

**Consensus Revenue Forecast Update
for the
General Fund, Transportation Fund, and
Education Fund [Partial]**

Fiscal Years 2020 through 2022

January 16, 2020

Prepared for the Vermont Emergency Board

PREPARED BY:



400 Cornerstone Drive, Suite 310 | P.O. Box 1660 | Williston, VT 05495-1660
(802) 878-0346 | (800) 765-1377 | info@epreconomics.com | www.epreconomics.com

ECONOMIC, POLICY, AND FINANCIAL ANALYSTS

- **Background and Context: Discussion of the Updated Staff Recommended January 2020 Consensus Economic and Revenue Forecast Update**

- The January 2020 staff recommended consensus forecast includes a comprehensive revision to the previous Emergency Board-approved consensus revenue forecast as of July 29, 2019 for fiscal years 2020 through 2022. The updated forecast includes an updated consensus economic forecast for the period, and out through calendar year 2025, which predicts a continuation of the longest period of uninterrupted recovery-expansion in recorded U.S. economic history—although there remains an elevated level of risk that there could be a general downturn in the U.S. and/or the Vermont economy before the end of the forecast update period.
 - As predicted last July, the possibility of the near-term economic downturn for the U.S. and Vermont economies has actually declined over the July 2019 through December 2019 time period. This has occurred as U.S. monetary policy (and central banks around the world) reacted pro-actively to address an observable slowdown in the U.S. and global economic activity last Summer and Fall that was largely tied to uncertainties in trade policy, which has also diminished.
- As part of their pro-active measures, the U.S. Federal Reserve over the last six months made reductions in short term interest rates at three successive Federal Open Market Committee (“FOMC”) meetings—including most recently at its FOMC meeting on October 30, 2019.¹
 - In combination with suspending its plan to conclude its efforts to “runoff its balance sheet” securities purchases, the Federal Reserve became much more “dove-ish” in executing its monetary policy—largely reversing course to cut short-term rates when it had been previously planning to consistently increase short-term rates throughout calendar year 2019.
 - The net effect of the strong pivot in U.S. monetary policy was that U.S. monetary policy had become much more accommodative to

¹ The Fed’s short-term interest rate reductions occurred following the FOMC’s July 31, 2019, September 18, 2019, and October 30, 2019 meetings.

economic growth as of the end of calendar year 2019 versus a gradually tightening position it occupied at the same time last year.

- This more growth-supporting monetary posture worked its way through the U.S. financial system to result in more capital investment-friendly long-term yields—which were targeted at encouraging increased U.S. business capital investment activity following the disappointing, second year private sector response to the capital investment incentives laid out in the Tax Cuts and Jobs Act of 2017 (“TCJA”).
 - As such, this latest staff recommended consensus revenue forecast update expects that the current national and State economic upturns will continue over at least the near-term, six- to twelve-month timeframe. While there clearly are many things that could in fact go wrong in the fiscal policy-monetary policy-economic policy arena over the next five and one-half years (see the update of the recession risk diagram that first appeared in last July’s consensus forecast report), it still remains possible that the current record-setting upturn² will in fact potentially last through the entire forecast update period.
- Considering the above growth facilitating macroeconomic environment, plus the still positive recent first half of fiscal year 2020 trends in actual revenue receipts data, the staff recommended consensus revenue forecast for G-Fund, T-Fund and E-Fund [Partial] revenues for the fiscal 2020 through 2022 consensus revenue forecast update has been significantly upgraded through the fiscal year 2022 period—even though it is expected there will continue to be some sluggishness in T-Fund receipts.
 - On an apples-to-apples basis, the scale of the staff recommended consensus revenue forecast upgrade in the G-Fund, after adding back an expected budgetary transfer for Liquor Tax receipts³ under the new financing regime, totals +\$18.4 million for fiscal year 2020, +\$15.5 million for fiscal year 2021, and +\$8.0 million for fiscal year 2022 (see Table 1 below).

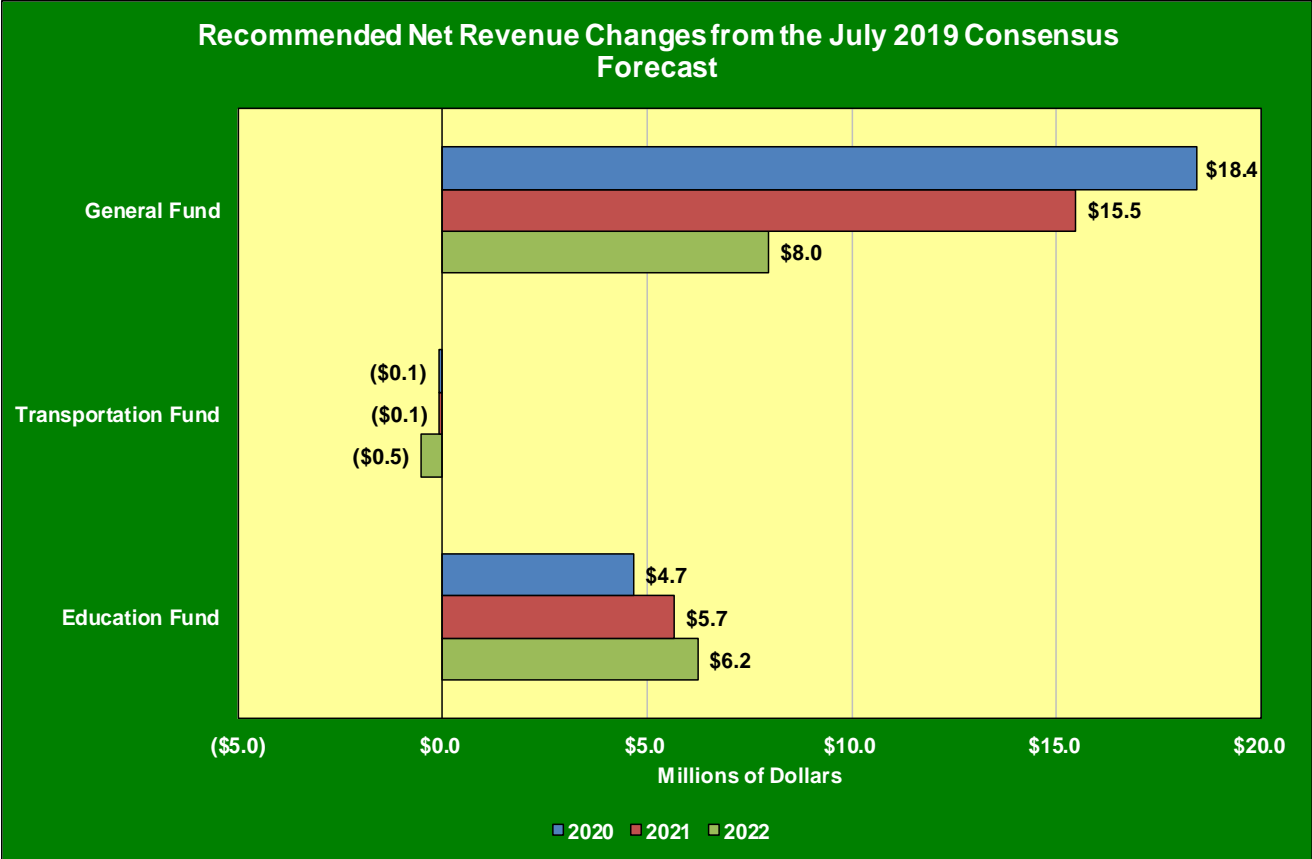
² As mentioned last Summer, the current U.S. economic upturn has been an all-time record in terms of its duration, but in many ways has been the slowest (which likely has contributed to its durability).

³ Which was estimated by adding back the difference between the Source Liquor Tax forecast for fiscal years 2020 and 2021 and the G-Fund Liquor Tax that will continue to be deposited directly into the G-Fund under the revised financing regime.

**Table 1: Staff Recommended Consensus Revenue Forecast Update—Change from the July Consensus Forecast (FY 2020-FY 2022)
Current Law (Including Health Care Taxes-Fees)**

Differences-January 2020 Proposed Consensus Forecast versus the July 2019 Consensus Forecast (By Fund)						
Current Law	2020		2021		2022	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
General Fund Available to the General Fund-Per Act 6 of 2019/Act 76 of 2019-Incl. Health Care Taxes-Fees	\$18.4	1.2%	\$15.5	1.0%	\$8.0	0.5%
Transportation Fund Available to the Transportation Fund	(\$0.1)	0.0%	(\$0.1)	0.0%	(\$0.5)	-0.2%
Education Fund Partial-Including all Recent Fund Allocation Changes	\$4.7	0.8%	\$5.7	1.0%	\$6.2	1.1%
Total--"Big 3 Funds"	\$23.0	1.0%	\$21.1	0.9%	\$13.7	0.5%
MEMO #1: TIB [3]						
Gasoline	(\$0.9)	-5.8%	(\$1.3)	-8.5%	(\$1.3)	-8.1%
Diesel	\$0.02	0.8%	\$0.01	0.5%	\$0.03	1.5%
Total TIB	(\$0.9)	-5.0%	(\$1.3)	-7.4%	(\$1.3)	-7.0%
Notes:						
[1] Current Law (Incl. Healthcare Taxes-Fees).						
[2] Totals in the TIB may not add due to rounding.						
Prepared by: Economic & Policy Resources, Inc.						

- The staff recommended forecast for the T-Fund includes a forecast downgrade of -\$0.1 million for fiscal year 2020 and for fiscal year 2021, and a slightly larger -\$0.5 million forecast downgrade for fiscal year 2022.
- For the E-Fund [Partial], this updated staff recommended consensus forecast on an apples-to-apples basis calls for an upgrade of +\$4.7 million for fiscal year 2020, an upgrade of +\$5.7 million for fiscal year 2021, and a staff recommended consensus forecast upgrade of +\$6.2 million for fiscal year 2022—after full consideration of the estimated revenue effects of the actions of the 2019 Vermont General Assembly.
- The January 2020 staff recommended forecast update for all three fund aggregates is presented graphically below for the next two and one-half fiscal years by major fund.
 - Like Table 1 above, the bar chart below presents the changes by fund on a current law basis, adjusted for current law fund allocations so these numbers are close to being on an “apples-to-apples” basis.



- However, it should be recalled that the prevailing economic environment for this latest consensus revenue forecast update includes an economic cycle that is currently in its 127th consecutive month⁴ of output gains corresponding to the longest period of economic expansion in recorded U.S. business cycle history.
 - The U.S. business cycle has clearly entered a “mature” phase, and has recently relied heavily on an environment of continued low interest rates (from highly accommodative monetary policy), rising asset prices (including rising U.S. equity prices and residential-commercial real estate valuations), and a healthy dose of expansionary fiscal stimulus from a multi-year set of unfunded personal and business tax reductions and now a new two-year agreement on federal defense and non-defense spending that has underpinned healthy levels of household consumption spending.
 - With business capital investment recently weakening, and the

⁴ As of January 2020.

