$2.8	12.0%
Total Tax Revenue	\$1162.1	3.6%	\$1255.0	8.0%	\$1300.3	3.6%	\$1346.4	3.5%	\$1396.5	3.7%	\$1440.3	3.1%	\$1477.9	2.6%
Business Licenses	\$3.0	2.8%	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$0.5	-54.8%	\$0.5	2.0%	\$0.5	2.0%
Fees	\$20.9	2.1%	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$22.1	0.1%	\$22.8	3.2%	\$23.5	3.1%
Services	\$2.3	105.8%	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$3.3	120.9%	\$3.8	15.2%	\$4.2	10.5%
Fines	\$7.4	28.7%	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$4.0	15.5%	\$3.8	-5.0%	\$3.9	2.6%
Interest	\$0.4	52.6%	\$0.5	20.5%	\$0.2	-66.6%	\$0.2	51.9%	\$0.5	109.8%	\$0.8	60.0%	\$1.1	37.5%
All Other	\$0.9	15.8%	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.7	68.2%	\$1.5	-11.8%	\$1.6	6.7%
Total Other Revenue****	\$34.9	11.5%	\$33.5	-3.9%	\$28.0	-16.4%	\$29.4	4.7%	\$32.1	9.3%	\$33.2	3.5%	\$34.8	4.8%
TOTAL GENERAL FUND	\$1197.0	3.8%	\$1288.6	7.7%	\$1328.4	3.1%	\$1375.8	3.6%	\$1428.6	3.8%	\$1473.5	3.1%	\$1512.8	2.7%

* 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

** 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

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

**** Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015

**TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2016**

SOURCE T-FUND

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

	FY 2012		FY 2013		FY 2014		FY 2015		FY 2016		FY 2017		FY 2018	
	(Actual)	% Change	(Actual)	% Change	(Actual)	% Change	(Preliminary)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change
REVENUE SOURCE														
Gasoline	\$59.3	-2.2%	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.3	0.9%	\$78.4	0.1%	\$78.3	-0.1%
Diesel	\$16.0	3.9%	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$19.5	1.8%	\$19.9	2.1%	\$20.2	1.5%
Purchase and Use*	\$81.9	6.3%	\$83.6	2.0%	\$91.8	9.9%	\$97.3	5.9%	\$102.3	5.2%	\$106.8	4.4%	\$110.7	3.7%
Motor Vehicle Fees	\$73.5	1.7%	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$81.8	2.1%	\$82.4	0.7%	\$83.0	0.7%
Other Revenue**	\$18.3	2.2%	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$18.9	-3.8%	\$19.4	2.6%	\$19.7	1.5%
TOTAL TRANS. FUND	\$249.0	2.3%	\$256.0	2.8%	\$284.0	10.9%	\$293.8	3.5%	\$300.8	2.4%	\$306.9	2.0%	\$311.9	1.6%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2016**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2012		FY 2013		FY 2014		FY 2015		FY 2016		FY 2017		FY 2018	
	(Actual)	% Change	(Actual)	% Change	(Actual)	% Change	(Preliminary)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change
REVENUE SOURCE														
Gasoline	\$59.3	-2.2%	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.3	0.9%	\$78.4	0.1%	\$78.3	-0.1%
Diesel	\$16.0	3.9%	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$19.5	1.8%	\$19.9	2.1%	\$20.2	1.5%
Purchase and Use*	\$54.6	6.3%	\$55.7	2.0%	\$61.2	9.9%	\$64.8	5.9%	\$68.2	5.2%	\$71.2	4.4%	\$73.8	3.7%
Motor Vehicle Fees	\$73.5	1.7%	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$81.8	2.1%	\$82.4	0.7%	\$83.0	0.7%
Other Revenue**	\$18.3	2.2%	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$18.9	-3.8%	\$19.4	2.6%	\$19.7	1.5%
TOTAL TRANS. FUND	\$221.7	1.9%	\$228.2	2.9%	\$253.4	11.0%	\$261.4	3.2%	\$266.7	2.0%	\$271.3	1.7%	\$275.0	1.4%

