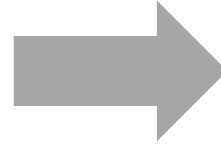


Current Law: Clean Water Fund Dedicated Revenues

- Approx. \$5 million/year from Property Transfer Tax (PTT) surcharge (.2%)
- Approx. \$2 million/year from escheats (\$1 million in FY20)

FY20 Governor's Recommended Clean Water Revenue

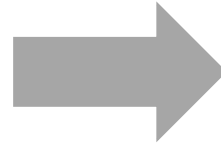
- \$12.15 million Capital Bill Funds
- \$15.1 million Clean Water Fund
- \$1.1 million T-Bill
- \$19.26 million Federal Funds



\$47.6 million

FY20 Governor's Recommended Clean Water Fund Revenue:

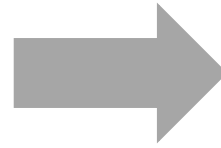
- \$5 million PTT surcharge
- \$1.1 million PTT surcharge carryforward
- \$1 million escheats
- \$8 million General Fund (estate tax)



\$15.1 million

Long Term Clean Water Funding

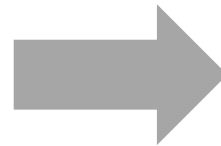
- Clean Water Fund: \$25-28 million/year
- Capital Bill: \$10-12 million/year
- T-Bill: \$5 million/year
- Federal Funds: \$10-12 million/year



\$50-60 million/year

Clean Water Fund: Governor's Recommended Funding

- PTT surcharge (.2%): \$5 million/year
- Escheats: \$2 million/year
- Estate tax: \$8-11 million/year
- Additional PTT allocation: \$10 million/year



\$25-28 million/year

FY20 Revenue Picture (in \$millions)

Current law revenue increase (FY20 over FY19)

Consensus forecast	\$ 13.0	~	January E-board
Direct apps, reversions, transfers	\$ 38.0	~	DFR, SoS, AG, DLL etc.
Subtotal: Additional current law revenue	\$ 51.0		

Plus policy changes that increase revenue

Notwithstanding PTT language	\$ 17.1	~	Up \$2M from last year
Carryforward from FY19	\$ 8.3	~	FY19 unallocated surplus
DFR fee increase	\$ 6.0	~	Total \$30M direct app
Move SHCRF into GF	\$ 2.9	~	Eboard revenue upgrade
CMF restructuring	\$ 4.1	~	Adjusting split from 20/80 to 60/40
Redirect marketplace bill to CCFAP	\$ 7.0	~	Redirect from Ed Fund
Online travel companies	\$ 1.5	~	Also .5M to Ed Fund
E-cig tax	\$ 1.0		
Subtotal: Additional policy revenue	\$ 47.9		

Total: Additional revenue in FY20 over FY19 **\$ 98.9**

Minus policy changes that decrease revenue

Estate tax to CWF	\$ (8.0)
Raise estate tax exemption	\$ (0.9)
Downtown tax credit increase	\$ (0.2)
Military retirement tax expenditure	\$ (1.4)
Repeal land gains tax	\$ (1.8)
Subtotal: Policy revenue deductions	\$ (12.3)

Total: Available additional revenue in FY20 **\$ 86.7**



REFORMED ESTATE TAX AS A PRIMARY FUNDING SOURCE WITH ADDITIONAL CLEAN H2O NEED FROM PROPERTY TRANSFER TAX

Year	Exclusion Amount (Millions)	# of Filers (approx.)	Revenue (Millions - Approx)	Clean H2O Need	Estate Tax to Clean H2O	Property Transfer Tax to Clean H2O	Lost GF Revenue (Millions)	GF Year to Year Change (Millions)
FY19	\$2.75 (Current Law)	59	19.9	-	-	-	-	-
FY20	\$3.50	42	20.2	8	8	-	-8.9	-8.9
FY21	\$4.25	34	15.3	12	12	-	-17.8	-8.9
FY22	\$5.00	26	13.1	18.8	13.1	5.7	-26.8	-9
FY23	\$5.75	23	11.5	20.9	11.5	9.4	-30.5	-3.7
FY24	\$5.75	23	11.1	20.7	11.1	9.6	-30.7	-.2