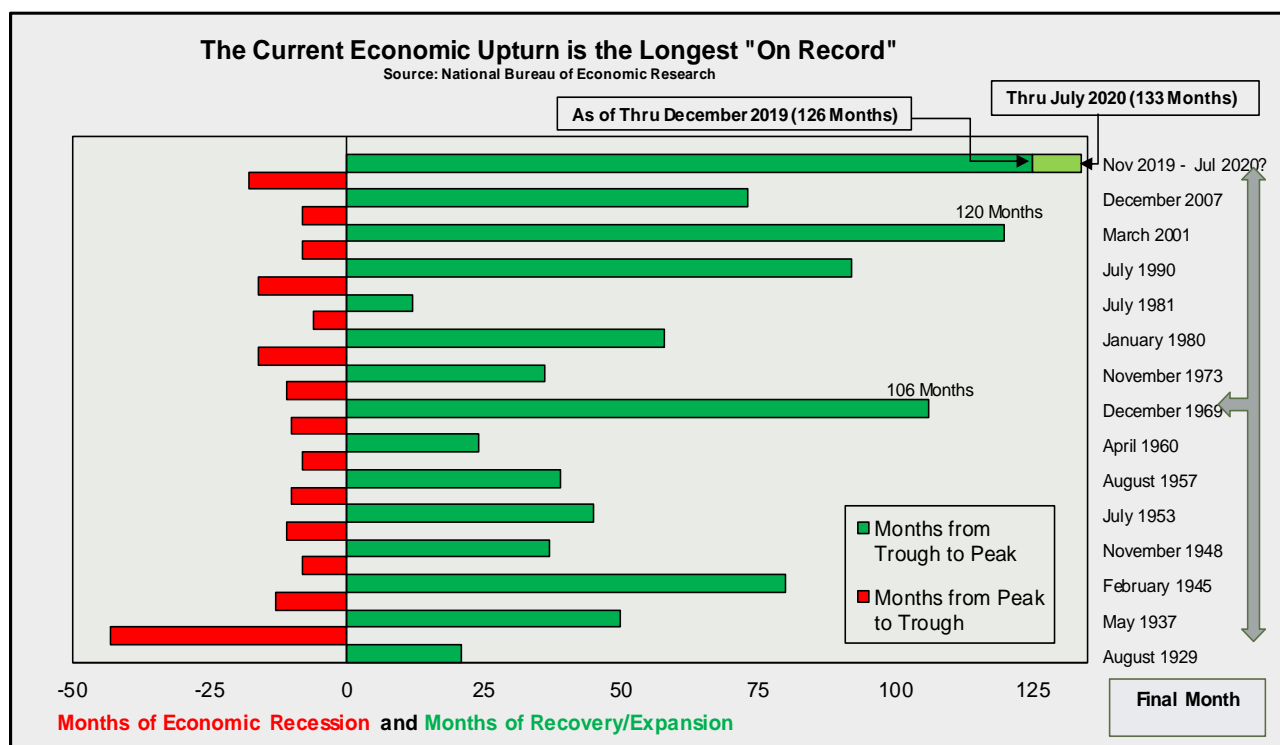
manufacturing and agricultural sectors struggling, consumer spending is likely to remain as one of the keys to the continuation of the current U.S. economic expansion. With more than 22.6 million nonfarm payroll jobs added over the last decade and the U.S. unemployment rate at generational lows (at 3.5% last month—tied for the lowest level of unemployment in the U.S. economy in 50 years), and consumer sentiment at high levels, the near-term outlook over at least the next six to twelve months does in fact seem relatively secure.

- But at the same time the current economic upcycle has become firmer versus last Summer’s consensus forecast outlook, it also has become more vulnerable to developing the type of excesses and financial imbalances that in the past have been precursors to economic slowdowns—if not full blown, economic recessions (if such a broader economic downturn lasts for two consecutive calendar quarters).
 - It is therefore worth noting that this consensus forecast update carries a significantly higher level of downside risk than has generally been the case over the past several consensus forecast update cycles.
 - This elevated risk is primarily tied to the G-Fund’s reliance on two cyclically-sensitive income tax sources (e.g. Personal Income Tax and the Corporate Income Tax) and given the importance of “healthy consumption tax receipts” on the fiscal fortunes of all three of the State’s major fund aggregates.
- The scale of the impacts on State revenues from a broad, general economic downturn in the U.S. and Vermont economies can be significant—if Vermont were to experience an economic recession over some part of the next five fiscal years included in the consensus forecast update.
 - Although a general economic downturn in either the U.S or Vermont economies **is not forecasted as part of the staff recommended forecast update**, the order of magnitude revenue reductions in G-Fund receipts amounting to roughly ten percent of total “Source” General Fund receipts during periods of economic recession have been experienced in the past.

- Using the fiscal year 2022 non-Health Care Taxes and Fees portion of the Source General Fund receipts, a ten percent reduction in revenues would amount to roughly \$195 million (at 10% of a \$1,949.6 million G-Fund excluding Health Care Taxes-Fees forecast in that fiscal year).
- This heightened forecast risk is somewhat exacerbated by the still sparse amount of information concerning the downstream (e.g. second and third order) behavioral effects related to the passage of the federal TCJA federal tax legislation. This still emerging, but limited impact information on the effects of the State's responses to that federal legislation and the various State adjustments to the still unfolding fiscal and economic growth environment (e.g. associated with the recent e-commerce changes) makes the point estimates included in this consensus forecast update subject to uncertainty.
 - In particular, there still remains only a limited amount of actual information to-date regarding the impact of the TCJA on business and individual taxpayer behavior (e.g. particularly with respect to the Corporate Income Tax regarding the repatriation of overseas profits).
 - The limited nature of the impact information therefore leaves a relatively wide band of uncertainty surrounding the current consensus forecast for Corporate Income Tax.
- The type and level of uncertainty that the consensus revenue forecasting process has had to deal with over the last two years of forecasts is in no way unusual or atypical following periods where there has been a major restructuring in federal tax law.
 - It seems apparent that both sides of the tax equation are likely getting "smarter" as taxpayers and those responsible for compliance gain experience and develop a greater understanding of the changes. But this also means that the understanding of the full impacts of the federal TCJA legislation has yet to be "settled," and there clearly could be additional surprises as the next couple of tax years unfolds.
 - It likewise also remains unclear—since we still lack actual experience—as to the precise timing of how the changes in business

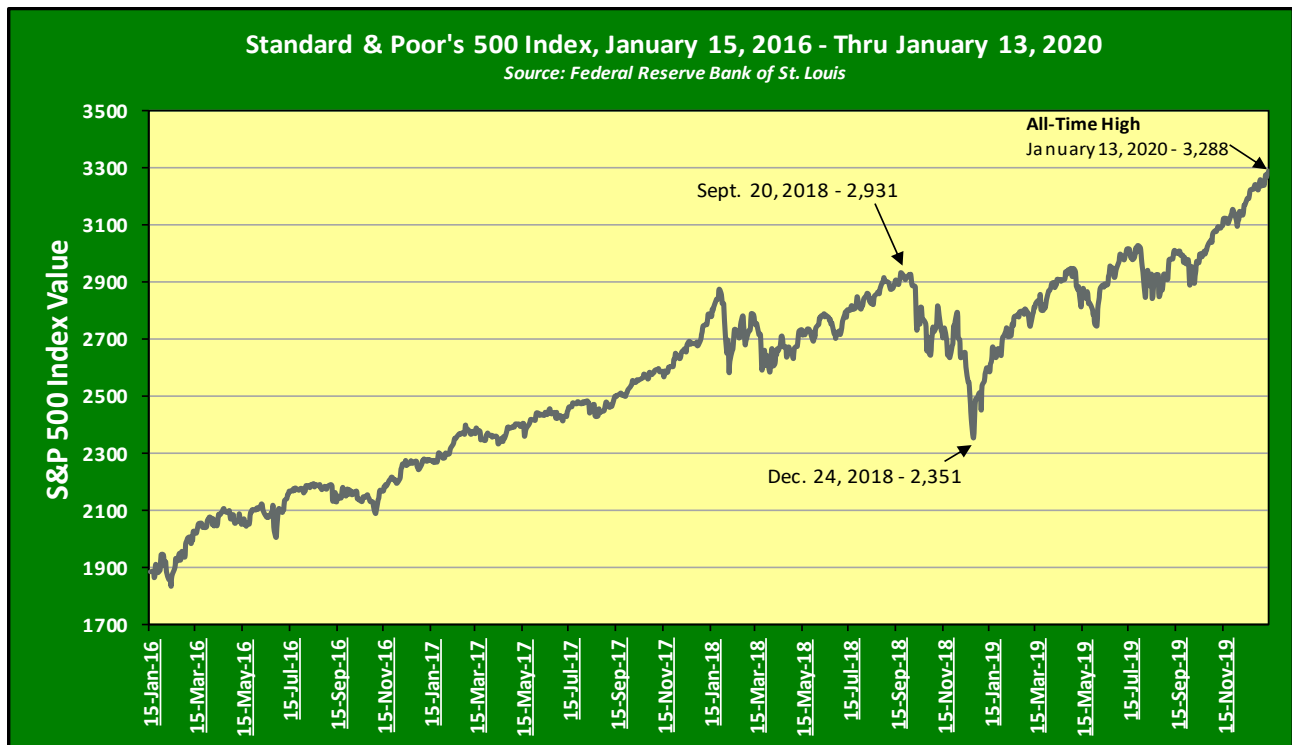
and individual tax liability will actually play out in actual cash payments to and/or “applied to future estimates” and refund requests over time—in both the Personal and Corporate Income Tax.

- As a result, this staff recommended consensus forecast update carries more than the usual level of risk. This is so not only because of the uncertainties associated with the implementation of the federal TCJA legislation, but also because it cannot be said unequivocally that the U.S. and Vermont economies will be able continue on their forward path of growth uninterrupted throughout the five-and-one-half-year fiscal planning forecast update period without experiencing a period of general economic downturn or correction, also known as a “recession.”
 - A national-State economic downturn sometime within the next five fiscal years cannot and should not be completely discounted.
 - If a general downturn in the U.S. and/or Vermont economies were to occur, the State’s major fund aggregates could experience significant reductions that will have impacts throughout the State’s fiscal plan.

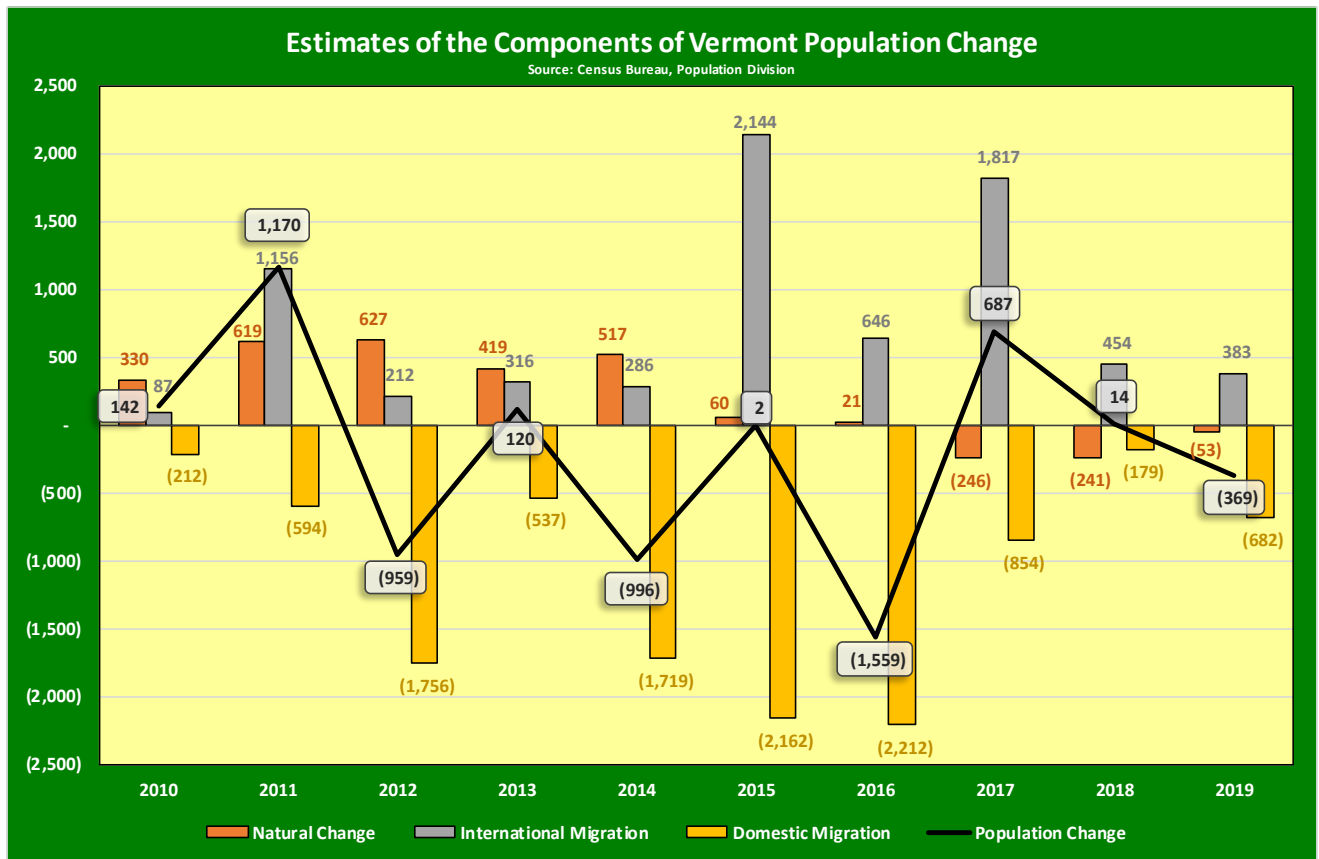


❖ The Staff Consensus Forecast Update Recommendations for Fiscal Year 2020 through Fiscal Year 2022