OTHER

TIB Gasoline	\$20.9	26.6%	\$21.2	1.4%	\$19.2	-9.5%	\$18.2	-5.2%	\$13.0	-28.3%	\$12.6	-3.7%	\$12.5	-0.1%
TIB Diesel and Other***	\$1.9	-2.1%	\$1.8	-8.1%	\$1.8	4.0%	\$2.1	11.4%	\$2.1	1.7%	\$2.1	2.1%	\$2.2	1.5%
Total TIB	\$22.8	23.5%	\$23.0	0.6%	\$21.0	-8.4%	\$20.2	-3.8%	\$15.1	-25.3%	\$14.7	-2.9%	\$14.7	0.1%

* As of FY04, includes Motor Vehicle Rental tax revenue

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

*** Includes TIB Fund interest income of less than \$15,000

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND* REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - January 2016**

CURRENT LAW BASIS

Source General and Transportation

Fund taxes allocated to or associated
with the Education Fund only

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%
	<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>
GENERAL FUND														
Sales & Use**	\$113.9	5.0%	\$115.6	1.4%	\$123.8	7.1%	127.6	3.1%	\$132.4	3.8%	\$137.2	3.6%	\$141.4	3.0%
Interest	\$0.0	-7.5%	\$0.1	72.8%	\$0.1	-17.2%	0.1	3.6%	\$0.1	39.6%	\$0.1	30.0%	\$0.2	15.4%
Lottery	\$22.3	4.2%	\$22.9	2.7%	\$22.6	-1.6%	22.8	0.8%	\$23.6	3.7%	\$23.7	0.4%	\$23.9	0.8%
TRANSPORTATION FUND														
Purchase and Use***	\$27.3	6.3%	\$27.9	2.0%	\$30.6	9.9%	32.4	5.9%	\$34.1	5.2%	\$35.6	4.4%	\$36.9	3.7%
TOTAL EDUCATION FUND	\$163.6	5.1%	\$166.5	1.7%	\$177.0	6.3%	182.9	3.3%	\$190.2	4.0%	\$196.7	3.4%	\$202.3	2.9%

* 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.

