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August 2020 Economic Review and Revenue Forecast Update

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

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Economic Review and Revenue Forecast Update

August 2020

Overview

This economic review and revenue forecast is like none ever previously performed. This is because in the coming two fiscal years, both the Vermont and U.S. economies will not be primarily driven by economic events, but by epidemiological and federal public policy events, with huge potential economic consequences that are all but unknowable at this time. Because of this, both the forecasting process over the next year and related policy decision-making processes will need to be highly flexible and responsive to new information and analyses as they become available.

In the last quarter of FY20, the economy was purposely shut down and slowed in an effort to mitigate a severe health crisis threat. This shutdown was part pandemic policy planning – a well thought-out medical playbook for containing infectious diseases implemented in many nations around the world – and part individual behavior based on fear of contracting the virus. These actions caused a “recession,” but it was intentional - not the result of economic imbalances that have precipitated most prior economic contractions. To help businesses and households weather this shutdown, but with no comparable playbook for fiscal and monetary measures in hand, the federal government unleashed the greatest outlay of public funds in U.S. history, with dramatic countervailing economic effects. Though not well-targeted, this avalanche of money has served to blunt what would otherwise have been devastating economic impacts.

The forecast herein is designed to provide order-of-magnitude guidance consistent with a scenario in which the pandemic ends with either effective mitigation efforts and/or development and widespread U.S. distribution of a vaccine in 2021. Both are highly uncertain at this time. It also assumes continued federal fiscal and monetary intervention that includes another tranche of fiscal spending totaling at least \$1.5 trillion, including some unrestricted aid to state and local governments consistent with the avoidance of imminent layoffs and spending cuts. While this still may happen, the recent executive orders in lieu of this spending will have nowhere near the economic impacts of the assumed baseline forecast in either timing or magnitude.

The revenue impacts of the current forecast relative to January 2020 forecasts is illustrated in the first chart in the Commentary Zoom Charts section on page 15. While revenue expectations are slightly higher than prior June estimates, the potential losses remain massive: more than \$180M in the General Fund in FY21 and \$100M in FY22, about \$30M in the Transportation Fund in FY21 and \$15M in FY22, and Education Fund losses of about \$60 million in FY20 and \$40M in FY22.

Epidemiological Issues

Eight months ago almost nothing was known about the SARS-CoV-2 virus that is now dominating the economic and political landscape. Key questions concerning its transmissibility, source, infectious duration, comorbidity risks, immunity and other characteristics that shape health and economic policy responses have come into better focus in the intervening months, but much remains unknown. Even more unknown are potential future surges (so-called “second waves”) that have been features of prior pandemics, and the path to a vaccine that could accelerate levels of herd immunity that would largely mitigate the impacts of this virus in the U.S. and world. Although Russia announced a vaccine yesterday and “warp speed” development efforts are underway in many countries, there is still no firm date that a safe, fully-tested vaccine may be widely available.

Viral uncertainty represents the largest single risk to the forecasts herein. Given its central link to economic conditions, we are constantly tracking the best available information about the virus and the COVID-19 disease it engenders with State officials and other experts and linking this information to potential economic and revenue impacts as we learn more.

Vermont has arguably done better than any other state in the nation in controlling the disease to date. Following a brief initial surge in cases coincident with a regional New York and New England outbreak, new confirmed infections, hospitalizations and deaths per capita are now all the lowest or among the lowest in the nation (see charts on pages 17-25). This is attributable in part to the exceptional social compliance with the State shutdown directives, as measured by mobility data during the period from late March through early May (see chart on page 21), and acceptance of science-based guidance from State leadership. Unlike many other states, the measured reopening of the economy in Vermont has not caused a rise in any of the critical COVID metrics to date.

This good fortune has prompted many second home owners to “socially distance” in Vermont since March and some to stay as “residents” – at least for the time being. It has also caused a surge in real estate sales from out-of-state buyers seeking a safe haven from more urban areas in which socially distancing is more difficult. This will add to the steadily strengthening residential real estate market in Vermont – and related property transfer tax revenues, as well as personal income and other tax revenues from both residents and non-residents working from Vermont.

The State’s stellar health status, however, is highly vulnerable, given the increasing regional flows of people and business across state lines. With schools and colleges reopening, tourism attempting a gradual resumption of commerce and the perceived safety of vehicular over air travel, there will be increasing inter-state flows and our health statistics are likely to more closely resemble the region at some point in the future. It would only take a few

outbreaks to completely change this positive narrative and with the amplification of the national press, cast the state in a very different light.

Until there is a widely available vaccine, it is likely that there will need to be varying containment measures taken at selected geographic levels within the State as new outbreaks occur. This, in turn, could affect economic activity across a wide range of sectors.

Federal Fiscal and Monetary Policy Issues

Federal fiscal and monetary policy have responded with extraordinary speed and magnitude in attempting to offset the negative economic and health impacts the virus has precipitated. More than \$4 trillion in federal spending (and more, depending upon how some Federal Reserve actions are quantified) has been unleashed, with a share disproportionate to our population landing in Vermont (see charts on pages xx and xx). With about \$1.2B in PPP aid, \$1.25B in CARES Act funding, more than \$625M in supplemental unemployment assistance, and about half a billion in direct cash payments, the State has experienced its largest inflow of federal transfer payments ever. The effects of this have been myriad and are still playing out, but include critical basic needs income for those unemployed, much higher savings rates, diminished credit card debt and defaults, increased spending on motor vehicles, home improvements, electronics and internet connectivity, internet-based vendors of all kinds, and grocery store purchases (both taxable and otherwise).

While the unemployment benefits and significant portions of the CARES Act aid were clearly targeted to those most in need, the PPP funds and direct cash payments were not – with a low bar to qualify for PPP funds and none for direct cash payments. This resulted in many businesses most in need (especially in the restaurant, retail and lodging sectors) not receiving PPP funds and others qualifying despite being minimally impacted.

The beneficial impacts from these programs will linger in some sectors, but will dissipate quickly among those most in need. Accordingly, there have been measures offered in Congress regarding further funding since mid-May, but nothing enacted. With an election looming in November and prior congressional compromises on this issue, most expected agreement on a new round of funding prior to the expiration of the supplemental unemployment insurance payments on July 31. Instead, much less impactful Presidential executive orders were issued and congressional agreement on additional funding is now in question. Without significant further federal action, a second recessionary decline is probable.

The uncertainty surrounding future federal fiscal policy – including who is elected President in November - is another critical component of the uncertainty in the economic and revenue forecasts herein.

Revenue Review

- Changes in total revenue by fund groupings and year between the current August 2020 forecast and the prior January 2020 forecast are outlined below. Every major revenue category is at risk for substantial decline in FY21 and FY22 relative to prior forecasts, due to pandemic-related impacts. Across all three major funds, FY21 losses could approach \$275M and about \$160M in FY22.

	FY2021	FY2022
Education Fund	-\$62.7	-\$38.8
Transportation Fund	-\$29.3	-\$15.5
General Fund	-\$182.4	-\$103.8
(Healthcare Only)	-\$11.2	-\$2.3
(General Fund Ex HC)	-\$171.2	-\$101.5
Total Current Law	-\$274.5	-\$158.1

- **Personal Income** tax revenue had a stellar year in FY20, benefitting from several enormous tax events and a strong economy in tax year 2019. Deferred filings recorded in July exceeded all expectations and closed the year about \$30 million above target. This strength, however, is backward looking, with tax year 2020 likely to generate significantly less taxable income. FY21 PI revenues are expected to drop by double digits, but will post a slightly smaller percentage loss (-9.7%) due to a large internal transfer from Corporate to PI of about \$40M expected in August associated with activity in FY20.
- This same transfer will exaggerate the reported decline in **Corporate** tax revenues in FY21 (-68%), with an adjusted decline of about 20%, as corporate balance sheets in the most highly affected industries bleed red ink and others close. Despite some corporate winners in this environment, many large corporate taxpayers have experienced large production reductions, reduced global demand and higher expenses involved in protecting workers and customers. Few other revenue categories are capable of such drastic year to year revenue swings, as carry-forwards dry up estimated payments, and refunding abounds during fiscal year filing periods.
- **Sales and Use** tax revenues benefitted from the vast federal transfer payments to the State in the fourth quarter of FY21, but still closed the year about \$9M below target. New revenues from internet retailers associated with the Wayfair decision (including Amazon affiliates), however, contributed more than \$35M, leaving FY20 4.8% above FY19 levels. The pandemic underscores the huge and growing benefit in having virtually all internet sales as a part of the S&U tax base. Internet sales now represent more than 11% of all S&U revenues, with huge gains in the fourth quarter of FY20. Although total revenues are expected to drop 3.6% in FY21, internet sales will continue to grow dramatically in this environment.

- **Meals & Rooms** revenues have and will experience the most pronounced and lasting impacts from the COVID crisis. As illustrated in the chart on page xx, seasonally adjusted M&R revenues dipped below \$115M (at annual rates) in both May and June, closing the year more than 18% below January projections and 10% below FY19 (on a comparable adjusted base). FY21 will show further losses as no quick recovery is likely, despite State reopening policies, until all visitors – including the critical older demographic cohort - feel safe traveling again.
- **Cigarette and Tobacco** tax revenue was unaffected by the pandemic – and the vaping tax yielded more than four times the revenue expected, generating about \$3.5M in FY20. This good/bad news, along with little visible sales impact from the higher legal purchasing age, will raise projected revenues slightly over the entire forecast horizon.
- **Transportation Fund** revenues experienced across the board declines in FY20, as both local and tourist travel dwindled in the fourth quarter of the fiscal year. FY20 Gasoline revenues plunged almost 9% below FY19 levels as both price and demand declines converged. A continuation of these conditions through much of FY21 will lead to further declines of about 4% before recovering some ground in FY22. Diesel revenues dropped 3.5% in FY20 and will probably register slight declines in FY21 as overall economic activity slows. Motor Vehicle Purchase and Use revenues declined 5.7% from FY19, despite a solid sales month in June and a very strong July 2020. The temporary federal transfer payments have boosted a wide range of large consumer purchases, but this support will likely dissipate in favor of more targeted assistance in FY21. An FY20 depositing error about \$1.3M in civil fine revenue that should have been in the T-Fund Other Revenue category but ended up in G-Fund Fines, overstates the FY20 Other Revenue decline by about 4 percentage points and is the only reason FY22 shows growth.
- 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 July 2020 projections and other major forecasting entities, including the Federal Reserve, EIA, CBO, IMF, The Conference Board and other private forecasting firms.

TABLE A
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
December 2018 through July 2020, Selected Variables, Calendar Year Basis

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

TABLE B
Comparison of Consensus Administration and JFO Vermont State Forecasts
December 2017 through July 2020, Selected Variables, Calendar Year Basis

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

Methodological Notes and Other Comments

- This analysis has benefited significantly from the input and support of Tax Department, Financial Regulation Department and Joint Fiscal Office personnel. In the Joint Fiscal Office, Graham Campbell, Theresa Utton-Jermaine, Steve Klein, Stephanie Barrett, Dan Dickerson, Catherine Benham, Neil Schickner, Chloe Wexler, Joyce Manchester, Mark Perrault 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, Commissioner Craig Bolio, Sharon Asay, Jake Feldman, Erin Hicks-Tibbles, Jennifer McNall, Claudia Brousseau and Doug Farnham provided important analytic contributions to many tax and revenue forecasts, including recent federal tax law change analyses and statistical and related background information associated with the detailed tax databases they oversee. In the Department of Financial Regulation, Commissioner Mike Pieciak and Issac Dayno have shared extensive epidemiological data they have developed and monitor, as well as current and planned related economic policy options. 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 43 years of data for each of the 25 General Fund categories (three aggregates), 40 years of data for most of the Transportation Fund categories (one aggregate), and 21 to 43 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 on-line 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 - August 2020**

SOURCE G-FUND

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

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

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

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

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

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

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

CURRENT LAW BASIS

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

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

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

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

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

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

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

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

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

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

SOURCE HEALTHCARE¹

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

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

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

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

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

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

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

SOURCE T-FUND

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

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

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

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

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

OTHER (TIB³)

