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July 2024 Economic Review and Revenue Forecast Update

Prepared for the
State of Vermont
Emergency Board and
Legislative Joint Fiscal Office
Virtual and Live Presentation Materials

(Charts enlarged to full page for virtual presentation viewing)

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Economic Review and Revenue Forecast Update

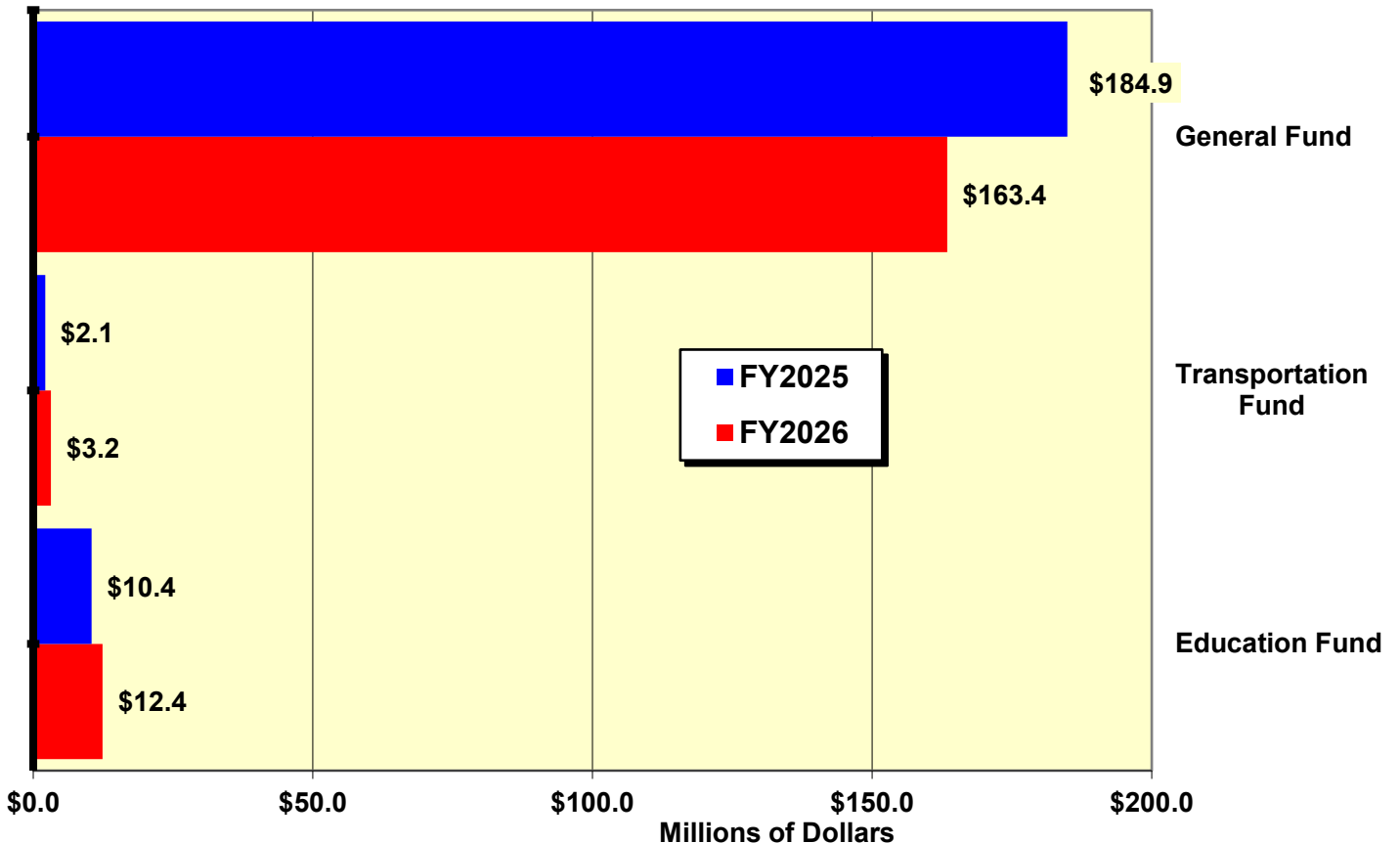
July 2024

Overview

Despite stiffening headwinds as real interest rates (the nominal interest rate minus the rate of inflation) rise, the economy has been extraordinarily resilient. Labor markets remain solid, with unemployment still only about 4% and average job growth topping 200,000 per month in the last year, while real GDP in the second quarter of this year posted 2.8% growth, outperforming almost all expectations. Meanwhile, inflation has been declining and though not fast enough for the Fed to ease rates yet, it looks increasingly likely that at their September meeting a 25 basis point cut may be in the cards.

The sturdy economy kept all three major funds in the black through the end of FY24 (with the G-Fund up 6.5%, the T-Fund up 1.2% and the E-Fund up a mere 0.1% above January targets) and reinforces the likelihood that some of this strength will continue in FY25 and beyond. This, and about \$50M in new revenues from tax and fee changes will increase revenue expectations across all three funds by about \$198M in FY25 and \$179M in FY26 relative to the prior January forecasts, per the below chart.

Recommended Net Revenue Changes from January 2024 Forecasts



Economic, Fiscal and Monetary Policy Update

- Inflation remains front and center to the economic outlook due to the myriad ways it affects the economy: prices, consumption, tax revenues, general consumer sentiment, pivotal Federal Reserve Board interest rate decisions, trade flows, political decisions by the electorate and distributional issues between various economic players with and without pricing power as they struggle to determine the incidence of price changes – the “winners and losers” as prices rise (or fall).
- Overall consumer prices have risen 21.0% since pre-pandemic prices as of December 2019, with wide variation across consumer items and at different periods over the past four years. The biggest increases have been in consumer essentials such as grocery items and energy products. Despite the fact that average weekly earnings have increased 26.1% over the same period, there is enormous variation in the distributional effects of these earnings and price swings, and the earnings gains came earlier than the price increases, leading to widespread current discontent. Over the past year, earnings have exceeded CPI inflation every month, but real earnings growth has been tepid, at best.
- In the past 12 months, the CPI has bounced between 3.0% and 3.7%, while the PCE Price Index, which is the Fed’s preferred price measure, has averaged about 2.6%. Although this is still above the 2% target rate, there are many technical caveats to the current inflation metrics and also concerns over the lagged effects of high rates on future labor markets and economic growth. This has prompted many to believe that the Fed will consider recent and directional inflation “close enough” and, mindful of its dual mandate for full employment and stable low inflation, will begin to ease rates beginning in September, dropping them by about 25 basis points per quarter throughout FY25 and into FY26.
- This is a critical forecast assumption because holding rates too high for too long is the primary downside risk to this outlook, and is the cause of many historical recessions. The lagged effects of the current high rates will also slow the economy in both FY25 and FY26, limiting revenue growth to rates at or below inflation for most major funds, excluding new tax and fee increases.
- Labor markets have remained remarkably resilient, with new job growth still humming, robust labor force growth via immigration and unemployment rates subdued. While unemployment remains relatively low, there is some concern over the gradual increase in the U.S. rate from a low of 3.4% in April of 2023 to 4.1% in June of 2024. This, however, is an expected outcome of the intentional actions by the Fed to reduce inflationary pressure by slowing the economy. It has led to a delicate balancing act, however, of slowing enough to reduce inflation, but not so much as to initiate a broader self-reinforcing economic decline.
- A gradual softening in labor markets can also be seen in the narrowing of the gap between job openings and the number of unemployed workers, both at the

U.S. and Vermont State levels. However, the number of job openings still exceeds the number unemployed for both. The U.S. and Vermont quit rates have also declined in recent months, but are still above “normal” rates.

- Vermont’s unemployment rate is consistently among the lowest in the nation and was tied with North Dakota at 2.1% with the second lowest rate, slightly behind South Dakota at 2.0%. Although Vermont’s rate is up from its lowest level on record (going back to at least 1969) in April and May of 2023, at 1.7%, its current level matches its pre-pandemic rate in February of 2020. Vermont has had the lowest unemployment rate in New England for the past 17 months.
- Continued strong labor markets, average earnings growth above rates of inflation, and retained savings among higher income groups have supported sustained consumer spending growth. Real personal expenditure growth in both May and June was steady at about 2.6%, a solid showing in the face of high interest rates. The toll from high interest rates and distributional disparities in income are, however, evident in rising credit card and auto loan default rates. As of the first quarter of 2024, credit card balances more than 30 days overdue rose to a 12 year high of 8.93%, more than double the rate in the fourth quarter of 2021, when the effective federal funds interest rate was less than 1%. Rates among those in the poorest 10% of zip codes rose from a recent low of 14.9% to more than 21% in the latest quarter. At an average interest rate of 20.66%, there is an acceleration in the period of time credit card debt can become unsustainable.
- Residential real estate prices continue to confound expectations of a steep slowing or decline to date. Through the first quarter of 2024 (the latest available data), home prices in Vermont rose 10.1%, the third highest in the nation, and the other five New England states were all among the top twelve states in price growth. After five to ten states posted small year over year price declines in the past three quarters, all 51 states showed price growth in the most recent quarter. The states that have shown any declines in the last year are mostly western states that experienced explosive price appreciation in the past ten-year real estate cycle upswing.
- It is important to note that despite the absence of new federal fiscal stimulus, there is a huge pipeline of unspent and unallocated federal largess parked in state bank accounts and not yet spent that will be powering economic activity throughout the nation. Vermont’s \$2+ billion cash balance is loosely consistent with a total U.S. state cash reserve of more than \$1 trillion. As this is spent down – and much of it is required to be spent or dedicated by FY26 – it will act as a massive offset to the Fed’s efforts to slow the economy and contain inflation at a 2% rate.
- A slowing economy, such as that expected in FY25 and FY26, is far more vulnerable to external shocks such as geo-political conflicts, financial market duress, Fed policy mistakes, and internal disunity, violence and election year extremism.

- On the other hand, the U.S. is in an enviable global economic position, with lower inflation, higher growth, strong innovation and entrepreneurial activity, a labor force of whatever size we want and need, dominant capital markets, top higher educational institutions, great wealth and a reserve currency that has been globalized to our considerable advantage. The same forces that propelled the economy through high interest rates and other economic headwinds in FY24, along with another dose of good luck, are also capable of generating upside to this forecast in FY25 and beyond.

State Revenue Update

- Most revenue categories closed FY24 very close to expectations, with two notable exceptions: Personal Income and Interest income. These two categories accounted for about 90% of the overage in the General Fund (including Healthcare and 93% if it is excluded) and account for most of the forecast adjustment not associated with tax and fee changes.

July 2024 vs. January 2024						
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Education Fund	\$0.9	\$10.4	\$12.4	\$14.8	\$19.8	\$28.4
Transportation Fund	\$3.7	\$2.1	\$3.2	\$1.8	\$1.5	\$2.5
General Fund	\$139.1	\$184.9	\$163.4	\$140.6	\$139.2	\$156.8
(Healthcare Only)	\$5.5	\$11.3	\$16.7	\$23.7	\$30.9	\$38.7
(General Fund Ex HC)	\$133.6	\$173.6	\$146.7	\$116.9	\$108.2	\$118.1
Total Current Law	\$143.7	\$197.5	\$179.0	\$157.2	\$160.5	\$187.7

- Mixed into the revenue estimates in this update are some of the largest tax and fee increases in recent sessions, totaling about \$44M in FY25 and \$52M in FY26, across all three major funds. In addition to these, there is a new Childcare payroll tax that will add close to \$100M per year that is carried below the line on Tables 1 and 1A (below the General Fund tables) but not included in any major existing fund. Over the entire five-year forecast period, these taxes and fees are expected to generate nearly \$800M in new revenue.
- The new Childcare payroll tax is expected to yield about \$93M in FY25 (with only half a year of self-employment tax payments in April) and grow to about \$100M in FY26 and FY27, but because most of it will be collected and initially comingled with the Personal Income Withholding tax, it will make monthly revenue tracking challenging until there are sufficient data with which to estimate its monthly, quarterly and annual allocations out of the General Fund. We will be working closely with the Tax Department to coordinate and estimate these adjustments to the regular revenue data reported, but there will likely be some General Fund revenue month-to-month uncertainty in FY25.

- FY24 Personal Income receipts had been expected to decline with an economy stalling in the face of high interest rates, but instead grew 2.7%, yielding an additional \$102M in revenues. Although it is too early to fully dissect tax year 2023 returns (until final October filings are made), it is clear from detailed Tax Department data available to date, that income distributions continued to tilt towards higher income taxpayers, who pay a higher marginal tax rate, thereby raising the overall effective tax rate and revenue yields. In tax year 2022, the effective tax rate was 3.69%, the highest rate on record (to 1976), with the exception of tax year 2021 at 3.89%. Taxpayers earning more than \$200K paid more than 35% of all Vermont taxes in both tax years 2021 and 2022, significantly above tax year 2020 (at 30%) and accounted for more than 55% of all adjusted gross income received in the State in both years. Tax year 2023 is likely to be comparable to these two years. This growing reliance on higher income taxpayers has generated solid revenue growth, but it is much more volatile and vulnerable to decline during recessionary periods than broader-based taxes.
- Rising asset prices are also likely to have been a contributing factor in recent PI revenue strength. Both real estate and equity markets have experienced extraordinary value growth, leading to large potential capital gains liabilities in both current and future years.
- Meals and Rooms revenues closed FY24 2.8% above target, yielding about \$4.7M in additional revenue. Despite unfavorable weather through much of the early ski season, late snows and the solar eclipse generated healthy room occupancy and visitation for the season – which was only down slightly from the prior year. Climate change, however, is likely to generate increasingly erratic weather patterns, challenging the State’s ski industry. Average winter ski area visitation in Vermont over the last 9 years is 10% lower than the previous 9-year period and the Northeast’s share of the total ski market has declined from 23.1% to 20.9% over this same time span.
- A new 3% surcharge on short term rentals like Airbnb, Homeaway/Vrbo, Vacasa, Evolve, etc., is expected to yield about \$8.6 million in FY25 revenue and full-year revenue of \$10.7M in FY26. This component of the Vermont rooms tax currently accounts for more than a third of all Rooms revenue, but after growing exponentially in its first few years (especially during the pandemic) has matured and posted subdued growth in FY24. 100% of the revenue from this surcharge will be allocated to the Education Fund, rather than the usual 25% of Source Meals and Rooms.
- Sales and Use tax revenues ended FY24 almost spot on expectations (-0.2%), but will be reduced in FY25 and beyond by the statutory loss of cannabis sales tax revenues to a separate fund, estimated to reduce the Available Education Fund by about \$10M per year. It will benefit, however, from another new tax that is a part of Act 183 that taxes “prewritten software accessed remotely” (aka the Cloud tax), that will generate about \$10.3M in FY25 and nearly \$14M in FY26, ultimately resulting in new revenue of more than \$30M by FY29. Like many new taxes, estimates of the yield on this tax are highly uncertain, and

administration of the tax may be complex if definitionally challenged. Unfortunately, it will not be easy to measure actual revenues from this tax, since it will not be separately tracked by the Tax Department.

- Property Transfer Tax revenues closed FY24 slightly above targets, dropping only about 10% below FY23 levels instead of the forecast 13% decline. Sustained high interest rates will further reduce FY25 property transfer volumes, but a large tax rate change in Act 181 is expected to generate as much as \$15.4M in additional FY25 Source General Fund revenue and turn what would otherwise be about a 6% decline into a 20% gain. In FY26, the full year impact of the rate change will add \$17.2M to Source funds and schedules a change in the formula allocating Source to Available General Fund revenue that will result in a 16.8% gain in Available GFund PTT revenues in a year that would otherwise show little if any growth. This rate increase will expand the Property Transfer tax by about almost 30% when it is fully implemented. It should be noted that there is heightened uncertainty associated with yields from large tax increases such as this due to unforeseeable elasticity responses.
- Revenues from General Fund Fees were close to expectations in FY24 (+0.5% above target) and would otherwise expect to see only modest growth in FY25 were it not for Act 113, which will add about \$9M per year to this revenue category over the entire forecast horizon.
- Interest income from the vast cash balances associated with banked Federal stimulus and infrastructure programs closed FY24 at a record \$93M, more than \$20M above January forecasts. As a revenue category that generated a mere \$2.6M only two years ago and \$0.9M in the year before that, there was little historical data upon which to develop credible statistical forecasting models. The absence of historical monthly flows of revenue that were anywhere close to current patterns also made it difficult to track during the year and adjust estimates. The forecast miss was due to both higher cash balances than expected and higher interest rates. The current forecast assumes both a drawdown of the cash balances as required by federal law, and declining interest rates over the next five years, which will reduce Source revenues from their current peak in FY24 to about \$70M in FY25 and \$50M in FY26, before receding to about \$30M in FY27-FY29. Despite better source data than we had in January, there is still a great deal of uncertainty in these estimates due to variability in effective investment yields and timing, unrestricted cash balance levels, Fed interest rate moves, and erratic allocations to various funds (which left General Fund Interest income well above target and Education Fund Interest well below target in FY24).
- The Transportation Fund edged above FY24 projections by 1.2% following a January downgrade that may have been based on December data reporting anomalies associated with the adoption of a new computer system. It seems that most of the FY24 fee increases were realized as expected, so assuming the full year impacts are similarly accurate, FY25 should see about a 5% bump in revenue before returning to annual growth rates under 2%. Aside from the fee increases, the strongest source of future Transportation Fund growth is

expected to be Motor Vehicle Purchase and Use tax revenues, which will benefit from lower interest rates and expanding inventories by mid-FY25 and beyond.

- Cigarette and Tobacco Products revenue in the Healthcare Fund finished FY24 3.2% below target (-\$2.3M), as e-cigarette revenue declined for the first time in its short history. Multiple lawsuits and other government action against e-cig industry leader JUUL and fierce competition from a new synthetic nicotine delivery product, nicotine-infused pouches that can be invisibly placed between cheek and gum, were the likely causes. Inquires to the Tax Department reveal some confusion as to how nicotine pouches are taxed in Vermont that would benefit from statutory clarification. Although at least one Vermont distributor said they paid tobacco products tax on sales of the dominant brand, Phillip Morris' "ZYN," it is unknown if any others have followed suit. These pouches are of particular threat to school-aged children, since there is no vapor, smoke or other visible sign of their use in a classroom setting. Phillip Morris boasted in a Wall Street Journal article six days ago that surging demand for ZYN led to shipment growth of more than 50% in the second quarter and created supply shortages. With overall revenues that beat analyst estimates by \$300M in the quarter, they announced plans to build a second ZYN production plant. With the formidable marketing power of big tobacco behind these products, without statutory intervention, they are likely to cannibalize other tobacco products, accelerating expected revenue declines in Cigarettes and other Tobacco Products. Relative to January revenue projections, the Healthcare Fund could lose \$5M-\$6M per year in FY25 and FY26, with mounting losses throughout the five year forecast horizon.
- The U.S. and Vermont macroeconomic forecasts upon which the revenue forecasts in this update are based are summarized in Tables A and B on the following two pages, and represent a consensus JFO and Administration forecast developed using internal JFO and Administration State economic models with input from Moody's Analytics June 2024 projections and other major forecasting entities, including the Federal Reserve, EIA, CBO, IMF, The Conference Board and other private forecasting firms with whom we interact.