** 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

*** Includes Motor Vehicle Rental revenues, restated

Appendix A

Five Year Revenue Forecast Tables

January 2016

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2016**

SOURCE G-FUND																						
<i>revenues are prior to all E-Fund allocations and other out-transfers; used for analytic and comparative purposes only</i>																						
	FY 2011	%	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%
	<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>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																						
Personal Income	\$553.3	11.1%	\$597.0	7.9%	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$760.8	7.8%	\$793.7	4.3%	\$817.0	2.9%	\$843.1	3.2%	\$869.0	3.1%	\$896.1	3.1%
Sales & Use*	\$325.6	4.7%	\$341.8	5.0%	\$346.8	1.4%	\$353.6	2.0%	\$364.6	3.1%	\$378.3	3.8%	\$392.1	3.6%	\$403.9	3.0%	\$415.5	2.9%	\$426.4	2.6%	\$437.0	2.5%
Corporate	\$89.7	42.7%	\$85.9	-4.2%	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$104.2	-14.5%	\$92.6	-11.1%	\$89.8	-3.0%	\$94.7	5.5%	\$97.5	3.0%	\$100.7	3.3%
Meals and Rooms	\$122.6	4.0%	\$126.9	3.5%	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$155.6	3.2%	\$161.3	3.7%	\$166.8	3.4%	\$172.3	3.3%	\$177.8	3.2%	\$183.3	3.1%
Cigarette and Tobacco**	\$72.9	4.0%	\$80.1	9.9%	\$74.3	-7.2%	\$71.9	-3.3%	\$76.8	6.7%	\$79.4	3.4%	\$76.3	-3.9%	\$74.1	-2.8%	\$72.1	-2.8%	\$70.1	-2.8%	\$68.1	-2.8%
Liquor	\$15.4	3.1%	\$16.4	7.0%	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.7%	\$19.0	3.8%	\$19.6	3.2%	\$20.2	3.1%	\$20.8	3.0%	\$21.4	2.9%
Insurance	\$55.0	3.3%	\$56.3	2.5%	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$57.0	3.1%	\$57.7	1.2%	\$58.4	1.2%	\$59.0	1.0%	\$59.6	1.0%	\$60.1	0.8%
Telephone	\$11.4	44.4%	\$9.6	-15.3%	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.1	-60.0%	\$6.3	103.2%	\$6.1	-3.2%	\$5.9	-3.3%	\$5.8	-1.7%	\$5.7	-1.7%
Beverage	\$5.8	2.2%	\$6.0	3.3%	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.8	2.1%	\$7.0	2.9%	\$7.2	2.9%	\$7.4	2.8%	\$7.6	2.7%	\$7.8	2.6%
Electric***	\$2.9	0.8%	\$2.9	0.3%	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$35.9	153.3%	\$13.3	-62.8%	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$20.5	107.3%	\$22.1	7.8%	\$23.6	6.8%	\$24.6	4.2%	\$25.5	3.7%	\$26.3	3.1%
Property	\$25.6	7.7%	\$24.1	-6.0%	\$28.5	18.3%	\$30.9	8.5%	\$33.6	8.6%	\$36.6	8.9%	\$39.5	7.9%	\$41.8	5.8%	\$43.6	4.3%	\$45.3	3.9%	\$46.8	3.3%
Bank	\$15.4	49.0%	\$10.7	-30.9%	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.3	-4.2%	\$10.5	1.9%	\$10.6	0.9%	\$10.7	0.7%	\$10.7	0.8%	\$10.8	0.6%
Other Tax	\$3.7	1.7%	\$1.2	-66.7%	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$2.2	8.7%	\$2.5	13.6%	\$2.8	12.0%	\$3.0	7.1%	\$3.2	6.7%	\$3.4	6.3%
Total Tax Revenue	\$1335.1	11.6%	\$1372.4	2.8%	\$1464.3	6.7%	\$1517.0	3.6%	\$1573.5	3.7%	\$1633.1	3.8%	\$1680.6	2.9%	\$1721.7	2.4%	\$1772.0	2.9%	\$1819.3	2.7%	\$1867.5	2.7%
Business Licenses	\$3.0	-0.6%	\$3.0	2.8%	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$0.5	-54.8%	\$0.5	2.0%	\$0.5	2.0%	\$0.5	2.0%	\$0.5	1.9%	\$0.5	1.9%
Fees	\$20.5	6.4%	\$20.9	2.1%	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$22.1	0.1%	\$22.8	3.2%	\$23.5	3.1%	\$24.2	3.0%	\$24.9	2.9%	\$25.6	2.8%
Services	\$1.1	-8.7%	\$2.3	105.8%	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$3.3	120.9%	\$3.8	15.2%	\$4.2	10.5%	\$4.3	2.4%	\$4.4	2.3%	\$4.5	2.3%
Fines	\$5.7	-22.2%	\$7.4	28.7%	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$4.0	15.5%	\$3.8	-5.0%	\$3.9	2.6%	\$4.0	2.6%	\$4.1	2.5%	\$4.2	2.4%
Interest	\$0.3	-49.7%	\$0.4	42.4%	\$0.6	26.3%	\$0.2	-59.2%	\$0.3	40.4%	\$0.6	89.1%	\$0.9	55.0%	\$1.3	34.4%	\$1.5	17.6%	\$1.7	15.0%	\$1.8	6.5%
Lottery	\$21.4	-0.7%	\$22.3	4.2%	\$22.9	2.7%	\$22.6	-1.6%	\$22.8	0.8%	\$23.6	3.7%	\$23.7	0.4%	\$23.9	0.8%	\$24.1	0.8%	\$24.4	1.2%	\$24.7	1.2%
All Other	\$0.7	115.7%	\$0.9	15.8%	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.7	68.2%	\$1.5	-11.8%	\$1.6	6.7%	\$1.7	6.3%	\$1.8	5.9%	\$1.9	5.6%
Total Other Revenue****	\$52.8	-1.1%	\$57.3	8.6%	\$56.6	-1.2%	\$50.7	-10.4%	\$52.2	3.0%	\$55.8	6.9%	\$57.0	2.2%	\$58.9	3.2%	\$60.3	2.4%	\$61.8	2.5%	\$63.2	2.3%
TOTAL GENERAL FUND	\$1387.9	11.0%	\$1429.7	3.0%	\$1520.9	6.4%	\$1567.6	3.1%	\$1625.7	3.7%	\$1688.9	3.9%	\$1737.6	2.9%	\$1780.6	2.5%	\$1832.3	2.9%	\$1881.1	2.7%	\$1930.8	2.6%

