

Finance & Management Situation Report (3/24/20)

General Fund FY20 Position

Projected Revenue, Direct Apps, Transfers: \$1,464m (Carr/Kavet, 3/24 estimate)

FY20 BAA appropriations and transfers: \$1,687m

Projected deficit **(\$223m)**

Above projected revenue includes postponing 4/15 tax payments, including Q1 estimates, to 7/15. Also includes forgiving penalties and interest on trust taxes. Does *not* include expenditure requests.

General Fund Reserves (FY20 BAA)

Stabilization Reserve:	\$80m
Balance (Rainy Day) Reserve:	\$32m
Human Services Caseload Reserve:	\$98m
27/53 Reserve:	<u>\$18m</u>
Total reserves:	\$228m

Federal Response

COVID-19 (1): \$8 billion nationally, of which \$6.8 billion goes to HHS/CDC for prevention, preparation and response efforts. VDH already received \$4.9m from this pool of money.

COVID-19 (2): HR 6201, includes 6.2% FMAP bump (worth \$38m to VT), free testing, emergency paid leave funding and expansion of FMLA benefits (including for self-employed), federal help with UI funding and processing, emergency food assistance (~\$400k to VT Food Bank)

COVID-19 (3): Potentially \$2 trillion, allegedly to include an ARRA-like state stabilization fund to supplement the HHS/CDC and FEMA grants, may include direct payments to low and moderate income households, more relief through loans and grants to businesses and workers, substantial help for hospitals and providers, expansion of unemployment insurance

Available options

- Reduce/postpone discretionary spending – inventory available revenue and determine what we can conserve
- Rescissions – To be discussed, difficult to avoid
- Reserves – To help tide us over but not a long-term solution
- Federal funds – critical to standing up and sustaining our relief efforts