TABLE A
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
December 2022 through June 2024, Selected Variables, Calendar Year Basis

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Real GDP Growth									
December 2022	2.9	2.3	-2.8	5.9	1.9	1.0	1.7	2.6	2.8
June 2023	2.9	2.3	-2.8	5.9	2.1	1.5	1.3	2.5	2.7
December 2023	3.0	2.5	-2.2	5.8	1.9	2.4	1.6	1.8	2.1
June 2024	3.0	2.5	-2.2	5.8	1.9	2.5	2.6	1.8	1.9
S&P 500 Growth (Annual Avg.)									
December 2022	12.1	6.1	10.5	32.6	-4.1	-2.1	2.1	4.7	5.6
June 2023	12.1	6.1	10.5	32.6	-3.9	6.7	3.9	3.0	5.0
December 2023	12.1	6.1	10.5	32.6	-3.9	4.5	6.5	2.5	4.6
June 2024	12.1	6.1	10.5	32.6	-3.9	4.5	17.5	3.2	4.5
Employment Growth (Non-Ag)									
December 2022	1.6	1.3	-5.8	2.8	4.1	1.6	0.7	0.7	0.3
July 2023	1.6	1.3	-5.8	2.9	4.3	2.2	0.9	0.7	0.7
December 2022	1.6	1.3	-5.8	2.9	4.3	2.3	0.7	0.4	0.5
June 2024	1.6	1.3	-5.8	2.9	4.3	2.3	1.6	0.9	0.5
Unemployment Rate									
December 2022	3.9	3.7	8.1	5.4	3.7	4.1	4.3	4.1	4.0
June 2023	3.9	3.7	8.1	5.4	3.6	3.8	4.3	4.5	4.4
December 2022	3.9	3.7	8.1	5.4	3.6	3.6	3.9	4.0	4.0
June 2024	3.9	3.7	8.1	5.4	3.6	3.6	3.9	4.1	4.2
West Texas Int. Crude Oil \$/Bbl									
December 2022	65	57	40	68	95	87	69	68	70
June 2023	65	57	40	68	94	76	79	81	81
December 2023	65	57	40	68	94	78	79	83	84
June 2024	65	57	40	68	94	78	80	78	76
Prime Rate									
December 2022	4.90	5.29	3.54	3.25	4.84	8.14	7.52	6.40	5.70
June 2023	4.90	5.29	3.54	3.25	4.85	8.09	7.57	6.33	5.67
December 2023	4.90	5.29	3.54	3.25	4.85	8.20	8.28	7.33	6.36
June 2024	4.90	5.29	3.54	3.25	4.85	8.20	8.33	7.90	6.60
Consumer Price Index Growth									
December 2022	2.4	1.8	1.2	4.7	8.0	5.0	3.0	2.4	2.3
June 2023	2.4	1.8	1.3	4.7	8.0	4.3	3.1	2.6	2.5
December 2023	2.4	1.8	1.3	4.7	8.0	4.1	3.0	2.6	2.5
June 2024	2.4	1.8	1.3	4.7	8.0	4.1	3.3	2.6	2.5
Average Home Price Growth									
December 2022	5.6	4.6	5.1	13.7	17.0	5.3	-1.1	-0.4	1.8
June 2023	5.5	4.6	5.2	13.7	17.0	4.9	-1.3	-2.1	0.4
December 2023	5.5	4.6	5.2	13.7	16.9	5.4	0.1	-1.6	0.4
June 2024	5.5	4.6	5.2	13.7	16.8	5.8	4.7	2.7	1.1

TABLE B
Comparison of Consensus Administration and JFO Vermont State Forecasts
December 2021 through June 2024, Selected Variables, Calendar Year Basis

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Real GSP Growth									
December 2021	0.4	1.0	-4.2	4.4	4.2	3.0	2.8	2.6	2.3
June 2022	0.4	1.0	-4.2	3.5	2.4	1.8	2.3	2.5	2.5
December 2022	0.4	1.1	-2.9	5.1	2.7	0.5	1.5	2.5	2.6
June 2023	0.4	1.1	-2.9	5.1	2.8	1.6	1.2	2.1	2.5
December 2023	0.7	1.2	-2.7	4.8	2.2	1.5	1.1	1.2	1.8
June 2024	0.7	1.2	-2.7	4.8	2.2	1.3	2.1	1.5	1.5
Population Growth									
December 2021	0.3	0.3	0.3	0.5	0.4	0.3	0.3	0.2	0.2
June 2022	0.3	0.3	0.3	0.5	0.3	0.3	0.3	0.3	0.2
December 2022	0.3	0.3	0.3	0.6	0.0	0.3	0.3	0.3	0.2
June 2023	0.1	0.0	-0.1	0.6	0.0	0.3	0.3	0.2	0.2
December 2023	0.1	0.0	-0.1	0.6	0.0	0.1	0.2	0.2	0.2
June 2024	0.1	0.0	-0.1	0.6	0.0	0.1	0.2	0.2	0.2
Employment Growth									
December 2021	0.3	0.1	-9.4	2.7	3.1	1.6	1.0	0.8	0.6
June 2022	0.3	0.1	-9.3	2.4	2.8	1.3	1.0	1.1	0.8
December 2022	0.3	0.1	-9.3	2.4	2.5	0.9	0.5	0.6	0.7
June 2023	0.3	0.1	-9.3	2.7	3.0	1.9	0.8	1.1	0.8
December 2023	0.3	0.1	-9.3	2.7	3.0	1.5	0.6	0.9	0.8
June 2024	0.3	0.1	-9.3	2.7	3.2	1.7	1.7	1.0	0.9
Unemployment Rate									
December 2021	2.6	2.3	5.6	2.9	2.2	2.3	2.6	2.8	3.0
June 2022	2.6	2.3	5.6	3.4	2.5	2.6	2.8	3.1	3.2
December 2022	2.6	2.3	5.6	3.4	2.4	2.8	3.1	3.1	3.3
June 2023	2.5	2.1	5.7	3.7	2.6	2.7	3.1	3.2	3.3
December 2023	2.5	2.1	5.7	3.7	2.6	2.2	2.7	3.0	3.1
June 2024	2.5	2.1	5.6	3.6	2.3	2.0	2.6	3.1	3.2
Personal Income Growth									
December 2021	3.2	3.4	6.7	3.6	2.2	4.7	4.6	4.5	4.3
June 2022	3.2	3.4	6.7	4.5	2.2	5.2	5.0	4.6	4.4
December 2022	3.5	6.0	7.1	4.9	2.1	5.0	4.8	4.3	4.6
June 2023	3.5	6.0	7.1	4.9	2.4	5.6	5.2	4.5	4.2
December 2023	3.6	5.2	7.0	6.3	3.0	5.5	4.2	4.3	4.4
June 2024	3.6	5.2	7.0	6.3	3.0	5.5	5.0	4.5	4.4
Average Home Price Growth									
December 2021	3.0	3.8	5.1	13.3	13.5	8.7	3.8	0.4	0.2
June 2022	3.0	3.7	5.1	14.0	13.4	5.6	2.6	1.9	2.2
December 2022	3.1	3.7	5.1	14.1	17.8	5.9	1.4	-1.1	0.5
June 2023	3.0	3.7	5.1	14.0	18.2	6.7	0.3	-1.4	-0.3
December 2023	3.0	3.7	5.1	14.0	18.1	9.6	1.1	-1.5	-0.5
June 2024	3.0	3.8	5.1	14.0	18.0	10.6	6.9	2.5	-0.1

Methodological Notes and Other Comments

- This analysis has benefited significantly from the input and support of Tax Department and Joint Fiscal Office personnel. In the Joint Fiscal Office, Emily Byrne, Chris Rupe, Joyce Manchester, Pat Titterton, Ted Barnett, Nolan Langweil, Logan Mooberry, Julia Richter and Sorsha Anderson have contributed to numerous policy and revenue impact analyses and coordinated JFO forecast production and related legislative committee support functions. They have also painstakingly organized and updated large tax and other databases in support of JFO revenue forecasting activities. In the Tax Department, Sharon Asay, Jennifer McNall, Ian Kimmel, Alexa Olgren, Renae DiGregorio, Jake Feldman, and Rebecca Sameroff provided important data and analytic contributions to many tax and revenue forecasts, including tax law change analyses and statistical and related background information associated with the detailed tax databases they oversee. In the Treasurer's Office, Jeremiah Breer, Dan Currier, Scott Baker, John Booth, Gavin Boyles and State Treasurer, Mike Pieciak provided essential information in analyzing and forecasting interest income. In the Department of Liquor and Lottery, Commissioner Knight and supporting analysts provided important data and insights into Lottery issues affecting current and future revenues. In the Transportation Department, Joel Collins provided both data and insights into Transportation Fund revenue categories. Our thanks to all of the above for their many contributions to this analysis.
- The analysis in support of JFO economic and revenue projections are based on statistical and econometric models, and professional analytic judgment. All models are based on 47 years of data for each of the 25 General Fund categories (three aggregates), 44 years of data for most of the Transportation Fund categories (one aggregate), and 25 to 46 years for each of the Education Fund categories. The analyses employed includes seasonal adjustment using U.S. Census Bureau X-13-ARIMA-SEATS and TRAMO-SEATS methods, various moving average techniques (such as Henderson Curves, etc.), Box-Jenkins ARIMA type models, pressure curve analysis, comparable-pattern analysis of monthly, quarterly and half year trends for current year estimation, and behavioral econometric forecasting models.
- Because the State does not currently fund an internal State or U.S. macro-economic model, this analysis relies primarily on semi-annual macroeconomic models from Moody's Analytics with consensus model adjustments made by JFO and Administration economists using a customized Moody's Vermont model prepared during the month preceding the revenue forecast. Dynamic and other input/output-based models for the State of Vermont, including those from Regional Economic Models, Inc. (REMI), Regional Dynamics, Inc. (REDYN), and IMPLAN are also maintained and managed by the JFO and KRA for use in selected economic impact and simulation analyses used herein.
- The Consensus JFO and Administration forecasts are developed following discussion, analysis and synthesis of independent revenue projections, econometric models and source data produced by Administration and Joint Fiscal Office economists.

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2024**

SOURCE G-FUND

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Personal Income	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1266.2	1.9%	\$1294.8	2.3%
Sales and Use ¹	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$615.9	3.5%	\$632.9	2.8%
Corporate	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$226.3	-5.2%	\$234.7	3.7%
Meals and Rooms ²	\$163.6	-10.1%	\$143.8	-12.1%	\$216.8	50.8%	\$237.7	9.6%	\$246.2	3.5%	\$262.7	6.7%	\$272.1	3.6%
Liquor	\$21.6	0.8%	\$28.7	32.8%	\$30.1	5.0%	\$30.8	2.1%	\$30.2	-1.8%	\$30.6	1.2%	\$31.2	2.0%
Insurance	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$76.0	0.5%	\$77.3	1.7%
Telephone (Discontinued as of FY26)	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$2.5	-3.7%	\$0.0	NM
Beverage	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.9	-0.6%	\$6.87	-0.4%
Estate	\$15.2	20.1%	\$26.9	77.5%	\$14.0	-48.0%	\$18.6	33.1%	\$23.9	28.2%	\$23.1	-3.3%	\$24.1	4.3%
Property	\$42.3	2.9%	\$73.9	74.8%	\$77.7	5.1%	\$69.2	-10.9%	\$62.4	-9.9%	\$74.3	19.1%	\$76.9	3.5%
Bank	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$15.9	-4.1%	\$15.5	-2.5%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$17.4	158.5%	\$22.2	27.7%	\$24.0	8.2%
Other Tax	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.0	-21.1%	\$1.1	10.0%
Total Tax Revenue	\$1829.7	3.8%	\$2068.5	13.1%	\$2468.2	19.3%	\$2536.1	2.7%	\$2560.1	0.9%	\$2623.6	2.5%	\$2691.5	2.6%
Business Licenses	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.34	2.7%	\$1.38	3.0%
Fees	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$53.2	20.2%	\$53.7	0.9%
Services	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$3.9	-5.2%	\$4.0	2.6%
Fines	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$2.8	13.8%	\$3.0	7.1%
Interest	\$4.1	-18.0%	\$0.9	-77.9%	\$2.6	185.2%	\$56.9	2102%	\$93.0	63.4%	\$70.4	-24.3%	\$49.8	-29.3%
Lottery	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$36.5	1.4%	\$37.4	2.5%
All Other ³	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$0.9	47.6%	\$1.0	11.1%
Total Other Revenue	\$84.8	-9.7%	\$84.1	-0.8%	\$83.9	-0.2%	\$143.1	70.5%	\$181.7	27.0%	\$169.0	-7.0%	\$150.3	-11.1%
Healthcare Revenue⁴	\$284.7	3.0%	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$349.0	4.8%	\$360.3	3.2%
TOTAL GENERAL FUND	\$2199.2	3.1%	\$2433.6	10.7%	\$2855.6	17.3%	\$2998.5	5.0%	\$3074.8	2.5%	\$3141.6	2.2%	\$3202.0	1.9%
CHILDCARE TAX REVENUE	Tax Effective in FY25		\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$92.8	NM	\$98.6	6.2%

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.

5) Includes Clean Water Fund redirect consisting of 6% of total M&R collections

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

LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2024

CURRENT LAW BASIS

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Personal Income	\$925.8	5.8%	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1266.2	1.9%	\$1294.8	2.3%
Sales and Use ¹	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$226.3	-5.2%	\$234.7	3.7%
Meals and Rooms	\$116.1	-15.0%	\$99.2	-14.5%	\$149.6	50.8%	\$164.0	9.6%	\$169.8	3.5%	\$181.3	6.7%	\$187.7	3.6%
Liquor ⁶	\$3.6	-83.2%	\$4.8	32.8%	\$5.0	5.0%	\$5.1	2.1%	\$5.0	-1.8%	\$5.1	1.2%	\$5.2	2.0%
Insurance	\$58.0	2.1%	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$76.0	0.5%	\$77.3	1.7%
Telephone (Discontinued as of FY26)	\$3.2	-26.4%	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$2.5	-3.7%	\$0.0	NM
Beverage	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.9	-0.6%	\$6.9	-0.4%
Estate ³	\$15.2	20.1%	\$23.4	54.1%	\$14.0	-40.1%	\$18.6	33.1%	\$23.9	28.2%	\$23.1	-3.3%	\$24.1	4.3%
Property	\$12.9	3.0%	\$23.1	79.6%	\$24.3	5.3%	\$21.6	-11.2%	\$19.4	-10.2%	\$23.2	19.9%	\$27.1	16.8%
Bank	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$15.9	-4.1%	\$15.5	-2.5%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$0.0	-100.0%	\$0.0	NM	\$16.8	NM
Other Tax	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.0	-21.1%	\$1.1	10.0%
Total Tax Revenue	\$1302.3	2.0%	\$1438.1	10.4%	\$1777.4	23.6%	\$1805.1	1.6%	\$1803.0	-0.1%	\$1827.5	1.4%	\$1891.2	3.5%
Business Licenses	\$1.1	-4.5%	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.3	2.7%	\$1.4	3.0%
Fees	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$53.2	20.2%	\$53.7	0.9%
Services	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$3.9	-5.2%	\$4.0	2.6%
Fines	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$2.8	13.8%	\$3.0	7.1%
Interest	\$3.3	-24.5%	\$0.8	-75.5%	\$2.3	187.4%	\$51.2	2129%	\$87.2	70.5%	\$65.5	-24.9%	\$45.8	-30.1%
All Other ⁴	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$0.9	47.6%	\$1.0	11.1%
Total Other Revenue	\$57.2	-10.3%	\$51.5	-9.9%	\$52.9	2.6%	\$105.2	99.1%	\$139.9	33.0%	\$127.6	-8.8%	\$108.9	-14.7%
Healthcare Revenue⁵	\$280.9	3.1%	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$343.3	4.8%	\$354.3	3.2%
TOTAL GENERAL FUND	\$1640.4	1.7%	\$1767.7	7.8%	\$2129.5	20.5%	\$2224.6	4.5%	\$2270.5	2.1%	\$2298.4	1.2%	\$2354.4	2.4%
CHILDCARE TAX REVENUE	Tax Effective in FY25		\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$92.8	NM	\$98.6	6.2%

- 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 - July 2024**

SOURCE HEALTHCARE¹

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.5%	\$70.0	-6.5%	\$66.4	-5.1%	\$64.3	-3.2%
Claims Assessment	\$20.7	5.7%	\$19.7	-4.7%	\$21.7	10.3%	\$23.0	5.7%	\$27.3	18.6%	\$28.6	5.0%	\$30.1	5.0%
Employer Assessment	\$20.2	2.4%	\$17.9	-11.4%	\$21.9	22.2%	\$24.9	13.9%	\$26.9	7.8%	\$28.2	5.0%	\$29.6	5.0%
Hospital Provider Tax	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$209.3	8.8%	\$219.8	5.0%
Nursing Home Provider Tax	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.4%	\$14.4	0.0%
Home Health Provider Tax	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.0	-3.5%	\$2.1	3.4%
TOTAL HEALTHCARE	\$284.7	3.0%	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$349.0	4.8%	\$360.3	3.2%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2024**

CURRENT LAW BASIS

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$71.4	4.3%	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.6%	\$70.0	-6.4%	\$66.4	-5.1%	\$64.3	-3.2%
Claims Assessment	\$16.9	7.8%	\$16.4	-3.0%	\$17.6	7.3%	\$18.0	2.6%	\$21.8	21.0%	\$22.9	5.0%	\$24.0	5.0%
Employer Assessment	\$20.2	2.4%	\$18.4	-9.2%	\$21.9	19.2%	\$24.9	13.9%	\$26.9	7.8%	\$28.2	5.0%	\$29.6	5.0%
Hospital Provider Tax	\$150.2	2.6%	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$209.3	8.8%	\$219.8	5.0%
Nursing Home Provider Tax	\$14.7	-0.6%	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.4%	\$14.4	0.0%
Home Health Provider Tax	\$5.6	16.3%	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.9	-26.5%	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.0	-3.5%	\$2.1	3.4%
TOTAL HEALTHCARE	\$280.9	3.1%	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$343.3	4.8%	\$354.3	3.2%

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 - July 2024**

SOURCE T-FUND

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

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.1	-0.5%	\$70.9	-0.3%
Diesel****	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$17.9	0.4%	\$17.8	-0.6%
Purchase and Use*	\$105.4	-5.7%	\$134.1	27.2%	\$137.1	2.3%	\$142.2	3.7%	\$144.9	1.9%	\$148.2	2.3%	\$153.3	3.4%
Motor Vehicle Fees	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$103.6	10.7%	\$104.3	0.7%
Other Revenue**	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.4	11.8%	\$27.8	5.3%
TOTAL TRANS. FUND	\$299.2	-6.0%	\$327.4	9.4%	\$333.5	1.9%	\$342.5	2.7%	\$351.3	2.6%	\$367.2	4.5%	\$374.1	1.9%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2024**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$71.0	-8.7%	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.1	-0.5%	\$70.9	-0.3%
Diesel	\$17.9	-3.5%	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$17.9	0.4%	\$17.8	-0.6%
Purchase and Use ¹	\$70.3	-5.7%	\$89.4	27.2%	\$91.4	2.3%	\$94.8	3.7%	\$96.6	1.9%	\$98.8	2.3%	\$102.2	3.4%
Motor Vehicle Fees	\$83.6	-2.1%	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$103.6	10.7%	\$104.3	0.7%
Other Revenue ²	\$21.3	-13.5%	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.4	11.8%	\$27.8	5.3%
TOTAL TRANS. FUND	\$264.1	-6.0%	\$282.7	7.0%	\$287.8	1.8%	\$295.1	2.5%	\$303.0	2.7%	\$317.8	4.9%	\$323.0	1.6%
OTHER (TIB³)														
TIB Gasoline	\$12.7	-12.8%	\$10.2	-19.5%	\$15.1	48.2%	\$20.1	32.6%	\$17.55	-12.6%	\$16.97	-3.3%	\$16.96	-0.1%
TIB Diesel and Other ⁴	\$2.0	-2.5%	\$1.9	-4.5%	\$1.9	1.7%	\$2.2	13.6%	\$2.23	0.8%	\$2.18	-2.1%	\$2.08	-4.6%
TOTAL OTHER (TIB)	\$14.7	-11.6%	\$12.1	-17.5%	\$17.1	40.8%	\$22.3	30.4%	\$19.8	-11.2%	\$19.2	-3.2%	\$19.0	-0.6%

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; 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 - July 2024**

CURRENT LAW BASIS

Source General and Transportation

Fund taxes allocated to or associated
with the Education Fund only

	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
GENERAL FUND														
Meals and Rooms	\$40.9	-10.1%	\$36.0	-12.1%	\$54.2	50.8%	\$59.4	9.6%	\$61.5	3.5%	\$72.1	17.2%	\$76.1	5.4%
Sales & Use ²	\$432.5	4.8%	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$606.3	1.9%	\$622.5	2.7%
Interest	\$0.8	23.9%	\$0.1	-87.1%	\$0.3	169.1%	\$5.8	1892%	\$5.8	0.3%	\$4.9	-15.5%	\$4.0	-18.4%
Lottery	\$26.8	-9.0%	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$36.5	1.4%	\$37.4	2.5%
TRANSPORTATION FUND														
Purchase and Use ³	\$35.1	-5.7%	\$44.7	27.2%	\$45.7	2.3%	\$47.4	3.7%	\$48.3	1.9%	\$49.4	2.3%	\$51.1	3.4%
TOTAL EDUCATION FUND	\$536.2	2.0%	\$620.9	15.8%	\$676.2	8.9%	\$728.77	7.8%	\$746.8	2.5%	\$769.2	3.0%	\$791.1	2.8%

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 100.0% beginning in FY19;

Includes Cannabis Sales tax revenues beginning in FY23 and the first 8-1/2 months of FY24, but then excludes them in FY25 and beyond

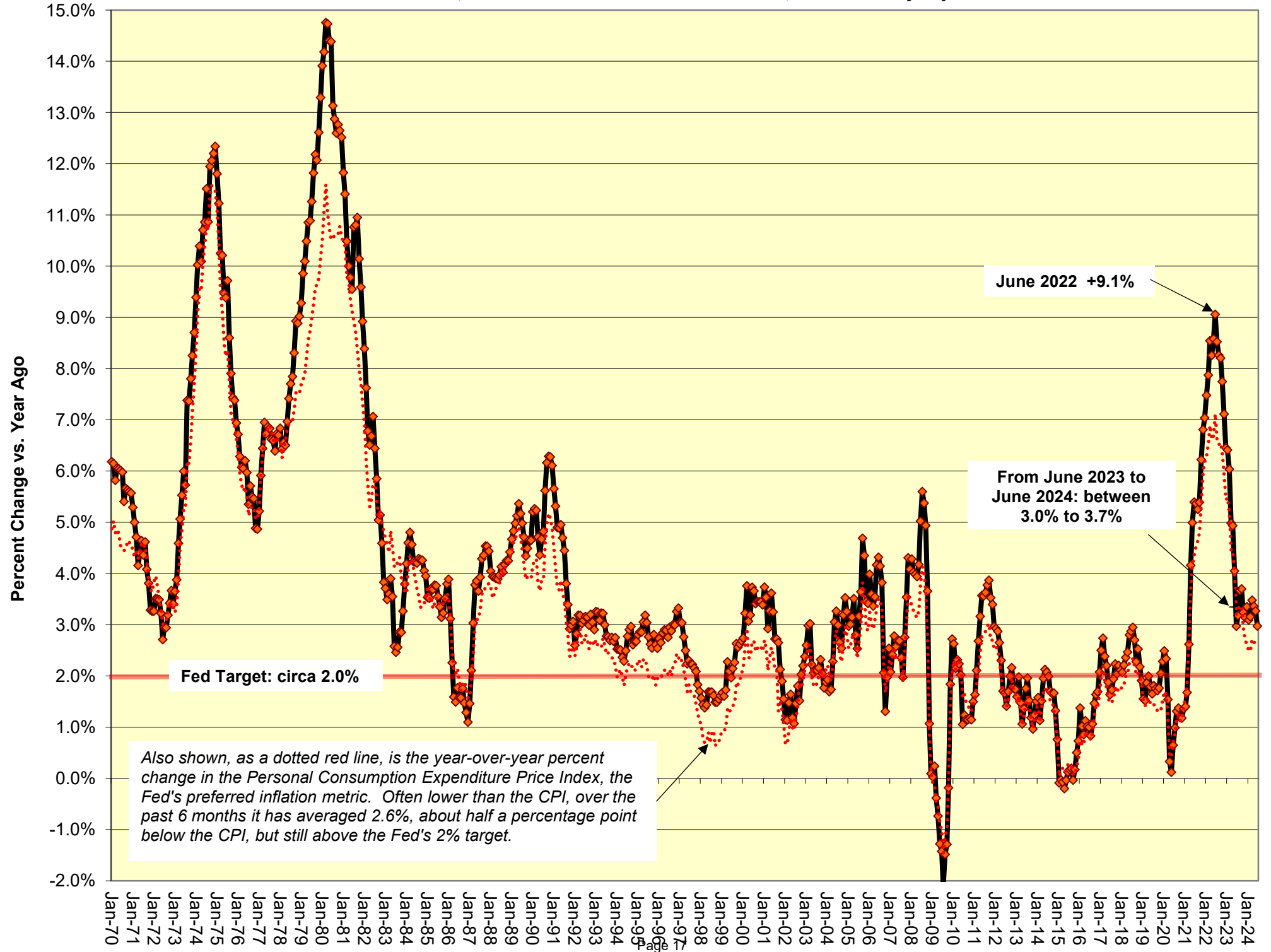
3) Includes Motor Vehicle Rental revenues, restated