CLEAN WATER FUNDING IN STATE BUDGET	(FY16+FY17)/2	FY18	FY19	FY20 Governor's Budget 01/24/19			
				Clean Water Fund	Capital Bill	Transportation Bill	FY20
Capital Bill (FY16-20) and Clean Water Fund (FY20)							
AAFM BMP & CREP Grants & Contracts	\$ 1,900,000	4,050,000	3,615,000	2,835,000	3,450,000		6,285,000
AAFM Operational Funds	\$ 450,000	375,000	375,000	550,000			550,000
Aeration System at Lake Carmi	\$ -	-	-				
Phosphorus removal equipment at dairy farms	\$ -	-	1,400,000				
DEC Clean Water State Revolving Fund (SRF)	\$ 1,200,000	1,000,000	1,200,000		2,500,000		2,500,000
DEC Ecosystem Restoration Grants/Lake Carmi aerator	\$ 3,730,000	6,000,000	8,850,000	8,010,000	100,000		8,110,000
DEC Lake Carmi aerator	\$ -	-	200,000				
DEC Municipal Pollution Control Grants (prior)	\$ 17,500	2,982,384	-				
DEC Municipal Pollution Control Grants (new)	\$ 1,653,250	2,704,232	4,040,000		3,300,000		3,300,000
VTrans Municipal Mitigation Program/Better Roads	\$ -	1,400,000	2,400,000	800,000			800,000
VHCB: water quality projects	\$ 1,875,000	2,800,000	2,750,000		1,700,000		1,700,000
VHCB: farm grants or fee purchase water quality projects	\$ -	1,000,000	1,100,000		1,100,000		1,100,000
ACCD Pilot Project Downtown Transportation Stormwater	\$ -	-	100,000	200,000			200,000
Stormwater Utility Support (5 x \$25,000) - through AoA	\$ -	-	-	125,000			125,000
Statewide Innovation & DEC & Partner Support	\$ -	-	-	2,555,000			2,555,000
Audit required by 10 VSA 1389b	\$ -	-	-	25,000			25,000
	\$ 10,825,750	\$ 22,311,616	\$ 26,030,000		12,150,000	-	12,150,000
Clean Water Fund	\$ 4,800,000	4,000,000	4,000,000	15,100,000			15,100,000
Transportation Bill							
State Highway Compliance (includes federal funds ~80%)	\$ 5,225,000	4,850,000	5,000,000			5,000,000	5,000,000
Section 14: Transportation Alternatives (for stormwater)	\$ 1,100,000	2,200,000	2,200,000				
Section 8: Municipal Mitigation/Better Roads	\$ 840,000	1,240,000	1,240,000			828,000	828,000
Section 8: Municipal Mitigation from Federal Hgwy STBG Fund	\$ 190,000	5,442,342	5,442,342			1,100,000	1,100,000
	\$ 7,355,000	\$ 13,732,342	\$ 13,882,342			6,928,000	6,928,000
Appropriations Bill							
DEC Federal match pass through for DEC Clean Water SRF	\$ 10,000,000	10,000,000	10,000,000				10,000,000
DF&W Watershed Grants Program	\$ 35,000	35,000	35,000				35,000
AAFM Farm Agronomic Practices Program, WQ Grants/Contracts	\$ 447,000	\$ 447,000	412,000				412,000
Federal Lake Champlain Appropriations passing through State Budget	\$ -	-	3,452,000				3,400,000
GRAND TOTAL	\$ 33,462,750	\$ 50,525,958	\$ 57,811,342	\$ 15,100,000	\$ 12,150,000	\$ 6,928,000	\$48,025,000