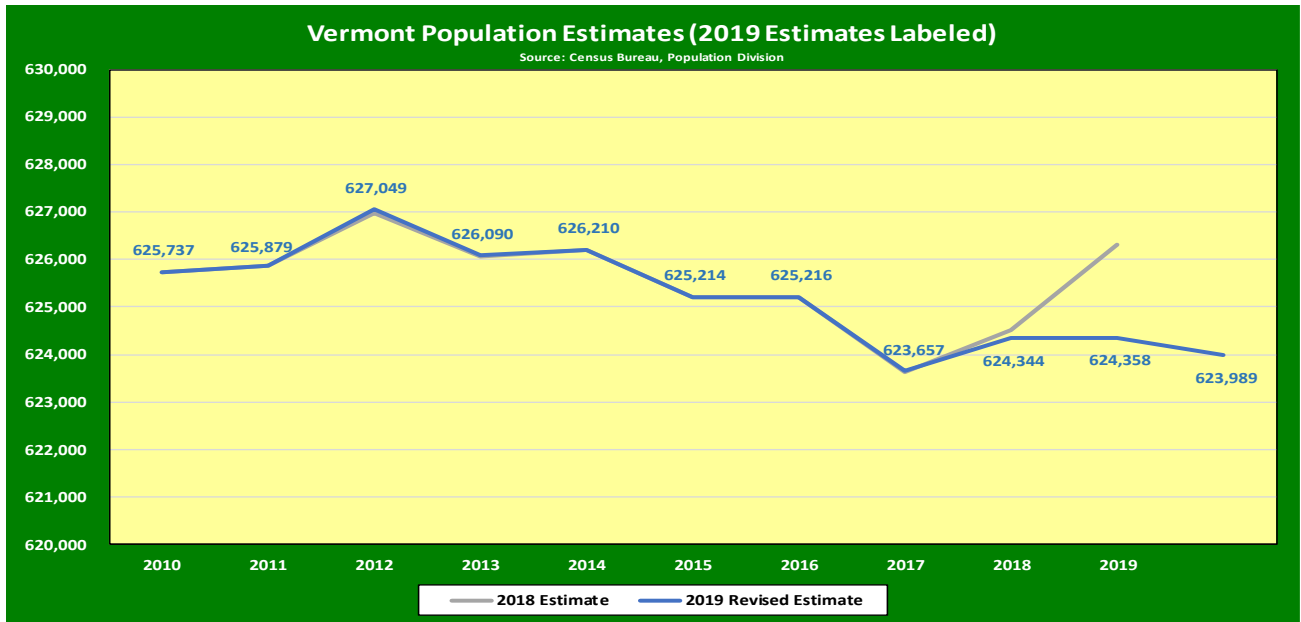
- With the above as background and context for this consensus forecast update, the staff recommends a significant, near-term consensus forecast upgrade for the General Fund for fiscal years 2020 and fiscal year 2021, and a smaller consensus forecast upgrade for fiscal year 2022 as outlined below.
 - The near-term G-Fund forecast upgrade on the plus side reflects a reduction in the level of the risk of recession since last Summer as central banks around the globe became more accommodative (especially the U.S. Federal Reserve), the yield curve back to “normal,” a strengthening in asset prices (e.g. stock markets), the lower risk of a “no deal” Brexit, a lessening in trade policy uncertainty (with the first stage U.S.-China trade deal), and the continued strongly-stimulative posture for U.S. fiscal policy (tied to the recently enacted two-year federal spending agreement).
- On the negative side of the forecast outlook ledger are the effects of the declining level of fiscal stimulus afforded by the now two-year old federal TCJA legislation, increasing geopolitical unrest in the Middle East, and typical “late cycle” dynamics of the aging U.S. business cycle.
 - It remains uncertain whether or not easier monetary policy, and a still strong labor market with higher stock prices (which underpin strong consumer spending) will be enough to again jump-start the additional capital investment—which has been trailing off in recent quarters—which is needed at this stage to sustain the U.S. expansion.
 - While it is indeed difficult to envision a continuation of the recent upbeat employment reports without some turnaround in the recently lagging business investment numbers, it is simply not clear at this point whether or not the recent brightening in the economic outlook is sustainable going forward—or if it merely reflects the last hoorah of a U.S. expansion that has endured well past the average.



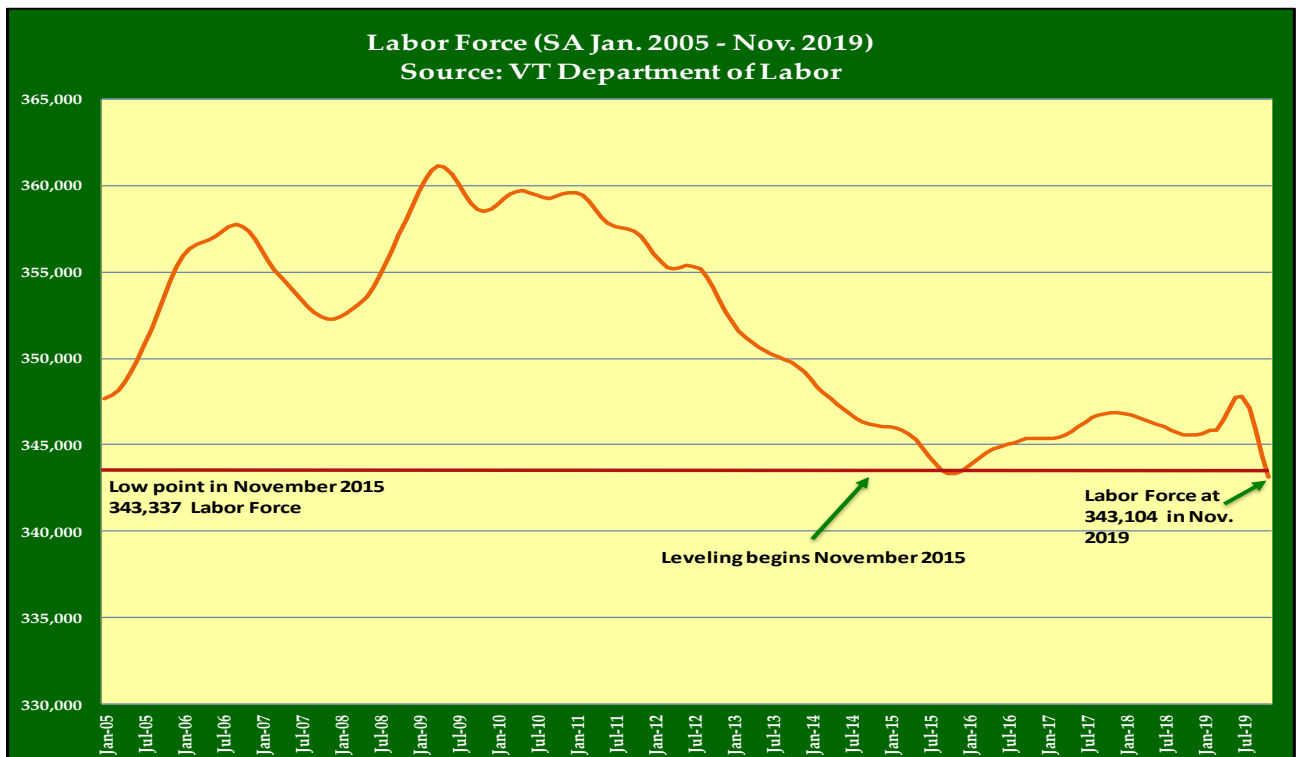
- Closer to home in the Northeast and in Vermont, the primary factor influencing Vermont's forward economic progress is the restraints to growth brought about by tight labor markets conditions (as evidenced by the State's historically low rate of unemployment) and the local/regional demographic and labor force growth constraints brought about by the aging of the State's population and the relative lack of resident population growth in Vermont.
 - This is reflected in the most recent mid-year State resident population estimates from the U.S. Census Bureau where the new July 1, 2019 mid-year State population estimate of a resident number decline and the negative July 1, 2018 mid-year State population estimate revision for Vermont has put the State back on a weak-to-slightly-negative population change trend.
- This negative revision came after a somewhat encouraging two to three year more positive change trend in the State's previous mid-year population estimates prior to the 2019 mid-year estimate and accompanying negative revision for previous resident population count numbers for 2018.