Charts for Virtual Presentation and Discussion

July 2024

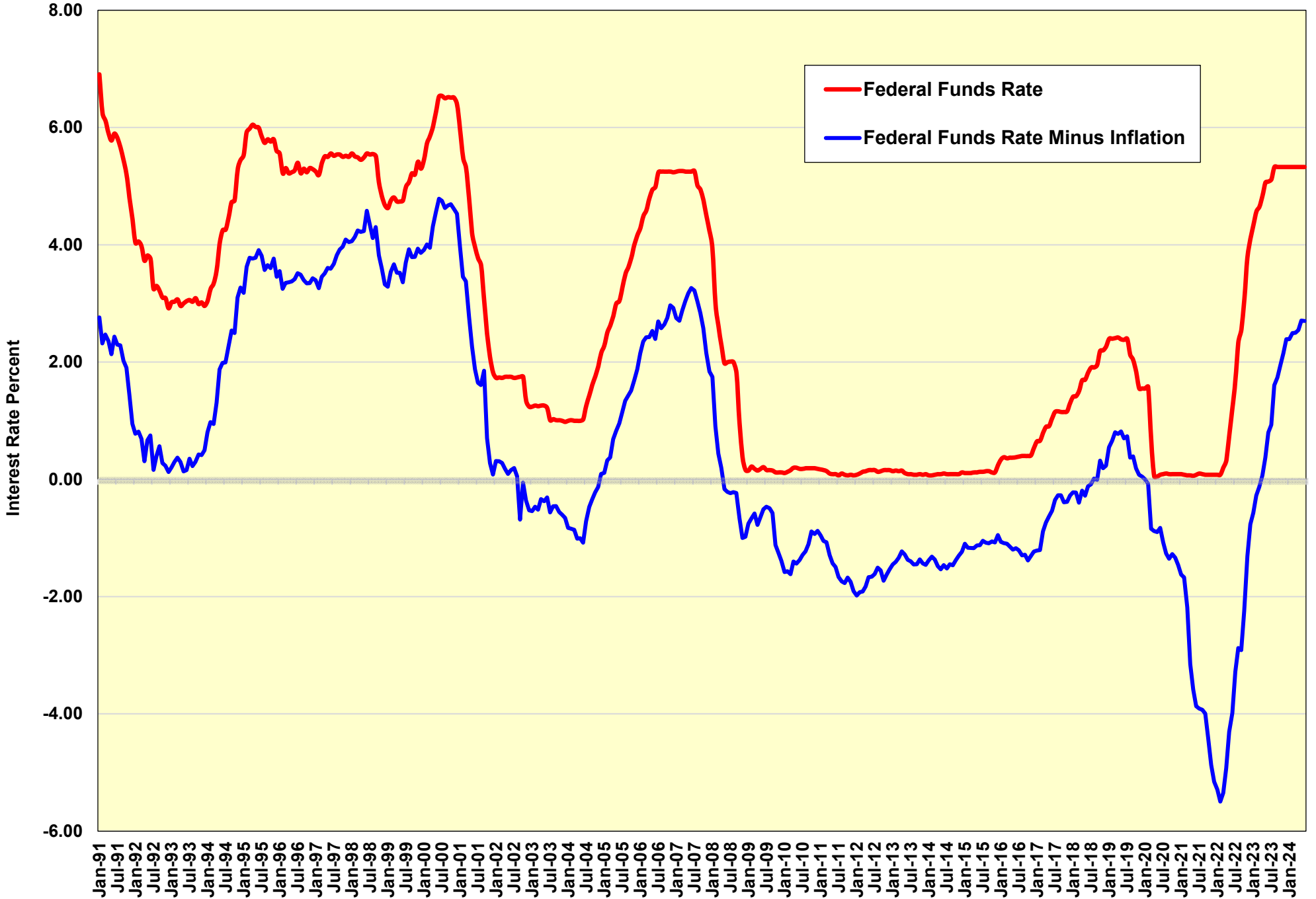
Inflation Watch: Improving - But Not Enough for the Fed Yet

CPI-U - All Items, Source: U.S. Bureau of Labor Statistics, Not Seasonally Adjusted



Real Interest Rates Bite Harder as Inflation Eases

Sources: Core PCE Price Index, BEA; Federal Funds Rate, Board of Governors of the Federal Reserve System



THINGS THAT HAVE INCREASED MORE IN PRICE THAN THE AVERAGE CPI SINCE DECEMBER 2019

June 2024 vs December 2019 CPI Price Changes by Component (includes major and minor component categories)

	%CH		%CH		%CH
Margarine	61.1%				
Used cars and trucks	41.1%				
Other fats and oils including peanut butter	41.0%	Veterinarian services	27.7%		
Motor vehicle repair	39.0%	Bread	27.7%		
Flour and prepared flour mixes	37.8%	Other meats	27.7%	Meats, poultry, fish, and eggs	24.1%
Fats and oils	37.0%	Processed fruits and vegetables	27.7%	Other furniture	24.1%
Crackers, bread, and cracker products	35.9%	Cereals and cereal products	27.4%	Tools, hardware and supplies	24.0%
Leased cars and trucks	35.6%	Other food at home	27.4%	Fuels and utilities	23.9%
Tax return preparation and other accounting fees	34.7%	Car and truck rental	27.3%	Meats, poultry, and fish	23.8%
Butter and margarine	34.0%	Lettuce	27.3%	Gasoline (all types)	23.8%
Sugar and artificial sweeteners	34.0%	Private transportation	26.8%	Energy commodities	23.8%
Other uncooked poultry including turkey	33.7%	Fuel oil	26.8%	Food	23.7%
Frozen vegetables	33.6%	Other condiments	26.7%	Motor fuel	23.7%
Utility (piped) gas service	31.8%	Breakfast cereal	26.7%	Gasoline, unleaded regular	23.7%
Salad dressing	31.4%	Pet services including veterinary	26.6%	Snacks	23.7%
Carbonated drinks	31.0%	Tools, hardware, outdoor equipment & supplies	26.6%	Meats	23.5%
Eggs	30.9%	Fuel oil and other fuels	26.5%	Tires	23.5%
Frozen fruits and vegetables	30.3%	Canned fruits	26.4%	Coffee	23.4%
Propane, kerosene, and firewood	30.1%	Household energy	26.4%	Housekeeping supplies	23.4%
Poultry	29.8%	Energy services	26.4%	Motor vehicle parts and equipment	23.2%
Canned vegetables	29.7%	Nonalcoholic beverages and beverage materials	26.3%	Other sweets	23.2%
Sauces and gravies	29.6%	Nonfrozen noncarbonated juices and drinks	26.2%	Ice cream and related products	23.2%
Other bakery products	29.6%	Stationery, stationery supplies, gift wrap	26.2%	Pet food	23.1%
New and used motor vehicles	29.4%	Food at elementary and secondary schools	26.1%	Motor vehicle insurance	23.0%
Bakery products	29.1%	Other foods	25.9%	Food and beverages	23.0%
Other motor fuels	29.1%	Laundry equipment	25.8%	Food away from home	23.0%
Fresh biscuits, rolls, muffins	29.1%	Spices, seasonings, condiments, sauces	25.8%	Household cleaning products	22.5%
Cookies	29.1%	Beef and veal	25.5%	Fresh milk other than whole	22.1%
Frozen and freeze dried prepared foods	28.9%	Breakfast sausage and related products	25.5%	Beverage materials including coffee and tea	22.1%
Frozen and refrigerated bakery products, pies, tarts, etc.	28.9%	Cigarettes	25.5%	Frankfurters	22.1%
Soups	28.8%	Uncooked ground beef	25.4%	Durables	22.0%
Canned fruits and vegetables	28.8%	Other miscellaneous foods	25.3%	Full service meals and snacks	22.0%
Cakes, cupcakes, and cookies	28.4%	Domestically produced farm food	25.2%	New cars	21.8%
Lunchmeats	28.4%	Uncooked beef roasts	25.1%	Pets, pet products and services	21.8%
Cereals and bakery products	28.2%	Gasoline, unleaded midgrade	25.0%	Pork chops	21.7%
Sugar and sweets	28.2%	Energy	25.0%	Other processed fruits and vegetables including dried	21.7%
Transportation commodities less motor fuel	28.2%	Roasted coffee	24.9%	Laundry and dry cleaning services	21.6%
Fresh whole chicken	28.1%	Tobacco and smoking products	24.8%	Fresh whole milk	21.6%
Outdoor equipment and supplies	28.1%	Electricity	24.7%	Fees for lessons or instructions	21.4%
Candy and chewing gum	28.1%	Uncooked beef steaks	24.7%	New trucks	21.3%
Juices and nonalcoholic drinks	28.1%	Transportation	24.5%	Ham, excluding canned	21.3%
Motor vehicle maintenance and repair	27.9%	Rice, pasta, cornmeal	24.5%	New vehicles	21.2%
Other dairy and related products	27.8%	Gasoline, unleaded premium	24.5%	Garbage and trash collection	21.2%
Chicken	27.8%	Food at home	24.4%	Moving, storage, freight expense	21.1%
		Delivery services	24.2%	Milk	21.1%
				Fresh fish and seafood	21.1%
				All items	21.0%

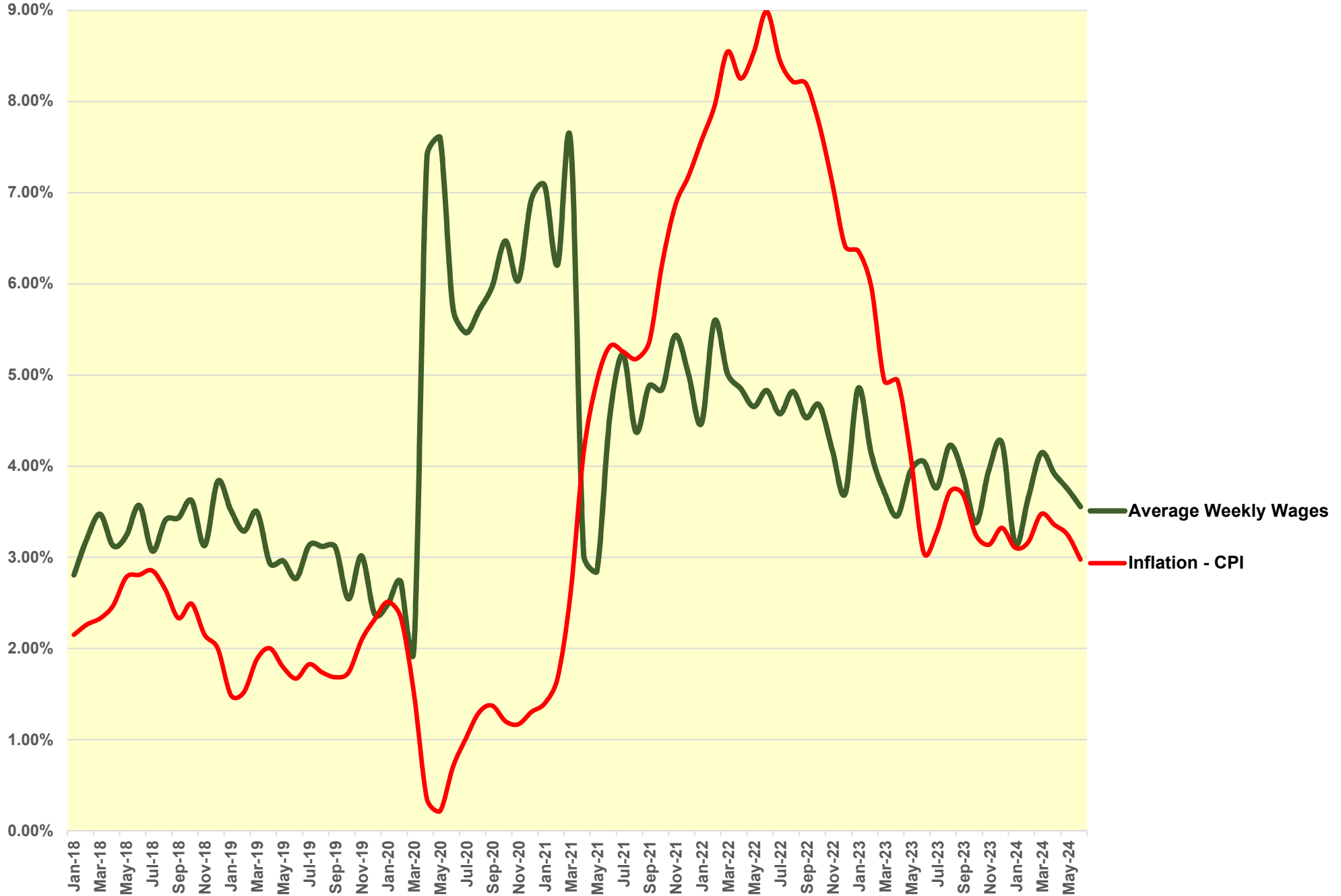
THINGS THAT HAVE INCREASED LESS IN PRICE THAN THE AVERAGE CPI SINCE DECEMBER 2019

June 2024 vs December 2019 CPI Price Changes by Component (includes major and minor component categories)

	%CH		%CH		%CH
All items	21.0%				
Ham	20.9%	Personal care	15.8%	Tuition, other school fees, and childcare	8.6%
Distilled spirits away from home	20.8%	Services less energy services	15.8%	Professional services	8.6%
Furniture and bedding	20.8%	All items less food and shelter	15.7%	Education	8.4%
Dairy and related products	20.7%	Miscellaneous personal goods	15.6%	Women's underwear, nightwear, sportswear & accessories	8.3%
Other beverage materials including tea	20.4%	Men's pants and shorts	15.6%	Housing at school, excluding board	8.2%
Music instruments and accessories	20.4%	Jewelry and watches	15.6%	Whiskey at home	8.1%
Salt and other seasonings and spices	20.3%	Indoor plants and flowers	15.2%	Services by other medical professionals	8.0%
Butter	20.1%	Apples	15.1%	Recreation commodities	8.0%
Transportation services	20.0%	Beer, ale, and other malt beverages at home	15.0%	Infants' and toddlers' apparel	8.0%
Frozen fish and seafood	20.0%	Bacon and related products	15.0%	Medical care services	7.9%
Financial services	19.7%	Video and audio services	14.7%	Club membership for various organizations	7.8%
Household furnishings and operations	19.7%	Utilities and public transportation	14.5%	Men's footwear	7.6%
Commodities	19.5%	Other pork including roasts, steaks, and ribs	14.5%	Toys, games, hobbies and playground equipment	7.5%
Household furnishings and supplies	19.4%	Fresh vegetables	14.4%	Wine at home	7.3%
Pet services	19.3%	Fresh fruits	14.4%	Education and communication services	7.2%
Other lodging away from home incl hotels/motels	19.3%	Fresh fruits and vegetables	14.4%	Medical care	7.2%
Miscellaneous household products	19.2%	All items less food, shelter, and energy	14.3%	Physicians' services	7.2%
Other fresh fruits	19.0%	Nondurables less food and beverages	14.3%	Apparel less footwear	7.0%
Photographic equipment and supplies	18.9%	Recreation services	14.3%	Internet services and electronic information providers	7.0%
Nondurables	18.9%	Services less rent of shelter	14.3%	Apparel	6.7%
Housing	18.8%	Nondurables less food	14.2%	Boys' and girls' footwear	6.6%
Photographic equipment	18.8%	Water and sewerage maintenance	14.1%	Technical and business school tuition and fees	6.4%
Rent of primary residence	18.6%	Shelf stable fish and seafood	13.9%	Boys' apparel	6.4%
Pork	18.5%	Citrus fruits	13.8%	Other intercity transportation	6.1%
All items less medical care	18.5%	Hospital and related services	13.7%	College tuition and fees	5.8%
Fish and seafood	18.5%	Cheese and related products	13.6%	Sewing machines, fabric and supplies	5.8%
Prepared salads	18.3%	Outpatient hospital services	13.5%	Food at employee sites and schools	5.5%
Bacon, breakfast sausage, and related products	18.3%	Dental services	13.4%	Ship fare	5.5%
Rent of shelter	18.2%	Hospital services	13.3%	Bananas	5.5%
Other food away from home	18.1%	Commodities less food, energy, and used vehicles	13.2%	Footwear	5.4%
Owners' equivalent rent of primary residence	18.0%	Child care and nursery school	13.1%	Women's footwear	5.3%
Owners' equivalent rent of residences	17.9%	All items less food, shelter, energy & used vehicles	13.0%	Parking and other fees	5.3%
Shelter	17.9%	Nursing homes and adult day services	13.0%	Women's outerwear	5.1%
Pets and pet products	17.8%	Appliances	12.9%	Eyeglasses and eye care	5.1%
Processed fish and seafood	17.8%	Alcoholic beverages	12.8%	Men's shirts and sweaters	4.9%
Miscellaneous personal services	17.8%	Oranges, including tangerines	12.2%	Education and communication	4.6%
Potatoes	17.7%	Watches	12.1%	Medical care commodities	4.3%
Lodging away from home	17.6%	Recreation	11.8%	Women's and girls' apparel	4.2%
Commodities less food and beverages	17.6%	Elementary and high school tuition and fees	11.8%	Nonelectric cookware and tableware	3.9%
Other goods and services	17.5%	Inpatient hospital services	11.8%	Medicinal drugs	3.9%
Postage and delivery services	17.5%	Other fresh vegetables	11.7%	Men's suits, sport coats, and outerwear	3.7%
Services less medical care services	17.5%	Sports equipment	11.5%	Women's apparel	3.4%
Fruits and vegetables	17.5%	Other appliances	11.2%	Educational books and supplies	2.5%
Commodities less food	17.4%	Sporting goods	11.0%	Other recreational goods	2.4%
All items less shelter	17.3%	Other services	11.0%	Prescription drugs	2.1%
Alcoholic beverages away from home	17.3%	Sports vehicles including bicycles	10.7%	Communication	2.0%
Other goods	17.3%	Men's apparel	10.7%	Other Linens	2.0%
Men's furnishings	17.0%	Other recreation services	10.6%	Information and information processing	1.7%
All items less energy	17.0%	Recreational reading materials	10.5%	Women's suits and separates	0.9%
Admission to movies, theaters, and concerts	16.9%	Funeral expenses	10.5%	Public transportation	0.6%
Postage	16.7%	Purchase of pets, pet supplies, accessories	10.1%	Toys	-0.4%
Nondurables less food, beverages, and apparel	16.7%	Admissions	10.1%	Audio equipment	-1.0%
All items less food	16.6%	Alcoholic beverages at home	10.0%	Personal computers and peripheral equipment	-1.7%
Jewelry	16.5%	Men's and boys' apparel	9.5%	Women's dresses	-2.9%
Commodities less food and energy commodities	16.4%	Video and audio	9.4%	Information technology, hardware and services	-2.9%
Window coverings	16.4%	Other household equipment and furnishings	9.3%	Airline fares	-3.2%
Services	16.3%	Window and floor coverings and other linens	9.3%	Other video equipment	-6.5%
Nondurables less food and apparel	16.2%	Parking fees and tolls	9.2%	Admission to sporting events	-8.3%
Major appliances	16.1%	Girls' apparel	8.9%	Video and audio products	-9.7%
Water and sewer and trash collection services	16.0%	Distilled spirits, excluding whiskey, at home	8.9%	Education and communication commodities	-13.7%
Photography	16.0%	Tomatoes	8.9%	Information technology commodities	-15.9%
All items less food and energy	15.9%	Distilled spirits at home	8.8%	Televisions	-19.9%
Cable and satellite television service	15.8%	Nonprescription drugs	8.7%	Telephone hardware, calculators, and other consumer information items	-39.4%

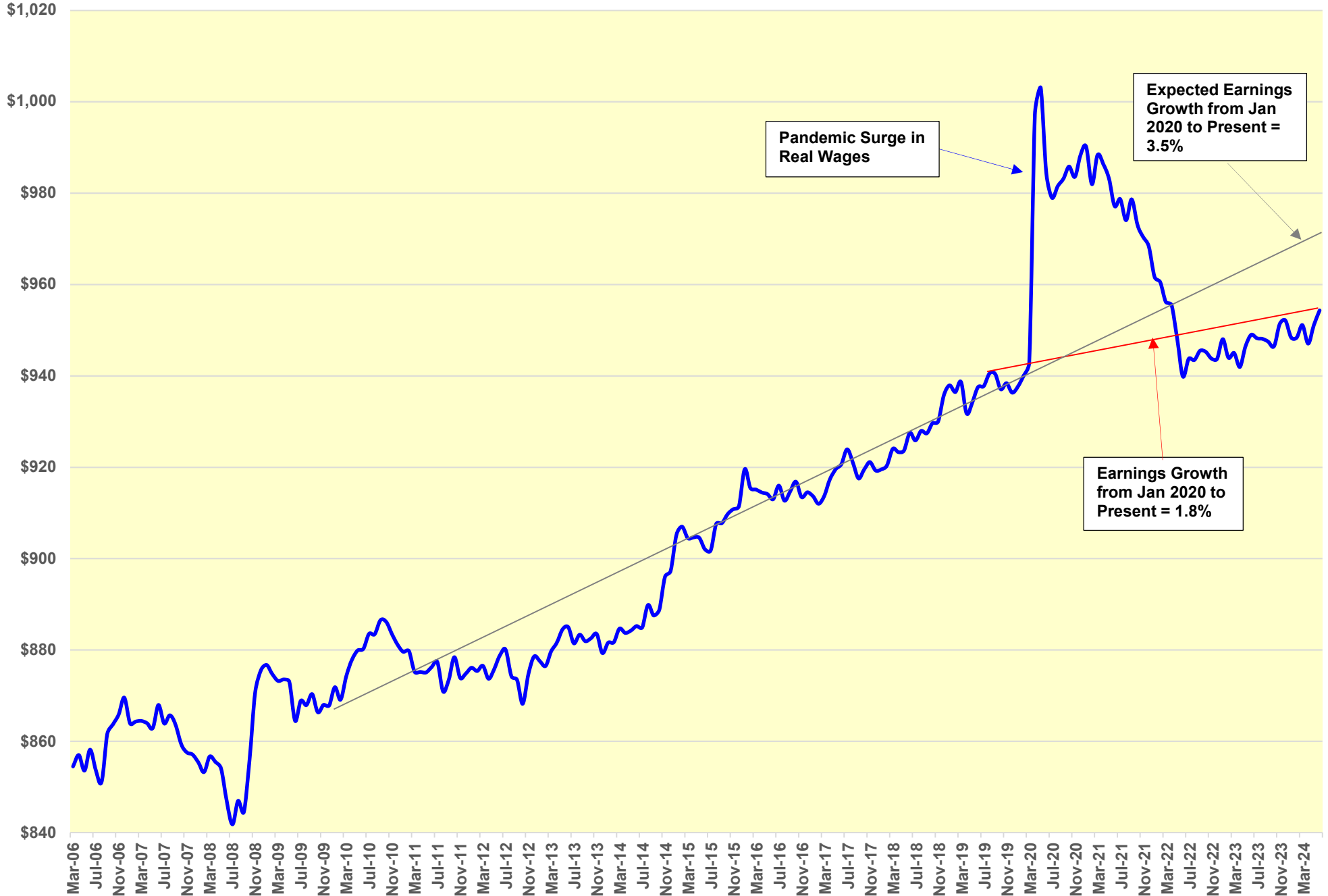
Workers Give Up Pandemic Wage Windfall to Inflation, But See Real Growth in Last Year