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

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

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

3) Transportation Infrastructure Bond revenues

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

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

CURRENT LAW BASIS

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

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

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

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

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

3) Includes Motor Vehicle Rental revenues, restated

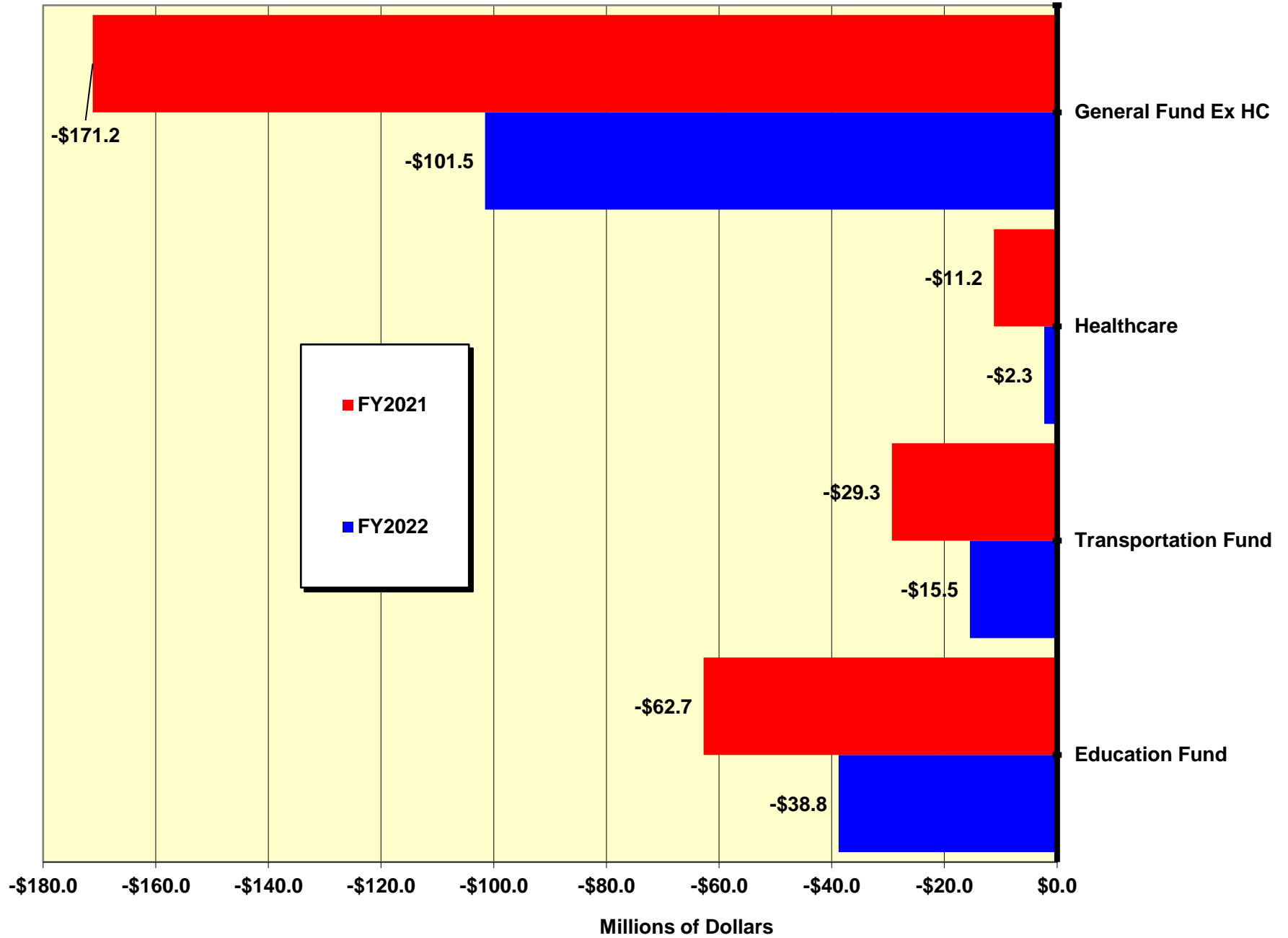
Commentary Zoom Charts

Referenced Charts for the Emergency Board and Associated Legislative Meetings



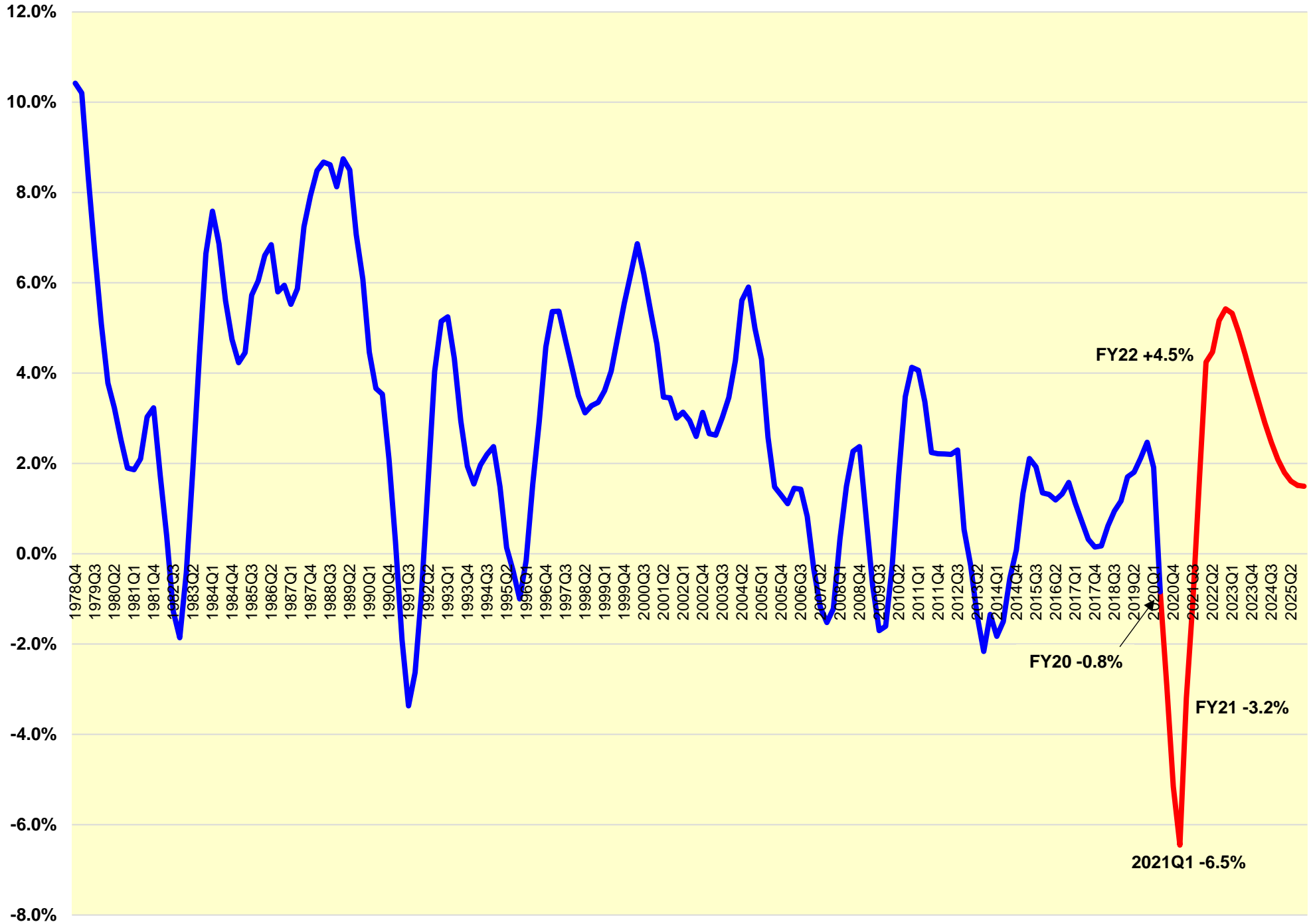
August 2020

Recommended Net Revenue Changes from January 2020 Forecast



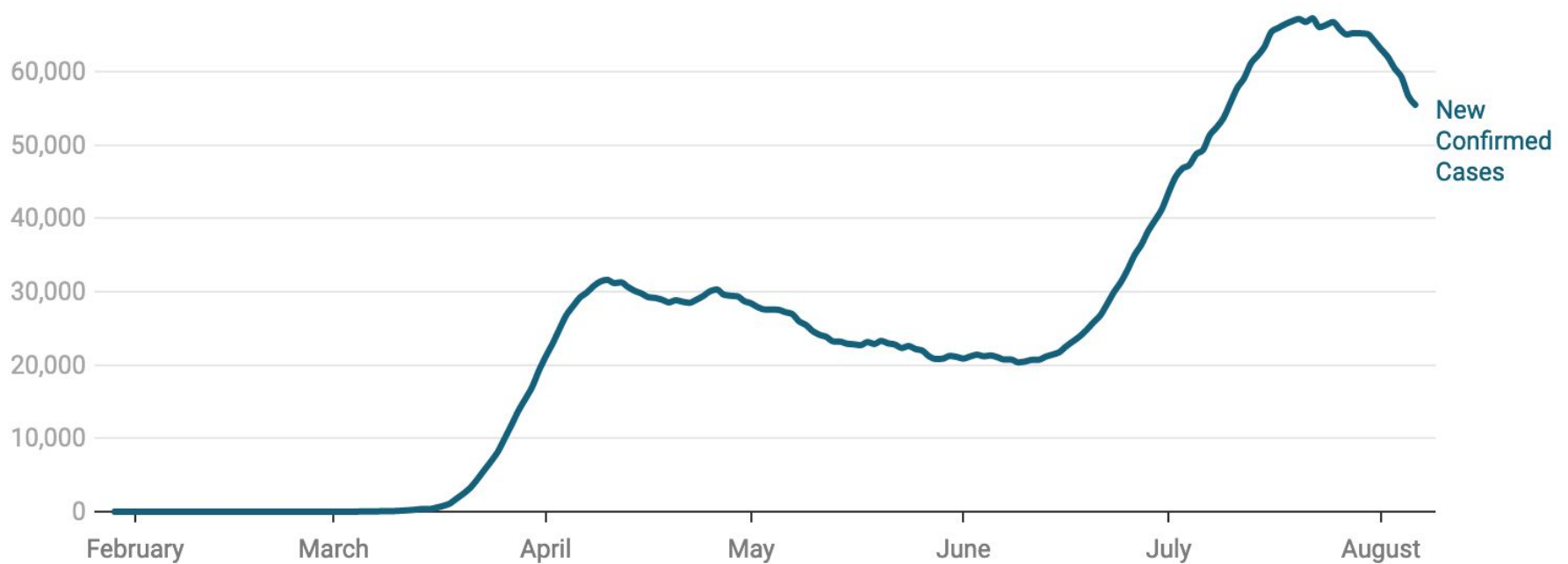
The Pandemic Storm Path: More to Come

Annualized Real Vermont GDP Percent Change vs. Prior Year Period



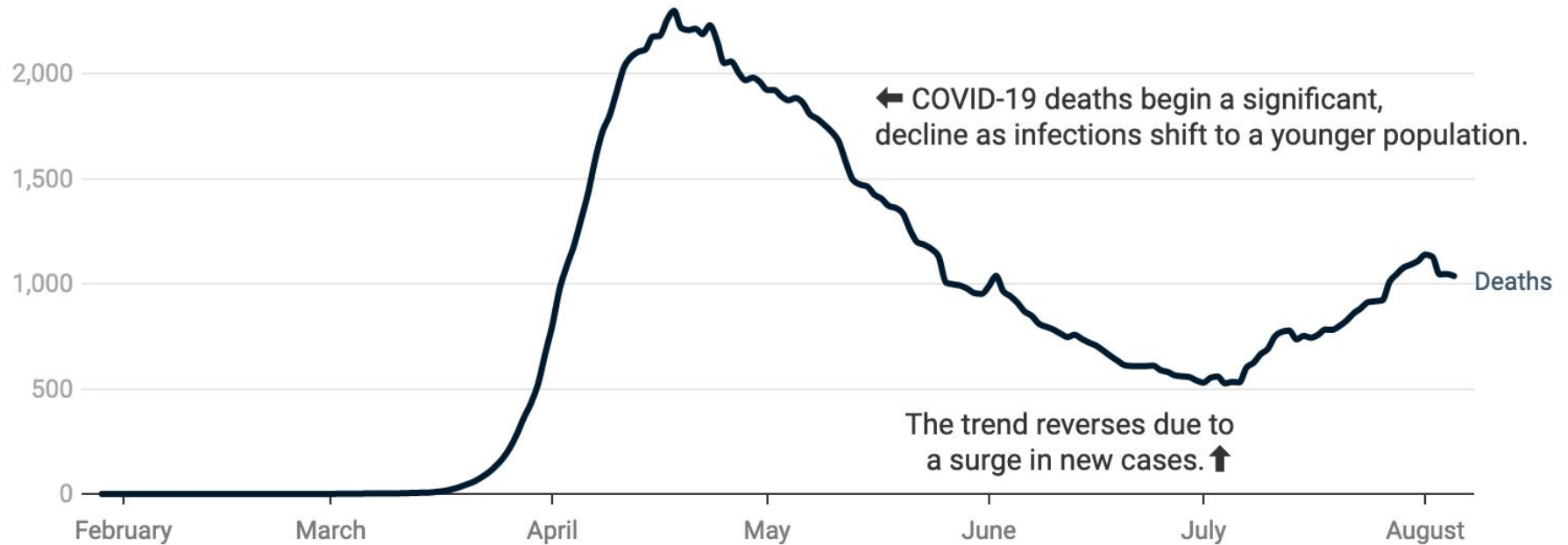
National Data

New confirmed COVID-19 cases per day

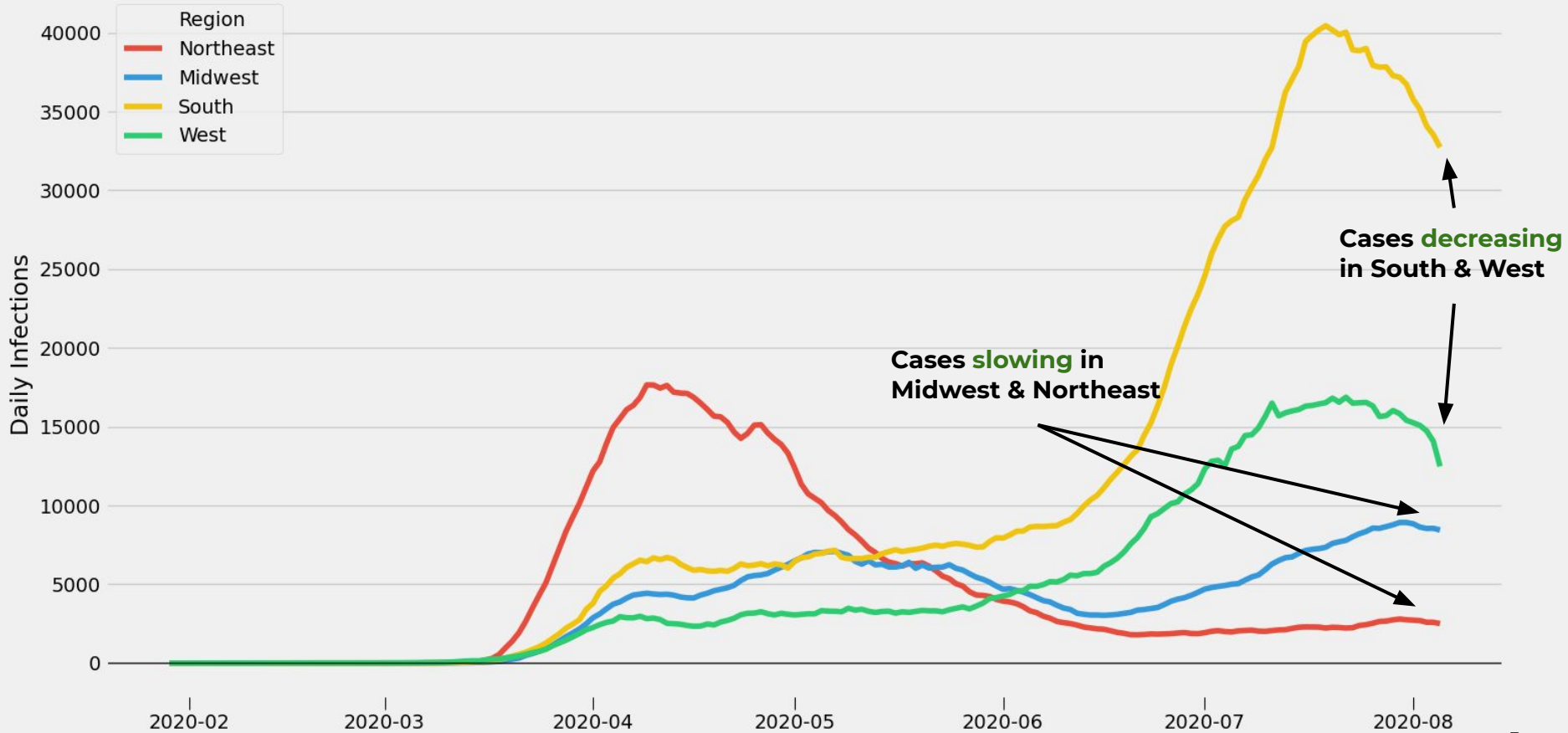


National Data

New confirmed COVID-19 deaths per day

