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July 2021

Economic Review and Revenue Forecast Update

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

July 30, 2021

Economic Review and Revenue Forecast Update

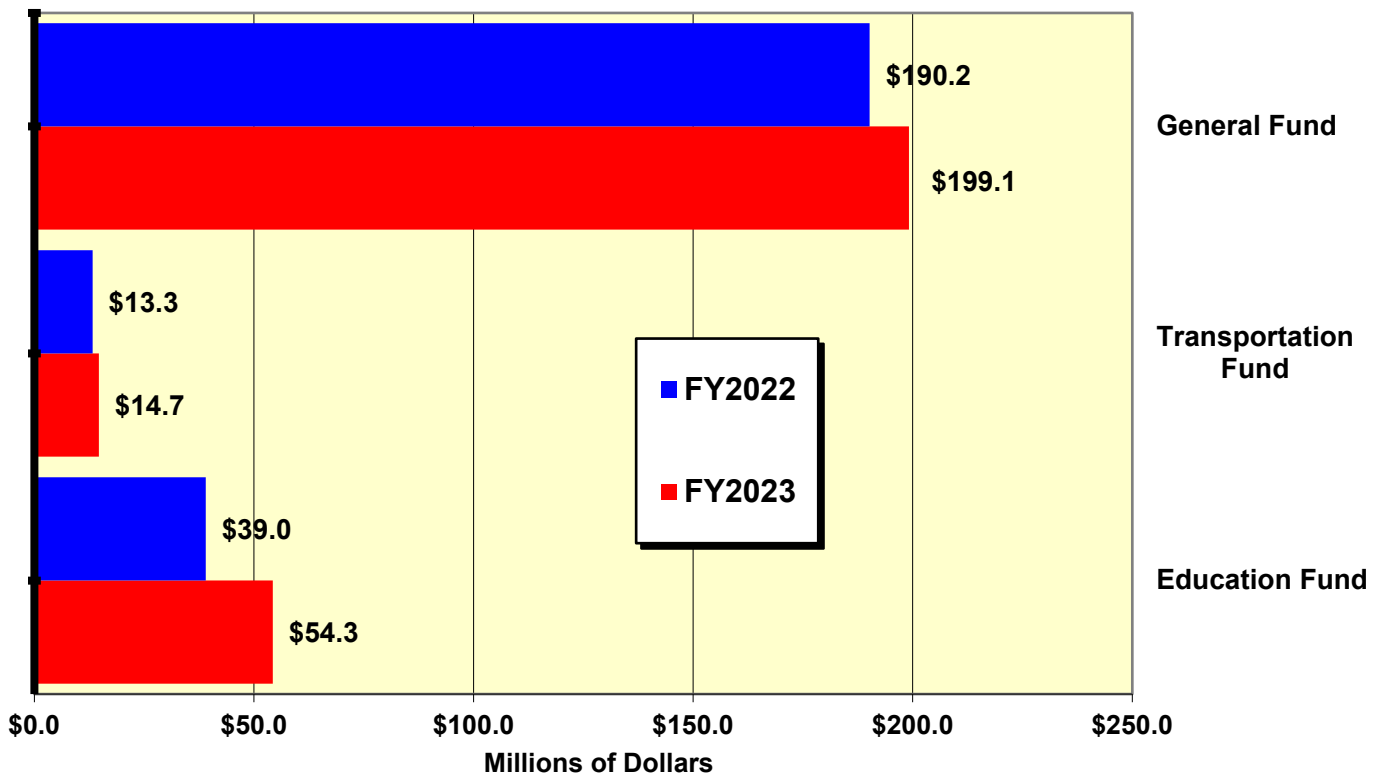
July 2021

Overview

The pandemic and its accompanying avalanche of federal financial countermeasures will continue to dominate the U.S. and State economic and revenue outlook. We are in the midst of an epic economic experiment, with unprecedented fiscal and monetary intervention in the nation's economy. The absence of historical precedent with respect to the scope, magnitude and timing of such an intervention creates considerable future uncertainty, relegating these forecasts to more "order-of-magnitude" guidance than point forecasts. The long-term impacts of these measures may ultimately be transformationally beneficial or disastrous, but the near-term impacts on the State economy and revenues are incontrovertibly positive.