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

** Includes Cigarette, Tobacco Products and Floor Stock tax revenues

*** 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

**** Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2016**

CURRENT LAW BASIS

including all Education Fund

	FY 2011	%	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%
<i>allocations and other out-transfers</i>	<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>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																						
Personal Income	\$553.3	11.1%	\$597.0	7.9%	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$760.8	7.8%	\$793.7	4.3%	\$817.0	2.9%	\$843.1	3.2%	\$869.0	3.1%	\$896.1	3.1%
Sales and Use*	\$217.1	4.7%	\$227.9	5.0%	\$231.2	1.4%	\$229.9	-0.6%	\$237.0	3.1%	\$245.9	3.8%	\$254.9	3.6%	\$262.5	3.0%	\$270.1	2.9%	\$277.2	2.6%	\$284.1	2.5%
Corporate	\$89.7	42.7%	\$85.9	-4.2%	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$104.2	-14.5%	\$92.6	-11.1%	\$89.8	-3.0%	\$94.7	5.5%	\$97.5	3.0%	\$100.7	3.3%
Meals and Rooms	\$122.6	4.0%	\$126.9	3.5%	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$155.6	3.2%	\$161.3	3.7%	\$166.8	3.4%	\$172.3	3.3%	\$177.8	3.2%	\$183.3	3.1%
Cigarette and Tobacco	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Liquor	\$15.4	3.1%	\$16.4	7.0%	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.7%	\$19.0	3.8%	\$19.6	3.2%	\$20.2	3.1%	\$20.8	3.0%	\$21.4	2.9%
Insurance	\$55.0	3.3%	\$56.3	2.5%	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$57.0	3.1%	\$57.7	1.2%	\$58.4	1.2%	\$59.0	1.0%	\$59.6	1.0%	\$60.1	0.8%
Telephone	\$11.4	44.4%	\$9.6	-15.3%	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.1	-60.0%	\$6.3	103.2%	\$6.1	-3.2%	\$5.9	-3.3%	\$5.8	-1.7%	\$5.7	-1.7%
Beverage	\$5.8	2.2%	\$6.0	3.3%	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.8	2.1%	\$7.0	2.9%	\$7.2	2.9%	\$7.4	2.8%	\$7.6	2.7%	\$7.8	2.6%
Electric**	\$2.9	0.8%	\$2.9	0.3%	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate***	\$21.0	48.3%	\$13.3	-36.5%	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$20.5	107.3%	\$22.1	7.8%	\$23.6	6.8%	\$24.6	4.2%	\$25.5	3.7%	\$26.3	3.1%
Property	\$8.4	7.7%	\$7.9	-6.2%	\$9.2	16.5%	\$10.0	9.3%	\$10.9	8.7%	\$11.8	8.9%	\$12.8	7.9%	\$13.5	5.8%	\$14.1	4.3%	\$14.7	3.9%	\$15.1	3.3%
Bank	\$15.4	49.0%	\$10.7	-30.9%	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.3	-4.2%	\$10.5	1.9%	\$10.6	0.9%	\$10.7	0.7%	\$10.7	0.8%	\$10.8	0.6%
Other Tax	\$3.7	1.7%	\$1.2	-66.7%	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$2.2	8.7%	\$2.5	13.6%	\$2.8	12.0%	\$3.0	7.1%	\$3.2	6.7%	\$3.4	6.3%
Total Tax Revenue	\$1121.6	11.4%	\$1162.1	3.6%	\$1255.0	8.0%	\$1300.3	3.6%	\$1346.4	3.5%	\$1396.5	3.7%	\$1440.3	3.1%	\$1477.9	2.6%	\$1525.0	3.2%	\$1569.4	2.9%	\$1614.8	2.9%
Business Licenses	\$3.0	-0.6%	\$3.0	2.8%	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$0.5	-54.8%	\$0.5	2.0%	\$0.5	2.0%	\$0.5	2.0%	\$0.5	1.9%	\$0.5	1.9%
Fees	\$20.5	6.4%	\$20.9	2.1%	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$22.1	0.1%	\$22.8	3.2%	\$23.5	3.1%	\$24.2	3.0%	\$24.9	2.9%	\$25.6	2.8%
Services	\$1.1	-8.7%	\$2.3	105.8%	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$3.3	120.9%	\$3.8	15.2%	\$4.2	10.5%	\$4.3	2.4%	\$4.4	2.3%	\$4.5	2.3%
Fines	\$5.7	-22.2%	\$7.4	28.7%	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$4.0	15.5%	\$3.8	-5.0%	\$3.9	2.6%	\$4.0	2.6%	\$4.1	2.5%	\$4.2	2.4%
Interest	\$0.3	-49.9%	\$0.4	52.6%	\$0.5	20.5%	\$0.2	-66.6%	\$0.2	51.9%	\$0.5	109.8%	\$0.8	60.0%	\$1.1	37.5%	\$1.3	18.2%	\$1.5	15.4%	\$1.6	6.7%
All Other	\$0.7	115.7%	\$0.9	15.8%	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.7	68.2%	\$1.5	-11.8%	\$1.6	6.7%	\$1.7	6.3%	\$1.8	5.9%	\$1.9	5.6%
Total Other Revenue****	\$31.3	-1.2%	\$34.9	11.5%	\$33.5	-3.9%	\$28.0	-16.4%	\$29.4	4.7%	\$32.1	9.3%	\$33.2	3.5%	\$34.8	4.8%	\$36.0	3.5%	\$37.2	3.4%	\$38.3	3.0%
TOTAL GENERAL FUND	\$1152.8	11.0%	\$1197.0	3.8%	\$1288.6	7.7%	\$1328.4	3.1%	\$1375.8	3.6%	\$1428.6	3.8%	\$1473.5	3.1%	\$1512.8	2.7%	\$1561.1	3.2%	\$1606.6	2.9%	\$1653.1	2.9%