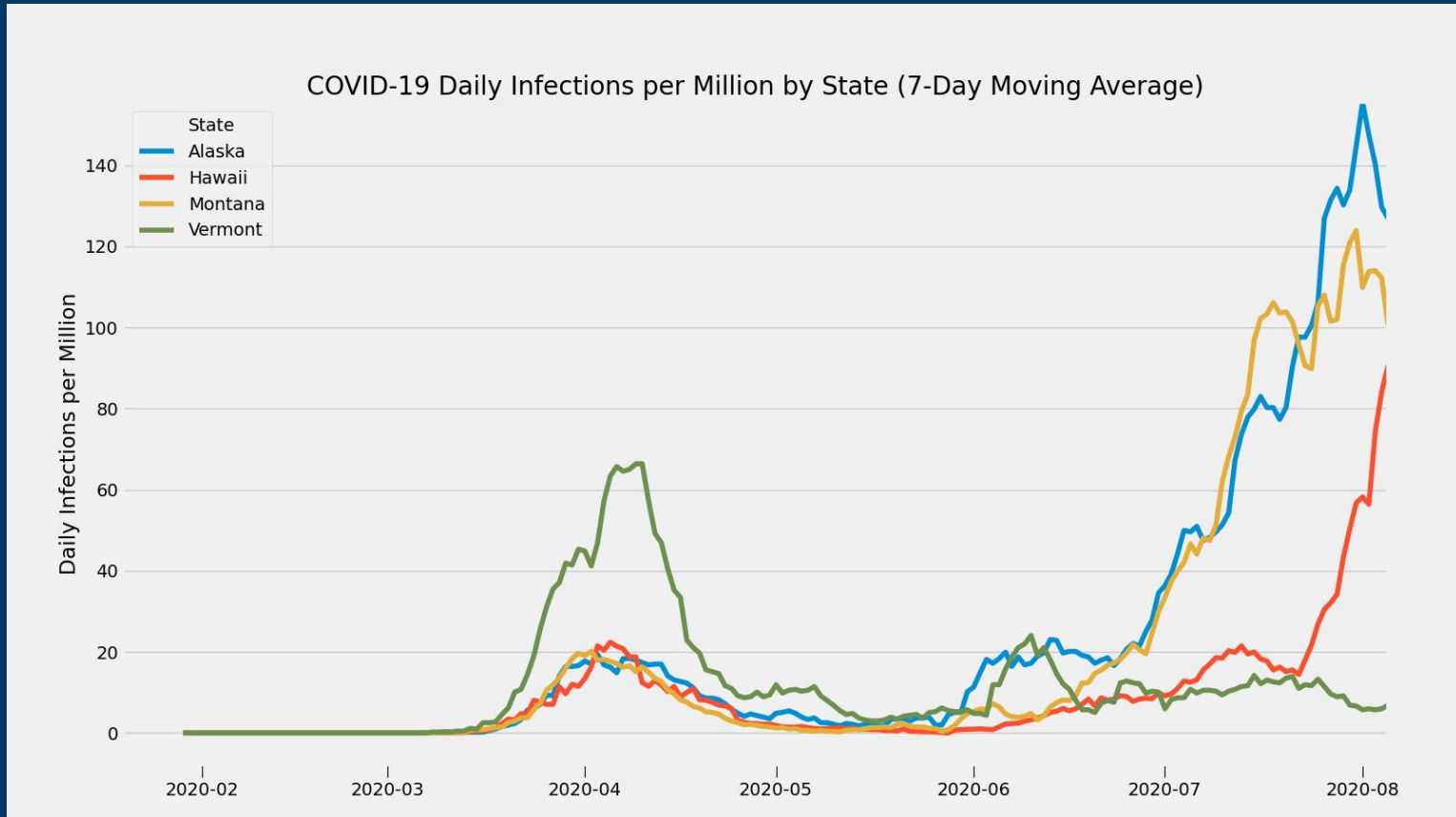


COVID-19 Daily Infections by Census Region (7-Day Moving Average)



July to August

Slow Test Results, Testing Issues and Trouble Contact Tracing



Mobility Data: Small Weekly Increases in Movement

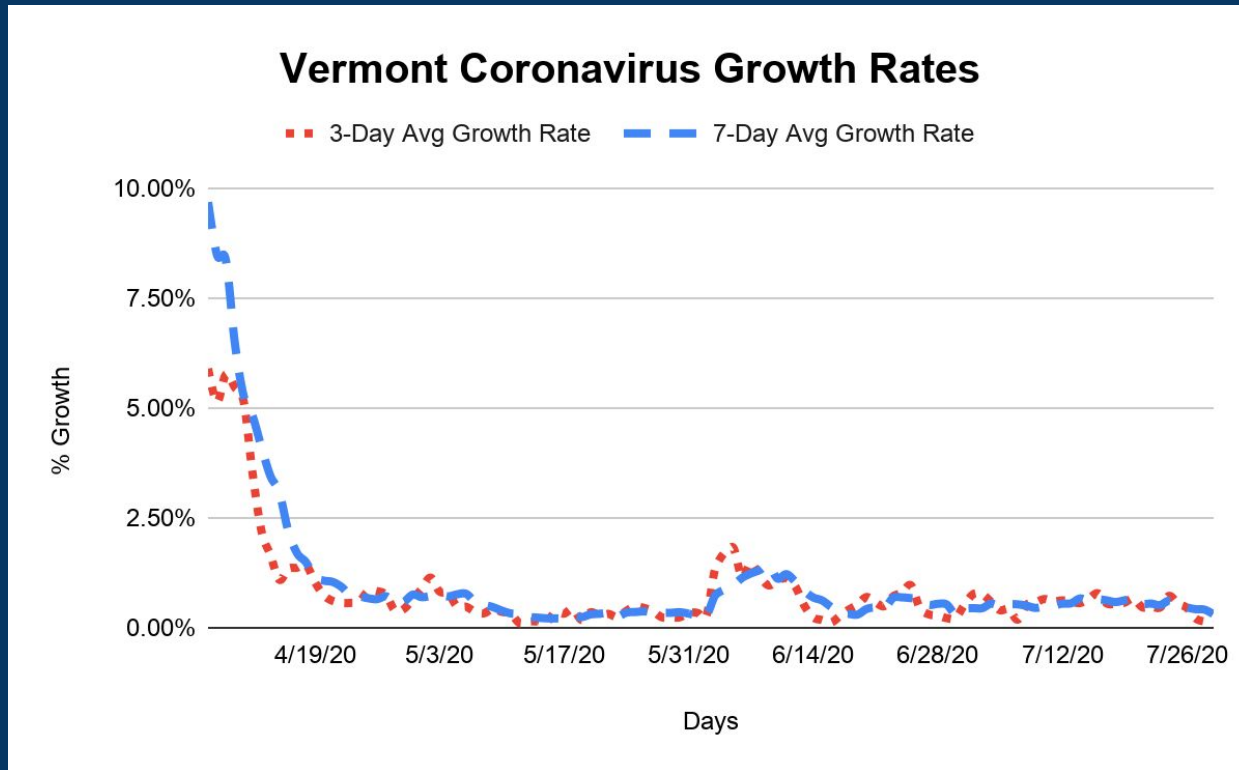
Percent Change in Median Distance Traveled by Individuals

'Median distance' defined during 2020-02-17 to 2020-03-07. Values depict % change for individual with median distance traveled of sample population by state.



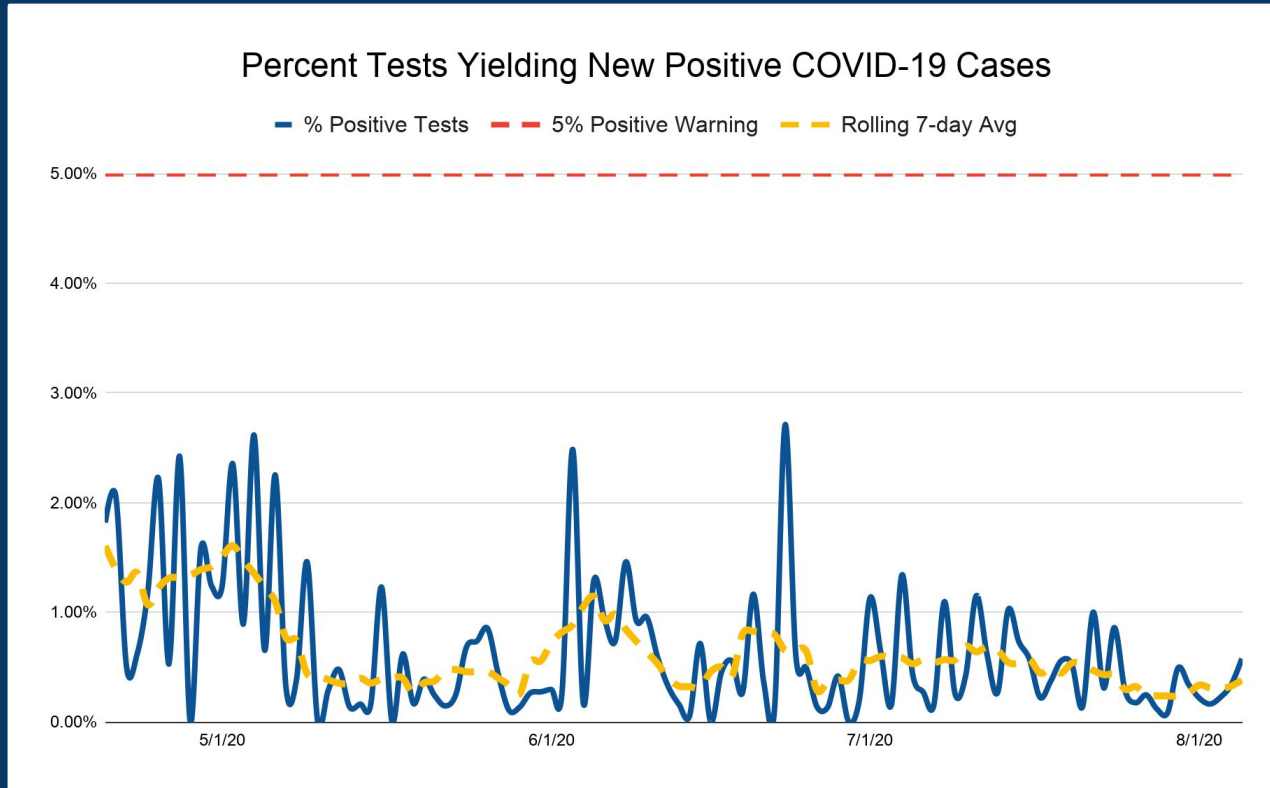
Data Point 2: Viral Growth and Reproductive Rates

- **Summary:** Case growth measured by daily, 3-day, 7-day, and effective reproductive rate (R_t)
- **Warning Flags:** Sustained viral growth that would lead to <30% of open ICU beds



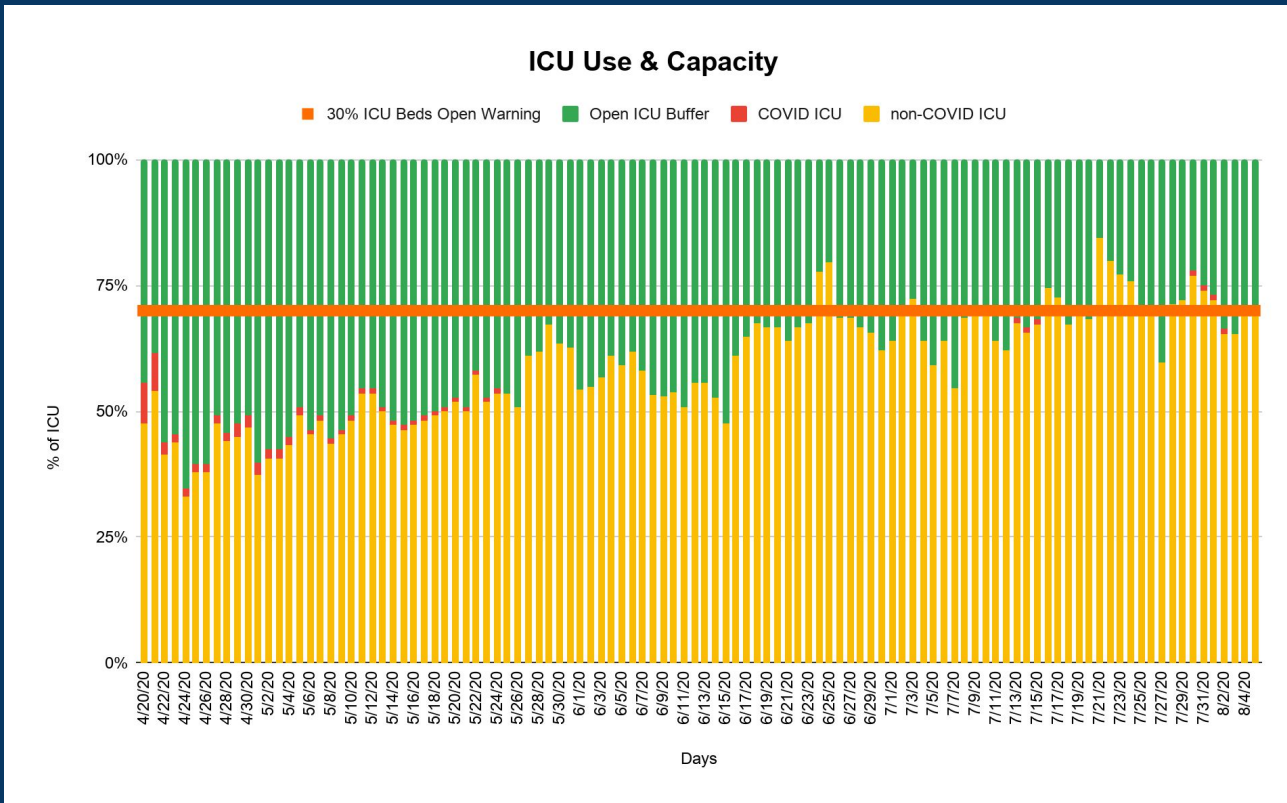
Data Point 3: Percentage of New Positive Tests

- **Summary:** Percent of tests resulting in a new positive case
- **Warning Flags:** New positives represent >5% of daily results

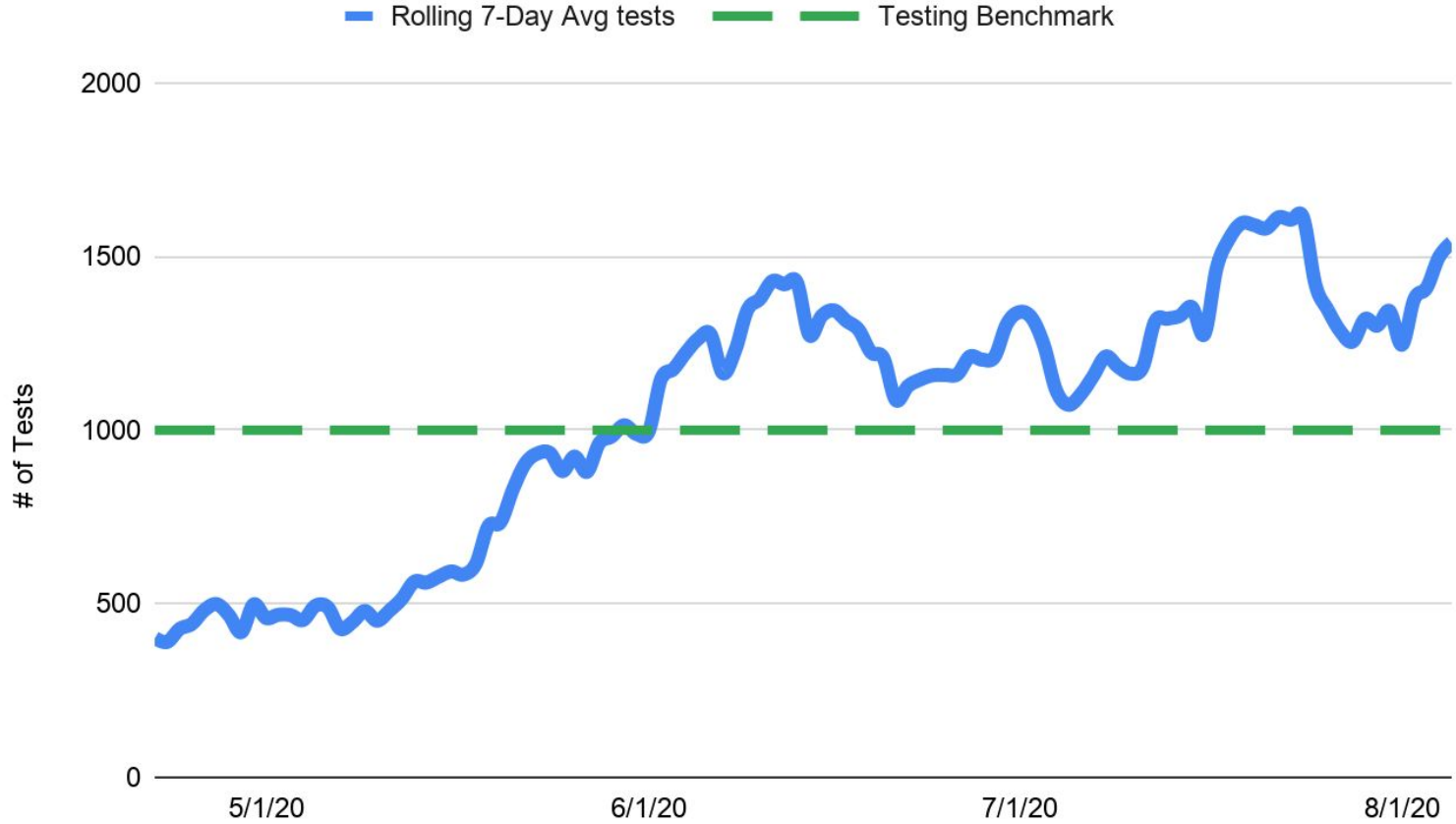


Data Point 4: Hospital & Critical Care Beds

- **Summary:** Number of occupied and unoccupied medical surgical and ICU beds
- **Warning Flags:** Reduction in ICU open beds to less than 30%