Percent Change Year Ago, Average Weekly Earnings, All Private Employees (Green Line) vs. Percent Change Year Ago, CPI (Red Line), All Data Seasonally Adjusted, Source: U.S. Bureau



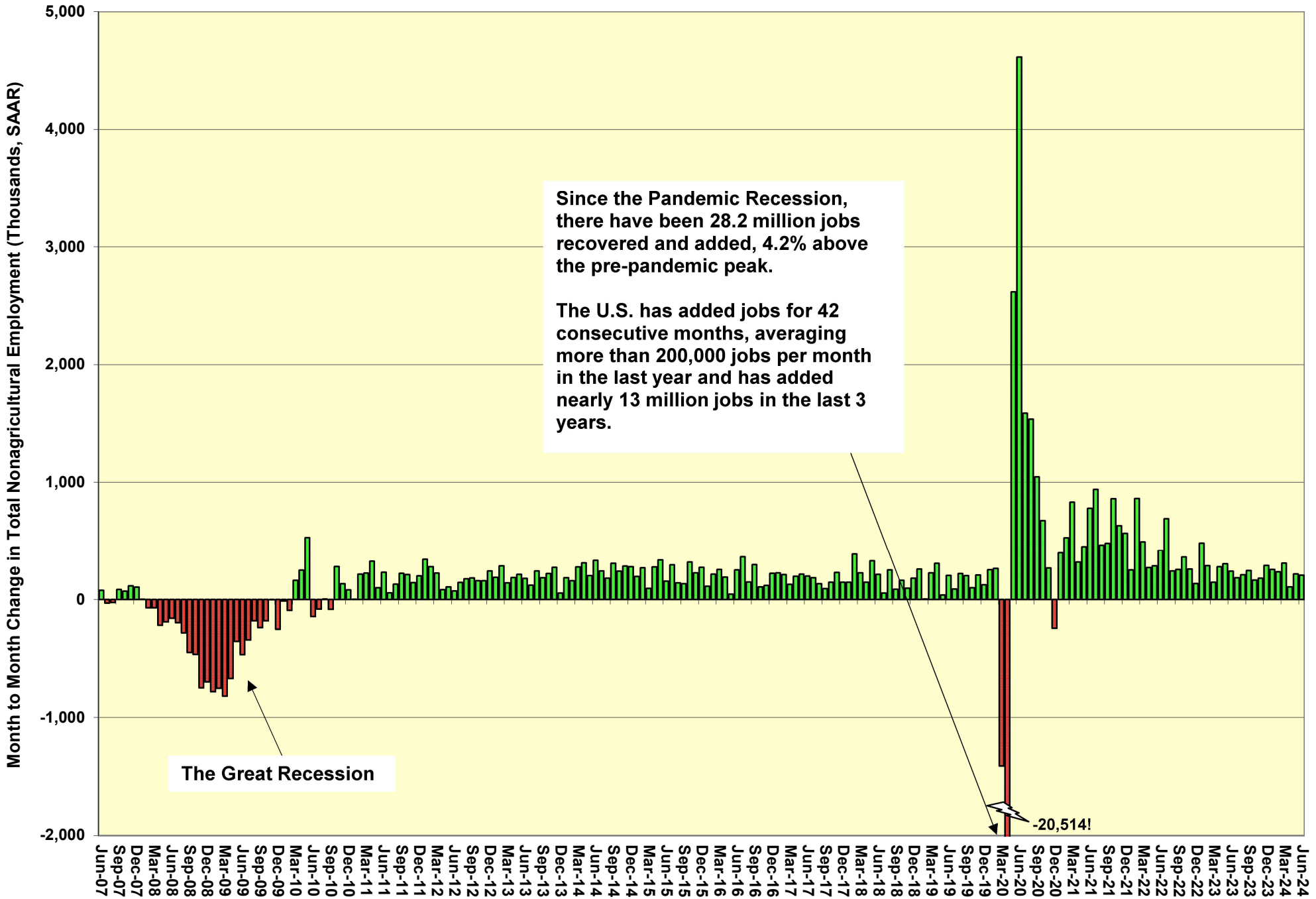
Why This Bout of Inflation Feels Especially Bad

Real Average Weekly Earnings, \$2018, All Private Employees, Seasonally Adjusted, Source: U.S. BLS



U.S. Employment Growth Remains Solid Despite Interest Rate Drag

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



Since the Pandemic Recession, there have been 28.2 million jobs recovered and added, 4.2% above the pre-pandemic peak.

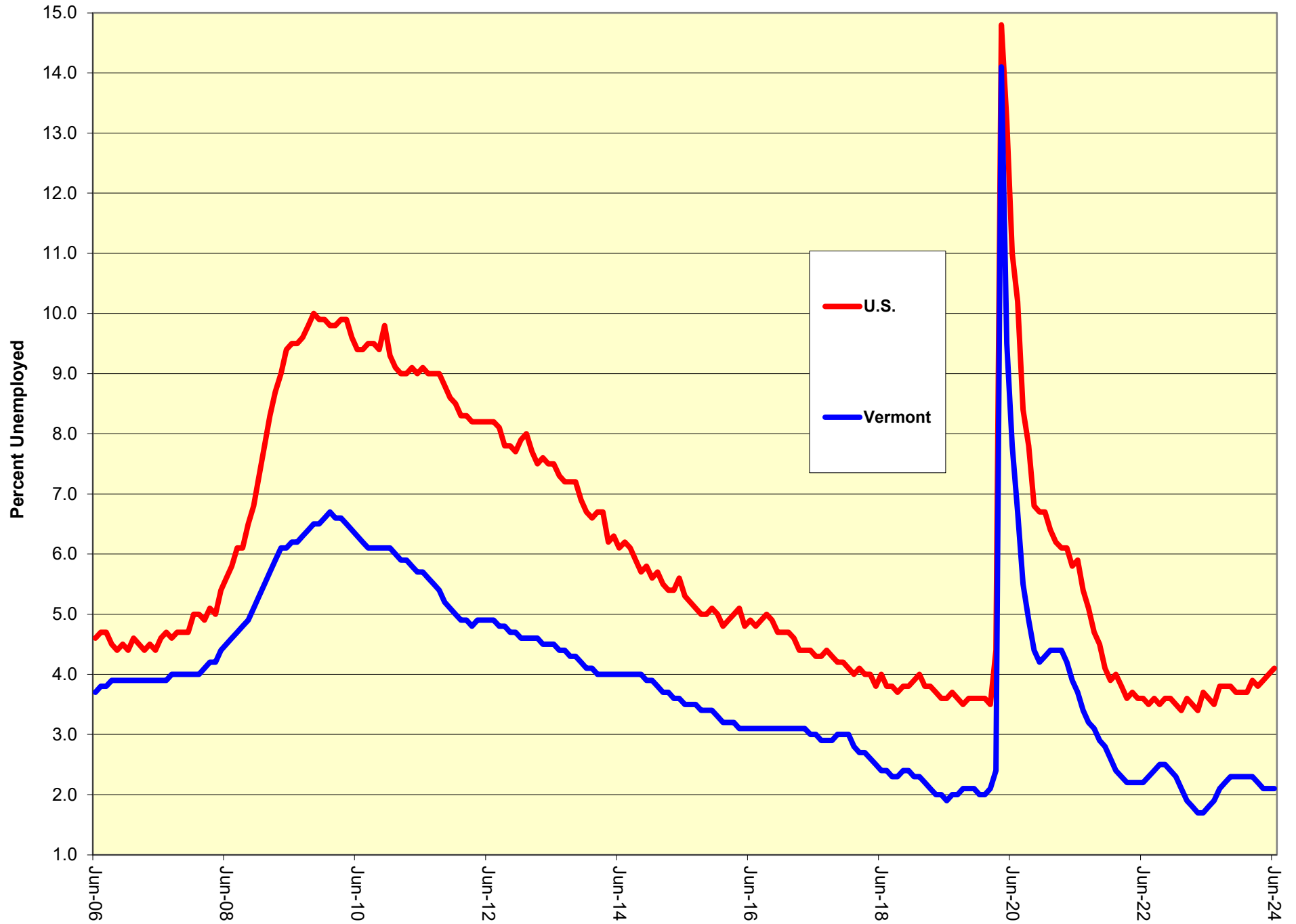
The U.S. has added jobs for 42 consecutive months, averaging more than 200,000 jobs per month in the last year and has added nearly 13 million jobs in the last 3 years.

The Great Recession

-20,514!

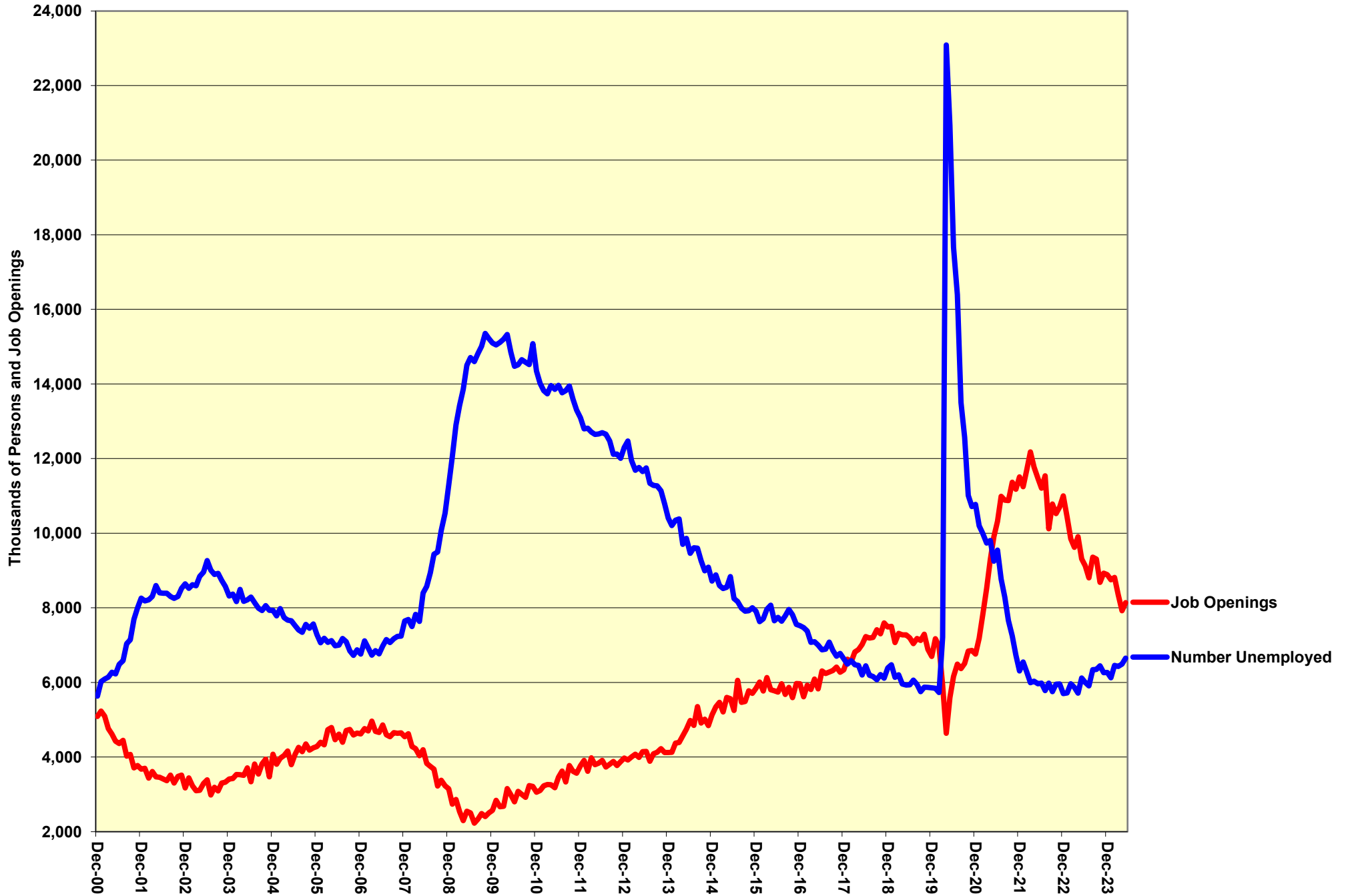
Labor Markets Remain Steadfast Despite Inflation and Interest Rate Headwinds

(Seasonally adjusted data, Source: Bureau of Labor Statistics, U.S. Department of Labor)



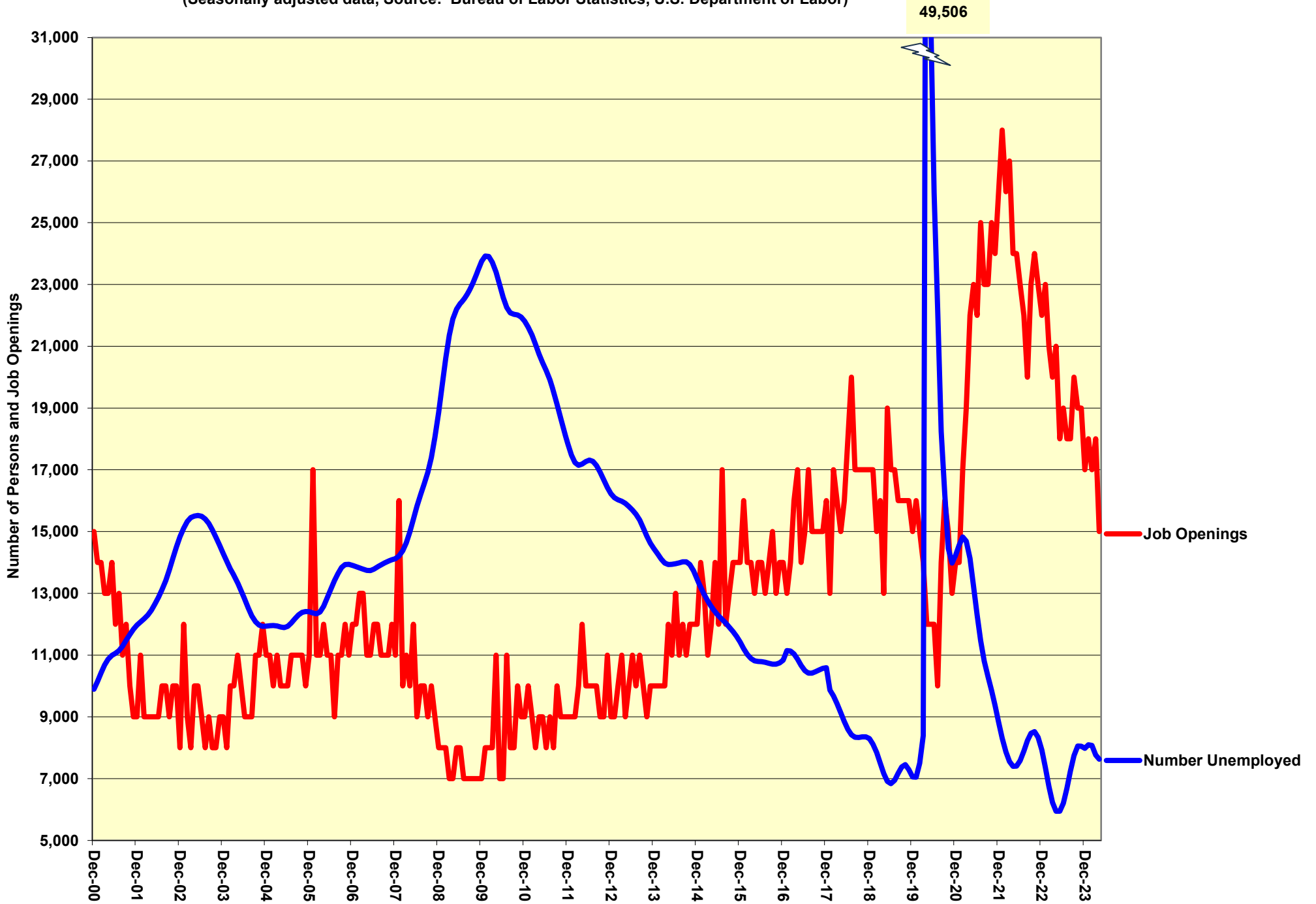
High Interest Rates Slow Labor Markets, But U.S. Job Openings Still Exceed Unemployed Workers

(Seasonally adjusted data, Source: Bureau of Labor Statistics, U.S. Department of Labor)



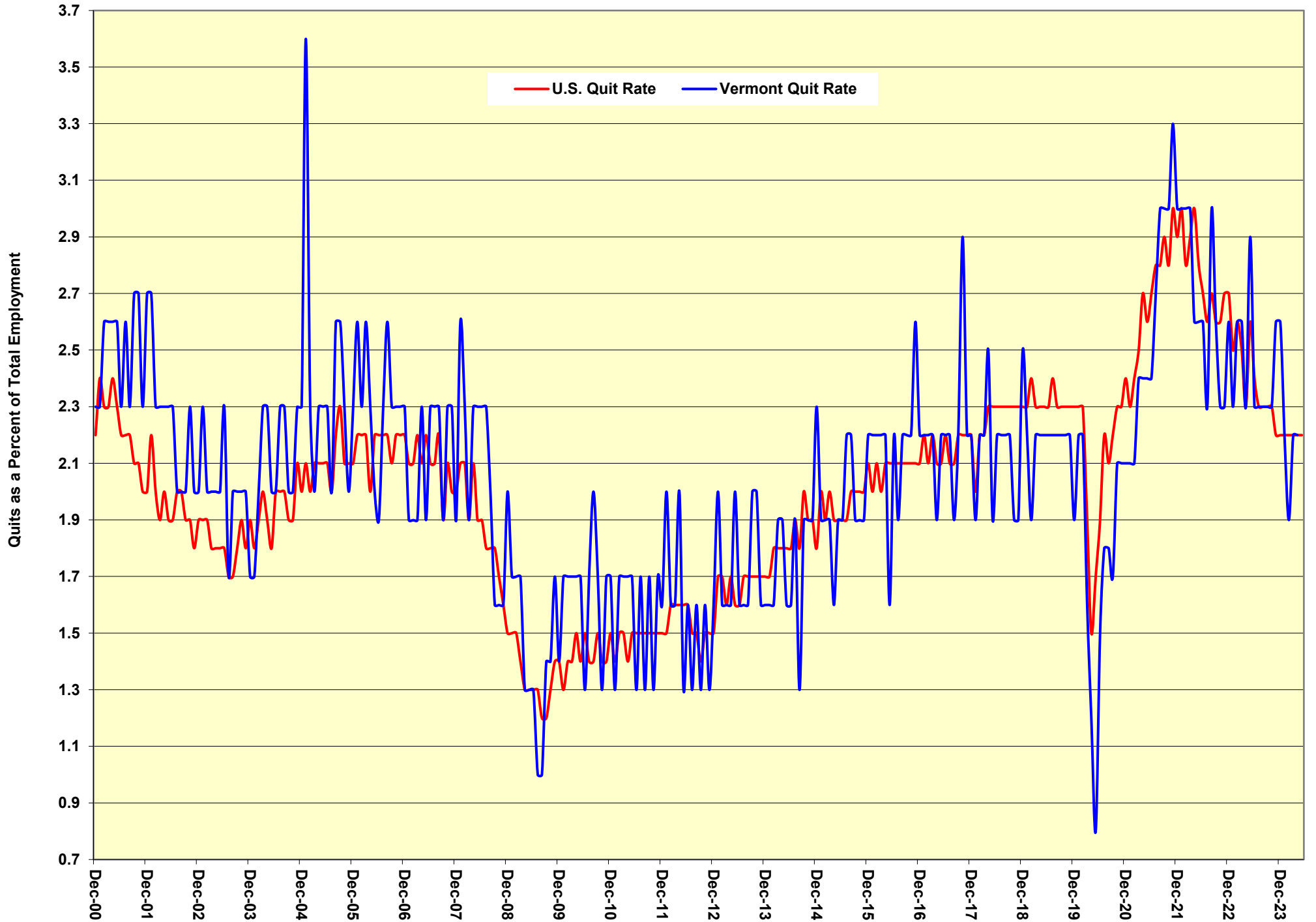
Vermont Job Openings Decline But Continue to Exceed Unemployed Worker Counts

(Seasonally adjusted data, Source: Bureau of Labor Statistics, U.S. Department of Labor)