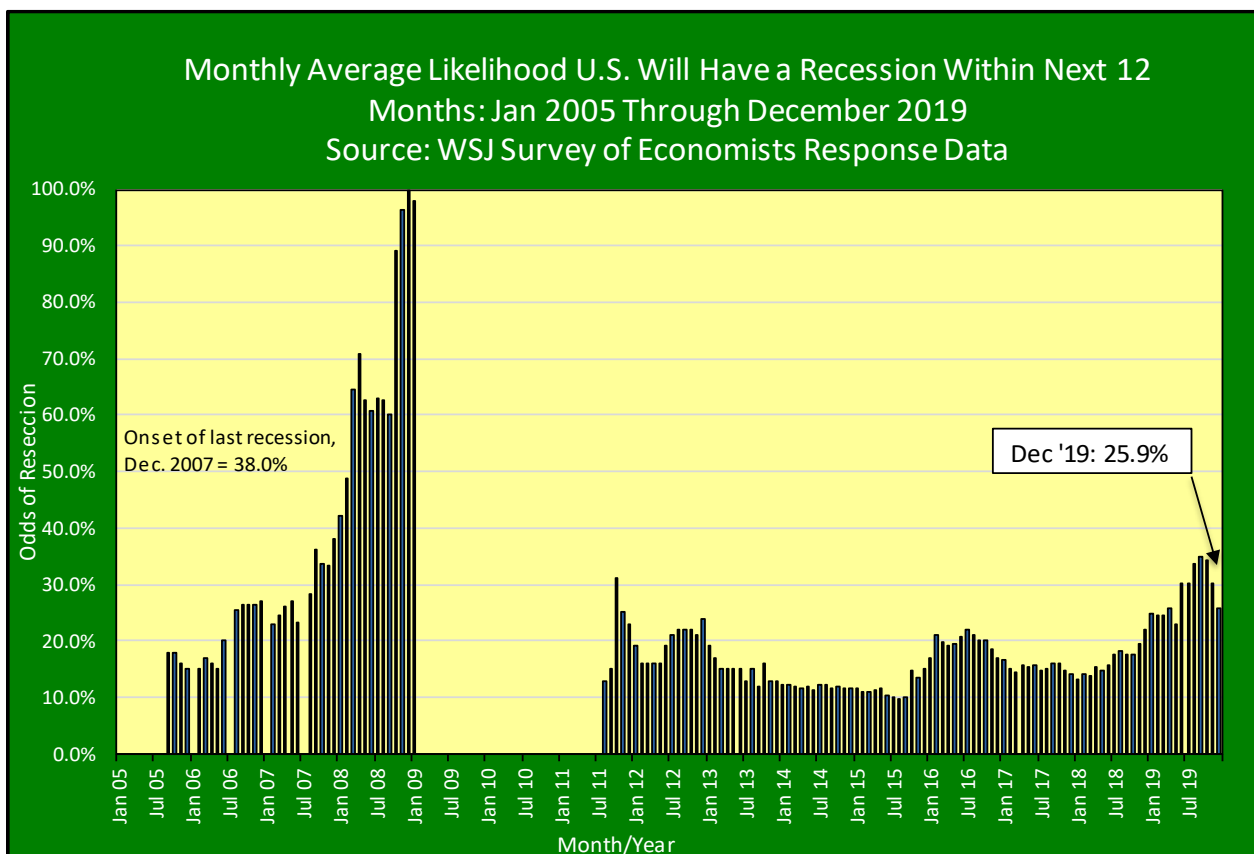
- The source of the revision was also somewhat discouraging in that it involved a downward revision in the number of domestic population in-migrants—which had previously been thought to represent a positive turnaround in the State’s domestic interstate population migration trends.
- Up until this negative revision, it was thought that the not-quite-recovered housing prices in many states—which heretofore was thought to be a major obstacle to interstate population migration—had been eliminated, as seller-households (and their occupants) were no longer prohibited from moving due to “negative equity” price position in the housing unit they were seeking to sell prior to making their prospective interstate move.



- This more negative population change situation had already been hinted at by recent trends indicating the declining size of the Vermont labor force.
 - According to the November 2019 reading, Vermont’s labor force has declined recently by a significant amount, returning to levels last experienced in November of calendar year 2015—or four years ago.



- At approximately 343,100 participants, Vermont’s seasonally-adjusted labor force in November of 2019 represented roughly a complete reversal of what previously has looked to be the beginnings of a recovery from the labor force decline that appears to have begun back during the “Great Recession.”
- As has been the case with recent consensus forecast updates, the staff recommendation includes the expectation that there will be no general economic downturn in the U.S. or Vermont through fiscal year 2022.
 - This is consistent with the January survey of roughly 50 economists conducted by the Wall Street Journal that has pegged the percentage of economists that believe the U.S. economy will fall into recession within the next year at only 25.9%⁵ as of December 2019.



⁵ It is noteworthy that this percentage has declined significantly over the last quarter after getting fairly close to the percentage back in November 2007 of 38.0%—the month just prior to when the “Great Recession” began.

- The staff recommendation also expects that economic growth will continue for at least the next 36 months and potentially through the outyears of the State’s five-year fiscal planning horizon—even if there may be slower rates of economic and revenue growth in those out-years.
 - The staff recommendation expects the character of economic and revenue growth to be typical of “late cycle” expansions—including relatively low unemployment rates with constrained job growth.
 - The consensus forecast update includes rising housing prices, and concurrently generally increasing interest rates—following the current rate reductions—as the Federal Reserve eventually responds to the late cycle dynamics of the business cycle by gradually “tightening” monetary policy—to keep inflation under control—which eventually results in moderate changes in equities prices.

- For the General Fund (Including Health Care Taxes-Fees), Transportation Fund and Education Fund [Partial] Table 1 (below) outlines the staff recommended consensus forecast changes from the July 2019 consensus revenue forecast—including the fund allocation changes in Act 6 of 2019 and in Act 76 of 2019 and the various structural changes and other measures (e.g. the change in the financial process for recognizing-accounting for Liquor Tax receipts and transfers from the Department of Liquor Control) as passed by the Vermont General Assembly.
 - The estimates of the recent State changes that were used to develop the staff recommended consensus forecast still remain “just estimates,” mostly because of the lack of a full fiscal year’s revenue collections experience with these changes and because some of these changes involve budgetary transfers of special funds receipts that will not pass through the Schedule 2 revenue reports associated with the G-Fund.
 - For the amount available to the General Fund, the staff recommended consensus forecast update calls for a +\$18.4 million forecast upgrade for fiscal year 2020, a \$15.5 million forecast upgrade for fiscal year 2021, and a +\$8.0 million forecast upgrade for fiscal year 2022—all in comparison to last July’s Emergency Board-

adopted consensus forecast under the post-Act 9 of 2019 and post-Act 76 of 2019 fund allocations.

- For the T-Fund, the staff recommendation calls for a staff recommended forecast and slight forecast downgrade of -\$0.1 million in fiscal year 2020 and in fiscal year 2021, along with a staff recommended downgrade of -\$0.5 million in fiscal year 2022 relative to the July 2019 Emergency Board-approved consensus forecast for the T-Fund.
 - These near-term forecast changes reflect the late cycle economic growth dynamics that include the most recent trends and expectations for vehicle sales-leasing activity, the on-going evolution of the one-year/two-year trend in state vehicle registrations, the recent firming trend in energy prices and the near-term energy price outlook in light of recent geopolitical tensions in the Middle East and Asia (not to mention recent production trends in North American fossil fuel producing regions), and a relatively healthy consumer sector over the fiscal year 2020, fiscal year 2021, and fiscal year 2022 time frame—with some expected weakening in demand for the out-years of the State’s five year fiscal planning time frame as the current economic cycle matures further.
- For the portion of the E-Fund that is included in the consensus forecasting process, the updated staff recommended consensus forecast includes an upgrade of +\$4.7 million for fiscal year 2020, a forecast upgrade of +\$5.7 million in fiscal year 2021, and a forecast upgrade of +\$6.2 million for fiscal year 2022—representing a relatively small forecast change three-year total of +\$16.6 million.
 - The three-year staff recommended consensus forecast upgrade for the Education Fund incorporates the estimated revenue impacts associated with the growth of retail sales activity in the State—organically from the “bricks and mortar” retail activity, that associated with the State’s tourism visitor spending sectors, and strong recent growth of retail sales associated with e-commerce activity.
 - Principal e-commerce retail sales drivers include activity driven by increased taxpayer compliance with the so-called Amazon-affiliates in collecting and remitting State sales taxes, and that retail sales

activity tied to the new remittance requirements on out-of-state, e-commerce retailers impacted by the recent Wayfair decision by the U.S. Supreme Court.

- For the TIB⁶ portion for the Transportation Fund, the staff recommended forecast includes a significant staff recommended forecast downgrades for the Gas TIB component for fiscal year 2020 (at -\$0.9 million), fiscal year 2021 (at -\$1.3 million), and fiscal year 2022 (at -\$1.3 million) and continuing out into the five year State fiscal planning horizon—reflecting expected fuel price increases.
 - For Gas TIB receipts for fiscal year 2020 and fiscal year 2021, the staff recommendation calls for a +\$0.8 million forecast upgrade, followed by a -\$0.9 million forecast downgrade for fiscal year 2021. The Gasoline TIB forecast downgrade scenario for the three outyears of the State’s five-year fiscal planning process are more significant.
 - For Diesel TIB receipts, the staff recommendation includes a small forecast upgrade for fiscal year 2020 of \$0.02 million versus consensus expectations of last July, a +\$0.01 million forecast upgrade of \$0.01 million for fiscal year 2021, and a +\$0.03 million forecast upgrade for Diesel TIB receipts in fiscal year 2022 versus last July.
- With respect to the changes outlined above, Table 2 (below) presents the current dollar levels of the staff recommended forecast for the Emergency Board motion for the General Fund, Transportation Fund, and Education Fund [Partial] based on current law, with the general Fund dollar figure including Health Care Taxes-Fees.
 - For the G-Fund, the staff recommends a consensus forecast of \$1,578.1 million for fiscal year 2020, \$1,580.8 million for fiscal year 2021, and \$1,611.8 million for fiscal year 2022.
 - For the T-Fund, the staff recommends a forecast of \$284.5 million for fiscal year 2020, \$287.9 million for fiscal year 2021, and \$291.2 million in fiscal year 2022.
 - For the E-Fund [Partial], the staff recommends a forecast of \$557.5

⁶ The term TIB refers to Transportation Infrastructure Bond Fund.

million for fiscal year 2020, a forecast of \$574.3 million for fiscal year 2021, and a forecast of \$590.3 million for fiscal year 2022.

- For the TIB funds, the staff recommends a Gas TIB forecast of \$13.7 million for fiscal year 2020, a forecast of \$13.9 million for fiscal year 2021, and a forecast of \$14.5 million for fiscal year 2022. The staff recommended forecast for Diesel TIB includes a total of \$2.1 million for fiscal year 2020, \$2.1 million for fiscal year 2021, and 2.1 million for fiscal year 2022.

Table 2: Staff Recommended Consensus Forecast Revenue Collections by Fund

Revenue Levels by Fiscal Year--January 2020 Economists' Consensus Recommendation			
(\$ Millions)	2020	2021	2022
Available to the General Fund	\$1,594.7	\$1,596.3	\$1,611.8
Available to the Transportation Fund	\$284.5	\$287.9	\$291.2
E-Fund [Partial]	\$557.5	\$574.3	\$590.9
Total	\$2,436.7	\$2,458.5	\$2,493.9
TIB Funds:			
Gasoline TIB	\$13.7	\$13.9	\$14.5
Diesel TIB	\$2.1	\$2.1	\$2.1
Total TIB Funds	\$15.7	\$16.0	\$16.7

Prepared by: Economic & Policy Resources, Inc.

❖ Fiscal Year 2020 First Half Results Versus Expectations

- **Overview of First Half Receipts:** The January 2020 consensus revenue forecast update reflects and incorporates a number of factors into the staff recommended consensus forecasts.
 - These factors include: (1) recent revenue collection trends by component-by fund, (2) the revised macroeconomic outlook for the U.S. and Vermont economies, (3) the effects of the on-going significant, structural changes in federal TCJA tax law as modified by the recent tax and fee structure changes adopted by the Vermont General Assembly during 2018 and 2019, (4) updated assessments of the estimated e-commerce sales tax revenues expected under the recent Vermont changes and the recent U.S. Supreme Court decision known as the “Wayfair decision,” and (5) changes in the allocations percentage of Source Sales & Use Tax and Source Meals & Rooms Tax between the G-Fund, the E-Fund, and the Clean Water Fund and including the Health Care Taxes-Fees as of fiscal year 2019 in the “Available to the General Fund” revenue totals.
- Like the second half of fiscal year 2019 before it, actual receipts in the G-Fund over the first half of fiscal year 2020 tracked well above consensus expectations—at +\$8.5 million ahead of cumulative consensus cash flow target for the first half of the 2020 fiscal year as a whole—mostly due to strong receipts activity in the Personal Income Tax component (at +\$10.4 million versus cumulative consensus expectations through December).
 - Receipts activity in the T-Fund were more restrained (at -\$0.6 million versus cumulative consensus expectations through December). However, when adjusted for the misallocation of State Civil Traffic Fines revenues (a total of roughly \$1.35 million of which were erroneously deposited into Fines component in the General Fund), the T-Fund overall through the first half of fiscal year 2020 would have actually been closer to +0.7 million ahead of cumulative expectations).⁷
 - Revenue receipts in the E-Fund through the month of December

⁷ As a consequence, the revised ahead of target status of the General Fund through December would have been about +\$7.2 million—“but for” the issue regarding misallocation of State Civil Traffic Fines revenues.

were also generally upbeat (at +\$2.4 million versus cumulative consensus expectations of \$275.0 million through the first half of fiscal year 2020).