Revenues in FY21 reflected this reality. Led by phenomenal personal and corporate income tax receipts, surging consumption tax growth, and a booming housing market, General Fund revenues closed the year nearly \$200M above targets. As the pandemic recedes, federal disbursements and spending intensifies in FY22, and likely new infrastructure spending begins in FY23, favorable economic conditions will persist, with total gains expected across all three funds exceeding \$240M in FY22 and \$265M in FY23.

Recommended Net Revenue Changes from January 2021 Forecasts



Epidemiological Update

The rapid development and deployment of highly-effective vaccines in the United States has created an extraordinary opportunity to limit the severe health impacts of COVID-19 and allow an expansive reopening of national and state economies. These vaccines were deployed far more efficiently than we had assumed in the prior January forecast and led to a dramatic early surge in both economic activity and State tax revenues in the last quarter of FY21. This early reopening will also add to prior FY22 revenue expectations, as Meals & Rooms revenues rebound more quickly than previously anticipated and many other consumption and income-based revenue sources also benefit.

Vermont has the distinction of having the nation's highest vaccination rates, both for first shots and full vaccinations (see chart on following page), and has consistently had among the lowest case, hospitalization and death rates during the pandemic. This has had, and will continue to have, important economic benefits that derive from this performance.

As illustrated in the charts on page 4 from the Vermont Department of Financial Regulation's ongoing COVID-19 modeling work, there is a strong correlation between levels of vaccination and caseloads, hospitalizations and deaths from COVID. These, in turn, impact public health restrictions and behavioral responses from affected populations that can materially affect the economy.

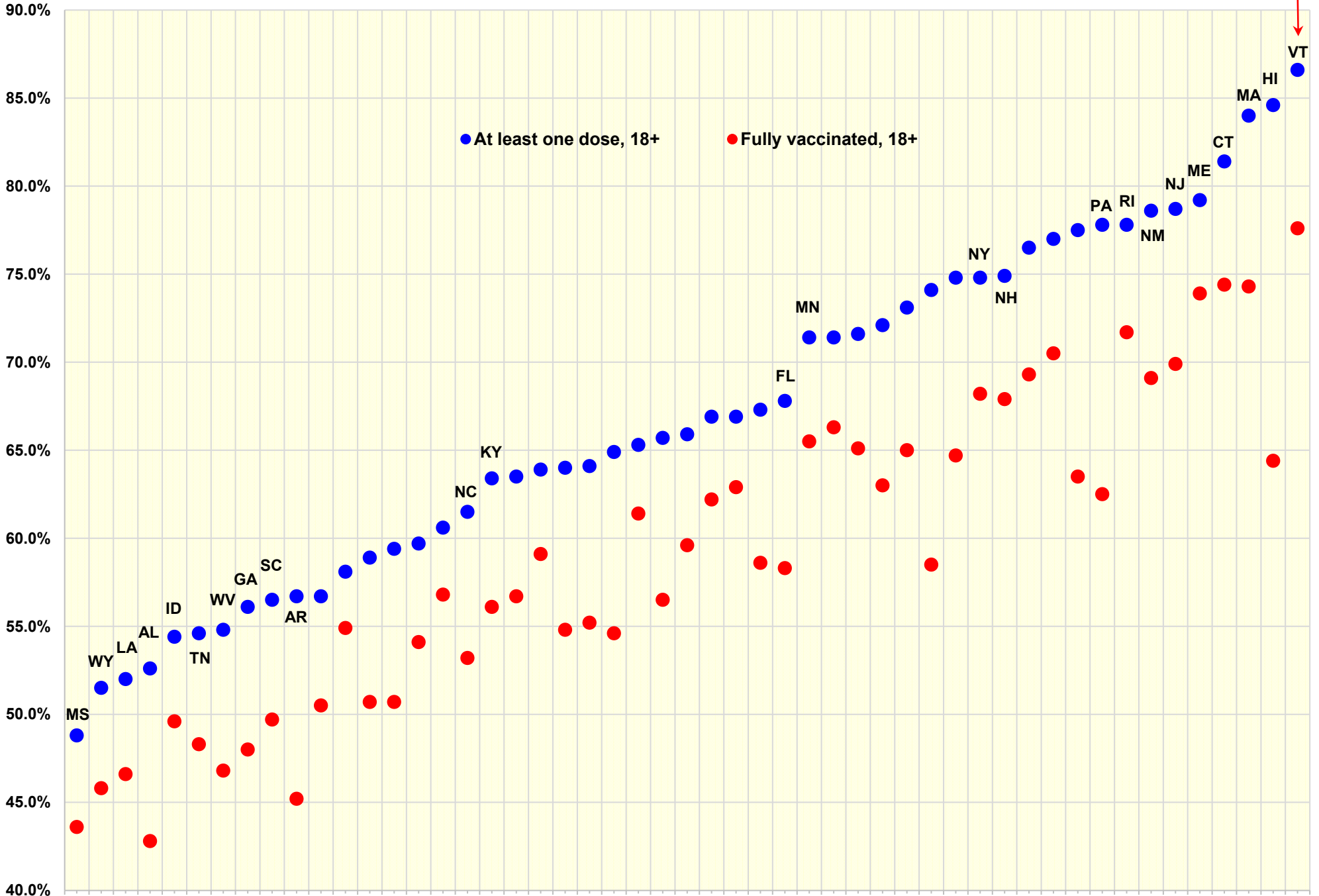
Despite widespread sentiment to have the risks and behavioral changes imposed by the pandemic behind us, they are clearly not. There are still many epidemiological risks present and adherence to changing healthcare protocols will be essential in order to maximize both personal and community health and aggregate economic activity.