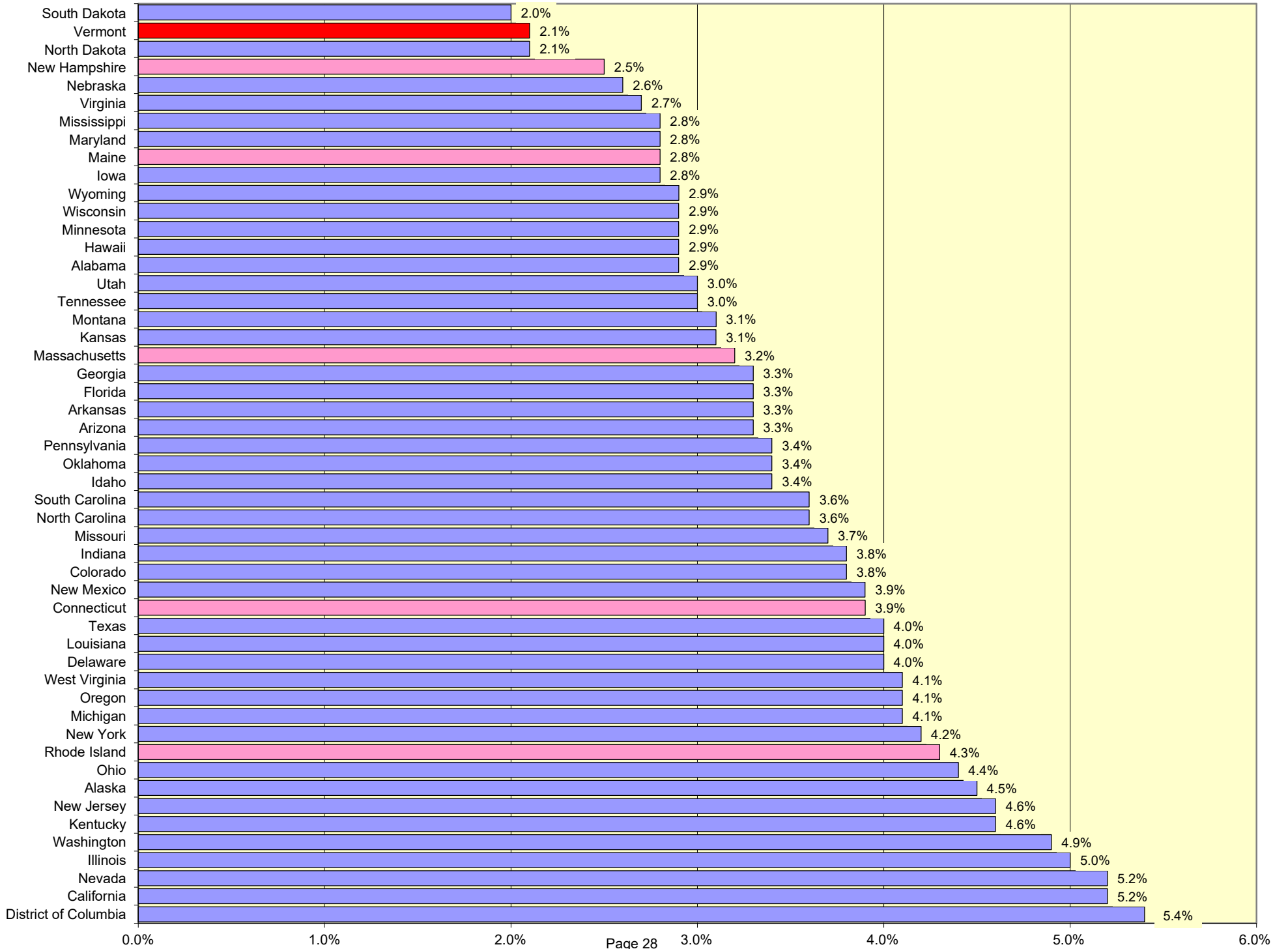
U.S. and VT Quit Rates Decline, But Remain Elevated by Historical Standards

(Seasonally adjusted data, Source: Bureau of Labor Statistics, U.S. Department of Labor)



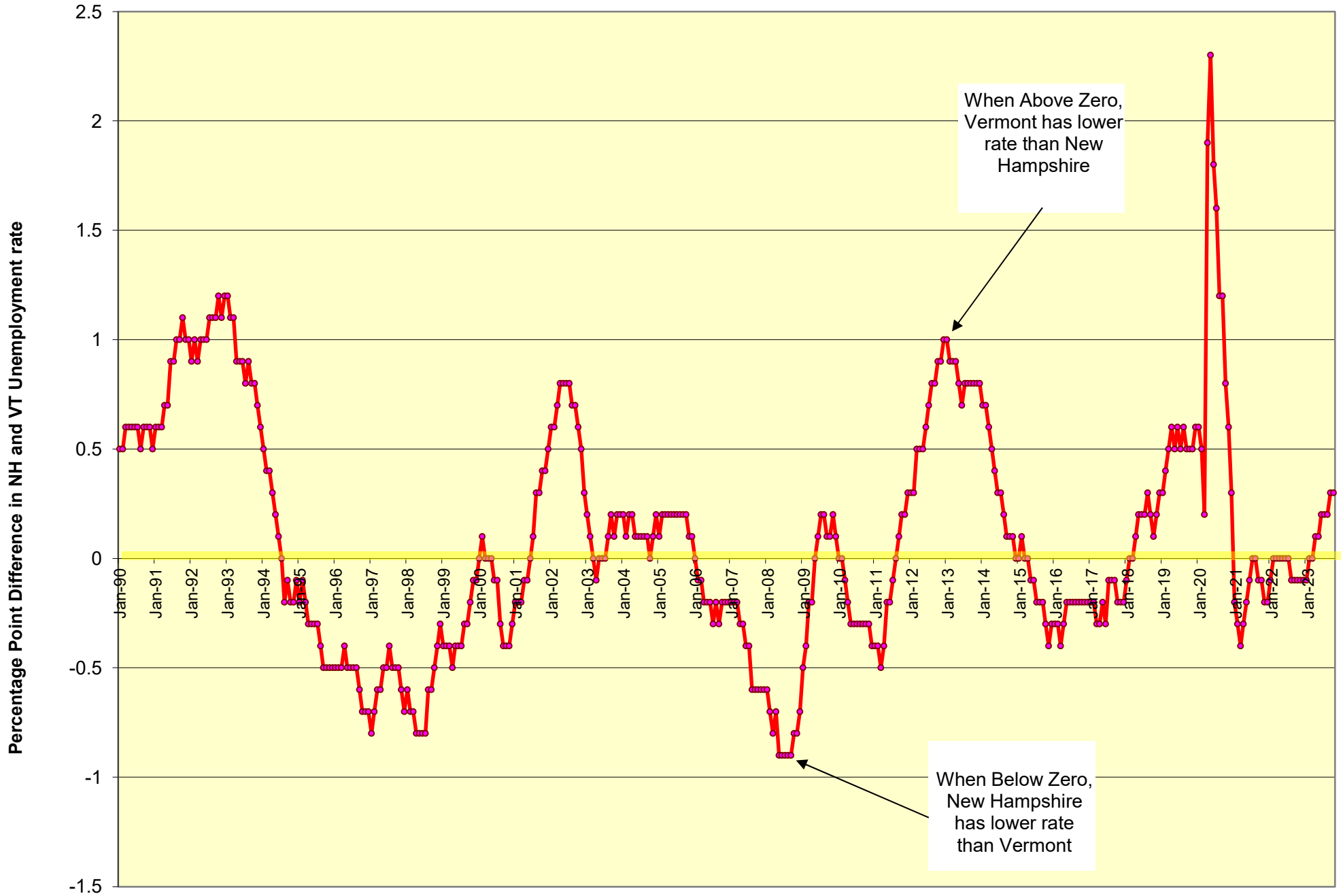
Unemployment Rate by State - June 2024

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



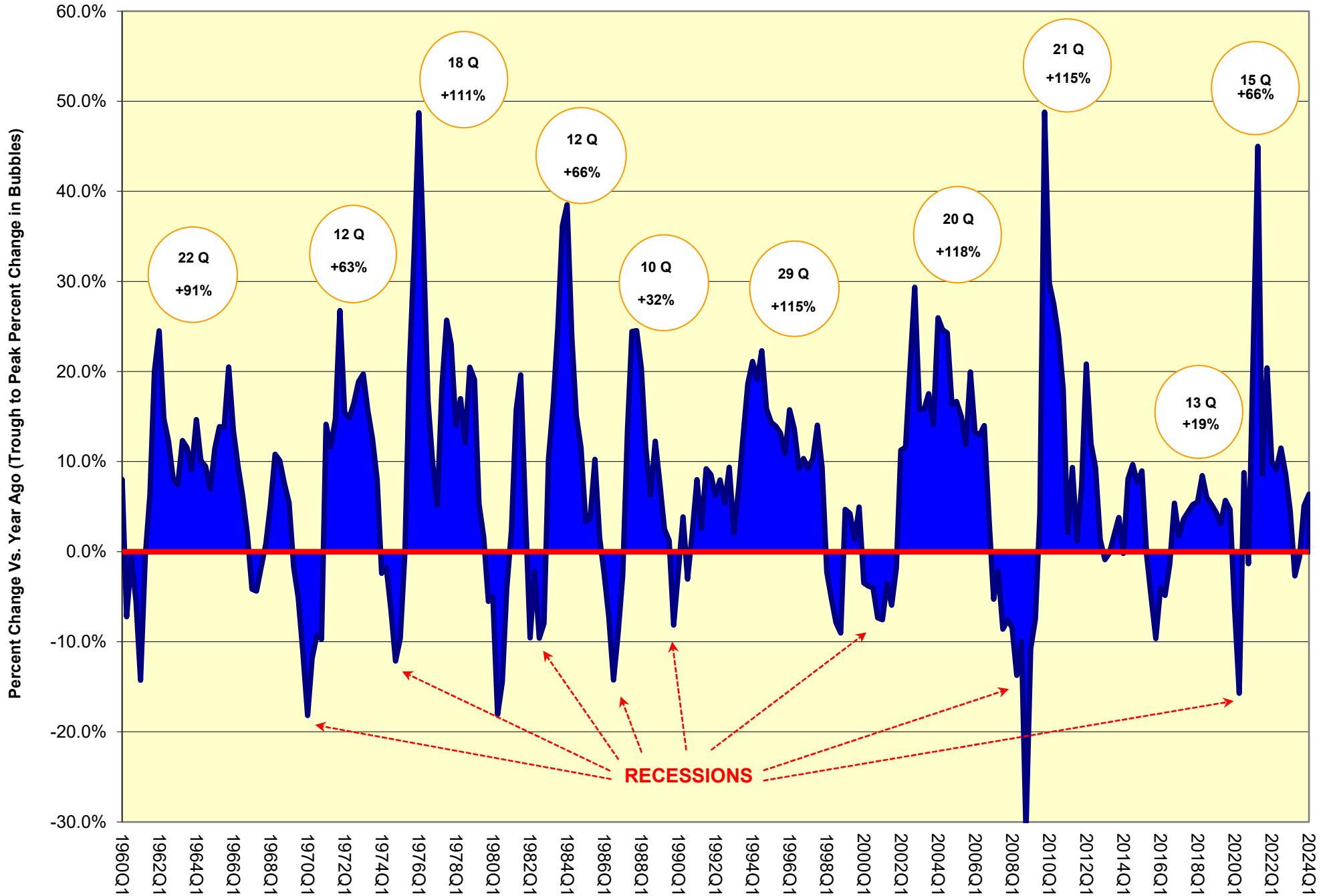
Trading Places, Again: Vermont vs. New Hampshire Unemployment Rate

Percentage Point Difference in NH minus VT Unemployment Rate (positive = VT lower, negative = VT higher)



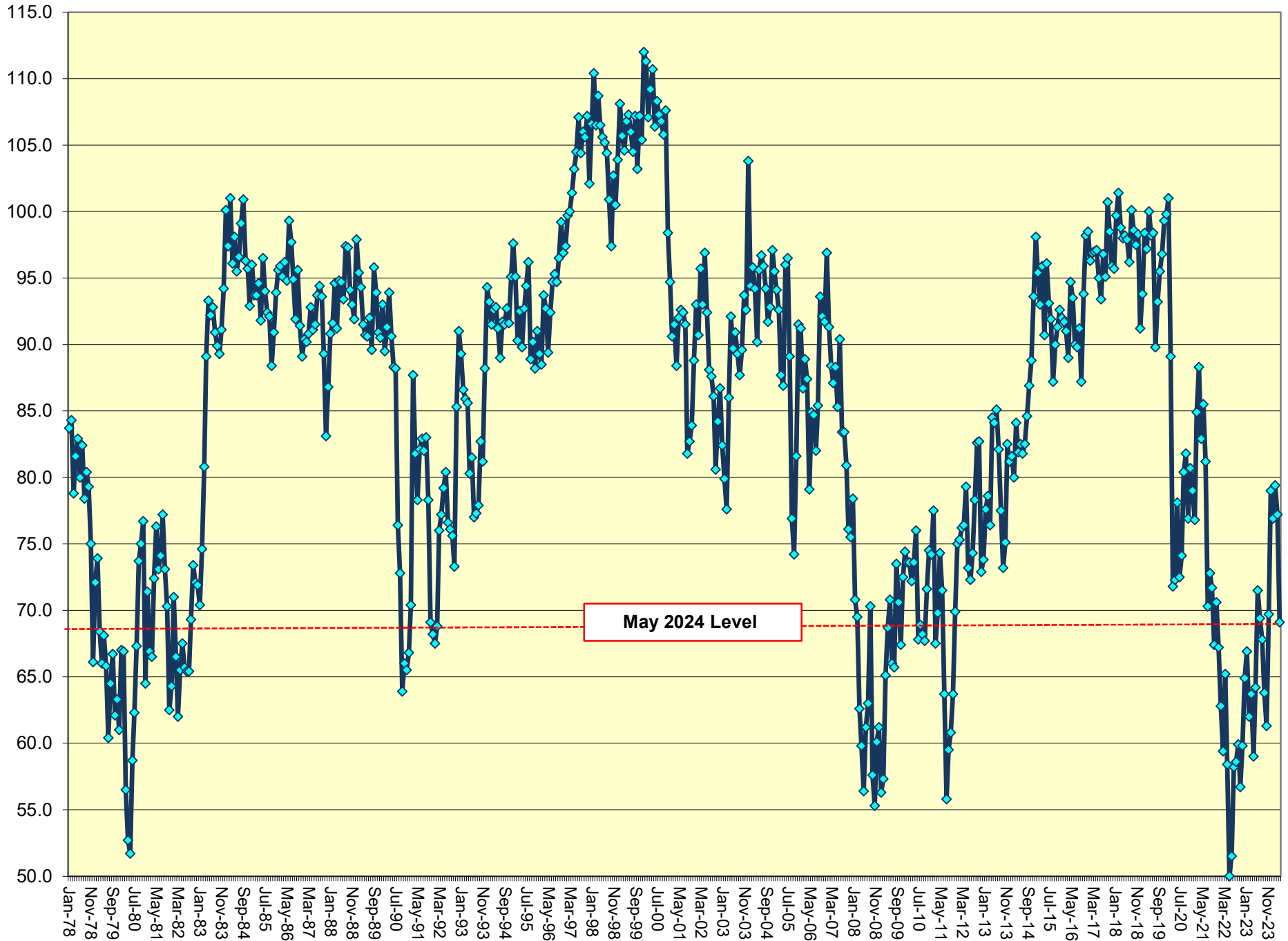
U.S. Corporate Profit Growth Slows, But Remains Positive

U.S. corporate profits with inventory valuation and capital consumption adjustment; Source: US BEA
 Data in bubbles indicate number of consecutive quarters of growth and percent change during the period



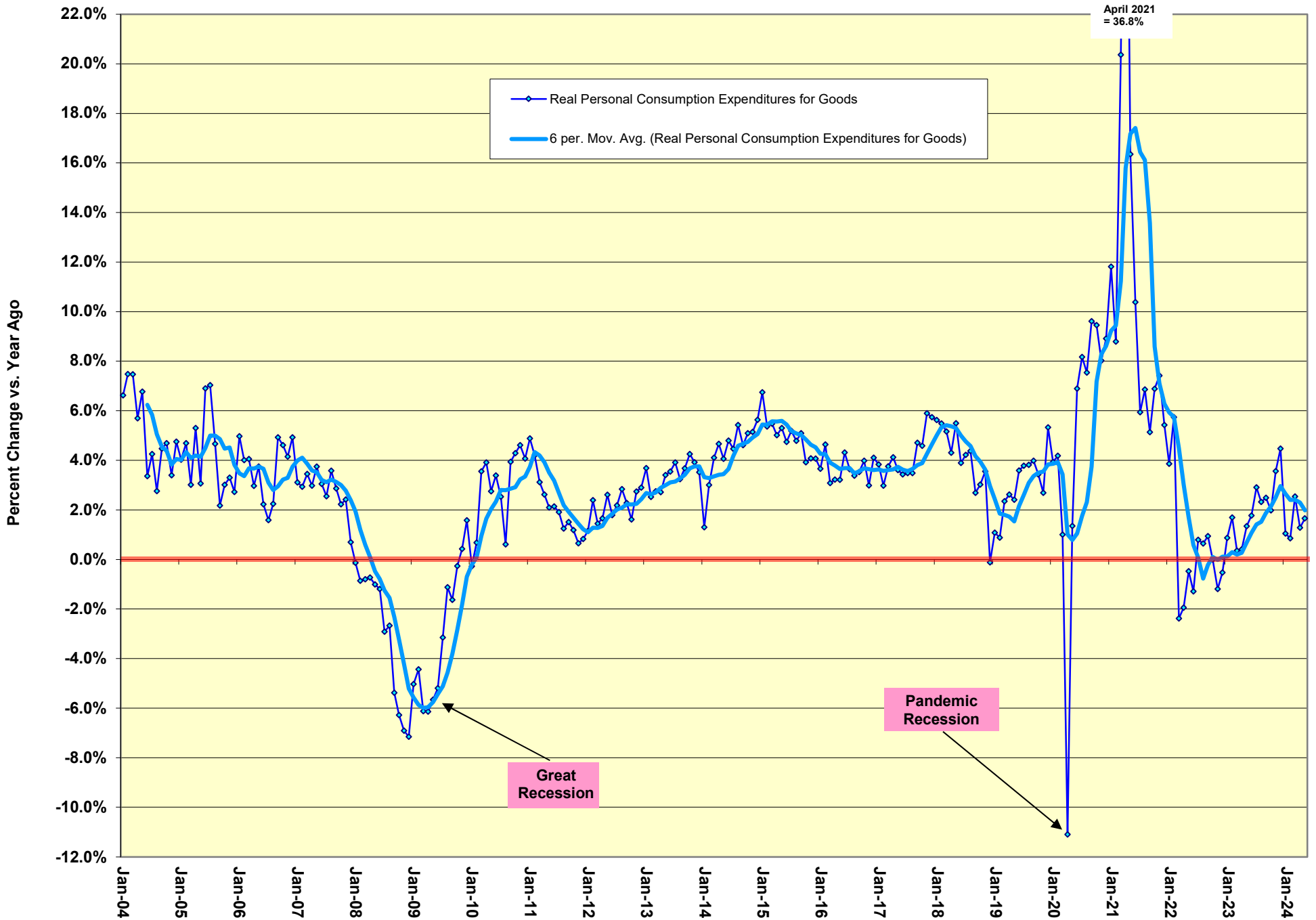
Consumers Remain Pessimistic, But It Doesn't Show in Their Spending

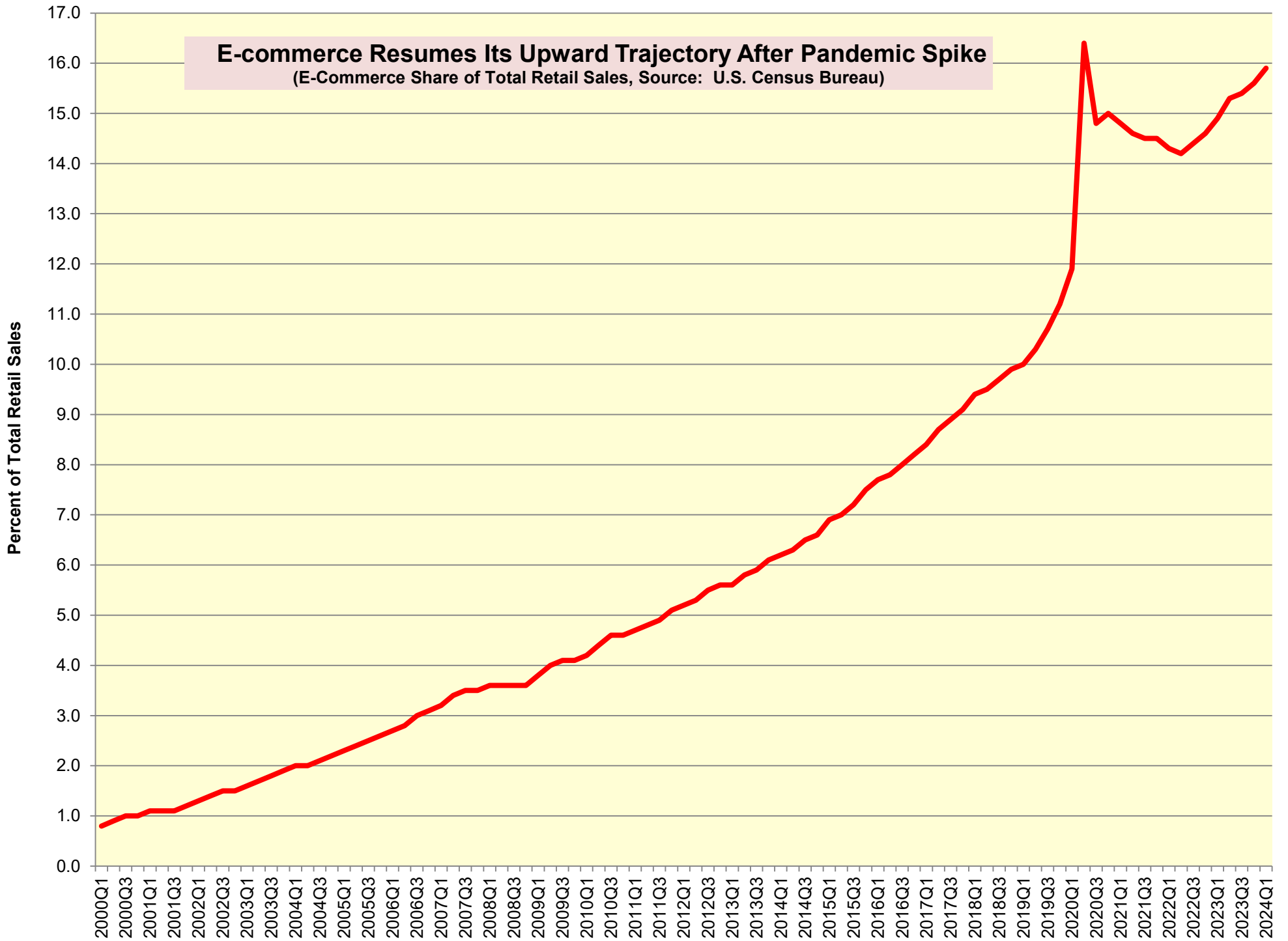
(University of Michigan Survey, Index of Consumer Sentiment)