- Combined receipts for all three funds finished the first half of fiscal year 2020 at +\$17.5 million or +1.5% on a \$1,140.4 million combined cumulative consensus cash flow forecast.
 - Versus fiscal last year 2019's over +\$70.0+ million or +3.6% better than expected performance for the consensus forecast for combined fiscal year G-Fund/T-Fund/E-Fund receipts of \$1,969.58 million last year, this year's positive revenue forecast variance includes the expectation being slightly less robust in comparison to last fiscal year's larger positive versus consensus forecast target performance.
- **Overview of First Half Receipts in the General Fund:** Cumulatively in the G-Fund, the roughly +1.0% better than expected first half receipts performance was primarily driven by stronger than expected receipts in the Personal Income Tax.
 - For the first half of fiscal year 2020, receipts in the Personal Income Tax were +\$10.3 million (or +2.6% versus cumulative expectations through December), mostly the result of better than expected first half receipts in: (1) PI Estimates at +\$7.7 million (or +10.7%) versus its cumulative cash flow target through December; (2) lower cash out PI refunds paid at +\$5.1 million (or 14.7%) below cumulative cash out expectations through December, and (3) PI Other at +4.3 million (or +17.3%) versus its cumulative cash flow target through December.
 - It was also noteworthy that PI Paid at +\$2.4 million (or +22.3%) versus its cumulative consensus cash flow target through December was also up. PI Withholding receipts under-performed at -\$9.2 million (or -2.8%) versus first half expectations.
- Also among the "Big Three" components, Meals and Rooms receipts were -\$0.3 million below cumulative expectations—largely because of a faster than expected changeover during the first half of fiscal year 2020 in the transfer amount from the General Fund to the Clean Water Fund.

- The Corporate Tax also lagged slightly behind consensus expectations (at -\$0.9 million)—after tracking close to expectations during the first half of fiscal year 2020.
- Outside of the “Big 3” sources through the first half of fiscal year 2020 receipts overall have been “neutral,” with some sources up and other sources down versus expectations (at -\$0.6 million or -0.8% of an \$81.0 million consensus target overall.
 - Versus cumulative targets for the first half of fiscal year 2020 were: (1) Beverage Tax (at -\$0.1 million versus its cumulative first half fiscal year 2020 consensus target), (2) Telephone Tax (at -\$0.3 million versus its cumulative consensus target for the first half of fiscal year 2020), (3) Bank Franchise Tax (at +\$0.05 million versus its cumulative consensus cash flow target for the first half of fiscal year 2020), (4) Insurance Tax (at -\$0.1 million versus its cumulative consensus target for the first half of fiscal year 2020), (5) Liquor Tax (at -\$0.7 million versus its cumulative consensus target for the first half of fiscal year 2020), and (6) Property Transfer Tax (at -\$0.3 million versus its cumulative consensus target for the first half of fiscal year 2020)—following an “up and down” first half of fiscal year 2020.
 - Receipts in the Fees component were lackluster again during the first half of fiscal year 2020, finishing the first half of the 2020 fiscal year at -\$1.2 million (or -5.3%) versus this component’s through-December cumulative consensus cash flow target of \$23.7 million. This performance was fully-considered and incorporated into a more restrained fiscal year 2020 and beyond consensus forecast moving forward.
 - One bright spot over the first half of fiscal year 2020 was the Estate Tax (at +\$0.8 million versus this component’s through-December cumulative consensus cash flow target of \$10.5 million for this notoriously “lumpy” tax source.

Table 3: First Half Fiscal Year 2020 General Fund Results versus Consensus Targets

Cumulative December Results Versus Target -- General Fund							
FY 2020--Cumulative December Component (Thousands)	Cumulative Receipts		Cumulative Target		Dollar Difference	Percent Difference	
Personal Income	\$	402,494.5	\$	392,186.4	\$	10,308.1	2.6%
<i>Withholding</i>	\$	326,044.9	\$	335,276.0	\$	(9,231.1)	-2.8%
<i>PI Estimates</i>	\$	63,416.1	\$	55,697.3	\$	7,718.8	13.9%
<i>PI Paid Returns</i>	\$	13,257.8	\$	10,843.9	\$	2,413.9	22.3%
<i>PI Refunds</i>	\$	(29,569.8)	\$	(34,646.2)	\$	5,076.4	14.7%
<i>PI Other</i>	\$	29,345.5	\$	25,015.5	\$	4,330.0	17.3%
Corporate Income Tax	\$	46,131.8	\$	47,024.4	\$	(892.6)	-1.9%
<i>"Gross" Corporate Receipts</i>	\$	57,832.8	\$	54,661.2	\$	3,171.6	5.8%
<i>Corporate Refunds</i>	\$	(6,359.6)	\$	(7,636.8)	\$	1,277.2	16.7%
Meals & Rooms	\$	72,745.4	\$	73,035.4	\$	(290.0)	-0.4%
Property Transfer Tax	\$	7,498.9	\$	7,764.7	\$	(265.8)	-3.4%
Other	\$	72,844.5	\$	73,199.3	\$	(354.8)	-0.5%
<i>Estate Tax</i>	\$	11,333.2	\$	10,515.6	\$	817.6	7.8%
<i>Insurance Tax</i>	\$	17,278.4	\$	17,426.0	\$	(147.6)	-0.8%
<i>Total Telephone Tax</i>	\$	1,695.4	\$	2,000.2	\$	(304.8)	-15.2%
<i>Bank Franchise Tax</i>	\$	6,219.7	\$	6,178.3	\$	41.4	0.7%
<i>Fees</i>	\$	22,448.5	\$	23,697.9	\$	(1,249.4)	-5.3%
<i>Other</i>	\$	13,869.3	\$	13,381.3	\$	488.0	3.6%
Total Net General Fund	\$	601,715.2	\$	593,210.2	\$	8,504.9	1.4%
MEMO: Liquor Tax	\$	1,373.1	\$	2,052.0			
MEMO: Health Care Tax			\$	132,656.4			

Basic Data Source: VT Agency of Administration

- **Overview of First Half Receipts in the Transportation Fund:** For the T-Fund, receipts during the month of December were -\$0.7 million versus its monthly consensus cash flow target, making it three out of the six months over the first half of fiscal year 2020 where monthly T-Fund receipts tracked below their monthly consensus cash flow targets.
 - However, despite this up-and-down monthly pattern to receipts, revenues in the T-Fund overall through December were still within a half a percent of their cumulative consensus cash flow target through the first six months of the 2020 fiscal year.
 - More specifically, T-Fund receipts finished the first half of the 2020 fiscal year at -\$0.6 million below its cumulative consensus cash flow target. That corresponded to -0.4% below expectations versus its \$139.4 million cumulative consensus cash flow target through the first half of fiscal year 2020.
- Among the various T-Fund components, first half receipts were mixed versus monthly consensus targets, with two of the five non-TIB components finishing the first half of fiscal year 2020 ahead of their respective cumulative consensus cash flow targets through December.

- Diesel Tax (at +\$0.2 million or +1.8% versus cumulative consensus expectations) and MvFees (at +\$0.9 million or 2.3% versus cumulative consensus expectations) were both up during the first half of fiscal year 2020.
- On the other side, receipts in Receipts for the Gasoline Tax (at -\$0.1 million or -0.1% versus cumulative expectations through December), the MvP&U Tax (-\$0.1 million or -0.4% versus cumulative expectations through December), and Other Fees (-\$1.5 million or -13.0% versus cumulative expectations through December) all finished December below cumulative target for the first six months of fiscal year 2020.
- T-Fund TIB receipts reflected the character of their broader T-Fund counterparts, with Gasoline TIB receipts under-performing during the first half of fiscal year 2020 (at -\$0.05 million versus cumulative consensus expectations for the first half) and TIB-Diesel receipts finishing December essentially on-target (or +\$0.0 million) versus cumulative expectations through the month of December.
- It is worth noting that the Other Fees receipts category of the T-Fund would have performed much better (by nearly +\$1.4 million) versus the data reported in Table 4 (below) over the first half of fiscal year 2020 had the State Civil Traffic Fines posting issue had not occurred.
- In fact, receipts overall in the T-Fund through the end of the first half would have been +0.7 million or +0.5% higher than cumulative consensus expectations through the first half of fiscal year 2020 had the State Civil Traffic Fines revenues been correctly posted over the first half of fiscal year 2020.

Table 4: First Half Fiscal Year 2020 Transportation Fund Results versus Consensus Targets

Cumulative December Results Versus Target --Transportation Fund					
FY 2020--Cumulative December Component (Thousands)	Cumulative Receipts	Cumulative Target	Dollar Difference	Percent Difference	
Gasoline Tax (non-TIB)	\$ 40,117.7	\$ 40,147.4	\$ (29.7)	-0.1%	
Diesel Tax (non-TIB)	\$ 9,868.3	\$ 9,698.2	\$ 170.1	1.8%	
MvP&U Tax	\$ 37,563.7	\$ 37,698.5	\$ (134.8)	-0.4%	
MvFees	\$ 40,915.1	\$ 39,994.6	\$ 920.4	2.3%	
Other Fees-Revenues	\$ 10,349.0	\$ 11,896.2	\$ (1,547.2)	-13.0%	
Total Transportation Fund (no TIB)	\$ 138,813.7	\$ 139,434.9	\$ (621.1)	-0.4%	
Gasoline -TIB	\$ 7,249.0	\$ 7,718.8	\$ (469.8)	-6.1%	
Diesel-TIB	\$ 1,052.2	\$ 1,047.2	\$ 5.0	0.5%	
Total Transportation Fund (w/TIB)	\$ 147,114.9	\$ 148,200.8	\$ (1,085.9)	-0.7%	

Basic Data Source: VT Agency of Administration

- **Overview of First Half Receipts in the Education Fund:** In the E-Fund, revenues during the month of December were +\$1.0 million or +2.5% versus its monthly consensus cash flow target. With December receipts activity, cumulative E-Fund revenues through the end of first six months of fiscal year 2020 were tracking ahead of the E-Fund's cumulative consensus cash flow target by +\$2.4 million (or +0.9%) versus cumulative consensus expectations of \$275.1 million through December.
 - The December receipts performance of the E-Fund was again paced by another upbeat month for receipts in the Sales & Use Tax (at +\$1.3 million ahead of consensus monthly expectations).
 - The above target performance of receipts activity during December in the Sales & Use Tax component was the fifth monthly above target performance out of the first six months of the 2020 fiscal year, and cumulative Sales & Use Tax receipts through the month of December checked in at +\$2.6 million (or +1.2%) ahead of the cumulative consensus cash flow target through December of \$218.6 million.
 - After a slow start versus expectations in July, the positive ahead of target status of receipts has increased relatively steadily in the Sales and Use Tax since last August.
- Among the non-Sales and Use Tax sources, receipts during the month of December in the E-Fund portion of the MvP&U Tax were down versus consensus expectations by -\$0.2 million (or by -7.2%) and through December were down versus cumulative consensus expectations by -\$0.1 million (or -0.4%) versus cumulative consensus expectations strong.
 - E-Fund portion of Meals and Rooms Tax receipts were above target for the month of December (+\$0.2 million or +8.0%) and similarly were above target cumulatively through the month of December of fiscal year 2020 (by +\$0.3 million or +1.1%).
- December Lottery Transfer revenues were -\$0.4 million or -15.7% below consensus expectations for the month, and cumulative receipts through December were -\$0.5 million or -4.3% below its \$12.3 million cumulative consensus cash flow target through December.
 - As we have come to understand, Lottery receipts are highly

dependent on large jackpots to drive E-Fund dollar transfers. Large jackpots are highly variable—even though it is likely there will be at least some larger jackpots across an entire fiscal year that generally produces a significant amount of lottery profits that end up being transferred to the E-Fund.