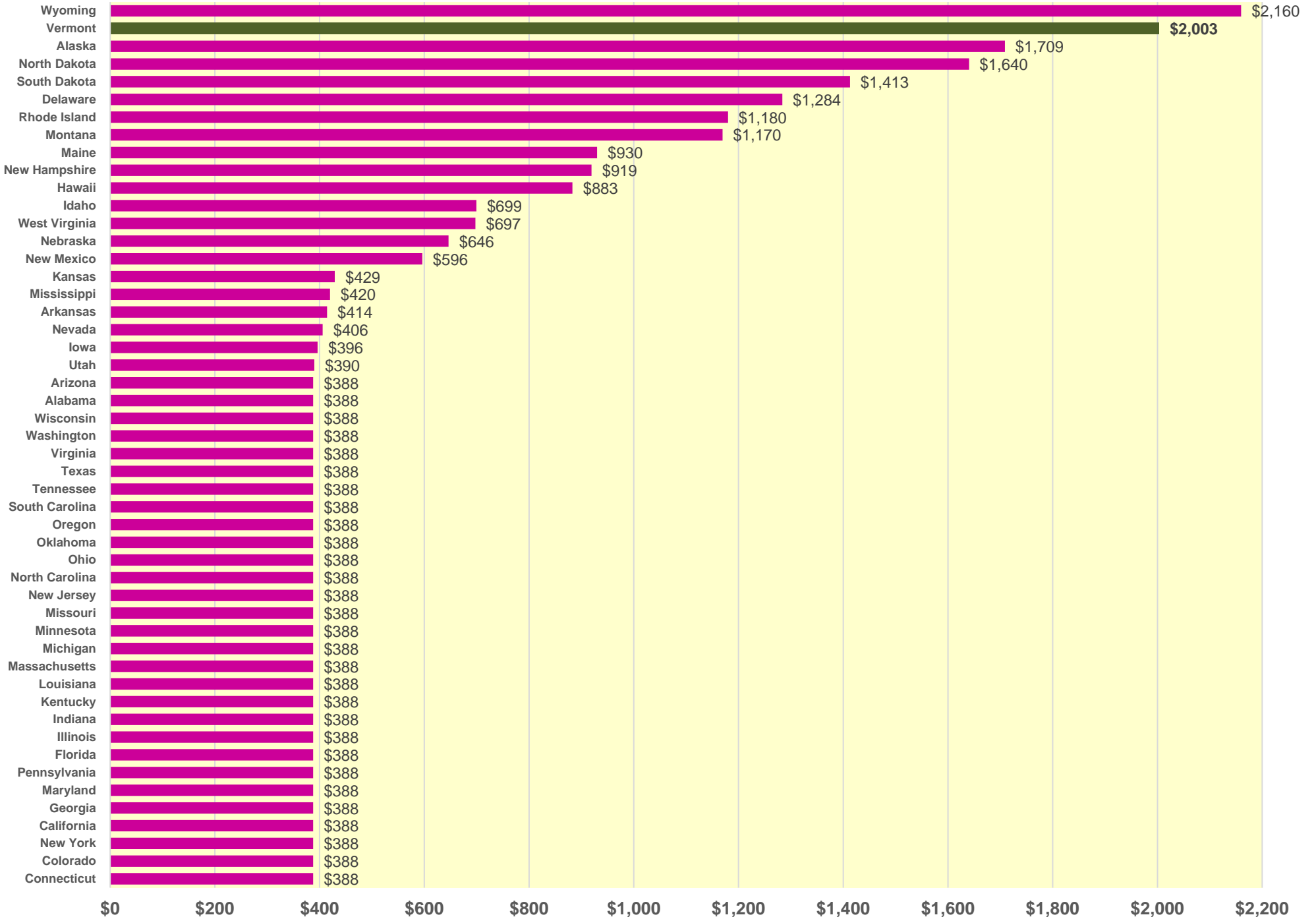


7-Day Rolling Test Average



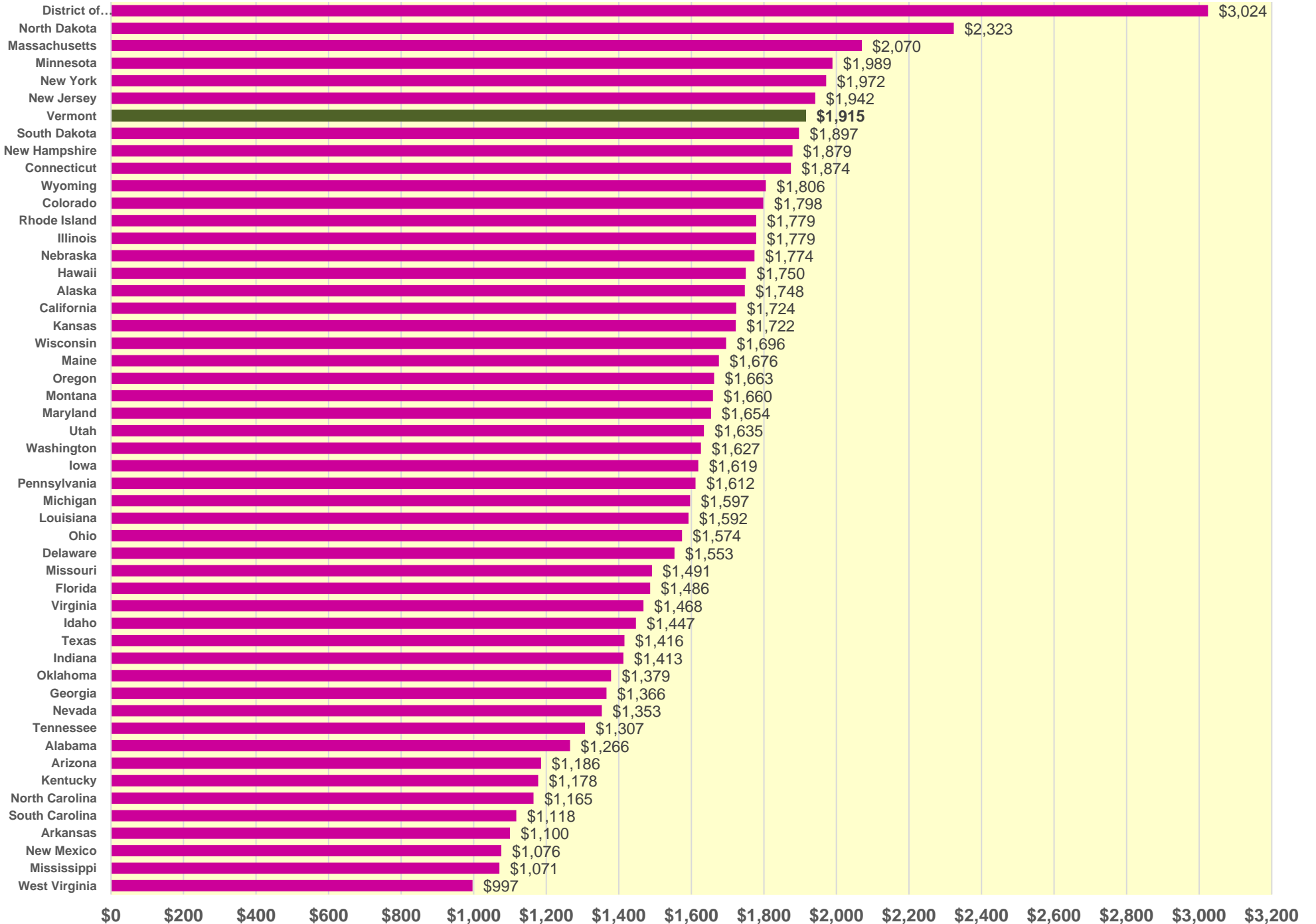
New York x 5 = Vermont: Per Capita CARES Act Funding

Source: U.S. Department of the Treasury



West Virginia x 2 = Vermont: Per Capita PPP Funding

Source: U.S. Department of the Treasury



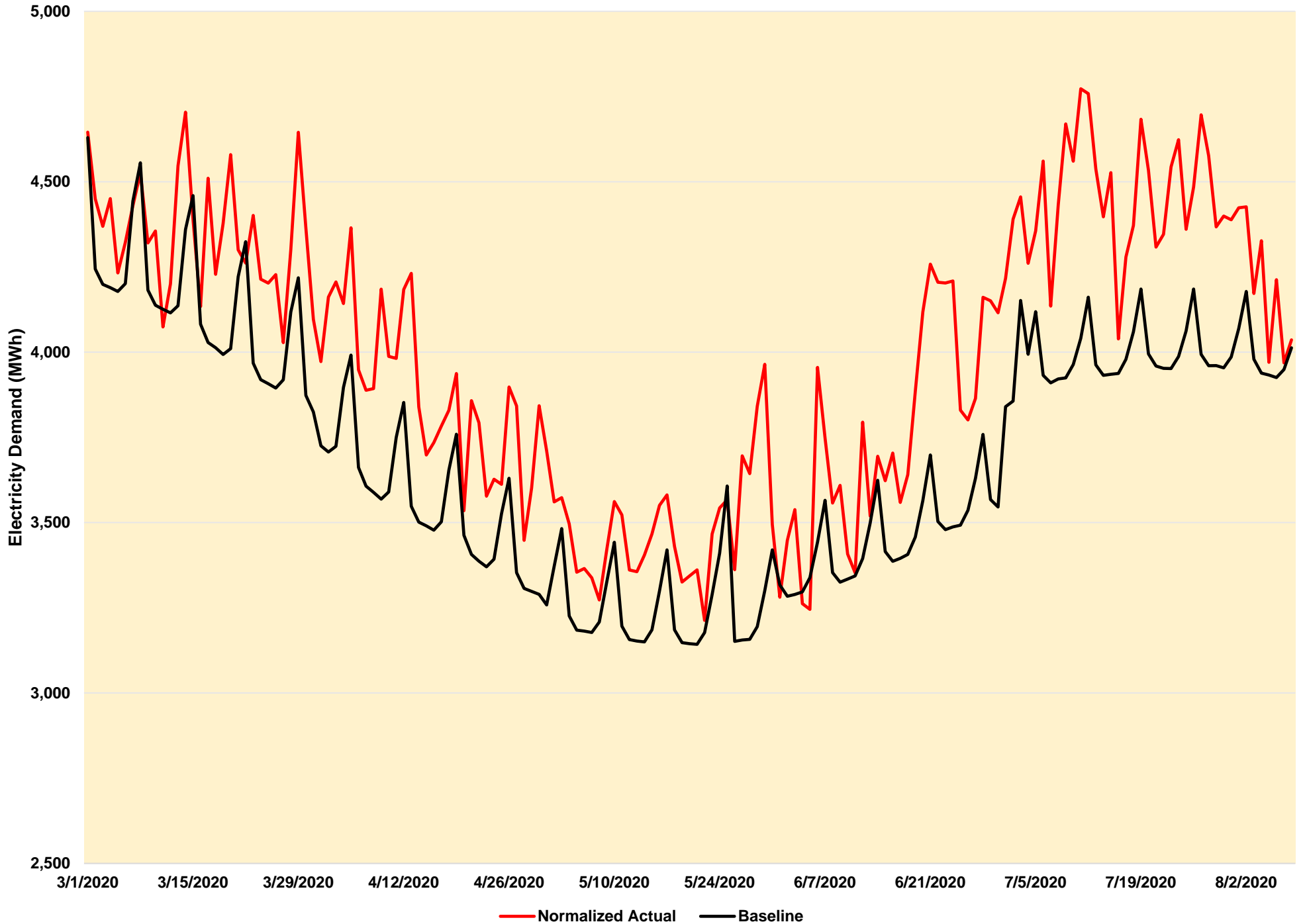
Industry by NAICS Sector

NAICS Sector Description	Loan Count	Net Dollars	% of Amount
Health Care and Social Assistance	522,900	\$67,308,168,304	12.91%
Professional, Scientific, and Technical Services	664,941	\$66,431,416,001	12.74%
Construction	484,806	\$64,697,933,772	12.41%
Manufacturing	234,948	\$53,922,171,696	10.34%
Accommodation and Food Services	377,460	\$42,226,563,861	8.10%
Retail Trade	463,764	\$40,378,607,813	7.74%
Other Services (except Public Administration)	563,154	\$31,286,196,747	6.00%
Wholesale Trade	171,553	\$27,508,783,153	5.28%
Administrative and Support and Waste Management and Remediation Services	251,285	\$26,381,319,807	5.06%
Transportation and Warehousing	215,982	\$17,241,704,592	3.31%
Real Estate and Rental and Leasing	256,412	\$15,605,067,970	2.99%
Finance and Insurance	175,760	\$12,088,513,425	2.32%
Educational Services	85,426	\$11,982,020,521	2.30%
Unclassified Establishments	219,582	\$9,655,072,807	1.85%
Information	72,057	\$9,279,228,782	1.78%
Arts, Entertainment, and Recreation	125,777	\$8,089,594,232	1.55%
Agriculture, Forestry, Fishing and Hunting	144,334	\$7,994,868,458	1.53%
Mining	22,156	\$4,521,098,771	0.87%
Public Administration	13,956	\$1,748,125,718	0.34%
Management of Companies and Enterprises	9,137	\$1,548,812,402	0.30%
Utilities	8,195	\$1,490,681,774	0.29%