Among the issues that may still affect the course of the pandemic:

- Will the highly transmissible Delta variant now surging throughout the U.S. require public health measures that will slow economic activity and a return to more complete "normalcy?"
- Will there be further viral mutations that occur before widespread herd resilience is achieved that are more deadly and/or transmissible?
- Will any of these be resistant to the currently available vaccines?
- Over what period of time will the current vaccines offer protection from the SARS-CoV-2 virus?
- Will the U.S. vaccine uptake rate ever grow to a level that will be sufficient to achieve herd immunity or reduce public health impacts to manageable levels?
- Are there untested longer-term side effects from the vaccinations that have yet to be revealed?
- Will there be widespread community acceptance of mitigation measures, such as mask wearing, social distancing, contact tracing and quarantining, if needed in both the State and region?

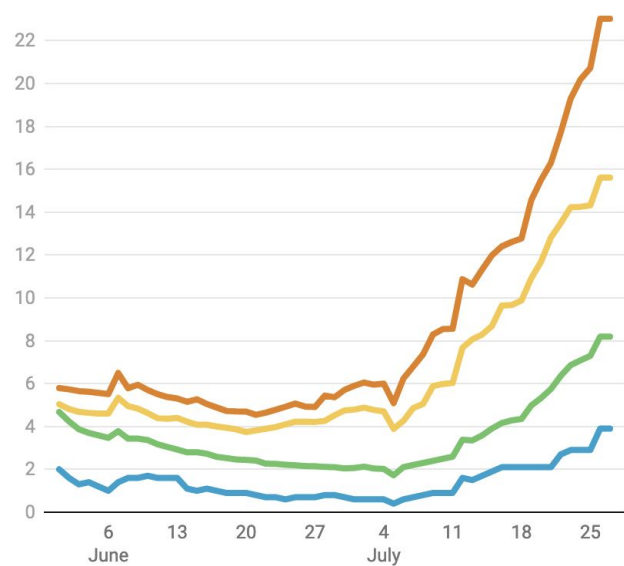
One of the Most Important Economic Indicators: Vaccination Rates

