

State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street, 5th Floor
Montpelier, VT 05609-0201
www.aoa.vermont.gov

Memo:

TO: Emergency Board Members
FROM: Sarah Clark, Secretary of Administration
DATE: January 14, 2026
RE: Emergency Board Meeting, January 16, 2026

Governor Scott will convene a meeting of the Emergency Board pursuant to 32 V.S.A. Sec 305a on Friday, January 16, 2026, at 10:00 a.m.

The meeting will be broadcast publicly on the Joint Fiscal YouTube channel at <https://legislature.vermont.gov/committee/streaming/vermont-joint-fiscal>.

Meeting materials and public viewing information will be posted online when available at <https://aoa.vermont.gov/revenue/emergency-board-minutes>.

The agenda items are as follows:

1. Allocation of the calendar year 2025 Private Activity Bond ceiling (32 V.S.A. Sec. 992(b))
 - a. Michael Pieciak, State Treasurer, Office of the State Treasurer
2. Medicaid caseload and expenditure estimates (32 V.S.A. Sec. 305a(c))
 - a. Nolan Langweil, Principal Fiscal Analyst, Joint Fiscal Office
 - b. Tracy O'Connell, Chief Financial Officer, Agency of Human Services
3. Official state revenue estimate (32 V.S.A. Sec. 305a(b))
 - a. Jeff Carr, Economist for the Agency of Administration
 - b. Tom Kavet, Economist for the Legislature



4. Estimate of the impact of authorized TIF districts upon the Education Fund (32 V.S.A. Sec. 305b)
 - a. Jake Feldman, Senior Fiscal Analyst, Department of Taxes
 - b. Ted Barnett, Senior Fiscal Analyst, Joint Fiscal Office
5. Education Fund Outlook: Pursuant to 32 V.S.A. Sec. 5402b(c) the Education Fund Outlook will be available for review by the Board.
 - a. Julia Richter, Principal Fiscal Analyst, Joint Fiscal Office
6. Other business as needed.

Cc: Michael Pieciak, State Treasurer
David Scherr, Deputy State Treasurer
Adam Greshin, Commissioner, Department of Finance and Management
Hardy Merrill, Deputy Commissioner, Department of Finance and Management
Bill Shouldice, Commissioner, Department of Taxes
Jake Feldman, Senior Fiscal Analyst, Department of Taxes
Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office
Emily Byrne, Deputy Fiscal Officer, Joint Fiscal Office
Michael Gaughan, Vermont Municipal Bond Bank
Elijah D. Emerson, Esq., Primmer Piper Eggleston & Cramer PC
Maura Collins, Vermont Housing Finance Agency
Joan Goldstein, Vermont Economic Development Authority
Scott Giles, Vermont Student Assistance Corporation
Tom Little, Esq., Vermont Student Assistance Corporation

To receive this information in an alternative format or for other accessibility requests, please contact:

Agency of Administration
ADM.Secretary@vermont.gov, 802-828-3322

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ITEM 1

MICHAEL S. PIECIAK
STATE TREASURER




UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

RETIREMENT DIVISION
TEL: (802) 828-2305

ACCOUNTING DIVISION
TEL: (802) 828-2301

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

TO: Emergency Board
FROM: Michael Pieciak, State Treasurer 
DATE: January 12, 2026
RE: Recommended Initial Allocation of 2026 Private Activity Bond Ceiling

This memorandum provides my recommendations to the Emergency Board regarding Vermont's private activity bond (PAB) ceiling for 2026.