Approvals through 07/31/2020

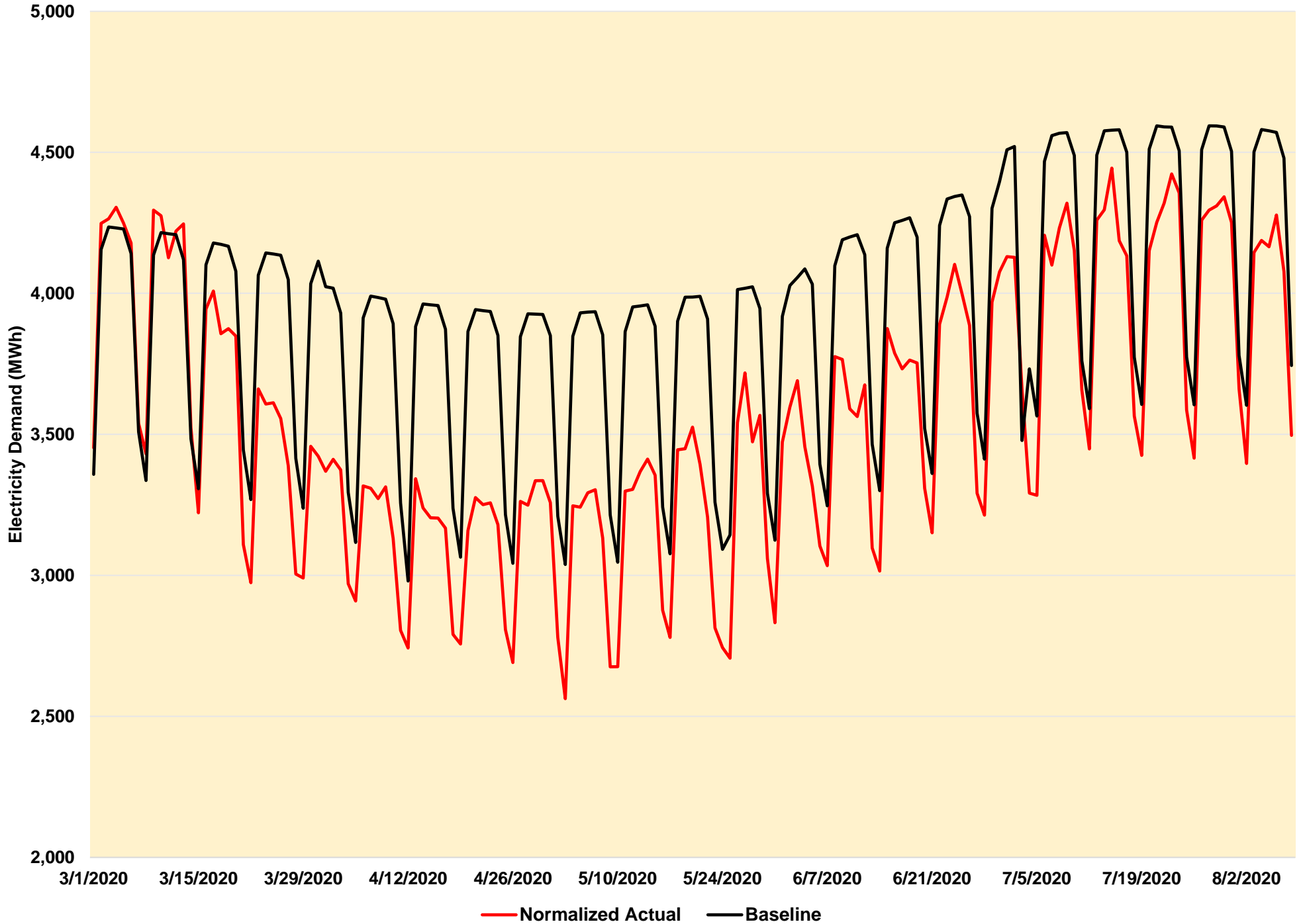
Residential Electricity Sales in Vermont

(Normalized Actual vs. Baseline, Sources: Vermont Utilities, Itron, KRA)



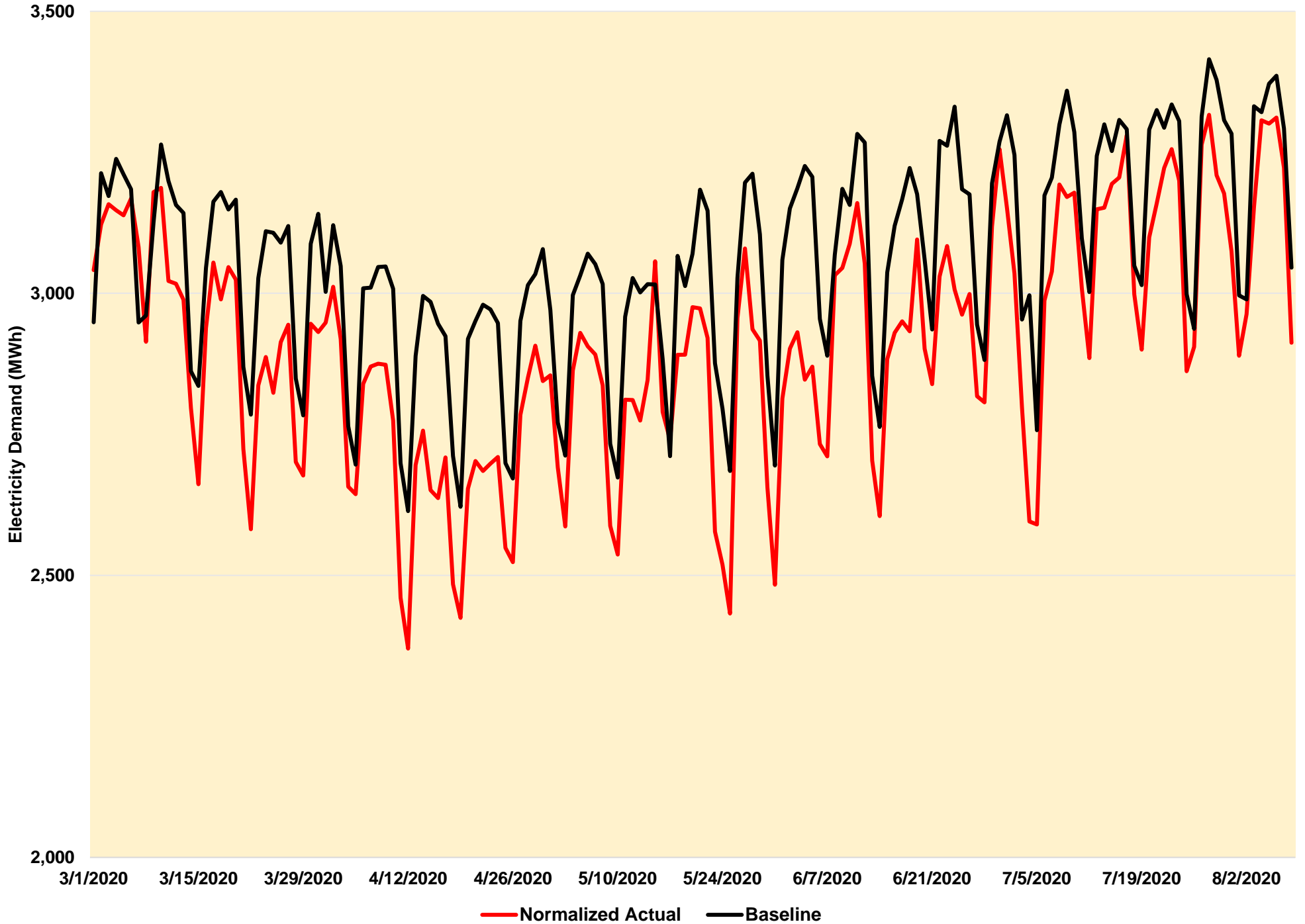
Small Commercial & Industrial Sales in Vermont

(Normalized Actual vs. Baseline, Vermont Utilities, Itron, KRA)



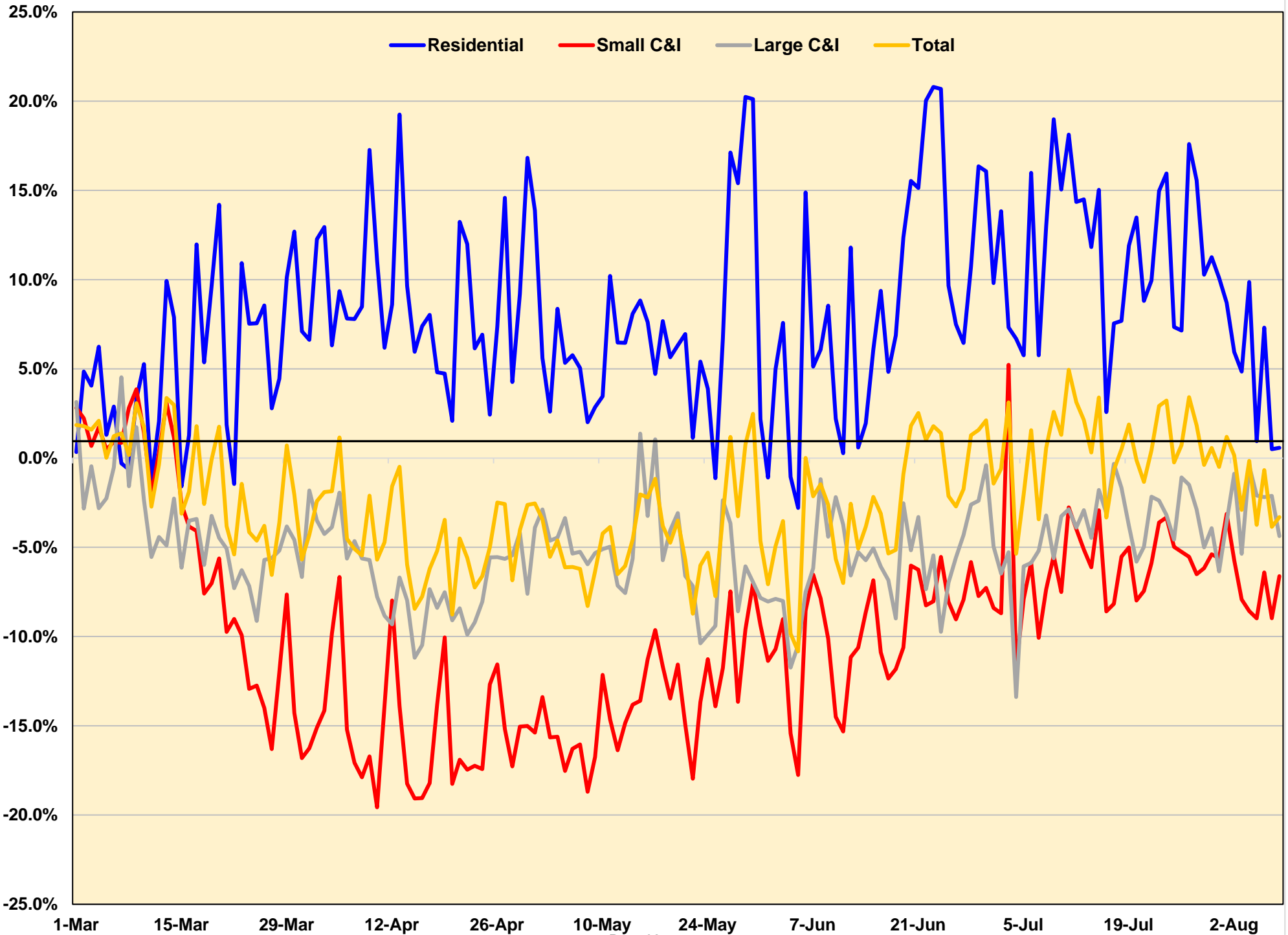
Large Commercial & Industrial Sales in Vermont

(Normalized Actual vs. Baseline, Sources: Vermont Utilites, Itron, KRA)



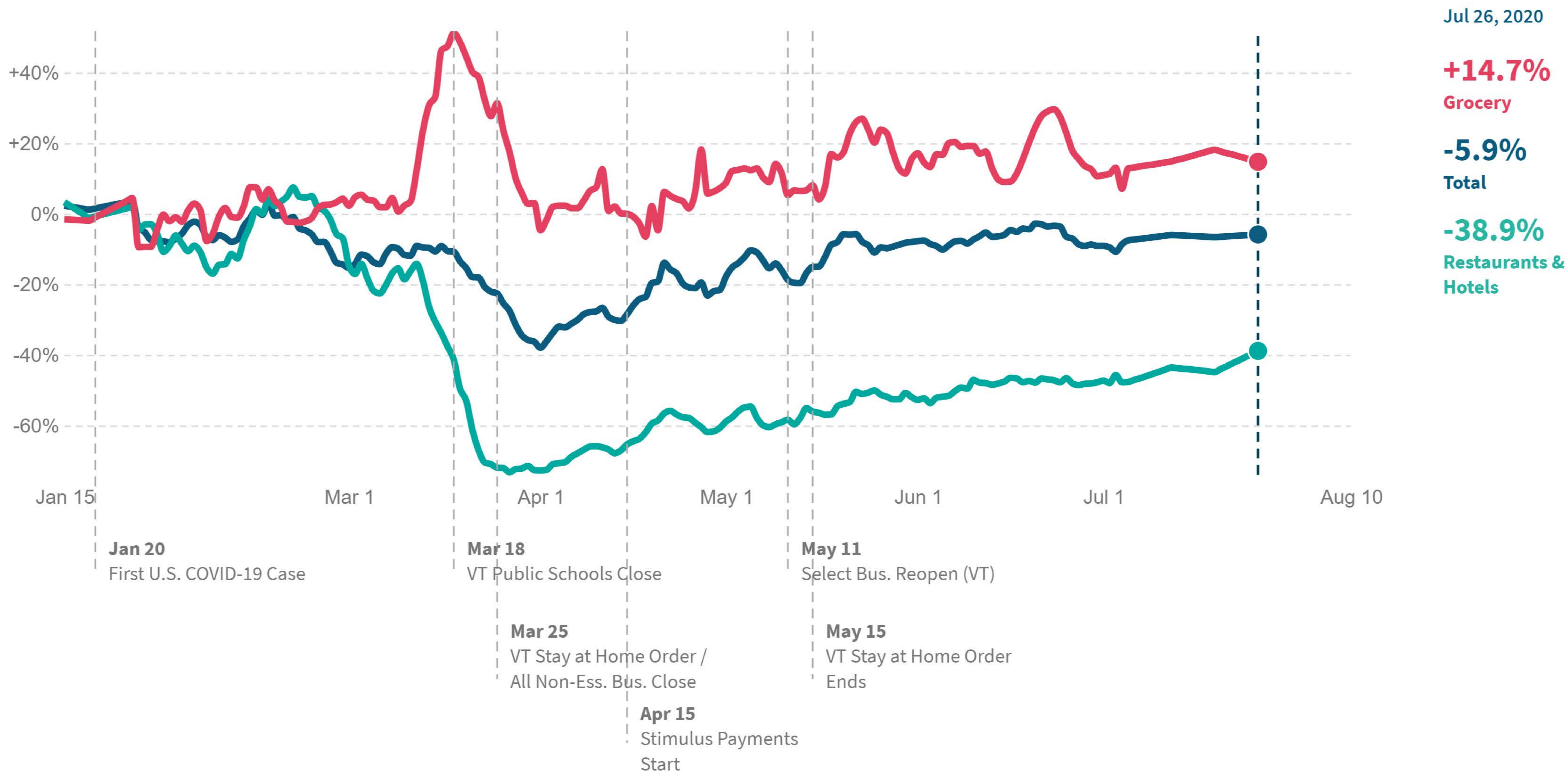
2020 Percent Change from Baseline of Electricity Sales Types in Vermont