Percent Vaccinated by State, Source: CDC

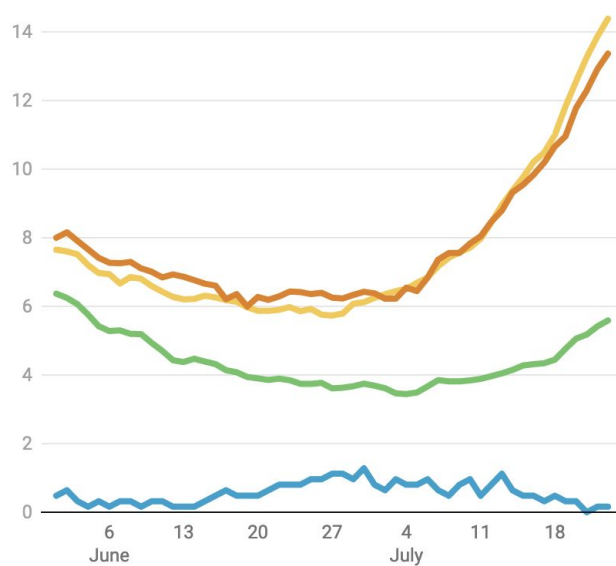


Infections, Hospitalizations, & Deaths by Percentage of State Population Vaccinated

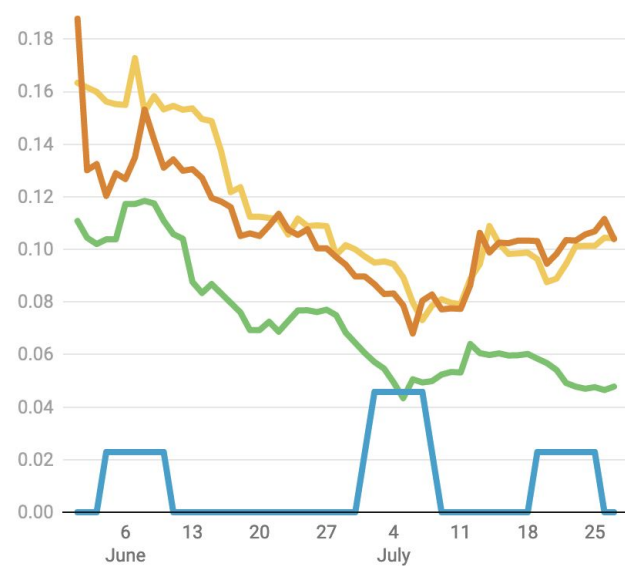
■ <40% Started Vaccination
 ■ 40-60% Started Vaccination
 ■ 60%+ Started Vaccination
 ■ Vermont