- Rounding out the first half E-Fund receipts activity, Education Fund Interest receipts through the end of December were +\$0.2 million higher than the through December cumulative consensus cash flow target for the first half. E-Fund interest receipts generally represent smaller amounts of receipts and performed well over the first half of fiscal year 2020.

Table 5: First Half Fiscal Year 2020 Education Fund Results versus Consensus Targets

Cumulative December Results Versus Target --Education Fund [Partial]					
FY 2020--Cumulative December Component (Thousands)	Cumulative Receipts	Cumulative Target	Dollar Difference	Percent Difference	
Sales & Use Tax	\$ 221,123.4	\$ 218,555.8	\$ 2,567.6	1.2%	
Meals & Rooms	\$ 25,199.8	\$ 24,925.2	\$ 274.5	1.1%	
MvP&U Tax	\$ 18,781.8	\$ 18,849.2	\$ (67.4)	-0.4%	
Lottery	\$ 11,739.0	\$ 12,268.4	\$ (529.4)	-4.3%	
Interest	\$ 633.8	\$ 473.4	\$ 160.4	NM	
Total Education Fund [Partial]	\$ 277,477.8	\$ 275,072.1	\$ 2,405.7	0.9%	
Notes: NM=Not Meaningful					
Basic Data Source: VT Agency of Administration					

❖ Update of the Consensus Macroeconomic Forecast for the U.S. and Vermont Economies

- The most recent consensus update in the near-term economic outlook for the U.S. and Vermont economies and the dynamics of the updated consensus economic forecast are presented in Tables 6 and 7 (see below)—reflecting a now record-setting U.S. and Vermont economic upturn that continues to “mature” as the background economic environment that accompanies this January 2020 consensus forecast update.
 - Data are presented for the current consensus macroeconomic forecast along with previous consensus economic forecasts used in the revenue forecast updates back to June of 2018 (for the U.S. economy) and back to June of 2017 (for the Vermont economy).
- In Vermont, the State’s economy for its part, reflects the continued generally “steady-as-you-go” but still a historically slow improving outlook, which largely is a function of the State’s well-known demographic challenges. Vermont’s various macro-indicators and benchmarks generally expected to increase at rates below the national average—with a significant change corresponding to the State’s more pessimistic tone to its population growth outlook against the backdrop of the most recent revisions (for the mid-year 2018 population estimate) and the 2019 by the U.S. Census Bureau.
 - Although current data show the State’s population and labor force totals declining in recent months, this most recent trend should be viewed within the context that any directional changes will likely require confirmation from the forthcoming results of the April 1, 2020 census (for the State resident population data) and at least two to three more years of labor market information (for conclusive evidence) of any continued declining trend, or perhaps evidence of a prospective turnaround, in the State’s population counts or labor force numbers. Those 2020 decennial Census data will not likely be available to the State until March of calendar year 2021.
 - These negative demographic factors impacting the State’s economy and growth potential are currently being widely discussed and it seems clear that these factors in Vermont reflect some of the same demographic factors-dynamics impacting the rest of the northern New England region overall and much of upstate New York.

**Table 6: Comparison of Recent Administration and JFO Consensus
U.S. Macroeconomic Forecasts**
June 2018 through December 2019, Selected Variables, Calendar Year Basis

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real GDP Growth									
June-18	2.6	2.9	1.5	2.3	3.0	2.6	0.9	2.3	2.3
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
S&P 500 Growth (Annual Avg.)									
June-18	17.5	6.8	1.5	17.0	9.5	-9.7	2.3	10.3	7.7
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
Employment Growth (Non-Ag)									
June-18	1.9	2.1	1.8	1.6	1.6	1.4	0.2	0.0	0.9
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
Unemployment Rate									
June-18	6.2	5.3	4.9	4.4	3.8	3.3	4.0	4.8	4.9
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	4.4	3.9	3.7	3.8	4.1	4.3
West Texas Int. Crude Oil \$/Bbl									
June-18	93	49	43	51	65	62	70	76	79
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
Prime Rate									
June-18	3.25	3.26	3.51	4.10	4.97	6.56	6.81	6.46	5.96
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
Consumer Price Index Growth									
June-18	1.6	0.1	1.3	2.1	2.7	2.5	2.4	2.3	2.2
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
Average Home Price Growth									
June-18	5.2	5.3	5.6	6.3	6.5	6.8	5.6	4.8	3.1
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

Table 7: Comparison of Consensus Administration and JFO Vermont State Forecasts

June 2017 through December 2019, Selected Variables, Calendar Year Basis

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real GSP Growth									
June-17	0.3	0.9	0.8	1.1	1.3	0.8	0.3	0.8	1.1
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
Population Growth									
June-17	-0.0	-0.1	-0.2	0.1	0.1	0.2	0.2	0.1	0.1
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
Employment Growth									
June-17	1.0	0.8	0.3	0.9	1.0	0.8	0.3	0.1	0.8
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
Unemployment Rate									
June-17	3.9	3.6	3.3	3.1	3.0	3.0	3.3	3.7	3.8
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
Personal Income Growth									
June-17	3.3	2.9	3.3	2.4	2.1	2.7	2.0	1.8	2.4
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
Home Price Growth (JFO)									
June-17	0.3	2.0	1.4	2.6	3.1	3.7	4.1	4.3	4.4
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

- **Notes and Comments on Methods:**

- All figures presented above reflect current law revenues for the respective funds listed in the consensus forecast estimate for fiscal years 2020 through fiscal year 2022 that are part of the official Emergency Board motion. Fiscal year 2023 through 2025 staff recommended consensus forecasts are presented for fiscal planning purposes only.
- The revenue forecasting process is a collaborative process that involves ongoing involvement by the staff of the Vermont Department of Taxes, VTrans, the Legislative Joint Fiscal Office, Kavet Rockler & Associates, LLC, and many others throughout state government and the staff of Economic & Policy Resources. Special thanks are due to several staff members of the Vermont Department of Taxes, including Sharon Asay, Mary Cox, Jake Feldman, Erin Hicks-Tibbles, and Douglas Farnham. Special thanks also is due to Lenny LeBlanc, Christopher Baning, Michael Smith, and Renea Bordeau (all at VTrans). The JFO staff also provided key assistance to this forecast update, including Steve Klein, Graham Campbell, Stephanie Barrett, Dan Dickenson, Catherine Benham, Neil Strickner, Chloe Wexler, Joyce Manchester, and Mark Perrault. There also were many others in both the Administration and the JFO who contributed time and energy to assembling data, providing analysis, or technical assistance that was crucial to completing these forecasts that are simply too numerous to mention here.
- The consensus forecasting process involves the discussion and agreement of two independent forecasts completed by Thomas E. Kavet of the JFO and the staff at Economic & Policy Resources. Agreement on the consensus forecast occurs after a complete discussion-vetting and reconciliation of these independent forecasts.
- The State continues to develop an internal State macroeconomic model which may eventually replace the model maintained at Moody's Analytics through the New England Economic Partnership (NEEP). The NEEP forecast for Vermont is managed by Economic & Policy Resources, Inc., who currently supports the Vermont Agency of Administration with the Administration's part of the consensus forecasting process. Since October 2001, input and review of initial Vermont NEEP model design and output prior to its release has been provided by Tom Kavet of KRA, as the State Economist and Principal Economic Advisor to the Vermont Legislature.

Staff Recommended Consensus Forecast Update Tables

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 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>(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%	\$893.6	2.1%	\$909.1	1.7%	\$920.9	1.3%
Sales & Use ¹	\$370.7	1.7%	\$376.7	1.6%	\$397.8	5.6%	\$412.5	3.7%	\$441.4	7.0%	\$454.6	3.0%	\$467.2	2.8%
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$108.4	-19.2%	\$95.1	-12.3%	\$89.9	-5.5%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$182.1	5.1%	\$191.7	5.3%	\$199.7	4.2%	\$207.7	4.0%
Liquor	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$21.6	0.8%	\$22.1	2.3%	\$22.6	2.3%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$57.2	0.6%	\$57.5	0.5%	\$57.9	0.7%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.6	-16.9%	\$3.3	-8.3%	\$3.0	-9.1%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.5	-0.8%	\$7.6	0.7%	\$7.8	3.3%
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%	\$20.9	65.5%	\$17.3	-17.2%	\$15.1	-12.7%
Property	\$35.7	6.2%	\$38.7	8.4%	\$40.9	5.6%	\$41.1	0.6%	\$45.1	9.8%	\$48.2	6.9%	\$50.3	4.4%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.5	0.2%	\$12.6	0.4%	\$12.6	0.4%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.7	-71.4%	\$0.5	-28.6%	\$0.4	-20.0%
Total Tax Revenue	\$1534.0	2.5%	\$1553.7	1.3%	\$1667.2	7.3%	\$1763.0	5.7%	\$1804.1	2.3%	\$1827.5	1.3%	\$1855.4	1.5%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.2	0.2%	\$1.2	1.2%	\$1.2	1.7%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$46.3	-1.4%	\$46.5	0.4%	\$46.7	0.4%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$3.3	-1.6%	\$3.4	3.0%	\$3.5	2.9%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$5.0	49.4%	\$3.9	-22.0%	\$4.0	2.6%
Interest	\$0.7	130.6%	\$1.5	111.5%	\$2.8	80.1%	\$5.0	79.1%	\$4.95	-0.8%	\$5.1	3.0%	\$6.3	23.5%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$29.2	-0.9%	\$29.9	2.4%	\$30.7	2.7%
All Other ³	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$1.5	-67.0%	\$1.6	6.7%	\$1.7	6.3%
Total Other Revenue	\$58.9	12.9%	\$87.1	47.9%	\$87.0	-0.1%	\$93.9	7.9%	\$91.5	-2.6%	\$91.6	0.2%	\$94.1	2.8%
Healthcare Revenue⁴	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$278.6	0.9%	\$282.9	1.5%	\$286.3	1.2%
TOTAL GENERAL FUND	\$1862.1	3.2%	\$1917.4	3.0%	\$2029.8	5.9%	\$2133.2	5.1%	\$2174.2	1.9%	\$2202.0	1.3%	\$2235.9	1.5%