(Normalized Actual vs. Baseline, Sources: Vermont Utilities, Itron, KRA)



Percent Change in All Consumer Spending*

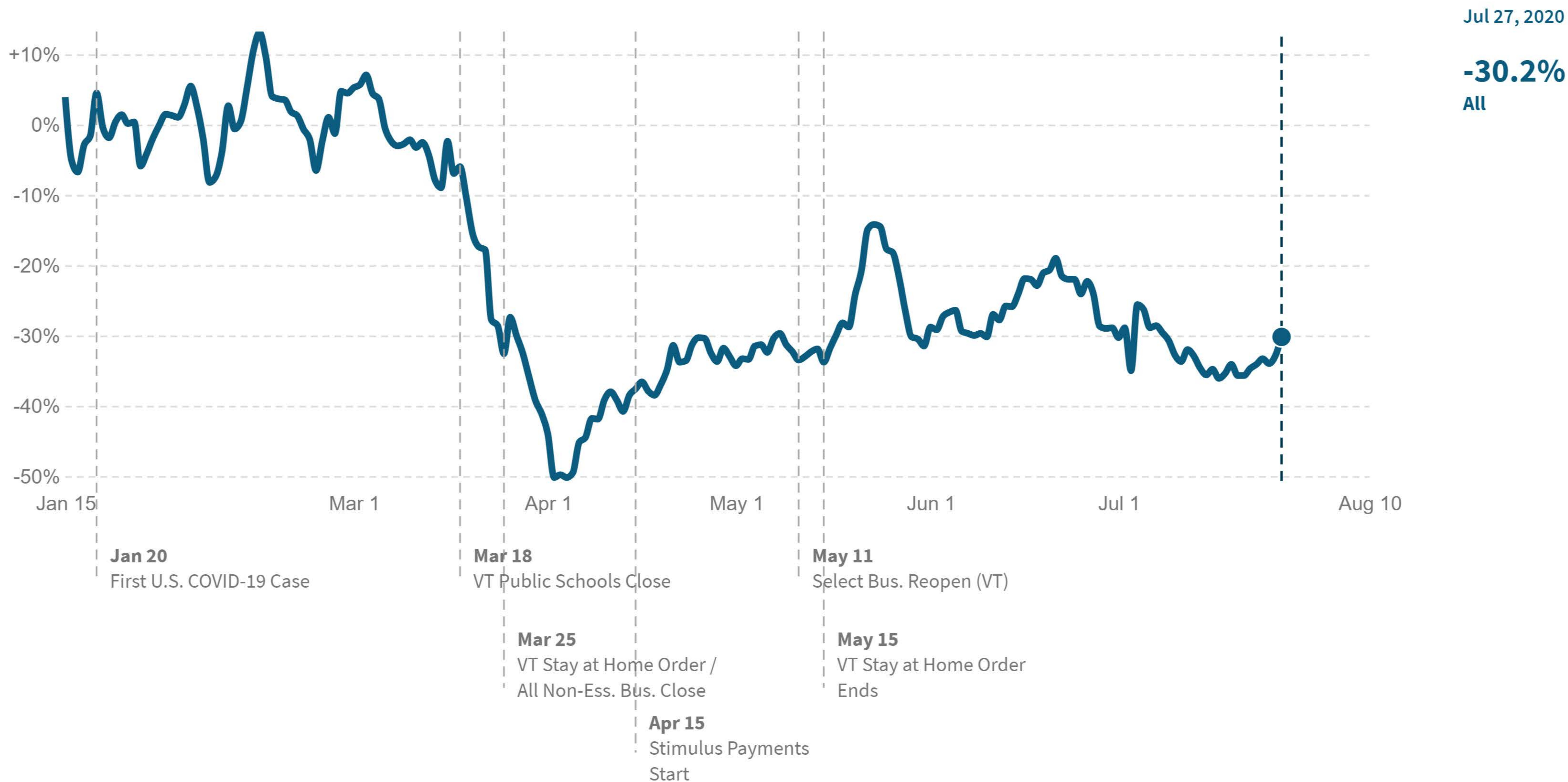
In **Vermont**, as of July 26 2020, total spending by all consumers decreased by **5.9%** compared to January 2020.



*Change in average consumer credit and debit card spending, indexed to January 4-31 2020 and seasonally adjusted. This series is based on data from Affinity Solutions.

Percent Change in Small Business Revenue*

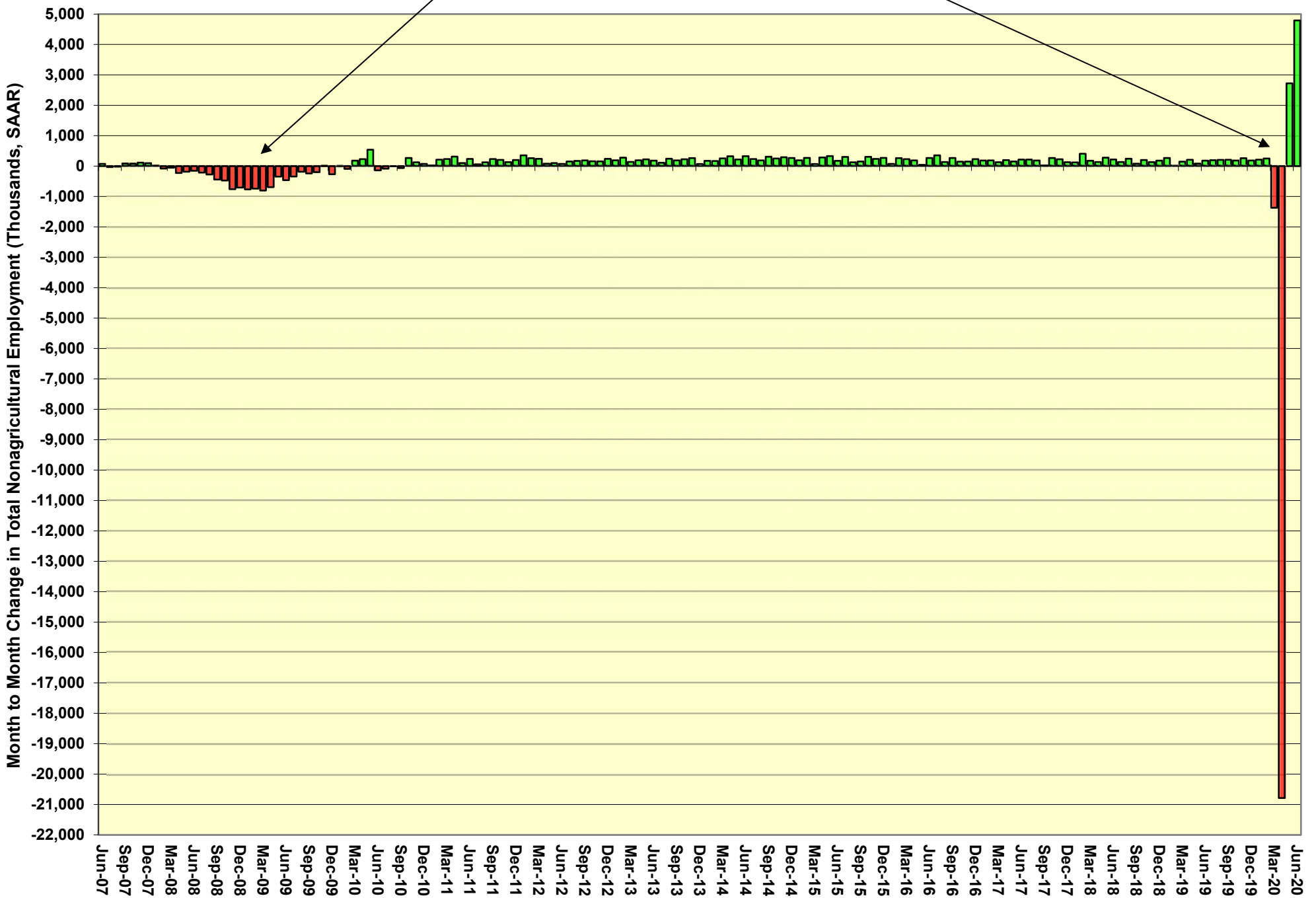
In **Vermont**, as of July 27 2020, total small business revenue decreased by **30.2%** compared to January 2020.



*Change in net business revenue for small businesses, indexed to January 4-31 2020 and seasonally adjusted. This series is based on data from Womply.

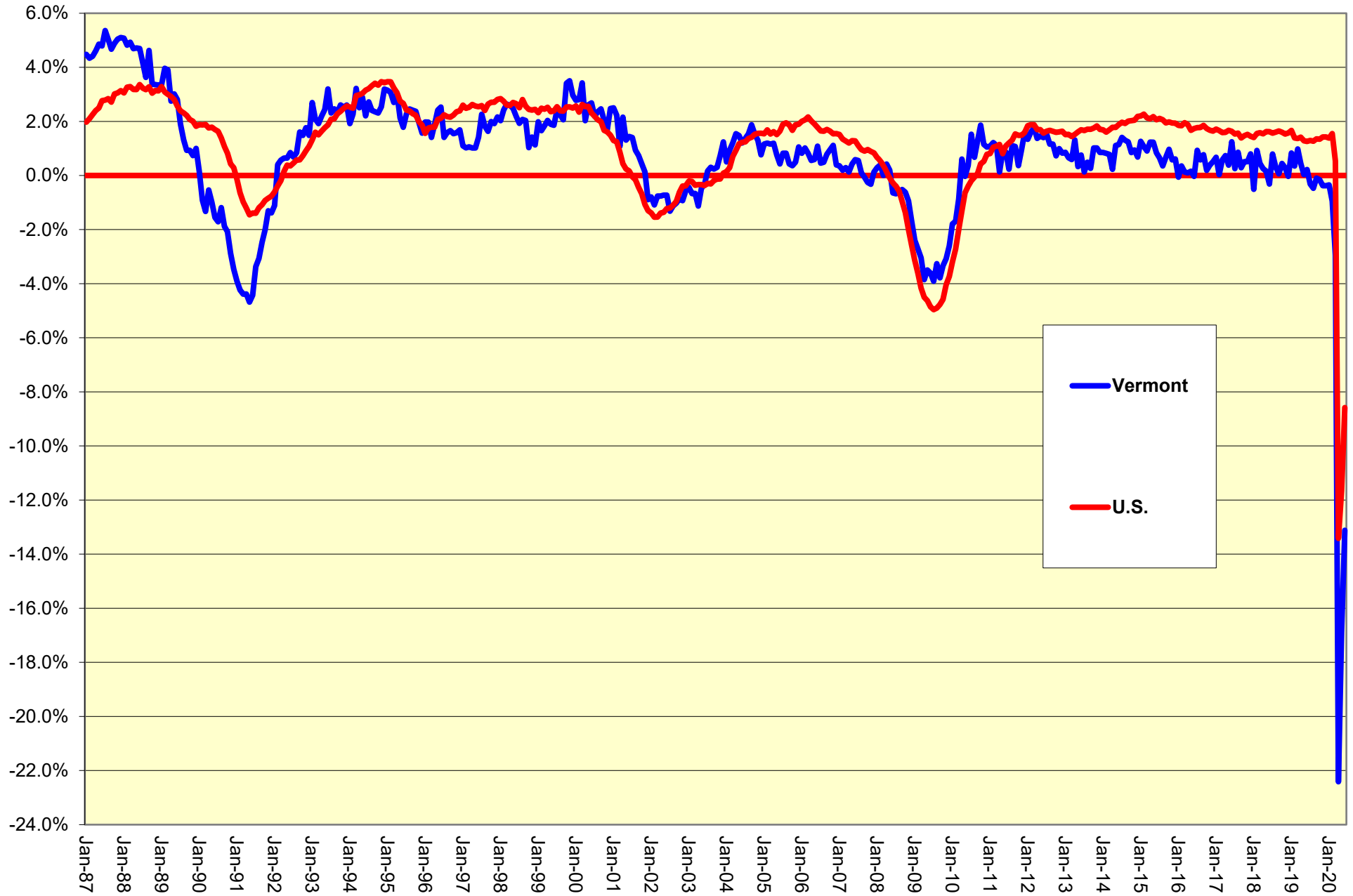
If That Was the "Great Recession," What's This?

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



Employment Growth Craters During Shutdown - With Recovery Uncertain

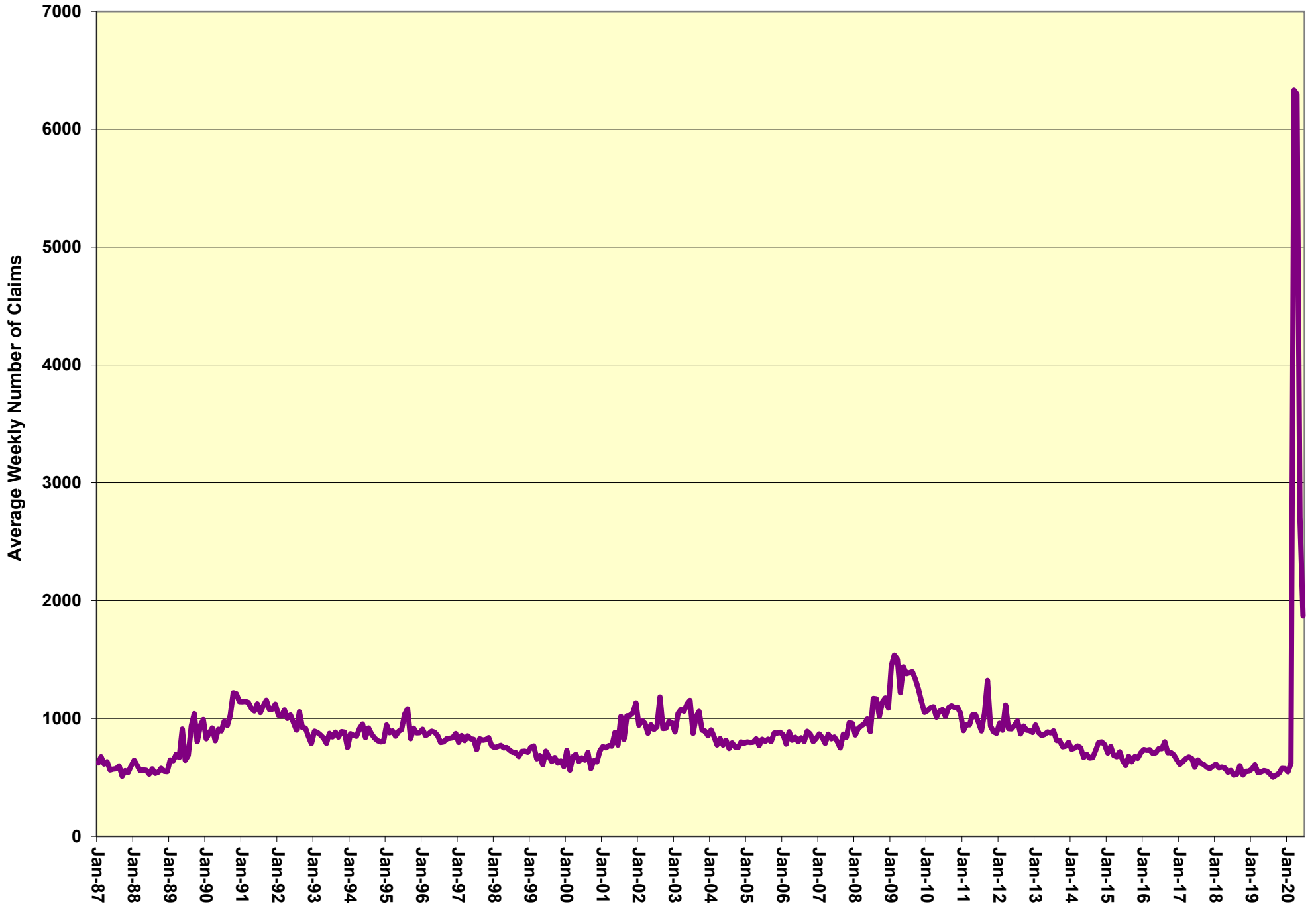
Total Nonagricultural Employment, Percent Change vs. Year Ago, Seasonally Adjusted Data