Recommended Initial Allocation of 2026 Volume Cap

It is my understanding, from IRS Revenue Procedure 2025-32 regarding the amounts used under IRC §146(d) to calculate the State ceiling for volume cap for private activity bonds, that Vermont's ceiling for 2026 is \$397,625,000. Based on a survey of the constituted and eligible issuing authorities, I recommend the following initial allocation for 2026:

Vermont Economic Development Authority (VEDA):	\$60,000,000
Vermont Bond Bank: (VBB):	30,000,000
Vermont Housing Finance Agency (VHFA):	0
Vermont Student Assistance Corporation (VSAC):	0
<u>Contingency:</u>	<u>307,625,000</u>
TOTAL	\$397,625,000

Also attached is a proposed motion from the Vermont Bond Bank (VBB) to permit VBB to assign its PAB allocation to Vermont governmental units as defined by statute and as required to comply with the IRS Code. This will allow governmental units both receiving loans from the Bond Bank as well as other sources to benefit from tax-exemption for qualifying purposes.

Please contact me at Mike.Pieciak@vermont.gov or at 828-1452 with any questions regarding this memorandum.

Attachment:

1. Proposed Motion of allocation of Vermont's 2026 Private Activity Bond Volume Cap
2. Proposed Motion regarding Vermont Bond Bank's Authority to Assign PAB Volume Cap

cc: Sarah Clark, Secretary of Administration
Joan Goldstein, Vermont Economic Development Authority
Maura Collins, Vermont Housing Finance Agency
Michael Gaughan, Vermont Bond Bank
Tom Little, Esq., Vermont Student Assistance Corporation
Catherine Benham, Legislative Joint Fiscal Office

MICHAEL S. PIECIAK
STATE TREASURER

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December 21, 2025

The Honorable Philip B. Scott
Pavilion Office Building
109 State Street
Montpelier, VT 05609

Dear Governor Scott:

This letter provides the recommendations for the reallocation of 2025 private activity bond volume cap (32 V.S.A. § 994(b)).

Recommended Reallocation of 2025 Volume Cap

Based on a survey of the constituted and eligible issuing authorities, I recommend the following final allocations of 2025 ceiling to the Governor, with reallocations between issuing authorities and from contingency as necessary, after December 20, and on or before December 31, 2025:

Vermont Housing Finance Agency:	\$194,390,000
Vermont Student Assistance Corporation:	194,390,000
Vermont Economic Development Authority:	0
<u>Vermont Bond Bank:</u>	<u>0</u>
TOTAL	\$388,780,000

These reallocations are necessary to ensure that unused volume cap from 2025 is carried forward for the allowable three-year period under the IRS guidelines.

Please let me know if you have any questions or would like to discuss.

Respectfully,

A handwritten signature in blue ink, appearing to read "M. Pieciak", is written over a horizontal line.

Mike Pieciak
State Treasurer

cc: Maura Collins, Vermont Housing Finance Agency
Michael Gaughan, Vermont Bond Bank
Joan Goldstein, Vermont Economic Development Authority
Tom Little, Esq., Vermont Student Assistance Corporation
Catherine Benham, Legislative Joint Fiscal Office



State of Vermont
OFFICE OF THE GOVERNOR

MEMORANDUM

TO: Emergency Board Members
FROM: Philip B. Scott, Governor
DATE: December 30, 2025
SUBJECT: Reallocation of Private Activity Bond Ceiling for Calendar Year 2025

Under the authority delegated to me at the July 31, 2025 Emergency Board meeting, and in accordance with 32 V.S.A. Sec 992(b), I hereby assign and reallocate Vermont's Calendar Year 2025 Private Activity Bond ceiling as follows:

Vermont Housing Finance Agency (VHFA):	\$194,390,000
Vermont Student Assistance Corporation (VSAC)	\$194,390,000
Vermont Economic Development Authority (VEDA)	\$ 0
Vermont Municipal Bond Bank: (VMBB)	\$ 0
TOTAL	\$388,780,000

The Calendar Year 2026 Private Activity Bond ceiling will be finalized at the January 16, 2026 Emergency Board meeting.