Infections per 100K

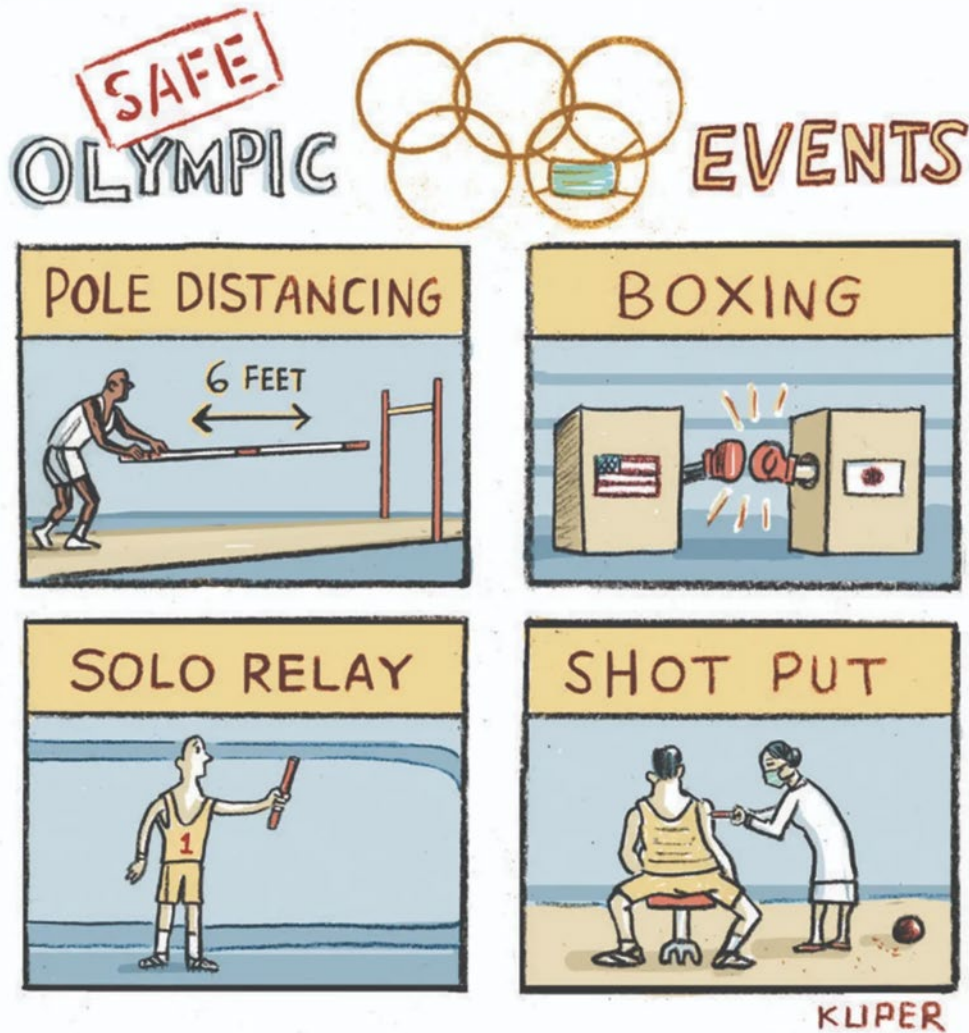


Hospitalizations per 100K



Deaths per 100K

Although vaccination success has reduced the pandemic's impact on the State economy in the near-term, it has not eliminated epidemiological concerns as a controlling factor in the forecasts herein. Accordingly, we will continue to track State, national and global epidemiological trends as a key determinant of the economy and the State's fiscal prospects.



Federal Fiscal and Monetary Policy Update

The magnitude of the federal fiscal and monetary response to the pandemic is hard to fully comprehend. While the expenditure of hundreds of billions of dollars was considered seismic, but necessary, to rescue the nation from the Great Recession in 2009-10, the measures in play now are in the double-digit trillions. The “normalization of trillions” has extended to non-pandemic spending, with proposed infrastructure programs totaling an additional \$4.1 trillion over ten years now under consideration (see table on next page).

Never in U.S. history has the federal government intervened on this scale over such a short timeframe. The reach of the multitude of pandemic countermeasures extends to every sector of the economy, transforming

markets, repricing assets and shaping massive flows of funds between individuals, businesses, states and nations.

As outlined in the below table, over the past year, nearly \$7 trillion in stimulative fiscal spending has been approved, with about \$5 trillion committed or disbursed. A comparable \$6 trillion in monetary measures have been approved, with about \$3 trillion utilized to date, along with other Federal Reserve actions affecting interest rates and borrowing that have huge economic impacts but no specific monetary valuation.

Federal Government Spending - COVID Response to Date

| | ALLOWED | COMMITTED/DISBURSED | DEFICIT IMPACT |
|---|--|------------------------|------------------------|
| FISCAL POLICY | | | |
| Legislative | \$5.89 trillion | \$4.42 trillion | \$5.17 trillion |
| Loan and Grant Programs | \$1.56 trillion | \$1.24 trillion | \$1.05 trillion |
| Income Support | \$895 billion | \$776 billion | \$862 billion |
| State & Local Funding | \$884 billion | \$631 billion | \$882 billion |
| Direct Payments | \$869 billion | \$810 billion | \$869 billion |
| Health Spending | \$662 billion | \$349 billion | \$652 billion |
| Tax Policy | \$573 billion | \$360 billion | \$426 billion |
| Other Spending | \$454 billion | \$253 billion | \$433 billion |
| Administrative | \$861 billion | \$714 billion | \$125 billion |
| Trump Administration | \$598 billion | \$477 billion | \$78.5 billion |
| Biden Administration | \$262 billion | \$237 billion | \$47.0 billion |
| MONETARY POLICY | | | |
| Federal Reserve | \$6.40 trillion | \$3.38 trillion | N/A |
| Asset Purchases | \$3.32 trillion | \$3.25 trillion | N/A |
| Liquidity Measures | \$2.14 trillion | \$476 million | N/A |
| Other Loan Purchase Programs | \$806 billion | \$90.4 billion | N/A |
| Lending Facilities | \$141 billion | \$41.8 billion | N/A |
| Interest Rate & Reserve Requirement Changes | cut federal funds rate to near-zero and reduced reserve requirements to zero | | |