Consumer Spending on Goods Remains Bouyant Despite High Interest Rates

Total Constant Dollar Personal Consumption Expenditures for Goods - Percent Change from Year Ago, Source: U.S. BEA

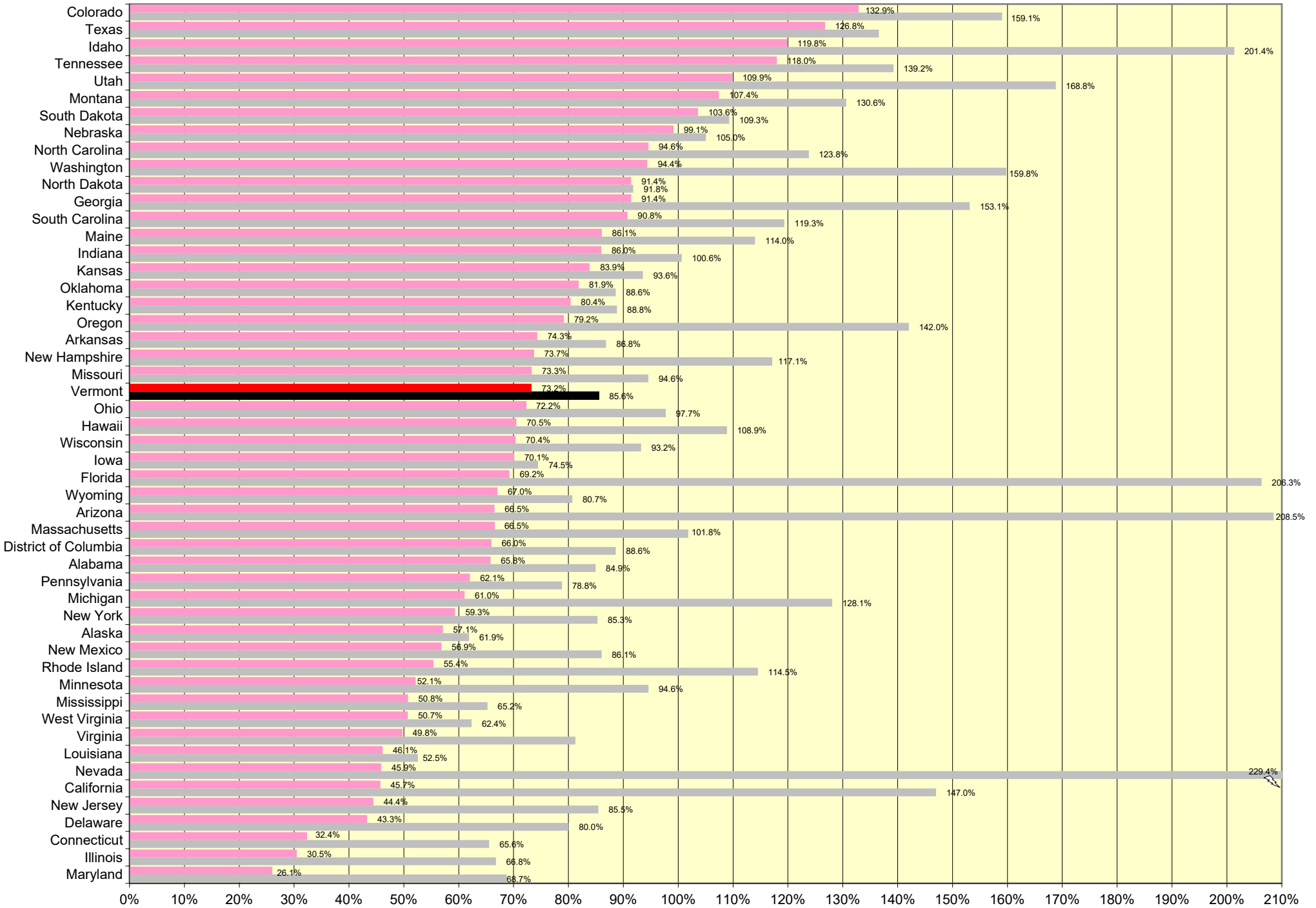




Real Estate Update: Housing Values Relative to Last Peak (pink) and Trough (grey)

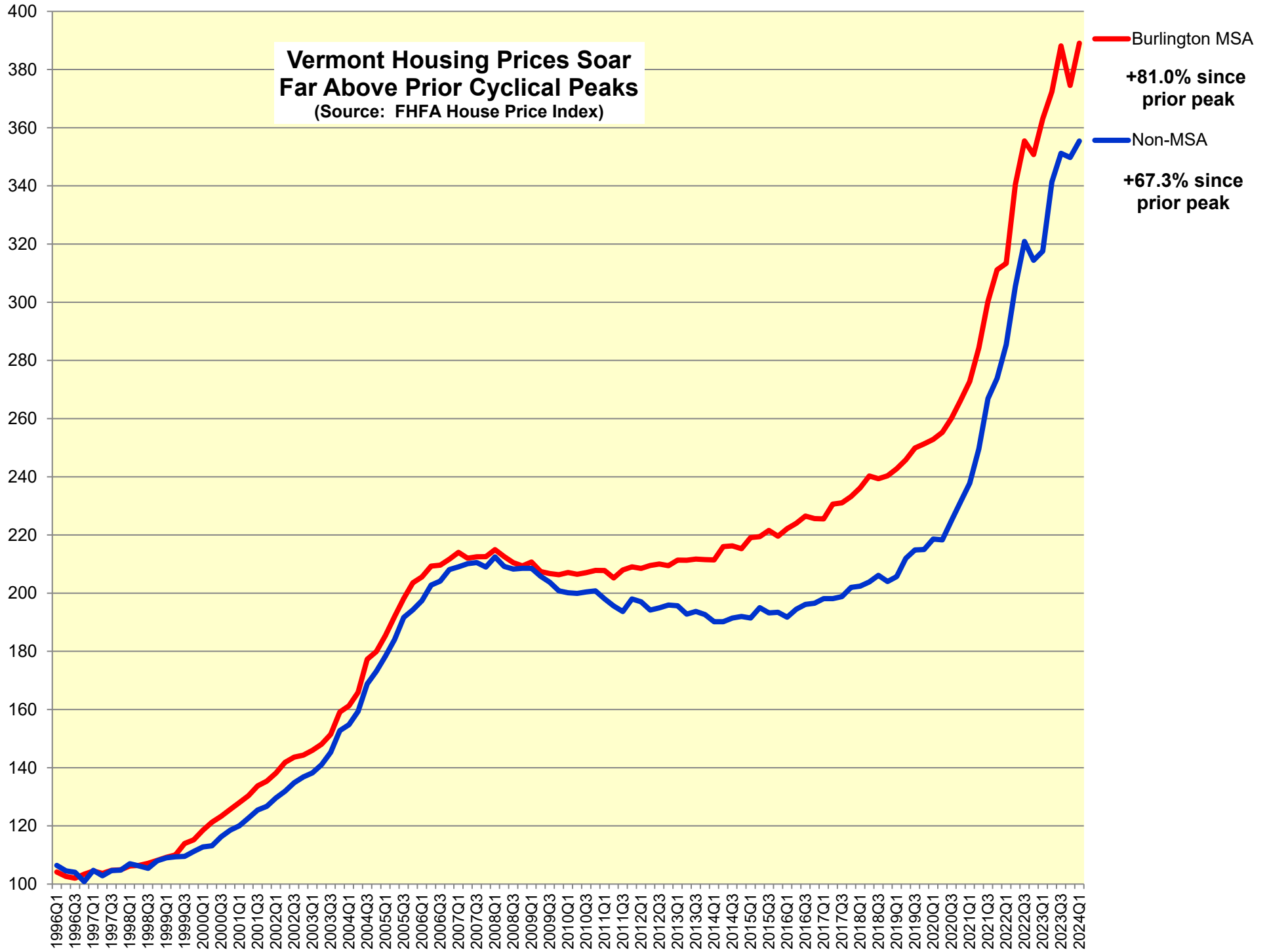
Percent Change, 2024Q1 vs. Peak Price by State Between 2005Q3 and 2009Q3 (Pink) and 2024Q1 vs. Trough Price Between 2009Q3 and 2014Q1 (Grey)

Source: FHFA House Price Index



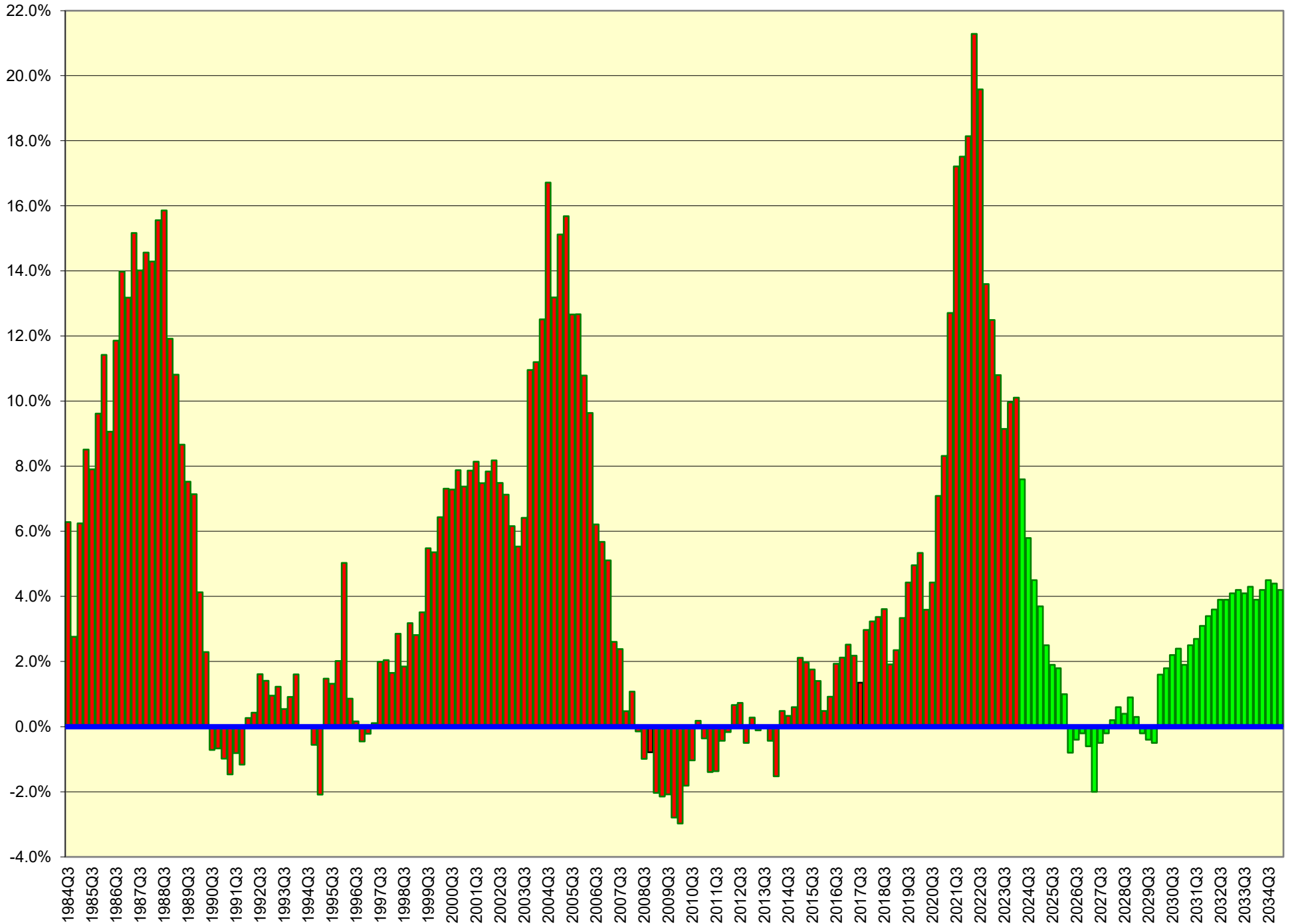
Home Price Growth from the First Quarter of 2024 versus Selected Time Periods												
State	Last 10 Years to 2014Q1		Pre-Pandemic to 2019Q4		Last 5 Years to 2019Q1		Last 20 Years to 2004Q1		Last 30 Years to 1994Q1		Year Ago to 2023Q1	
	Nevada	225.3%	Florida	69.6%	Florida	76.9%	Idaho	228.6%	District of Columbia	432.5%	New Jersey	10.8%
Arizona	206.0%	Maine	65.1%	Idaho	76.4%	Utah	209.8%	Colorado	406.6%	Rhode Island	10.7%	
Florida	200.7%	Tennessee	64.1%	Maine	73.5%	Montana	197.4%	Utah	397.1%	Vermont	10.1%	
Idaho	195.3%	North Carolina	63.5%	Tennessee	71.9%	Washington	195.2%	Montana	394.5%	Kansas	9.3%	
Utah	163.9%	Arizona	63.2%	Arizona	71.8%	Arizona	178.1%	Florida	391.6%	Connecticut	9.2%	
Colorado	156.4%	Idaho	62.9%	North Carolina	70.4%	Texas	175.1%	Arizona	379.0%	Wisconsin	9.1%	
Washington	153.6%	Montana	62.4%	Montana	70.3%	Hawaii	174.8%	Washington	374.2%	New Hampshire	8.6%	
California	143.5%	Georgia	62.0%	Georgia	69.4%	Oregon	171.8%	Idaho	374.2%	Maine	8.4%	
Georgia	141.7%	South Carolina	60.9%	South Carolina	68.0%	Florida	170.3%	Oregon	372.6%	New York	8.3%	
Oregon	137.7%	New Hampshire	60.7%	New Hampshire	68.0%	Tennessee	168.5%	California	344.2%	Illinois	8.2%	
Tennessee	136.5%	Vermont	60.6%	Vermont	67.0%	Colorado	160.0%	New Hampshire	324.6%	Michigan	7.9%	
Texas	134.6%	Rhode Island	59.0%	Rhode Island	65.9%	District of Columbia	158.2%	Massachusetts	320.6%	Massachusetts	7.9%	
Montana	129.7%	Utah	55.9%	Utah	64.0%	South Dakota	153.4%	Wyoming	314.3%	South Carolina	7.9%	
Michigan	123.5%	New Jersey	54.5%	New Jersey	60.3%	North Dakota	149.4%	Maine	308.4%	Ohio	7.8%	
North Carolina	118.9%	Connecticut	51.5%	New Mexico	58.8%	Wyoming	146.6%	Tennessee	305.5%	Delaware	7.8%	
South Carolina	116.9%	New Mexico	51.3%	Indiana	57.1%	North Carolina	142.1%	Texas	296.6%	New Mexico	7.2%	
New Hampshire	113.2%	Arkansas	51.0%	Connecticut	56.6%	South Carolina	139.8%	South Dakota	286.5%	Pennsylvania	7.0%	
Maine	110.7%	South Dakota	50.3%	Ohio	56.4%	Vermont	134.7%	Rhode Island	279.7%	Indiana	6.9%	
Rhode Island	108.8%	Indiana	50.3%	South Dakota	56.4%	Maine	132.7%	North Dakota	272.7%	Virginia	6.8%	
Hawaii	107.3%	Alabama	50.2%	Alabama	56.4%	Nevada	125.3%	South Carolina	268.6%	Maryland	6.8%	
South Dakota	106.7%	Wisconsin	49.9%	Arkansas	55.7%	California	121.9%	North Carolina	268.0%	Georgia	6.8%	
Nebraska	103.0%	Delaware	49.8%	Wisconsin	55.5%	Georgia	121.8%	Nevada	266.7%	North Carolina	6.7%	
Massachusetts	100.2%	Ohio	49.5%	Missouri	55.2%	New Mexico	120.8%	Vermont	266.2%	Missouri	6.7%	
Indiana	98.3%	Texas	49.2%	Delaware	55.0%	Nebraska	120.6%	Georgia	261.3%	West Virginia	6.4%	
Ohio	94.9%	Missouri	48.6%	Texas	54.8%	Oklahoma	119.1%	Virginia	260.1%	Nebraska	6.4%	
Missouri	91.9%	Nevada	48.6%	Kansas	53.9%	Virginia	116.9%	Minnesota	258.8%	Oklahoma	6.3%	
Minnesota	91.6%	Kansas	48.5%	Washington	53.7%	Alaska	111.9%	New York	257.5%	Kentucky	6.2%	
Kansas	91.4%	Oklahoma	48.2%	Nevada	53.2%	Pennsylvania	111.7%	New Jersey	250.8%	Nevada	6.0%	
Wisconsin	90.4%	Kentucky	47.2%	Oklahoma	53.1%	Arkansas	110.5%	Hawaii	245.8%	Tennessee	5.9%	
Oklahoma	88.6%	Washington	47.0%	Kentucky	52.8%	Kansas	108.6%	Nebraska	243.0%	Florida	5.9%	
Kentucky	87.3%	Nebraska	47.0%	Nebraska	52.5%	New Hampshire	108.3%	Wisconsin	236.9%	Iowa	5.8%	
Arkansas	85.1%	Michigan	46.5%	Michigan	52.3%	Alabama	107.8%	Kansas	235.1%	California	5.6%	
Vermont	84.9%	Massachusetts	46.1%	Virginia	51.6%	Kentucky	106.2%	Oklahoma	226.5%	South Dakota	5.5%	
District of Columbia	83.7%	Virginia	46.0%	Massachusetts	51.4%	New York	105.1%	Missouri	225.6%	Arkansas	5.4%	
New York	83.4%	Pennsylvania	44.9%	Pennsylvania	50.6%	Indiana	102.1%	Alaska	221.4%	Arizona	5.3%	
Alabama	82.3%	New York	44.2%	New York	50.2%	Missouri	100.8%	Kentucky	220.0%	Montana	5.2%	
New Mexico	82.3%	Hawaii	43.7%	Wyoming	49.6%	Wisconsin	100.0%	New Mexico	217.0%	Minnesota	5.2%	
North Dakota	81.1%	Colorado	43.6%	Colorado	48.4%	Rhode Island	98.4%	Maryland	215.6%	Alabama	5.1%	
New Jersey	80.5%	California	42.0%	Hawaii	46.7%	Delaware	97.1%	Delaware	208.8%	North Dakota	5.1%	
Virginia	79.3%	Wyoming	41.6%	California	45.9%	New Jersey	95.7%	Michigan	207.9%	Alaska	5.0%	
Wyoming	78.3%	Mississippi	39.8%	Oregon	44.9%	Massachusetts	94.4%	Pennsylvania	207.5%	Wyoming	4.9%	
Pennsylvania	77.2%	Oregon	39.5%	Mississippi	43.7%	Iowa	92.9%	Arkansas	203.1%	Hawaii	4.8%	
Delaware	77.1%	Maryland	38.7%	Maryland	43.0%	Maryland	92.3%	Iowa	201.2%	Washington	4.4%	
Iowa	72.8%	Iowa	37.8%	West Virginia	42.3%	Louisiana	88.7%	Alabama	200.3%	Mississippi	4.3%	
Maryland	65.5%	Illinois	37.8%	Iowa	41.9%	Mississippi	87.6%	Louisiana	198.1%	Colorado	3.7%	
Mississippi	63.2%	West Virginia	37.2%	Illinois	41.8%	West Virginia	85.3%	Indiana	195.3%	Utah	3.6%	
Illinois	62.5%	Minnesota	36.5%	Minnesota	41.4%	Ohio	82.0%	Mississippi	178.7%	Texas	3.4%	
Connecticut	59.8%	Alaska	35.8%	Alaska	38.3%	Minnesota	77.2%	Ohio	175.1%	Oregon	3.3%	
West Virginia	59.7%	North Dakota	27.9%	North Dakota	31.2%	Michigan	69.9%	Connecticut	172.7%	Idaho	2.7%	
Alaska	59.0%	Louisiana	24.2%	Louisiana	27.8%	Connecticut	67.8%	West Virginia	166.2%	Louisiana	1.1%	
Louisiana	52.4%	District of Columbia	15.6%	District of Columbia	18.9%	Illinois	58.9%	Illinois	152.4%	District of Columbia	0.4%	

FHFA Home Price Index, 1995Q1 = 100

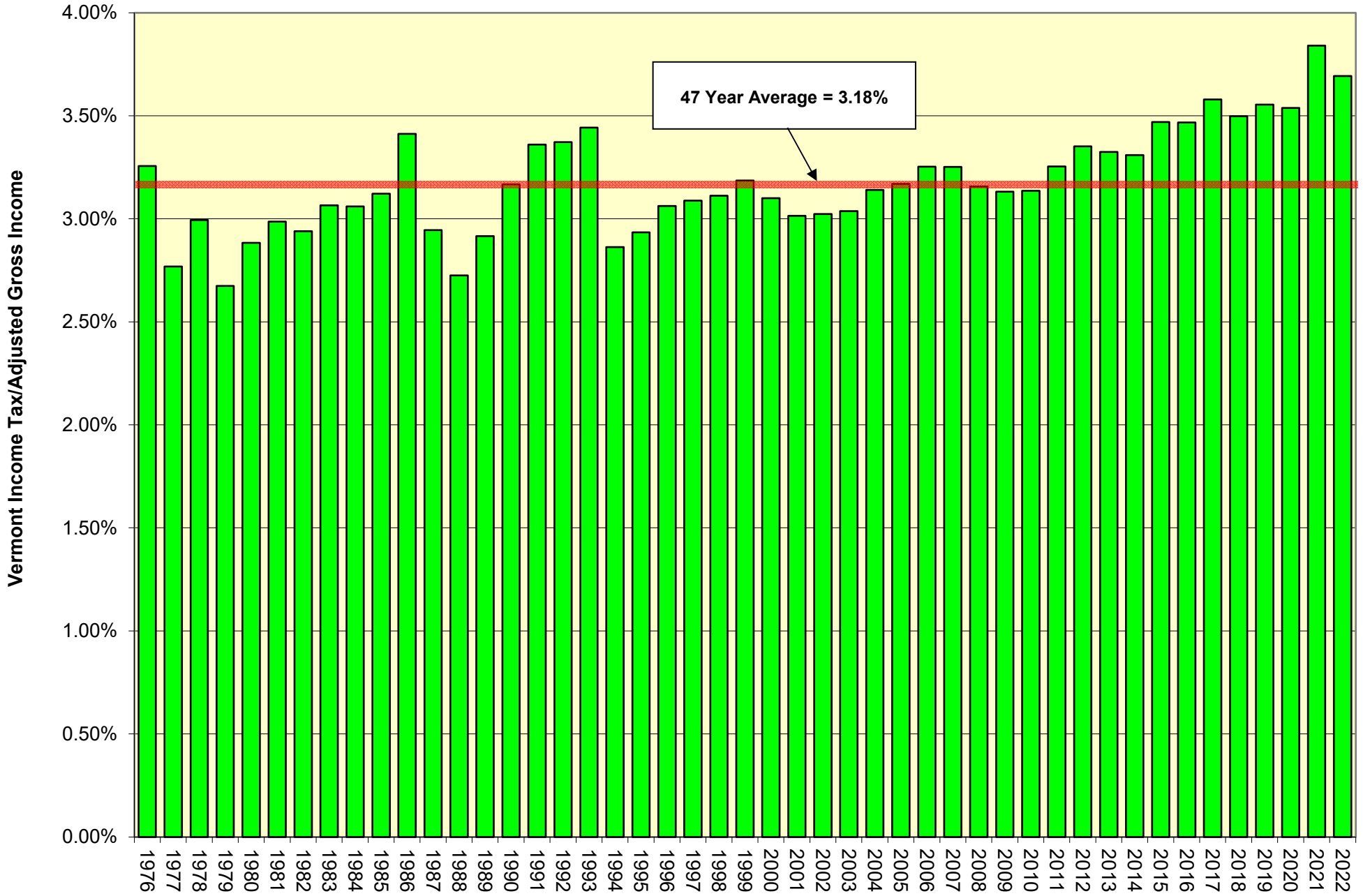


Vermont Home Price Growth Recedes from its Highest Rates Ever

(FHFA Vermont Housing Price Index Percent Change Vs. Year Ago, Historical Data - Red, JFO Forecast Data - Green)