Source: Bureau of Labor Statistics, U.S. Department of Labor

Nothing Like it On Record: Vermont Initial Unemployment Claims

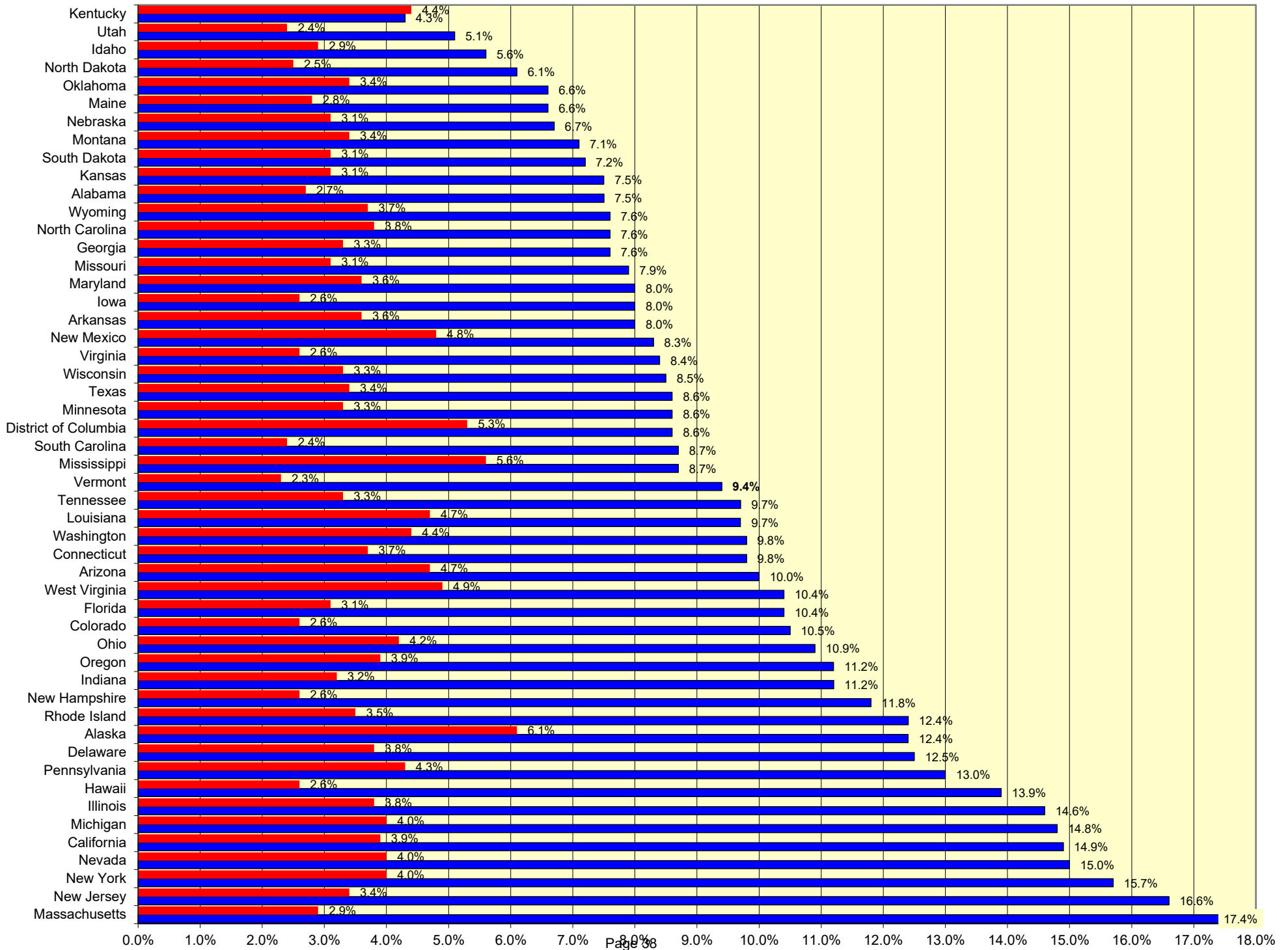
(Average Weekly Initial Claims for Unemployment in Vermont, Seasonally Adjusted)



Source: U.S. Department of Labor, Boston Federal Reserve Bank

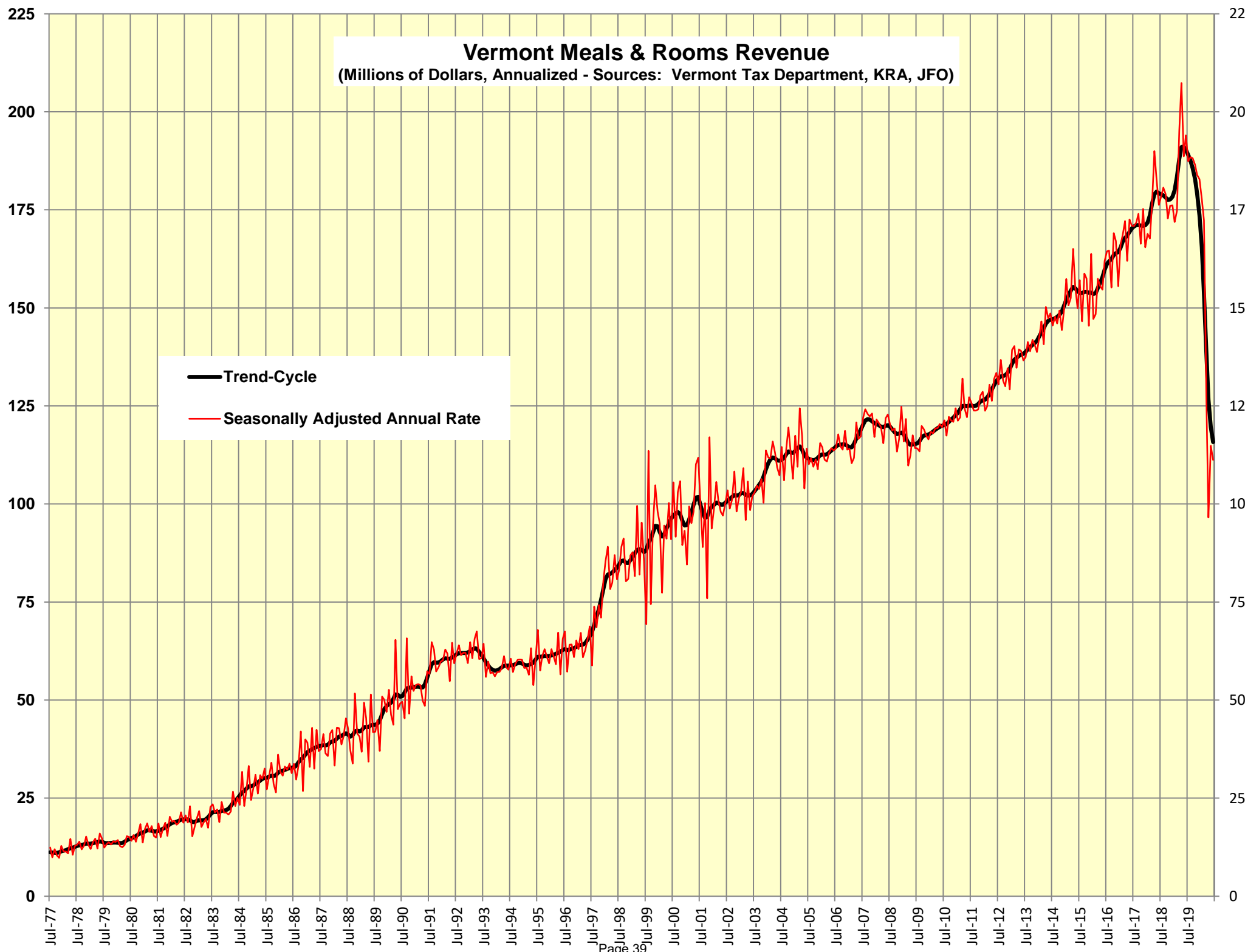
Unemployment Rate by State - June 2020 vs. November 2019

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



Vermont Meals & Rooms Revenue

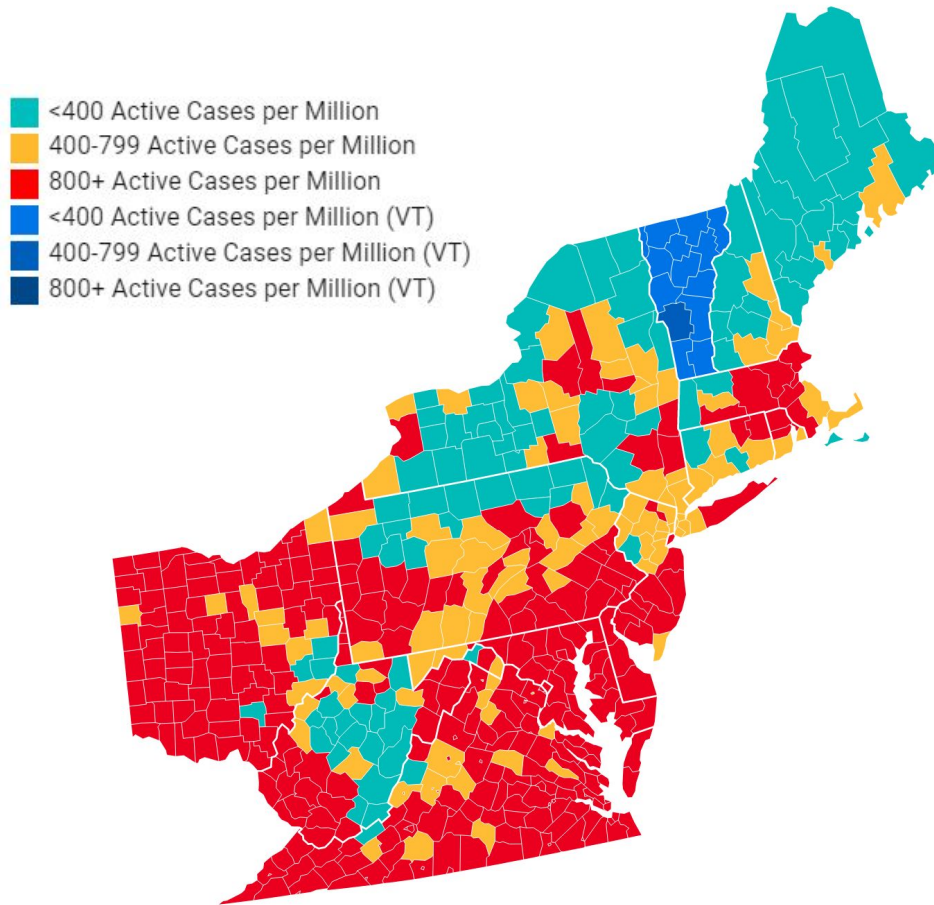
(Millions of Dollars, Annualized - Sources: Vermont Tax Department, KRA, JFO)