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 - January 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>(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%	\$893.6	2.1%	\$909.1	1.7%	\$920.9	1.3%
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%	\$108.4	-19.2%	\$95.1	-12.3%	\$89.9	-5.5%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$136.5	-21.2%	\$136.2	-0.2%	\$137.8	1.1%	\$143.3	4.0%
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%	\$57.2	0.6%	\$57.5	0.5%	\$57.9	0.7%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.6	-16.9%	\$3.3	-8.3%	\$3.0	-9.1%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.5	-0.8%	\$7.6	0.7%	\$7.8	3.3%
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%	\$20.9	65.5%	\$17.3	-17.2%	\$15.1	-12.7%
Property	\$11.5	6.0%	\$12.6	9.0%	\$12.4	-1.5%	\$12.5	0.9%	\$13.8	10.4%	\$14.8	7.3%	\$15.5	4.6%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.5	0.2%	\$12.6	0.4%	\$12.6	0.4%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.7	-71.4%	\$0.5	-28.6%	\$0.4	-20.0%
Total Tax Revenue	\$1380.1	2.5%	\$1395.7	1.1%	\$1499.5	7.4%	\$1276.4	-14.9%	\$1258.6	-1.4%	\$1259.7	0.1%	\$1270.7	0.9%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.2	0.2%	\$1.2	0.8%	\$1.2	1.7%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$46.3	-1.4%	\$46.5	0.4%	\$46.7	0.4%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$3.3	-1.6%	\$3.4	3.0%	\$3.5	2.9%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$5.0	49.4%	\$3.9	-22.0%	\$4.0	2.6%
Interest	\$0.6	136.1%	\$1.2	108.2%	\$2.3	96.1%	\$4.3	87.8%	\$4.3	-0.3%	\$4.4	2.3%	\$5.5	25.0%
All Other ⁴	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$1.5	-67.0%	\$1.6	6.7%	\$1.7	6.3%
Total Other Revenue	\$32.3	10.1%	\$61.2	89.3%	\$59.4	-3.0%	\$63.7	7.4%	\$61.6	-3.4%	\$61.0	-1.0%	\$62.6	2.7%
Healthcare Revenue⁵	\$0.0		\$0.0		\$0.0		\$272.3	NM	\$274.5	0.8%	\$275.6	0.4%	\$278.5	1.0%
TOTAL GENERAL FUND	\$1412.4	2.7%	\$1457.0	3.2%	\$1558.9	7.0%	\$1612.5	3.4%	\$1594.7	-1.1%	\$1596.3	0.1%	\$1611.8	1.0%

- 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 - January 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	%
	<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>(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%	\$69.2	1.1%	\$67.5	-2.4%	\$65.7	-2.7%
Claims Assessment	\$17.2	-1.5%	\$17.7	2.9%	\$19.8	12.1%	\$19.6	-1.3%	\$20.5	5.0%	\$21.0	2.2%	\$21.5	2.2%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.4	3.4%	\$22.0	7.7%	\$22.7	3.3%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$146.9	0.4%	\$150.7	2.6%	\$154.5	2.6%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.8%	\$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%	\$5.3	10.3%	\$5.5	2.9%	\$5.7	3.7%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.6	-38.5%	\$1.6	1.1%	\$1.6	0.9%
TOTAL HEALTHCARE	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$278.6	0.9%	\$282.9	1.5%	\$286.3	1.2%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 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>(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%	\$69.2	1.1%	\$67.5	-2.4%	\$65.7	-2.7%
Claims Assessment	\$13.8	-1.5%	\$14.1	2.1%	\$15.9	13.2%	\$15.6	-1.7%	\$16.4	5.0%	\$16.3	-0.5%	\$16.7	2.2%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.4	3.4%	\$20.4	-0.2%	\$20.8	2.0%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$146.9	0.4%	\$149.6	1.9%	\$153.4	2.5%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.8%	\$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%	\$5.3	10.3%	\$5.5	2.9%	\$5.7	3.7%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.6	-38.5%	\$1.6	1.1%	\$1.6	0.9%
TOTAL HEALTHCARE	\$265.7	4.8%	\$272.9	2.7%	\$271.7	-0.5%	\$272.3	0.2%	\$274.5	0.8%	\$275.6	0.4%	\$278.5	1.0%

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 - January 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	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$77.8	-0.1%	\$78.0	0.3%	\$77.8	-0.2%
Diesel****	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$19.0	2.4%	\$19.2	1.1%	\$19.4	1.0%
Purchase and Use*	\$100.1	2.9%	\$103.2	3.1%	\$109.4	6.0%	\$111.8	2.2%	\$115.1	2.9%	\$117.6	2.2%	\$120.8	2.7%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$86.8	1.6%	\$87.7	1.0%	\$88.5	0.9%
Other Revenue**	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$24.2	-1.6%	\$24.6	1.7%	\$24.9	1.2%
TOTAL TRANS. FUND	\$298.0	1.4%	\$305.8	2.6%	\$315.4	3.1%	\$318.2	0.9%	\$322.9	1.5%	\$327.1	1.3%	\$331.4	1.3%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 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	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$77.8	-0.1%	\$78.0	0.3%	\$77.8	-0.2%
Diesel	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$19.0	2.4%	\$19.2	1.1%	\$19.4	1.0%
Purchase and Use ¹	\$66.8	2.9%	\$68.8	3.1%	\$73.0	6.0%	\$74.5	2.2%	\$76.7	2.9%	\$78.4	2.2%	\$80.5	2.7%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$86.8	1.6%	\$87.7	1.0%	\$88.5	0.9%
Other Revenue ²	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$24.2	-1.6%	\$24.6	1.7%	\$24.9	1.2%
TOTAL TRANS. FUND	\$264.6	1.2%	\$271.4	2.6%	\$279.0	2.8%	\$280.9	0.7%	\$284.5	1.3%	\$287.9	1.2%	\$291.2	1.1%

OTHER (TIB³)

TIB Gasoline	\$13.0	-28.4%	\$12.6	-3.3%	\$12.9	2.2%	\$14.6	13.1%	\$13.7	-6.1%	\$13.9	1.7%	\$14.5	4.5%
TIB Diesel and Other ⁴	\$1.9	-6.1%	\$1.7	-11.3%	\$2.0	16.1%	\$2.1	3.7%	\$2.1	0.1%	\$2.1	1.0%	\$2.1	1.0%
TOTAL OTHER (TIB)	\$15.0	-26.1%	\$14.5	-2.9%	\$14.9	2.4%	\$16.6	11.9%	\$15.7	-5.3%	\$16.0	1.6%	\$16.6	4.0%

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 - January 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>(Forecast)</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	\$47.9	5.3%	\$49.9	4.2%	\$51.9	4.0%
Sales & Use ²	\$129.8	1.7%	\$131.8	1.6%	\$139.2	5.6%	\$412.5	196.3%	\$441.4	7.0%	\$454.6	3.0%	\$467.2	2.8%
Interest	\$0.2	135.7%	\$0.4	122.7%	\$0.5	30.3%	\$0.7	38.1%	\$0.7	-3.9%	\$0.7	7.7%	\$0.8	14.3%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$29.2	-0.9%	\$29.9	2.4%	\$30.7	2.7%
TRANSPORTATION FUND														
Purchase and Use ³	\$33.4	2.9%	\$34.4	3.1%	\$36.5	6.0%	\$37.3	2.2%	\$38.4	2.9%	\$39.200	2.2%	\$40.3	2.7%
TOTAL EDUCATION FUND	\$189.7	3.7%	\$192.2	1.3%	\$203.3	5.8%	\$525.4	158.4%	\$557.5	6.1%	\$574.3	3.0%	\$590.9	2.9%

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

Five Year Forecast Update Tables

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 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	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$893.6	2.1%	\$909.1	1.7%	\$920.9	1.3%	\$947.8	2.9%	\$976.4	3.0%	\$1002.6	2.7%
Sales & Use ¹	\$370.7	1.7%	\$376.7	1.6%	\$397.8	5.6%	\$412.5	3.7%	\$441.4	7.0%	\$454.6	3.0%	\$467.2	2.8%	\$479.5	2.6%	\$491.7	2.5%	\$504.0	2.5%
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$108.4	-19.2%	\$95.1	-12.3%	\$89.9	-5.5%	\$95.3	6.0%	\$101.0	5.9%	\$105.5	4.5%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$182.1	5.1%	\$191.7	5.3%	\$199.7	4.2%	\$207.7	4.0%	\$215.6	3.8%	\$223.7	3.8%	\$231.8	3.6%
Liquor	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$21.6	0.8%	\$22.1	2.3%	\$22.6	2.3%	\$23.1	2.2%	\$23.6	2.2%	\$24.2	2.5%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$57.2	0.6%	\$57.5	0.5%	\$57.9	0.7%	\$58.2	0.5%	\$58.6	0.7%	\$59.0	0.7%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.6	-16.9%	\$3.3	-8.3%	\$3.0	-9.1%	\$2.8	-6.7%	\$2.6	-7.1%	\$2.4	-7.7%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.5	-0.8%	\$7.6	0.7%	\$7.8	3.3%	\$8.0	2.6%	\$8.2	2.5%	\$8.4	2.4%
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%	\$20.9	65.5%	\$17.3	-17.2%	\$15.1	-12.7%	\$15.6	3.3%	\$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%	\$45.1	9.8%	\$48.2	6.9%	\$50.3	4.4%	\$52.1	3.6%	\$53.9	3.5%	\$55.7	3.3%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.5	0.2%	\$12.6	0.4%	\$12.6	0.4%	\$12.7	0.8%	\$12.8	0.8%	\$12.9	0.8%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.7	-71.4%	\$0.5	-28.6%	\$0.4	-20.0%	\$0.4	0.0%	\$0.4	0.0%	\$0.4	0.0%
Total Tax Revenue	\$1534.0	2.5%	\$1553.7	1.3%	\$1667.2	7.3%	\$1763.0	5.7%	\$1804.1	2.3%	\$1827.5	1.3%	\$1855.4	1.5%	\$1911.1	3.0%	\$1968.9	3.0%	\$2023.6	2.8%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.2	0.2%	\$1.2	1.2%	\$1.2	1.7%	\$1.3	1.6%	\$1.3	1.6%	\$1.3	1.6%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$46.3	-1.4%	\$46.5	0.4%	\$46.7	0.4%	\$47.1	0.9%	\$47.6	1.1%	\$48.2	1.3%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$3.3	-1.6%	\$3.4	3.0%	\$3.5	2.9%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$5.0	49.4%	\$3.9	-22.0%	\$4.0	2.6%	\$4.1	2.5%	\$4.2	2.4%	\$4.3	2.4%
Interest	\$0.7	130.6%	\$1.5	111.5%	\$2.8	80.1%	\$5.0	79.1%	\$4.95	-0.8%	\$5.1	3.0%	\$6.3	23.5%	\$7.1	12.7%	\$6.75	-4.9%	\$7.8	15.6%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$29.2	-0.9%	\$29.9	2.4%	\$30.7	2.7%	\$31.5	2.6%	\$32.3	2.5%	\$33.1	2.5%
All Other ³	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$1.5	-67.0%	\$1.6	6.7%	\$1.7	6.3%	\$1.8	5.9%	\$1.9	5.6%	\$2.0	5.3%
Total Other Revenue	\$58.9	12.9%	\$87.1	47.9%	\$87.0	-0.1%	\$93.9	7.9%	\$91.5	-2.6%	\$91.6	0.2%	\$94.1	2.8%	\$96.5	2.5%	\$97.7	1.3%	\$100.5	2.8%
Healthcare Revenue⁴	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$278.6	0.9%	\$282.9	1.5%	\$286.3	1.2%	\$291.2	1.7%	\$293.2	0.7%	\$296.7	1.2%
TOTAL GENERAL FUND	\$1862.1	3.2%	\$1917.4	3.0%	\$2029.8	5.9%	\$2133.2	5.1%	\$2174.2	1.9%	\$2202.0	1.3%	\$2235.9	1.5%	\$2298.8	2.8%	\$2359.9	2.7%	\$2420.8	2.6%