* 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

** 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

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

**** Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015

**TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2016**

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

	FY 2011	%	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																						
Gasoline	\$60.6	-0.6%	\$59.3	-2.2%	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.3	0.9%	\$78.4	0.1%	\$78.3	-0.1%	\$78.1	-0.3%	\$77.7	-0.5%	\$77.2	-0.6%
Diesel	\$15.4	2.0%	\$16.0	3.9%	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$19.5	1.8%	\$19.9	2.1%	\$20.2	1.5%	\$20.5	1.5%	\$20.7	1.0%	\$20.9	1.0%
Purchase and Use*	\$77.1	10.5%	\$81.9	6.3%	\$83.6	2.0%	\$91.8	9.9%	\$97.3	5.9%	\$102.3	5.2%	\$106.8	4.4%	\$110.7	3.7%	\$114.0	3.0%	\$117.2	2.8%	\$120.4	2.7%
Motor Vehicle Fees	\$72.3	-0.3%	\$73.5	1.7%	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$81.8	2.1%	\$82.4	0.7%	\$83.0	0.7%	\$83.8	1.0%	\$84.5	0.8%	\$85.3	0.9%
Other Revenue**	\$17.9	-1.9%	\$18.3	2.2%	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$18.9	-3.8%	\$19.4	2.6%	\$19.7	1.5%	\$20.0	1.5%	\$20.2	1.0%	\$20.4	1.0%
TOTAL TRANS. FUND	\$243.3	2.8%	\$249.0	2.3%	\$256.0	2.8%	\$284.0	10.9%	\$293.8	3.5%	\$300.8	2.4%	\$306.9	2.0%	\$311.9	1.6%	\$316.4	1.4%	\$320.3	1.2%	\$324.2	1.2%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2016**

CURRENT LAW BASIS
including all Education Fund allocations and other out-transfers