cc: Sarah Clark, Secretary of Administration
Michael Pieciak, State Treasurer
David Scherr, Deputy State Treasurer
Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office
Maura Collins, Vermont Housing Finance Agency
Joan Goldstein, Vermont Economic Development Authority
Michael Gaughan, Vermont Municipal Bond Bank
Scott Giles, Vermont Student Assistance Corporation
Tom Little, Esq., Vermont Student Assistance Corporation

ITEM 2

Medicaid Program: Estimated Caseload and Per Member Per Month Expenditures

January 16, 2026

Projected Enrollment and Per Member Per Month Expenditures

Eligibility Category	Jan'26 EBoard Enrollment		Jan '26 PMPM Expend ¹	
	SFY '26 Projected	SFY '27 Projected	SFY '26 Projected	SFY' 27 Projected

Full Coverage/Primary

Aged, Blind, or Disabled (ABD) Adults	7,253	7,261	\$3,059.33	\$3,099.04
General Adults	13,654	13,276	\$780.15	\$809.34
New Adult Childless	32,663	29,813	\$718.50	\$754.01
New Adult w/Children	17,207	14,000	\$598.35	\$635.13
Blind or Disabled (BD) Kids	1,882	1,857	\$3,051.96	\$3,130.02
General Kids	54,462	54,498	\$635.85	\$649.25
CHIP (Uninsured) Kids	5,380	5,589	\$315.94	\$320.33
Caseload Subtotal -Full/Primary	132,501	126,294		

Partial Coverage/Supplemental

ABD Dual Eligible	21,818	21,402	\$2,943.76	\$3,003.42
Rx -Pharmacy Only Programs	9,316	9,316	\$143.85	\$146.76
VPA-Vermont Premium Assistance	12,671	12,762	\$52.00	\$73.00
CSR-Cost Sharing Reduction- <i>subset of VPA</i> ²	0	0	\$0.00	\$0.00
Caseload Subtotal -Partial/Supplemental	43,805	43,480		

Caseload Total

176,306 169,774

Buy In	\$77,775,211	\$81,732,113
Disproportionate Share Hospital (DSH)	\$22,704,471	\$22,704,471
Clawback (Medicare Part D provision)	\$48,304,692	\$48,742,651

Notes:

¹ PMPMs do not include administration or Global Commitment Waiver Investment expenditures.

² Beneficiaries with Cost Sharing Reductions also have Premium Assistance - not double-counted in caseload total.

Reimbursement rate increase estimated cost

32 V.S.A. § 305a(c) requires that information on health care inflation be provided to Emergency Board in January.

The cost of a one percent (1%) increase in Medicaid provider payments is estimated at \$18.4 million gross (or \$7.7 million state share).

This excludes rate set entities nursing homes and PNMI, cost based case management services,

Pharmacy which is a system of manufacture set prices with rebates; and school based services determined by schools

ITEM 3

FY2026, FY2027 and FY2028 Official Revenue Estimates

<i>\$ millions</i>		FY26		FY27		FY28
General Fund		2,472.8		2,533.5		2,599.3
Transportation Fund		317.0		321.9		326.6
Education Fund		782.1		803.3		827.0
Total - Three Funds		3,571.9		3,658.7		3,752.9
Transportation Infrastructure Bond Fund		16.4		16.5		16.1

ITEM 4

Estimated Maximum Effect upon the Education Fund of Authorized TIF Districts

Pursuant to 32 V.S.A. Sect 305b, the forecasted maximum tax impact of authorized TIF districts on the Education Fund for fiscal year 2027 is \$9,300,000.