— Trend-Cycle
— Seasonally Adjusted Annual Rate

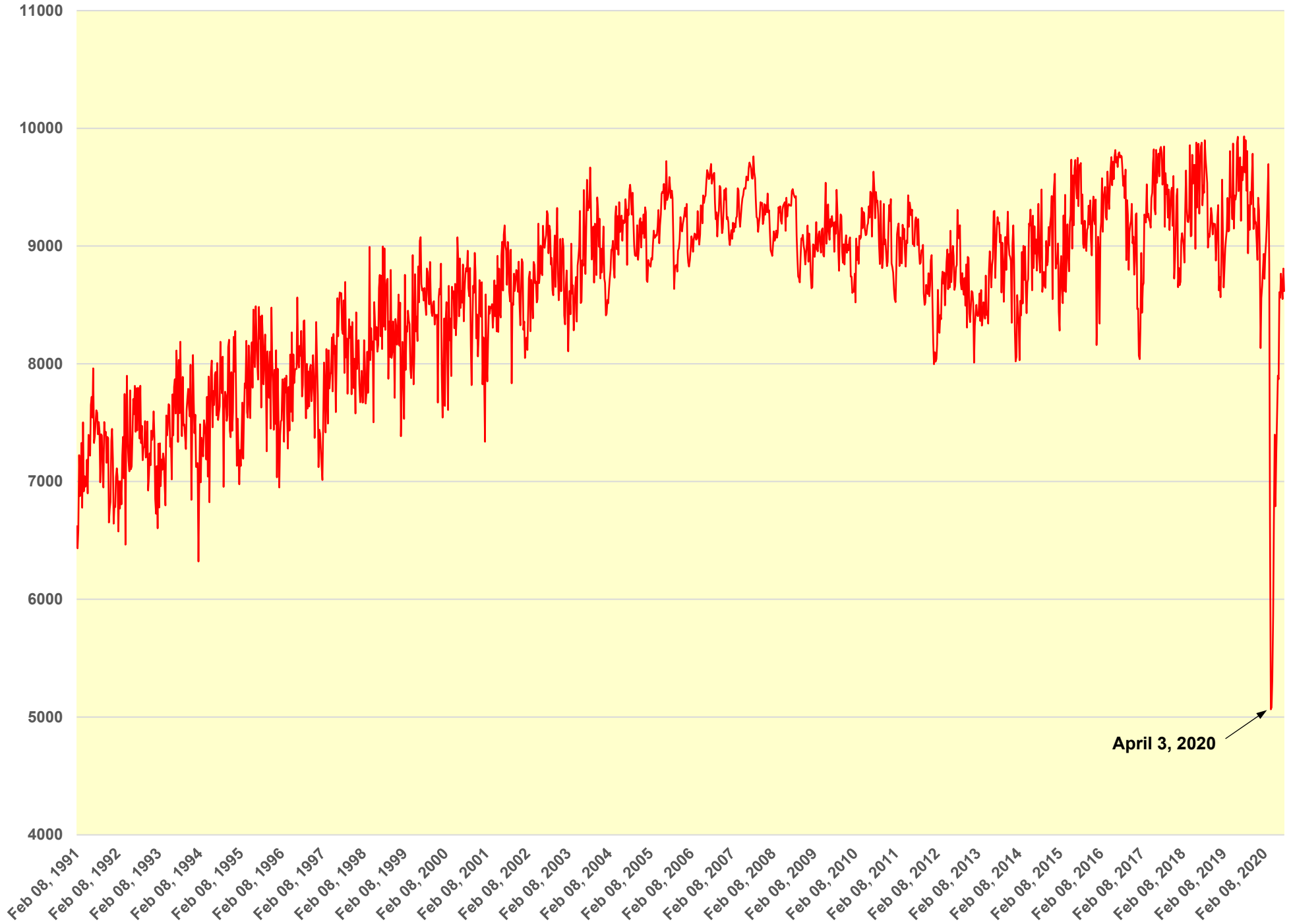


Updated Travel Map



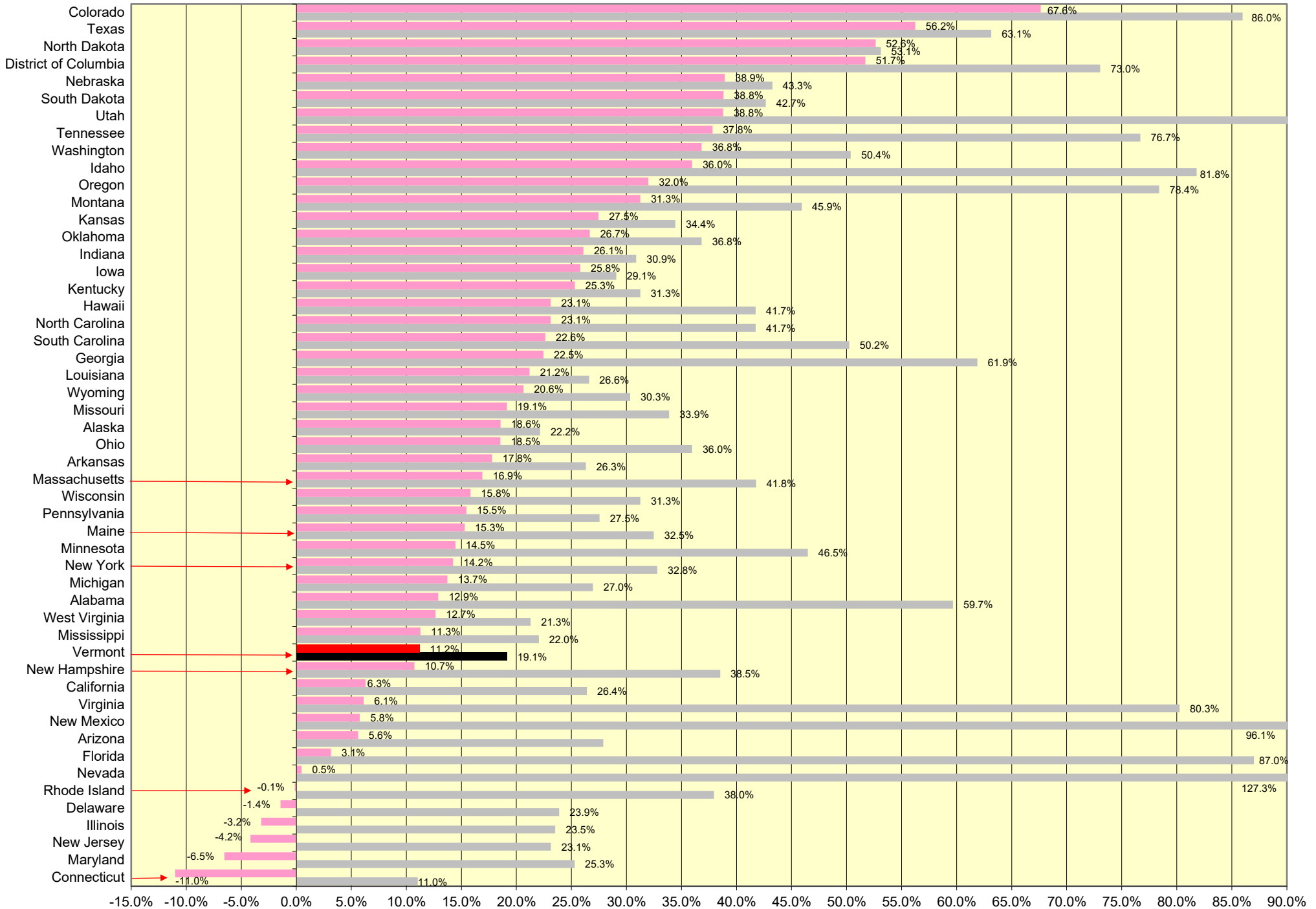
Weekly U.S. Product Supplied of Finished Motor Gasoline

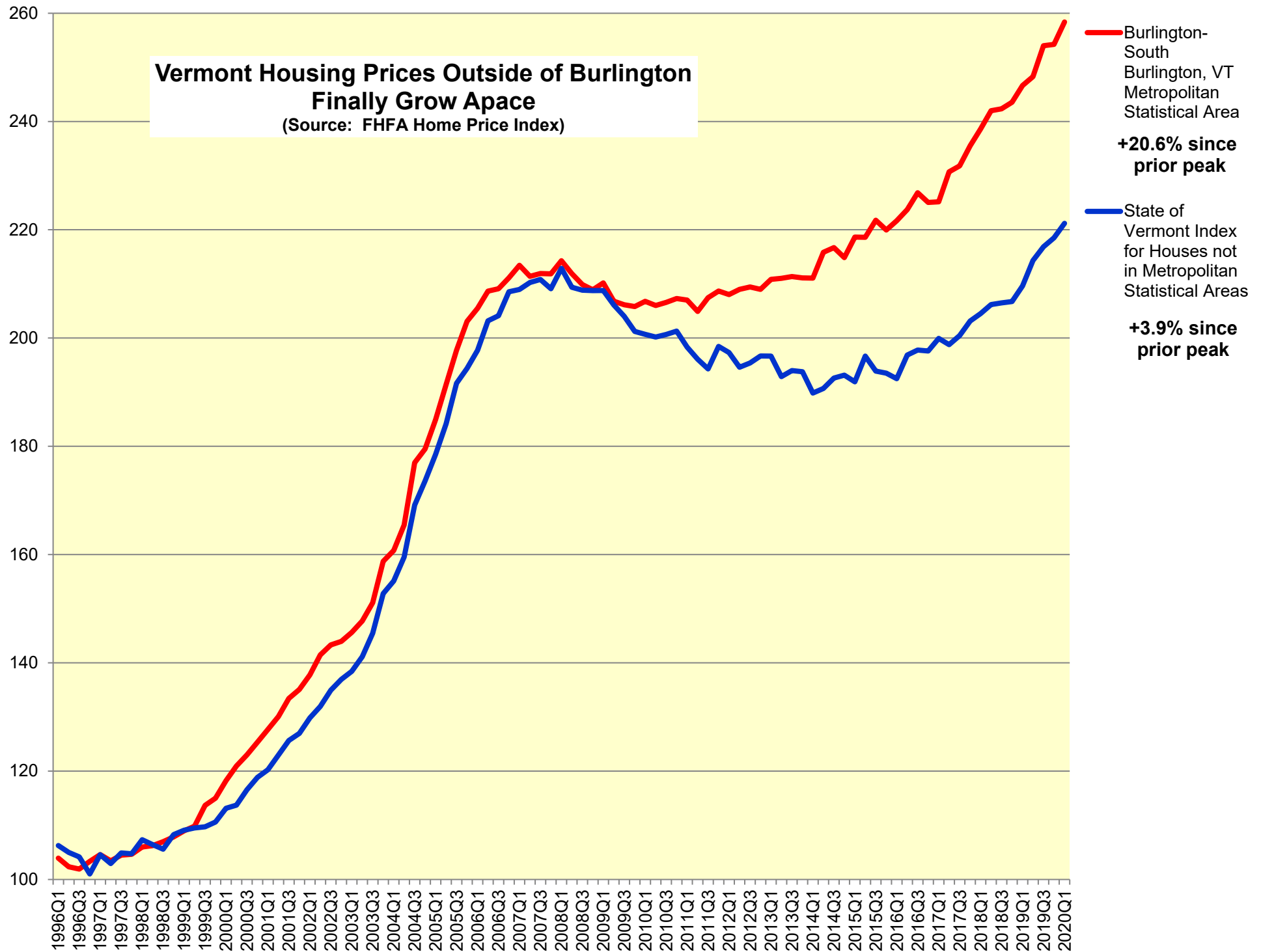
(Thousand Barrels per Day, Source: US EIA)



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

Percent Change, 2020Q1 vs. Peak Price by State Reached Between 2005Q3 and 2009Q3 - Pink and 2020Q1 vs. Trough Price Reached Between 2009Q3 and 2014Q1 - Grey
Source: FHFA





Appendix A

Five Year Revenue Forecast Tables

August 2020

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

SOURCE G-FUND

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

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

- 1) Includes Telecommunications Tax; includes \$3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error.
- 2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13; Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and E-Fund.
- 3) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.
- 4) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

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

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																				
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$925.8	5.8%	\$836.1	-9.7%	\$865.5	3.5%	\$934.5	8.0%	\$975.1	4.3%	\$1008.7	3.4%
Sales and Use ¹	\$241.0	1.7%	\$244.9	1.6%	\$258.6	5.6%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$147.9	10.2%	\$49.3	-66.7%	\$83.4	69.2%	\$92.8	11.3%	\$100.6	8.4%	\$106.0	5.4%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$136.5	-21.2%	\$116.1	-15.0%	\$92.9	-19.9%	\$111.0	19.5%	\$131.9	18.8%	\$140.3	6.4%	\$145.6	3.8%
Liquor ²	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$4.1	-80.7%	\$4.2	1.4%	\$4.3	2.4%	\$4.4	2.3%	\$4.5	2.3%	\$4.6	2.2%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$58.0	2.1%	\$58.9	1.5%	\$59.6	1.2%	\$59.9	0.5%	\$60.2	0.5%	\$60.4	0.3%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.2	-26.4%	\$2.7	-15.2%	\$2.4	-11.1%	\$2.2	-8.3%	\$2.1	-4.5%	\$2.0	-4.8%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.2	-5.3%	\$7.1	-0.8%	\$7.5	5.6%	\$7.8	4.0%	\$8.1	3.8%	\$8.4	3.7%
Electric ³	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate ³	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$15.2	20.1%	\$18.7	23.3%	\$15.9	-15.0%	\$15.6	-1.9%	\$16.1	3.2%	\$16.7	3.7%
Property	\$11.5	6.0%	\$12.6	9.0%	\$12.4	-1.5%	\$12.5	0.9%	\$12.9	3.0%	\$13.6	5.4%	\$15.0	10.5%	\$15.7	5.2%	\$16.5	4.5%	\$17.2	4.3%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.1	-3.0%	\$12.1	-0.1%	\$12.3	1.7%	\$12.6	2.4%	\$12.8	1.6%	\$12.9	0.8%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.4	-84.7%	\$0.4	-6.7%	\$0.3	-2.9%	\$0.4	5.9%	\$0.4	5.6%	\$0.4	5.3%
Total Tax Revenue	\$1380.1	2.5%	\$1395.7	1.1%	\$1499.5	7.4%	\$1276.4	-14.9%	\$1302.9	2.1%	\$1095.9	-15.9%	\$1177.2	7.4%	\$1277.8	8.5%	\$1336.6	4.6%	\$1382.9	3.5%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.1	-4.5%	\$1.1	-3.8%	\$1.1	3.6%	\$1.2	4.4%	\$1.2	3.4%	\$1.3	2.4%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$44.7	-4.7%	\$42.8	-4.3%	\$43.8	2.3%	\$44.8	2.3%	\$45.6	1.8%	\$46.0	0.9%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$2.4	-27.1%	\$2.4	-1.9%	\$2.3	-4.2%	\$2.4	4.3%	\$2.5	4.2%	\$2.6	4.0%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$4.8	44.3%	\$3.5	-27.5%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%
Interest	\$0.6	136.1%	\$1.2	108.2%	\$2.3	96.1%	\$4.3	87.8%	\$3.3	-24.5%	\$2.9	-10.9%	\$2.7	-6.9%	\$3.2	18.5%	\$4.1	28.1%	\$5.0	22.0%
All Other ⁴	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$0.7	-83.6%	\$0.9	13.7%	\$1.0	17.6%	\$1.1	10.0%	\$1.2	4.5%	\$1.2	4.3%
Total Other Revenue	\$32.3	10.1%	\$61.2	89.3%	\$59.4	-3.0%	\$63.7	7.4%	\$57.2	-10.3%	\$53.6	-6.3%	\$54.5	1.8%	\$56.4	3.4%	\$58.4	3.5%	\$60.0	2.7%
Healthcare Revenue ⁵	\$0.0		\$0.0		\$0.0		\$272.3	NM	\$280.9	3.1%	\$264.4	-5.9%	\$276.2	4.5%	\$285.2	3.2%	\$287.2	0.7%	\$289.4	0.8%
TOTAL GENERAL FUND	\$1412.4	2.7%	\$1457.0	3.2%	\$1558.9	7.0%	\$1612.5	3.4%	\$1640.9	1.8%	\$1413.9	-13.8%	\$1508.0	6.7%	\$1619.3	7.4%	\$1682.2	3.9%	\$1732.2	3.0%

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

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

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

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

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

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

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

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

SOURCE HEALTHCARE¹

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

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

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

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

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

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

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

SOURCE T-FUND

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

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

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

CURRENT LAW BASIS

including all Education Fund allocations and other out-transfers

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

OTHER (TIB³)

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

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

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

3) Transportation Infrastructure Bond revenues

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

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

CURRENT LAW BASIS

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

	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		FY 2022		FY 2023		FY 2024		FY 2025	
	(Actual)	% Change	(Actual)	% Change	(Actual)	% Change	(Actual)	% Change	(Preliminary)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change	(Forecast)	% Change
GENERAL FUND																				
Meals and Rooms	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$45.5	NM	\$40.9	-10.1%	\$33.7	-17.7%	\$40.2	19.5%	\$47.8	18.8%	\$50.8	6.4%	\$52.8	3.8%
Sales & Use ²	\$129.8	1.7%	\$131.8	1.6%	\$139.2	5.6%	\$412.5	196.3%	\$432.5	4.8%	\$416.8	-3.6%	\$444.8	6.7%	\$472.7	6.3%	\$490.9	3.9%	\$506.1	3.1%
Interest	\$0.2	135.7%	\$0.4	122.7%	\$0.5	30.3%	\$0.7	38.1%	\$0.8	23.9%	\$0.5	-43.9%	\$0.4	-10.6%	\$0.5	19.0%	\$0.6	20.0%	\$0.7	16.7%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$26.8	-9.0%	\$27.2	1.4%	\$29.4	8.1%	\$30.9	5.1%	\$32.1	3.9%	\$33.0	2.8%
TRANSPORTATION FUND																				
Purchase and Use ³	\$33.4	2.9%	\$34.4	3.1%	\$36.5	6.0%	\$37.3	2.2%	\$35.1	-5.7%	\$33.433	-4.8%	\$37.3	11.6%	\$40.733	9.2%	\$42.3	3.9%	\$43.5	2.7%
TOTAL EDUCATION FUND	\$189.7	3.7%	\$192.2	1.3%	\$203.3	5.8%	\$525.4	158.4%	\$536.2	2.0%	\$511.6	-4.6%	\$552.1	7.9%	\$592.6	7.3%	\$616.8	4.1%	\$636.0	3.1%

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

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

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

3) Includes Motor Vehicle Rental revenues, restated