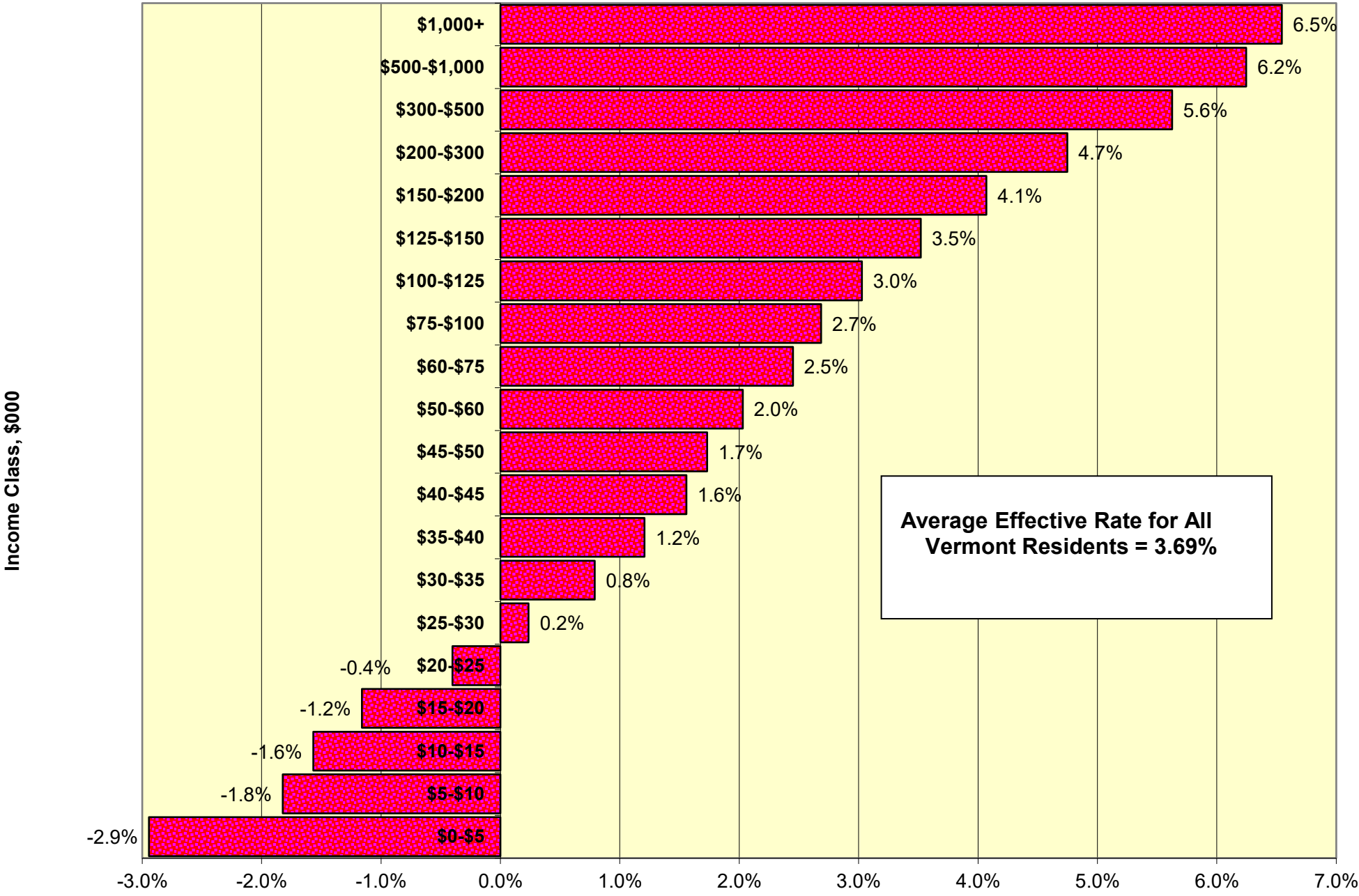


Effective Vermont Personal Income Tax Rate



Source: Vermont Department of Taxes

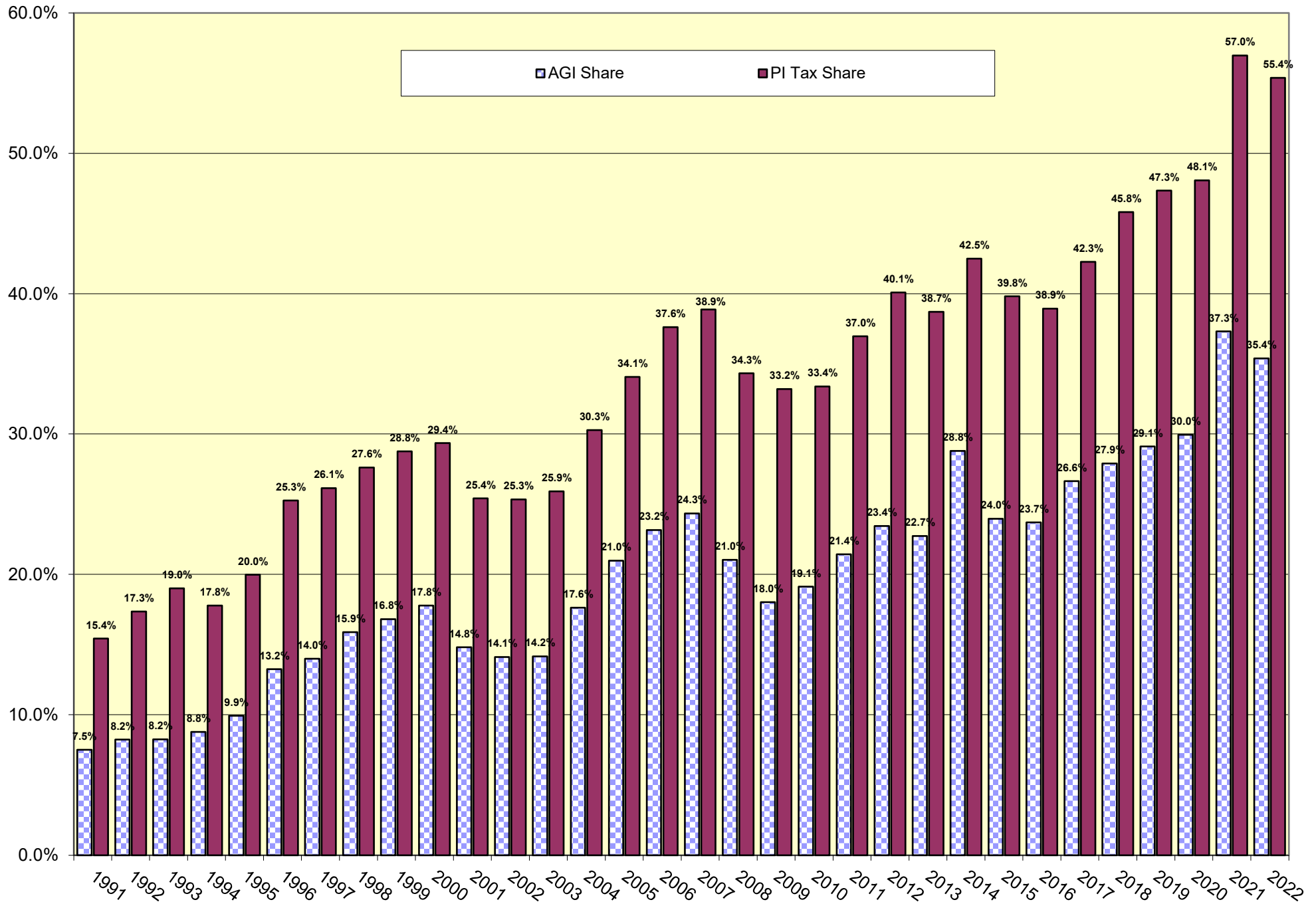
Tax Progressivity: Effective Vermont Income Tax Rates in 2022 by Income Class



Net Vermont Tax as a Percent of Adjusted Gross Income - Vermont Residents Only

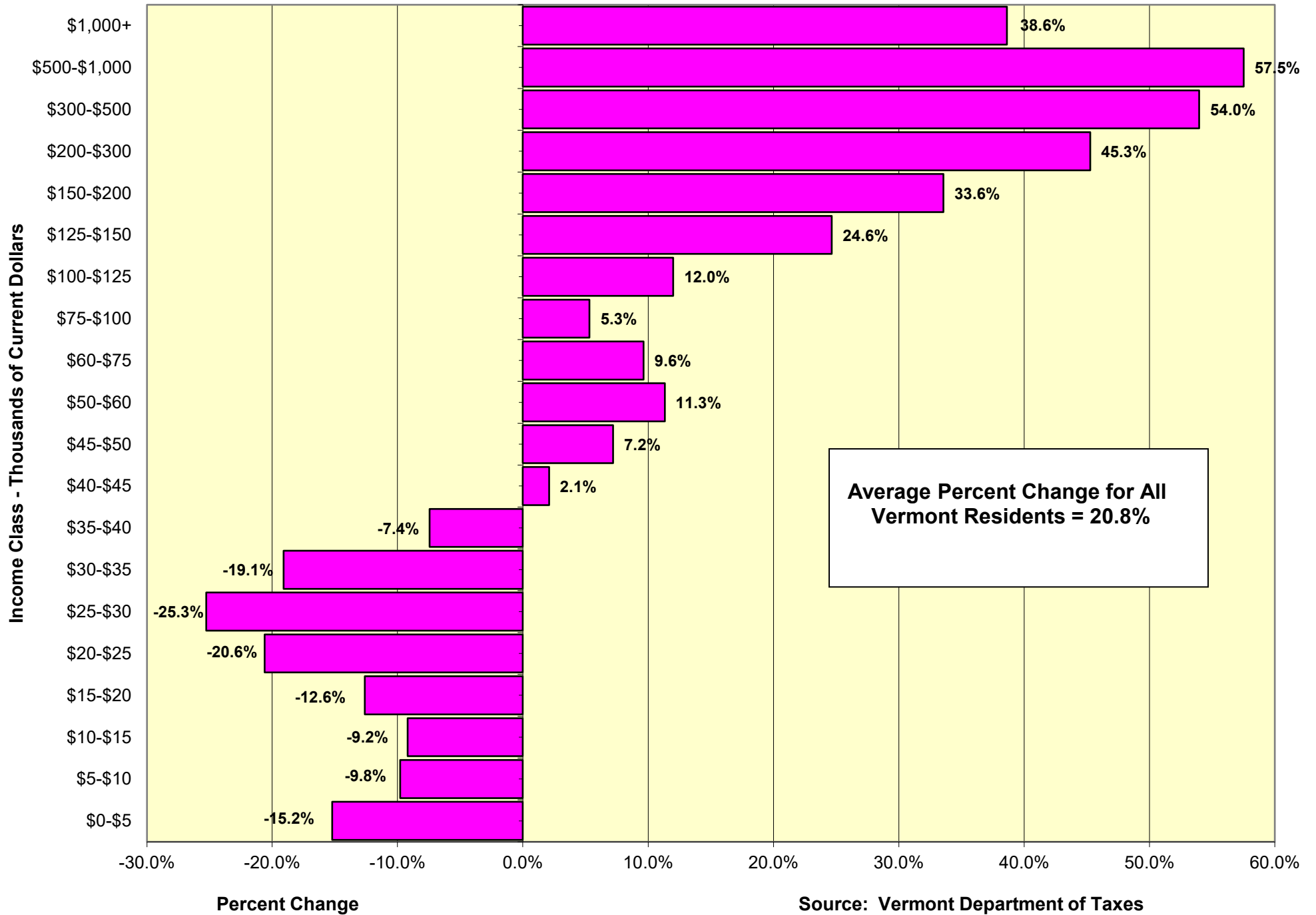
Source: Vermont Department of Taxes

High Income (\$200K+) Taxpayers' Share of Total Vermont Income and Income Tax Receipts



Source: Vermont Department of Taxes

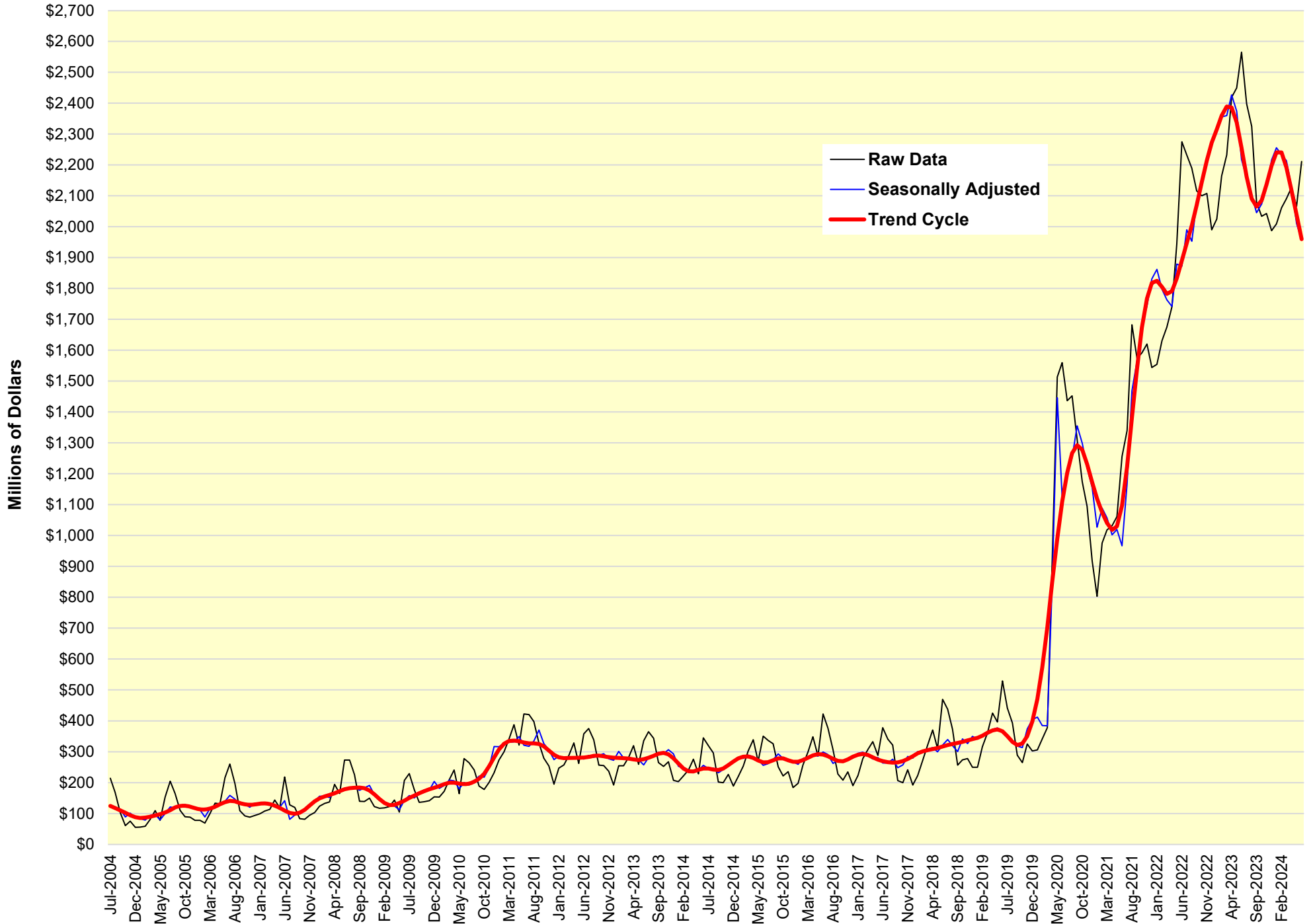
Percent Change in Adjusted Gross Income in Vermont, 2022 vs. 2019 by Income Class



Source: Vermont Department of Taxes

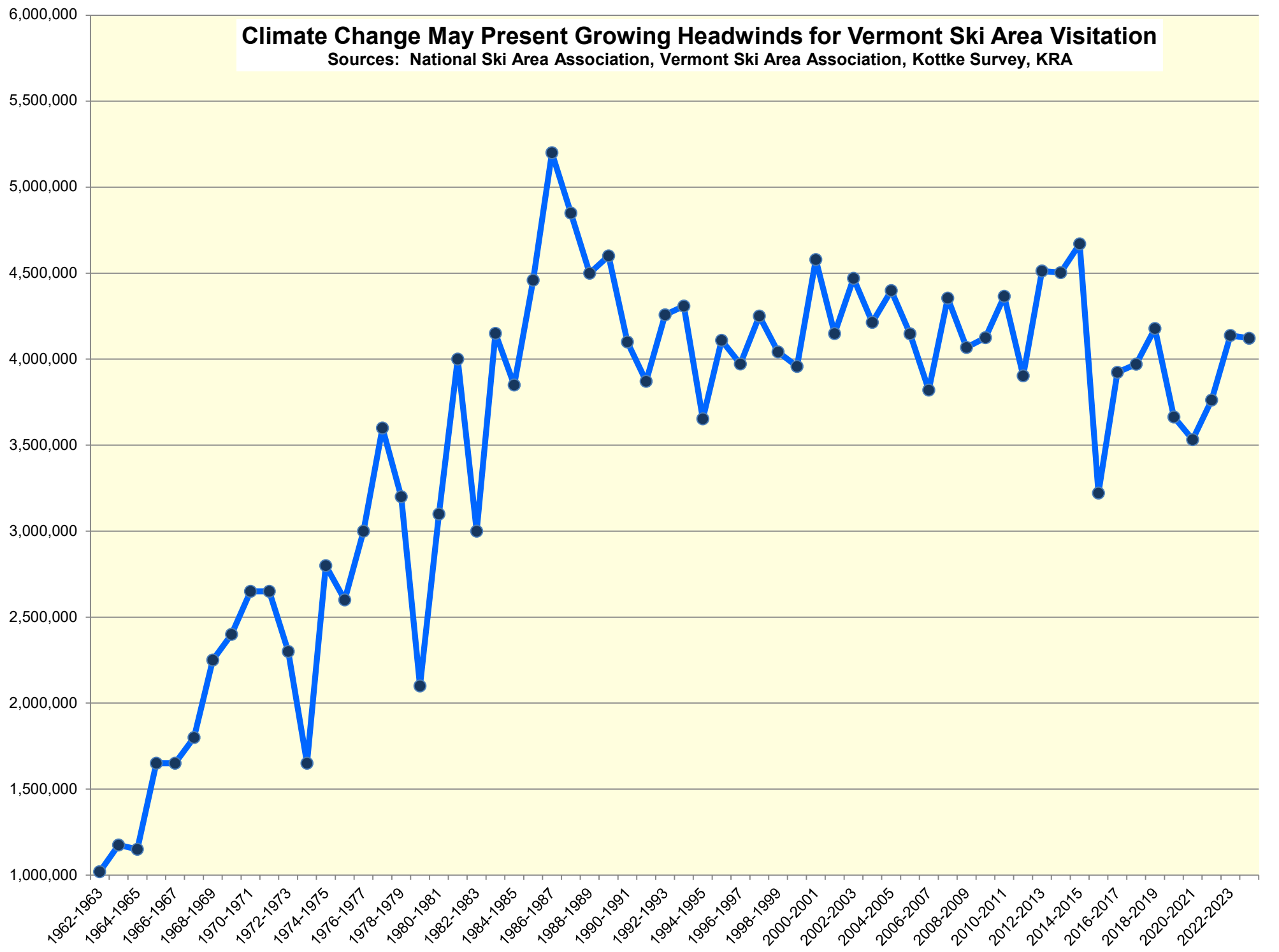
Average Monthly Vermont State Unrestricted Cash Balances

(Source: Office of the State Treasurer)