ITEM 5

Education Fund Outlook for FY 2027 Emergency Board Update Using Updated Revenue Forecast

January 16, 2026

<i>(millions of dollars)</i>		FY 2026 <i>Preliminary</i>	FY 2027 <i>December 1 Letter</i>	FY 2027 <i>Emergency Board Update</i>
a	Average Homestead Property Tax Rate ¹	\$1.593	\$1.670	\$1.669
b	Average Tax Rate on Household Income	2.27%	2.43%	2.43%
c	Uniform Nonhomestead Property Tax Rate ¹	\$1.703	\$1.785	\$1.784
d	Property Yield Per Pupil ¹	\$8,596	\$8,849	\$8,853
e	Income Yield Per Pupil ¹	\$12,172	\$12,154	\$12,160
f	Total Long Term Weighted Average Daily Membership (LTWADM)	142,564	141,273	141,273
g	Average Percentage Bill Change Compared to Prior Year (HS/Inc/NHS)	Uniform: 1.1%	Uniform: 11.9%	Uniform: 11.9%
h	Statewide Education Spending Growth	5.5%	5.8%	5.8%
i	Statewide Education Grand List Growth	14.1%	10.4%	10.4%
j	Statewide Adjustment	72.4%	70.0%	70.0%
Sources				
1a	Homestead Education Property Tax ²	765.4	853.8	853.4
1b	Property Tax Credit	(141.1)	(134.2)	(134.2)
2	Nonhomestead Education Property Tax ²	903.3	1012.9	1,012.3
3	Sales & Use Tax	625.0	638.0	640.9
4	Purchase & Use Tax - <i>one-third of total</i>	50.0	51.2	51.9
5	Meals & Rooms Tax - <i>one-quarter of total</i>	73.6	77.3	76.0
6	Lottery Transfer	32.0	35.3	33.4
7	Medicaid Transfer	9.0	9.5	9.5
8	One-time GF transfer	77.8	-	-
9	Other Sources (Wind & Solar, Fund Interest)	5.0	4.4	4.3
10	Total Sources	2,400.0	2,548.2	2,547.5
Appropriations				
11	Education Payment	1,991.1	2,104.7	2,104.7
12	Special Education Aid	270.7	276.7	276.7
13	State-Placed Students	17.2	18.3	18.3
14	Transportation Aid	26.1	26.9	26.9
15	Technical Education Aid	18.7	19.6	19.6
16	Small School Support/Merger Support	1.8	1.8	1.8
17	Essential Early Education Aid	9.0	9.6	9.6
18	Flexible Pathways	10.6	10.8	10.8
19	Universal School Meals	18.5	18.3	18.3
20	English Learners Services	2.3	2.5	2.5
21	VSTRS Pension Normal Cost	38.8	42.2	42.2
23	VSTRS OPEB Normal Cost	22.0	28.2	28.2
24	Other Uses (Accounting & Auditing, CMF transfer, Financial Systems)	5.7	5.4	5.4
25	Total Uses	2,432.5	2,565.0	2,565.0
Allocation of Revenue				
26	Revenue Surplus/(Deficit)	(32.5)	(16.8)	(17.5)
27	Prior-year Reversions	13.2	0.0	-
28	Transfer (to)/from Stabilization Reserve	(2.5)	(3.7)	(3.7)
29	Transfer (to)/from Additional Reserves	-	-	0.0
30	Transfer (to)/from Unreserved/Unallocated	21.7	20.6	21.2
Stabilization Reserve				
31	Prior-year Stabilization Reserve	52.1	54.5	54.5
32	Current-year Stabilization Reserve	54.5	58.3	58.3
33	Percent of Prior-year Net Appropriations	5.0%	5.0%	5.0%
34	Reserve Target	54.5	58.3	58.3
Available Funds				
35	Prior-year Unreserved/Unallocated	43.07	21.38	21.33
36	Current-year Unreserved/Unallocated	21.33	0.82	0.11

Notes: 1) FY 2026 is the first year with the Statewide Adjustment CLA, so FY 2025 property rates and yields are not directly comparable to prior years.
 2) Property tax amounts for FY 2025 and FY 2026 reflect amounts in the year they were collected.
 3) The Outlook assumes a technical correction in the FY 2026 BAA to unreserve the \$13 million of the Tax Rate Offset Reserve within the Education Fund.

January 16, 2026
Prepared by JFO