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 - January 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	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$893.6	2.1%	\$909.1	1.7%	\$920.9	1.3%	\$947.8	2.9%	\$976.4	3.0%	\$1002.6	2.7%
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%	\$108.4	-19.2%	\$95.1	-12.3%	\$89.9	-5.5%	\$95.3	6.0%	\$101.0	5.9%	\$105.5	4.5%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$136.5	-21.2%	\$136.2	-0.2%	\$137.8	1.1%	\$143.3	4.0%	\$148.8	3.8%	\$154.4	3.8%	\$159.9	3.6%
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%	\$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%	\$57.2	0.6%	\$57.5	0.5%	\$57.9	0.7%	\$58.2	0.5%	\$58.6	0.7%	\$59.0	0.7%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.6	-16.9%	\$3.3	-8.3%	\$3.0	-9.1%	\$2.8	-6.7%	\$2.6	-7.1%	\$2.4	-7.7%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.5	-0.8%	\$7.6	0.7%	\$7.8	3.3%	\$8.0	2.6%	\$8.2	2.5%	\$8.4	2.4%
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 ³	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$20.9	65.5%	\$17.3	-17.2%	\$15.1	-12.7%	\$15.6	3.3%	\$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%	\$13.8	10.4%	\$14.8	7.3%	\$15.5	4.6%	\$16.0	3.8%	\$16.6	3.6%	\$17.2	3.5%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.5	0.2%	\$12.6	0.4%	\$12.6	0.4%	\$12.7	0.8%	\$12.8	0.8%	\$12.9	0.8%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.7	-71.4%	\$0.5	-28.6%	\$0.4	-20.0%	\$0.4	0.0%	\$0.4	0.0%	\$0.4	0.0%
Total Tax Revenue	\$1380.1	2.5%	\$1395.7	1.1%	\$1499.5	7.4%	\$1276.4	-14.9%	\$1258.6	-1.4%	\$1259.7	0.1%	\$1270.7	0.9%	\$1310.0	3.1%	\$1351.5	3.2%	\$1389.6	2.8%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.2	0.2%	\$1.2	0.8%	\$1.2	1.7%	\$1.3	1.6%	\$1.3	1.6%	\$1.3	1.6%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$46.3	-1.4%	\$46.5	0.4%	\$46.7	0.4%	\$47.1	0.9%	\$47.6	1.1%	\$48.2	1.3%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$3.3	-1.6%	\$3.4	3.0%	\$3.5	2.9%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$5.0	49.4%	\$3.9	-22.0%	\$4.0	2.6%	\$4.1	2.5%	\$4.2	2.4%	\$4.3	2.4%
Interest	\$0.6	136.1%	\$1.2	108.2%	\$2.3	96.1%	\$4.3	87.8%	\$4.3	-0.3%	\$4.4	2.3%	\$5.5	25.0%	\$6.2	12.7%	\$5.8	-6.5%	\$6.8	17.2%
All Other ⁴	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$1.5	-67.0%	\$1.6	6.7%	\$1.7	6.3%	\$1.8	5.9%	\$1.9	5.6%	\$2.0	5.3%
Total Other Revenue	\$32.3	10.1%	\$61.2	89.3%	\$59.4	-3.0%	\$63.7	7.4%	\$61.6	-3.4%	\$61.0	-1.0%	\$62.6	2.7%	\$64.1	2.3%	\$64.5	0.7%	\$66.4	3.0%
Healthcare Revenue⁵	\$0.0		\$0.0		\$0.0		\$272.3	NM	\$274.5	0.8%	\$275.6	0.4%	\$278.5	1.0%	\$281.3	1.0%	\$284.3	1.1%	\$292.1	2.8%
TOTAL GENERAL FUND	\$1412.4	2.7%	\$1457.0	3.2%	\$1558.9	7.0%	\$1612.5	3.4%	\$1594.7	-1.1%	\$1596.3	0.1%	\$1611.8	1.0%	\$1655.3	2.7%	\$1700.3	2.7%	\$1748.2	2.8%

- 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.
- 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.
- 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.
- 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.
- 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 - January 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	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	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%	\$69.2	1.1%	\$67.5	-2.4%	\$65.7	-2.7%	\$63.8	-2.9%	\$62.0	-2.8%	\$60.2	-2.9%
Claims Assessment	\$17.2	-1.5%	\$17.7	2.9%	\$19.8	12.1%	\$19.6	-1.3%	\$20.5	5.0%	\$21.0	2.2%	\$21.5	2.2%	\$21.9	2.2%	\$22.4	2.2%	\$22.9	2.2%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.4	3.4%	\$22.0	7.7%	\$22.7	3.3%	\$23.5	3.3%	\$24.2	3.3%	\$25.0	3.0%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$146.9	0.4%	\$150.7	2.6%	\$154.5	2.6%	\$160.1	3.6%	\$162.5	1.5%	\$166.5	2.5%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.8%	\$14.7	0.0%	\$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%	\$5.3	10.3%	\$5.5	2.9%	\$5.7	3.7%	\$5.7	0.9%	\$5.8	1.8%	\$5.8	0.7%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.6	-38.5%	\$1.6	1.1%	\$1.6	0.9%	\$1.6	0.0%	\$1.6	0.9%	\$1.6	-2.3%
TOTAL HEALTHCARE	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$278.6	0.9%	\$282.9	1.5%	\$286.3	1.2%	\$291.2	1.7%	\$293.2	0.7%	\$296.7	1.2%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 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	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	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%	\$69.2	1.1%	\$67.5	-2.4%	\$65.7	-2.7%	\$63.8	-2.9%	\$62.0	-2.8%	\$60.2	-2.9%
Claims Assessment	\$13.8	-1.5%	\$14.1	2.1%	\$15.9	13.2%	\$15.6	-1.7%	\$16.4	5.0%	\$16.3	-0.5%	\$16.7	2.2%	\$17.1	2.2%	\$17.4	2.2%	\$18.3	5.0%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.4	3.4%	\$20.4	-0.2%	\$20.8	2.0%	\$21.2	2.0%	\$21.6	2.0%	\$25.0	15.4%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$146.9	0.4%	\$149.6	1.9%	\$153.4	2.5%	\$157.2	2.5%	\$161.1	2.5%	\$166.5	3.4%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.8%	\$14.7	0.0%	\$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%	\$5.3	10.3%	\$5.5	2.9%	\$5.7	3.7%	\$5.7	0.9%	\$5.8	1.8%	\$5.8	0.7%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.6	-38.5%	\$1.6	1.1%	\$1.6	0.9%	\$1.6	0.0%	\$1.6	0.9%	\$1.6	-2.3%
TOTAL HEALTHCARE	\$265.7	4.8%	\$272.9	2.7%	\$271.7	-0.5%	\$272.3	0.2%	\$274.5	0.8%	\$275.6	0.4%	\$278.5	1.0%	\$281.3	1.0%	\$284.3	1.1%	\$292.1	2.8%

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 - January 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	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$77.8	-0.1%	\$78.0	0.3%	\$77.8	-0.2%	\$77.6	-0.3%	\$77.4	-0.3%	\$77.2	-0.2%
Diesel****	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$19.0	2.4%	\$19.2	1.1%	\$19.4	1.0%	\$19.6	1.0%	\$19.8	1.0%	\$20.0	1.0%
Purchase and Use*	\$100.1	2.9%	\$103.2	3.1%	\$109.4	6.0%	\$111.8	2.2%	\$115.1	2.9%	\$117.6	2.2%	\$120.8	2.7%	\$124.1	2.7%	\$127.4	2.7%	\$130.5	2.4%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$86.8	1.6%	\$87.7	1.0%	\$88.5	0.9%	\$89.6	1.2%	\$90.5	1.0%	\$91.6	1.2%
Other Revenue**	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$24.2	-1.6%	\$24.6	1.7%	\$24.9	1.2%	\$25.3	1.6%	\$25.7	1.6%	\$26.2	1.9%
TOTAL TRANS. FUND	\$298.0	1.4%	\$305.8	2.6%	\$315.4	3.1%	\$318.2	0.9%	\$322.9	1.5%	\$327.1	1.3%	\$331.4	1.3%	\$336.2	1.4%	\$340.8	1.3%	\$345.5	1.4%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 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	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$77.8	-0.1%	\$78.0	0.3%	\$77.8	-0.2%	\$77.6	-0.3%	\$77.4	-0.3%	\$77.2	-0.2%
Diesel	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$19.0	2.4%	\$19.2	1.1%	\$19.4	1.0%	\$19.6	1.0%	\$19.8	1.0%	\$20.0	1.0%
Purchase and Use ¹	\$66.8	2.9%	\$68.8	3.1%	\$73.0	6.0%	\$74.5	2.2%	\$76.7	2.9%	\$78.4	2.2%	\$80.5	2.7%	\$82.7	2.7%	\$84.9	2.7%	\$87.0	2.4%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$86.8	1.6%	\$87.7	1.0%	\$88.5	0.9%	\$89.6	1.2%	\$90.5	1.0%	\$91.6	1.2%
Other Revenue ²	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$24.2	-1.6%	\$24.6	1.7%	\$24.9	1.2%	\$25.3	1.6%	\$25.7	1.6%	\$26.2	1.9%
TOTAL TRANS. FUND	\$264.6	1.2%	\$271.4	2.6%	\$279.0	2.8%	\$280.9	0.7%	\$284.5	1.3%	\$287.9	1.2%	\$291.2	1.1%	\$294.9	1.3%	\$298.3	1.2%	\$302.0	1.2%

OTHER (TIB³)

TIB Gasoline	\$13.0	-28.4%	\$12.6	-3.3%	\$12.9	2.2%	\$14.6	13.1%	\$13.7	-6.1%	\$13.9	1.7%	\$14.5	4.5%	\$15.2	4.5%	\$15.8	4.3%	\$16.5	4.0%
TIB Diesel and Other ⁴	\$1.9	-6.1%	\$1.7	-11.3%	\$2.0	16.1%	\$2.1	3.7%	\$2.1	0.1%	\$2.1	1.0%	\$2.1	1.0%	\$2.1	1.4%	\$2.2	0.9%	\$2.2	0.9%
TOTAL OTHER (TIB)	\$15.0	-26.1%	\$14.5	-2.9%	\$14.9	2.4%	\$16.6	11.9%	\$15.7	-5.3%	\$16.0	1.6%	\$16.6	4.0%	\$17.3	4.1%	\$18.0	3.9%	\$18.7	3.7%

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 - January 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	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	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	\$47.9	5.3%	\$49.9	4.2%	\$51.9	4.0%	\$53.9	3.8%	\$55.9	3.8%	\$58.0	3.6%
Sales & Use ²	\$129.8	1.7%	\$131.8	1.6%	\$139.2	5.6%	\$412.5	196.3%	\$441.4	7.0%	\$454.6	3.0%	\$467.2	2.8%	\$479.5	2.6%	\$491.7	2.5%	\$504.0	2.5%
Interest	\$0.2	135.7%	\$0.4	122.7%	\$0.5	30.3%	\$0.7	38.1%	\$0.7	-3.9%	\$0.7	7.7%	\$0.8	14.3%	\$0.9	12.5%	\$1.0	5.6%	\$1.0	5.3%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$29.2	-0.9%	\$29.9	2.4%	\$30.7	2.7%	\$31.5	2.6%	\$32.3	2.5%	\$33.1	2.5%
TRANSPORTATION FUND																				
Purchase and Use ³	\$33.4	2.9%	\$34.4	3.1%	\$36.5	6.0%	\$37.3	2.2%	\$38.4	2.9%	\$39.200	2.2%	\$40.3	2.7%	\$41.367	2.7%	\$42.5	2.7%	\$43.5	2.4%
TOTAL EDUCATION FUND	\$189.7	3.7%	\$192.2	1.3%	\$203.3	5.8%	\$525.4	158.4%	\$557.5	6.1%	\$574.3	3.0%	\$590.9	2.9%	\$607.2	2.8%	\$623.3	2.7%	\$639.5	2.6%

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