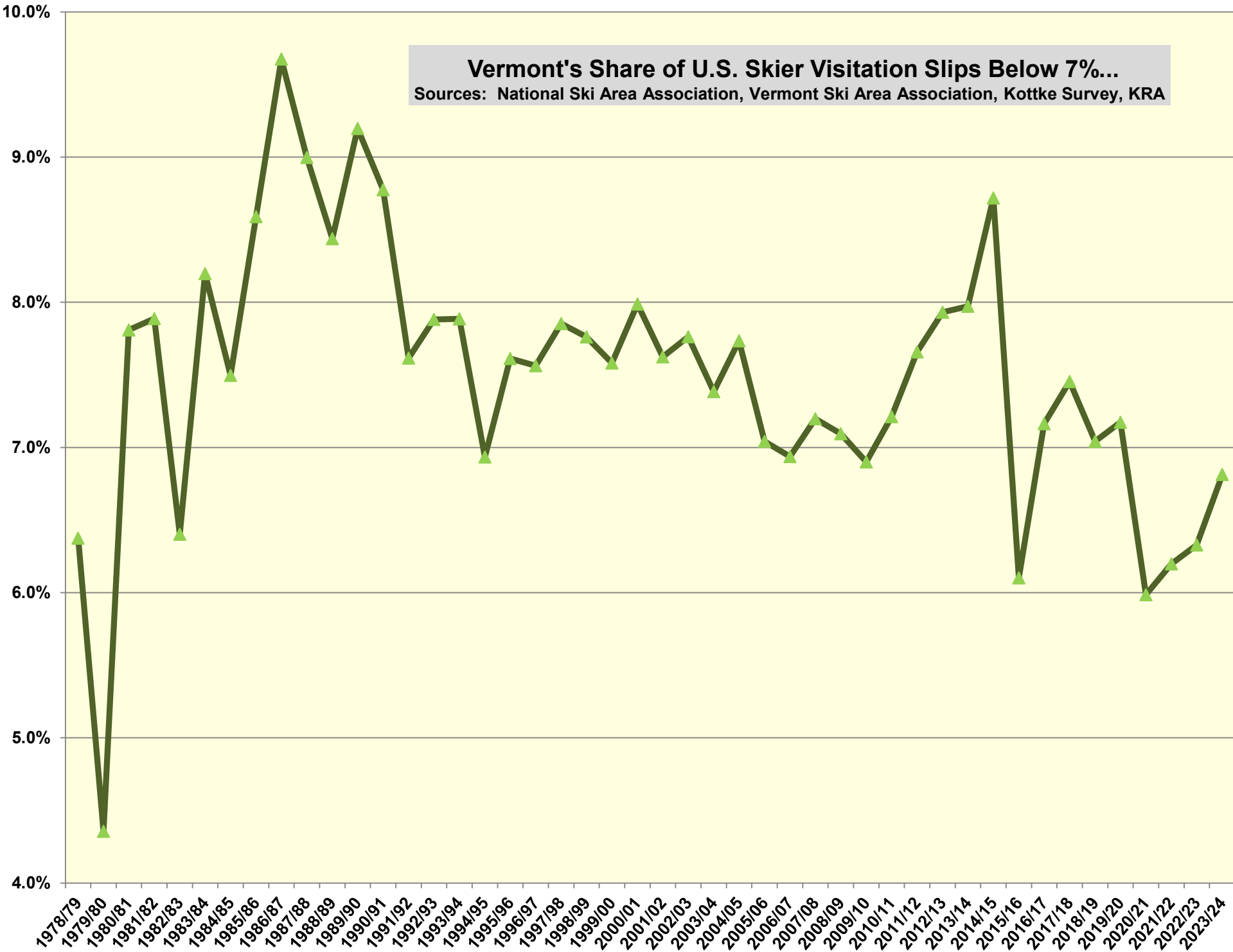
Climate Change May Present Growing Headwinds for Vermont Ski Area Visitation

Sources: National Ski Area Association, Vermont Ski Area Association, Kottke Survey, KRA



Vermont's Share of U.S. Skier Visitation Slips Below 7%...
Sources: National Ski Area Association, Vermont Ski Area Association, Kottke Survey, KRA

Percent of Total U.S. Skier Visitation



Appendix A

Five Year Revenue Forecast Tables

July 2024

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2024**

SOURCE G-FUND

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

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																		
Personal Income	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1266.2	1.9%	\$1294.8	2.3%	\$1335.4	3.1%	\$1384.4	3.7%	\$1440.6	4.1%
Sales and Use ¹	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$615.9	3.5%	\$632.9	2.8%	\$654.9	3.5%	\$680.3	3.9%	\$708.1	4.1%
Corporate	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$226.3	-5.2%	\$234.7	3.7%	\$245.6	4.6%	\$259.1	5.5%	\$274.8	6.1%
Meals and Rooms ²	\$143.8	-12.1%	\$216.8	50.8%	\$237.7	9.6%	\$246.2	3.5%	\$262.7	6.7%	\$272.1	3.6%	\$280.3	3.0%	\$289.1	3.1%	\$298.6	3.3%
Liquor	\$28.7	32.8%	\$30.1	5.0%	\$30.8	2.1%	\$30.2	-1.8%	\$30.6	1.2%	\$31.2	2.0%	\$31.8	1.9%	\$32.4	1.9%	\$33.0	1.9%
Insurance	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$76.0	0.5%	\$77.3	1.7%	\$78.8	1.9%	\$80.5	2.2%	\$82.3	2.2%
Telephone (Discontinued as of FY26)	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$2.5	-3.7%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Beverage	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.9	-0.6%	\$6.87	-0.4%	\$6.84	-0.4%	\$6.82	-0.3%	\$6.80	-0.3%
Estate	\$26.9	77.5%	\$14.0	-48.0%	\$18.6	33.1%	\$23.9	28.2%	\$23.1	-3.3%	\$24.1	4.3%	\$25.1	4.1%	\$26.1	4.0%	\$27.2	4.2%
Property	\$73.9	74.8%	\$77.7	5.1%	\$69.2	-10.9%	\$62.4	-9.9%	\$74.3	19.1%	\$76.9	3.5%	\$80.4	4.6%	\$85.2	6.0%	\$90.4	6.1%
Bank	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$15.9	-4.1%	\$15.5	-2.5%	\$15.7	1.3%	\$16.2	3.2%	\$16.8	3.7%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$17.4	158.5%	\$22.2	27.7%	\$24.0	8.2%	\$25.1	4.3%	\$26.0	3.6%	\$26.8	3.1%
Other Tax	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.0	-21.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%	\$1.4	7.7%
Total Tax Revenue	\$2068.5	13.1%	\$2468.2	19.3%	\$2536.1	2.7%	\$2560.1	0.9%	\$2623.6	2.5%	\$2691.5	2.6%	\$2781.0	3.3%	\$2887.3	3.8%	\$3006.7	4.1%
Business Licenses	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.34	2.7%	\$1.38	3.0%	\$1.42	2.9%	\$1.46	2.8%	\$1.50	2.7%
Fees	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$53.2	20.2%	\$53.7	0.9%	\$54.4	1.3%	\$55.2	1.5%	\$56.1	1.6%
Services	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$3.9	-5.2%	\$4.0	2.6%	\$4.1	2.5%	\$4.2	2.4%	\$4.3	2.4%
Fines	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$2.8	13.8%	\$3.0	7.1%	\$3.2	6.7%	\$3.4	6.3%	\$3.6	5.9%
Interest	\$0.9	-77.9%	\$2.6	185.2%	\$56.9	2102%	\$93.0	63.4%	\$70.4	-24.3%	\$49.8	-29.3%	\$31.3	-37.1%	\$28.9	-7.7%	\$29.4	1.8%
Lottery	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$36.5	1.4%	\$37.4	2.5%	\$38.5	2.9%	\$39.6	2.9%	\$40.8	3.0%
All Other ³	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$0.9	47.6%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%
Total Other Revenue	\$84.1	-0.8%	\$83.9	-0.2%	\$143.1	70.5%	\$181.7	27.0%	\$169.0	-7.0%	\$150.3	-11.1%	\$134.0	-10.8%	\$134.0	0.0%	\$137.0	2.3%
Healthcare Revenue⁴	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$349.0	4.8%	\$360.3	3.2%	\$373.3	3.6%	\$386.9	3.7%	\$401.4	3.7%
TOTAL GENERAL FUND	\$2433.6	10.7%	\$2855.6	17.3%	\$2998.5	5.0%	\$3074.8	2.5%	\$3141.6	2.2%	\$3202.0	1.9%	\$3288.3	2.7%	\$3408.2	3.6%	\$3545.1	4.0%
CHILDCARE TAX REVENUE	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$92.8	NM	\$98.6	6.2%	\$102.7	4.1%	\$106.7	3.8%	\$110.7	3.8%

- 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.
- 5) Includes Clean Water Fund redirect consisting of 6% of total M&R collections
- 6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2024**

CURRENT LAW BASIS

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

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																		
Personal Income	\$1069.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1243.1	2.7%	\$1266.2	1.9%	\$1294.8	2.3%	\$1335.4	3.1%	\$1384.4	3.7%	\$1440.6	4.1%
Sales and Use ¹	\$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
Corporate	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$238.8	-15.1%	\$226.3	-5.2%	\$234.7	3.7%	\$245.6	4.6%	\$259.1	5.5%	\$274.8	6.1%
Meals and Rooms	\$99.2	-14.5%	\$149.6	50.8%	\$164.0	9.6%	\$169.8	3.5%	\$181.3	6.7%	\$187.7	3.6%	\$193.4	3.0%	\$199.5	3.1%	\$206.0	3.3%
Liquor ²	\$4.8	32.8%	\$5.0	5.0%	\$5.1	2.1%	\$5.0	-1.8%	\$5.1	1.2%	\$5.2	2.0%	\$5.3	1.9%	\$5.4	1.9%	\$5.5	1.9%
Insurance	\$60.4	4.0%	\$65.7	8.7%	\$68.8	4.8%	\$75.6	9.8%	\$76.0	0.5%	\$77.3	1.7%	\$78.8	1.9%	\$80.5	2.2%	\$82.3	2.2%
Telephone (Discontinued as of FY26)	\$2.3	-28.8%	\$2.5	10.9%	\$2.4	-5.7%	\$2.6	9.4%	\$2.5	-3.7%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Beverage	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$6.9	-4.4%	\$6.9	-0.6%	\$6.9	-0.4%	\$6.8	-0.4%	\$6.8	-0.3%	\$6.8	-0.3%
Estate ³	\$23.4	54.1%	\$14.0	-40.1%	\$18.6	33.1%	\$23.9	28.2%	\$23.1	-3.3%	\$24.1	4.3%	\$25.1	4.1%	\$26.1	4.0%	\$27.2	4.2%
Property	\$23.1	79.6%	\$24.3	5.3%	\$21.6	-11.2%	\$19.4	-10.2%	\$23.2	19.9%	\$27.1	16.8%	\$28.4	4.7%	\$30.1	6.2%	\$32.0	6.3%
Bank	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$16.6	-6.6%	\$15.9	-4.1%	\$15.5	-2.5%	\$15.7	1.3%	\$16.2	3.2%	\$16.8	3.7%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$0.0	-100.0%	\$0.0	NM	\$16.8	NM	\$17.5	4.3%	\$18.2	3.6%	\$18.7	3.1%
Other Tax	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$1.3	-9.5%	\$1.0	-21.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%	\$1.4	7.7%
Total Tax Revenue	\$1438.1	10.4%	\$1777.4	23.6%	\$1805.1	1.6%	\$1803.0	-0.1%	\$1827.5	1.4%	\$1891.2	3.5%	\$1953.3	3.3%	\$2027.6	3.8%	\$2112.2	4.2%
Business Licenses	\$1.3	13.9%	\$1.2	-4.4%	\$0.6	-54.5%	\$1.3	130.2%	\$1.3	2.7%	\$1.4	3.0%	\$1.4	2.9%	\$1.5	2.8%	\$1.5	2.7%
Fees	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.3	-3.0%	\$53.2	20.2%	\$53.7	0.9%	\$54.4	1.3%	\$55.2	1.5%	\$56.1	1.6%
Services	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$4.1	10.0%	\$3.9	-5.2%	\$4.0	2.6%	\$4.1	2.5%	\$4.2	2.4%	\$4.3	2.4%
Fines	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.5	-6.8%	\$2.8	13.8%	\$3.0	7.1%	\$3.2	6.7%	\$3.4	6.3%	\$3.6	5.9%
Interest	\$0.8	-75.5%	\$2.3	187.4%	\$51.2	2129%	\$87.2	70.5%	\$65.5	-24.9%	\$45.8	-30.1%	\$28.5	-37.8%	\$26.0	-8.8%	\$26.5	1.9%
All Other ⁴	\$0.5	-34.4%	\$1.0	96.4%	\$1.5	58.7%	\$0.6	-60.1%	\$0.9	47.6%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%
Total Other Revenue	\$51.5	-9.9%	\$52.9	2.6%	\$105.2	99.1%	\$139.9	33.0%	\$127.6	-8.8%	\$108.9	-14.7%	\$92.7	-14.8%	\$91.5	-1.4%	\$93.3	2.0%
Healthcare Revenue⁵	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$343.3	4.8%	\$354.3	3.2%	\$366.9	3.6%	\$380.3	3.6%	\$394.5	3.7%
TOTAL GENERAL FUND	\$1767.7	7.8%	\$2129.5	20.5%	\$2224.6	4.5%	\$2270.5	2.1%	\$2298.4	1.2%	\$2354.4	2.4%	\$2412.9	2.5%	\$2499.4	3.6%	\$2600.0	4.0%
CHILDCARE TAX REVENUE	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$92.8	NM	\$98.6	6.2%	\$102.7	4.1%	\$106.7	3.8%	\$110.7	3.8%

- 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 - July 2024**

SOURCE HEALTHCARE¹

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

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																		
Cigarette, Tobacco, E-Cig	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.5%	\$70.0	-6.5%	\$66.4	-5.1%	\$64.3	-3.2%	\$63.3	-1.6%	\$62.3	-1.6%	\$61.4	-1.4%
Claims Assessment	\$19.7	-4.7%	\$21.7	10.3%	\$23.0	5.7%	\$27.3	18.6%	\$28.6	5.0%	\$30.1	5.0%	\$31.6	5.0%	\$33.1	5.0%	\$34.8	5.0%
Employer Assessment	\$17.9	-11.4%	\$21.9	22.2%	\$24.9	13.9%	\$26.9	7.8%	\$28.2	5.0%	\$29.6	5.0%	\$31.1	5.0%	\$32.7	5.0%	\$34.3	5.0%
Hospital Provider Tax	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$209.3	8.8%	\$219.8	5.0%	\$230.7	5.0%	\$242.3	5.0%	\$254.4	5.0%
Nursing Home Provider Tax	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.4%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.0	-3.5%	\$2.1	3.4%	\$2.1	0.0%	\$2.1	0.0%	\$2.1	0.0%
TOTAL HEALTHCARE	\$281.0	-1.3%	\$303.5	8.0%	\$319.3	5.2%	\$333.0	4.3%	\$349.0	4.8%	\$360.3	3.2%	\$373.3	3.6%	\$386.9	3.7%	\$401.4	3.7%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2024**

CURRENT LAW BASIS

including all Education Fund allocations and other out-transfers

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE																		
Cigarette, Tobacco, E-Cig	\$77.5	8.6%	\$76.0	-1.9%	\$74.8	-1.6%	\$70.0	-6.4%	\$66.4	-5.1%	\$64.3	-3.2%	\$63.3	-1.6%	\$62.3	-1.6%	\$61.4	-1.4%
Claims Assessment	\$16.4	-3.0%	\$17.6	7.3%	\$18.0	2.6%	\$21.8	21.0%	\$22.9	5.0%	\$24.0	5.0%	\$25.2	5.0%	\$26.5	5.0%	\$27.8	5.0%
Employer Assessment	\$18.4	-9.2%	\$21.9	19.2%	\$24.9	13.9%	\$26.9	7.8%	\$28.2	5.0%	\$29.6	5.0%	\$31.1	5.0%	\$32.7	5.0%	\$34.3	5.0%
Hospital Provider Tax	\$143.7	-4.4%	\$161.5	12.4%	\$173.9	7.6%	\$192.4	10.6%	\$209.3	8.8%	\$219.8	5.0%	\$230.7	5.0%	\$242.3	5.0%	\$254.4	5.0%
Nursing Home Provider Tax	\$14.6	-1.0%	\$14.7	0.7%	\$14.6	-0.6%	\$14.4	-1.5%	\$14.4	0.4%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%	\$14.4	0.0%
Home Health Provider Tax	\$5.8	4.1%	\$5.8	-0.3%	\$6.1	5.6%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
All Other HC Revenues	\$1.8	-3.6%	\$1.8	0.9%	\$2.0	6.2%	\$2.1	7.8%	\$2.0	-3.5%	\$2.1	3.4%	\$2.1	0.0%	\$2.1	0.0%	\$2.1	0.0%
TOTAL HEALTHCARE	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$327.5	4.2%	\$343.3	4.8%	\$354.3	3.2%	\$366.9	3.6%	\$380.3	3.6%	\$394.5	3.7%

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 - July 2024**

SOURCE T-FUND

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

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																		
Gasoline	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.1	-0.5%	\$70.9	-0.3%	\$70.6	-0.4%	\$70.0	-0.8%	\$69.2	-1.1%
Diesel****	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$17.9	0.4%	\$17.8	-0.6%	\$17.7	-0.6%	\$17.6	-0.6%	\$17.5	-0.6%
Purchase and Use*	\$134.1	27.2%	\$137.1	2.3%	\$142.2	3.7%	\$144.9	1.9%	\$148.2	2.3%	\$153.3	3.4%	\$159.4	4.0%	\$166.0	4.1%	\$172.1	3.7%
Motor Vehicle Fees	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$103.6	10.7%	\$104.3	0.7%	\$105.2	0.9%	\$105.9	0.7%	\$106.8	0.8%
Other Revenue**	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.4	11.8%	\$27.8	5.3%	\$27.0	-2.9%	\$27.6	2.2%	\$28.3	2.5%
TOTAL TRANS. FUND	\$327.4	9.4%	\$333.5	1.9%	\$342.5	2.7%	\$351.3	2.6%	\$367.2	4.5%	\$374.1	1.9%	\$379.9	1.6%	\$387.1	1.9%	\$393.9	1.8%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2024**

CURRENT LAW BASIS

including all Education Fund allocations and other out-transfers

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																		
Gasoline	\$67.3	-5.3%	\$71.9	6.9%	\$73.8	2.7%	\$71.5	-3.2%	\$71.1	-0.5%	\$70.9	-0.3%	\$70.6	-0.4%	\$70.0	-0.8%	\$69.2	-1.1%
Diesel	\$17.9	0.2%	\$18.3	2.0%	\$17.6	-3.7%	\$17.8	1.2%	\$17.9	0.4%	\$17.8	-0.6%	\$17.7	-0.6%	\$17.6	-0.6%	\$17.5	-0.6%
Purchase and Use ¹	\$89.4	27.2%	\$91.4	2.3%	\$94.8	3.7%	\$96.6	1.9%	\$98.8	2.3%	\$102.2	3.4%	\$106.3	4.0%	\$110.7	4.1%	\$114.7	3.7%
Motor Vehicle Fees	\$87.6	4.7%	\$86.0	-1.9%	\$87.5	1.8%	\$93.6	6.9%	\$103.6	10.7%	\$104.3	0.7%	\$105.2	0.9%	\$105.9	0.7%	\$106.8	0.8%
Other Revenue ²	\$20.5	-3.4%	\$20.3	-1.1%	\$21.4	5.3%	\$23.6	10.4%	\$26.4	11.8%	\$27.8	5.3%	\$27.0	-2.9%	\$27.6	2.2%	\$28.3	2.5%
TOTAL TRANS. FUND	\$282.7	7.0%	\$287.8	1.8%	\$295.1	2.5%	\$303.0	2.7%	\$317.8	4.9%	\$323.0	1.6%	\$326.8	1.2%	\$331.8	1.5%	\$336.5	1.4%
OTHER (TIB³)																		
TIB Gasoline	\$10.2	-19.5%	\$15.1	48.2%	\$20.1	32.6%	\$17.55	-12.6%	\$16.97	-3.3%	\$16.96	-0.1%	\$16.84	-0.7%	\$16.90	0.4%	\$17.00	0.6%
TIB Diesel and Other ⁴	\$1.9	-4.5%	\$1.9	1.7%	\$2.2	13.6%	\$2.23	0.8%	\$2.18	-2.1%	\$2.08	-4.6%	\$1.99	-4.3%	\$1.94	-2.5%	\$1.91	-1.5%
TOTAL OTHER (TIB)	\$12.1	-17.5%	\$17.1	40.8%	\$22.3	30.4%	\$19.8	-11.2%	\$19.2	-3.2%	\$19.0	-0.6%	\$18.8	-1.1%	\$18.8	0.1%	\$18.9	0.4%

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; 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 - July 2024**

CURRENT LAW BASIS

Source General and Transportation

Fund taxes allocated to or associated
with the Education Fund only

	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%	FY2026	%	FY2027	%	FY2028	%	FY2029	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
GENERAL FUND																		
Meals and Rooms	\$36.0	-12.1%	\$54.2	50.8%	\$59.4	9.6%	\$61.5	3.5%	\$72.1	17.2%	\$76.1	5.4%	\$78.3	2.9%	\$80.6	3.0%	\$83.2	3.2%
Sales & Use ²	\$507.6	17.4%	\$545.2	7.4%	\$584.0	7.1%	\$595.2	1.9%	\$606.3	1.9%	\$622.5	2.7%	\$644.1	3.5%	\$669.1	3.9%	\$696.5	4.1%
Interest	\$0.1	-87.1%	\$0.3	169.1%	\$5.8	1892%	\$5.8	0.3%	\$4.9	-15.5%	\$4.0	-18.4%	\$2.8	-30.0%	\$2.9	3.6%	\$2.91	0.3%
Lottery	\$32.5	21.2%	\$30.8	-5.2%	\$32.1	4.3%	\$36.0	12.1%	\$36.5	1.4%	\$37.4	2.5%	\$38.5	2.9%	\$39.6	2.9%	\$40.8	3.0%
TRANSPORTATION FUND																		
Purchase and Use ³	\$44.7	27.2%	\$45.7	2.3%	\$47.4	3.7%	\$48.3	1.9%	\$49.4	2.3%	\$51.1	3.4%	\$53.1	4.0%	\$55.3	4.1%	\$57.4	3.7%
TOTAL EDUCATION FUND	\$620.9	15.8%	\$676.2	8.9%	\$728.77	7.8%	\$746.8	2.5%	\$769.2	3.0%	\$791.1	2.8%	\$816.7	3.2%	\$847.5	3.8%	\$880.8	3.9%

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 100.0% beginning in FY19;

Includes Cannabis Sales tax revenues beginning in FY23 and the first 8-1/2 months of FY24, but then excludes them in FY25 and beyond

3) Includes Motor Vehicle Rental revenues, restated