	FY 2011	%	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																						
Gasoline	\$60.6	-0.6%	\$59.3	-2.2%	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.3	0.9%	\$78.4	0.1%	\$78.3	-0.1%	\$78.1	-0.3%	\$77.7	-0.5%	\$77.2	-0.6%
Diesel	\$15.4	2.0%	\$16.0	3.9%	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$19.5	1.8%	\$19.9	2.1%	\$20.2	1.5%	\$20.5	1.5%	\$20.7	1.0%	\$20.9	1.0%
Purchase and Use*	\$51.4	10.5%	\$54.6	6.3%	\$55.7	2.0%	\$61.2	9.9%	\$64.8	5.9%	\$68.2	5.2%	\$71.2	4.4%	\$73.8	3.7%	\$76.0	3.0%	\$78.1	2.8%	\$80.3	2.7%
Motor Vehicle Fees	\$72.3	-0.3%	\$73.5	1.7%	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$81.8	2.1%	\$82.4	0.7%	\$83.0	0.7%	\$83.8	1.0%	\$84.5	0.8%	\$85.3	0.9%
Other Revenue**	\$17.9	-1.9%	\$18.3	2.2%	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$18.9	-3.8%	\$19.4	2.6%	\$19.7	1.5%	\$20.0	1.5%	\$20.2	1.0%	\$20.4	1.0%
TOTAL TRANS. FUND	\$217.6	2.0%	\$221.7	1.9%	\$228.2	2.9%	\$253.4	11.0%	\$261.4	3.2%	\$266.7	2.0%	\$271.3	1.7%	\$275.0	1.4%	\$278.4	1.2%	\$281.2	1.0%	\$284.1	1.0%
OTHER																						
TIB Gasoline	\$16.5	23.6%	\$20.9	26.6%	\$21.2	1.4%	\$19.2	-9.5%	\$18.2	-5.2%	\$13.0	-28.3%	\$12.6	-3.7%	\$12.5	-0.1%	\$12.9	2.9%	\$13.5	4.7%	\$14.1	4.3%
TIB Diesel and Other***	\$2.0	32.1%	\$1.9	-2.1%	\$1.8	-8.1%	\$1.8	4.0%	\$2.1	11.4%	\$2.1	1.7%	\$2.1	2.1%	\$2.2	1.5%	\$2.2	1.5%	\$2.2	1.0%	\$2.2	0.9%
Total TIB	\$18.5	24.4%	\$22.8	23.5%	\$23.0	0.6%	\$21.0	-8.4%	\$20.2	-3.8%	\$15.1	-25.3%	\$14.7	-2.9%	\$14.7	0.1%	\$15.1	2.7%	\$15.7	4.2%	\$16.3	3.8%

* As of FY04, includes Motor Vehicle Rental tax revenue

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

*** Includes TIB Fund interest income of less than \$15,000

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND* REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - January 2016**

CURRENT LAW BASIS

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

	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019		FY 2020		FY 2021	
	(Actual)	% Change	(Actual)	% Change	(Actual)	% Change	(Actual)	% Change	(Preliminary)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change
GENERAL FUND																						
Sales & Use**	\$108.5	4.7%	\$113.9	5.0%	\$115.6	1.4%	\$123.8	7.1%	127.6	3.1%	\$132.4	3.8%	\$137.2	3.6%	\$141.4	3.0%	\$145.4	2.9%	\$149.2	2.6%	\$153.0	2.5%
Interest	\$0.1	-48.8%	\$0.0	-7.5%	\$0.1	72.8%	\$0.1	-17.2%	0.1	3.6%	\$0.1	39.6%	\$0.1	30.0%	\$0.2	15.4%	\$0.2	13.3%	\$0.2	11.8%	\$0.2	5.3%
Lottery	\$21.4	-0.7%	\$22.3	4.2%	\$22.9	2.7%	\$22.6	-1.6%	22.8	0.8%	\$23.6	3.7%	\$23.7	0.4%	\$23.9	0.8%	\$24.1	0.8%	\$24.4	1.2%	\$24.7	1.2%
TRANSPORTATION FUND																						
Purchase and Use***	\$25.7	10.5%	\$27.3	6.3%	\$27.9	2.0%	\$30.6	9.9%	32.4	5.9%	\$34.1	5.2%	\$35.6	4.4%	\$36.9	3.7%	\$38.0	3.0%	\$39.1	2.8%	\$40.1	2.7%
TOTAL EDUCATION FUND	\$155.7	4.8%	\$163.6	5.1%	\$166.5	1.7%	\$177.0	6.3%	182.9	3.3%	\$190.2	4.0%	\$196.7	3.4%	\$202.3	2.9%	\$207.7	2.7%	\$212.9	2.5%	\$218.0	2.4%

* 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.

** 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

*** Includes Motor Vehicle Rental revenues, restated