Federal Government Spending - Proposed Infrastructure

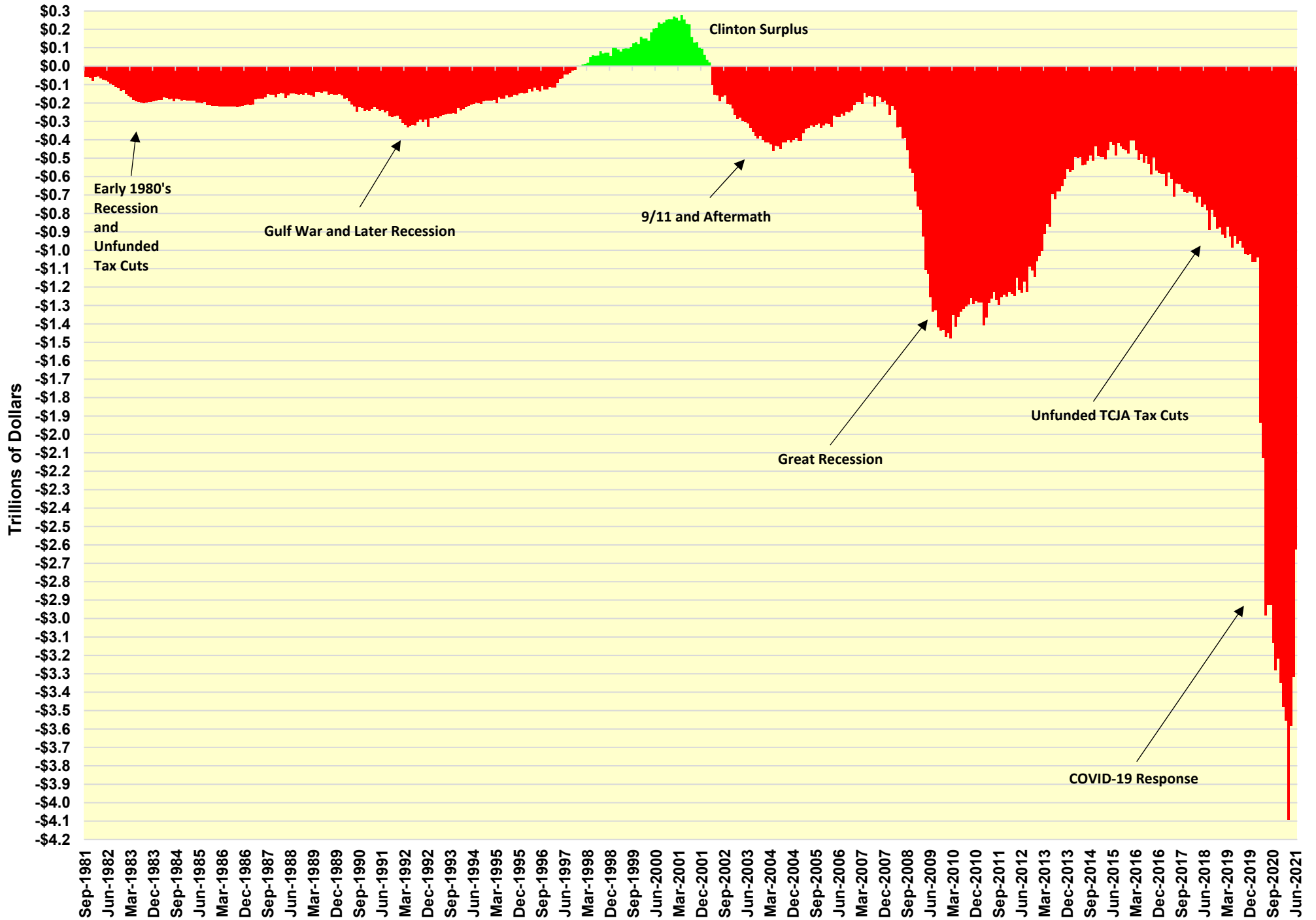
| | PROPOSED | APPROVED | DEFICIT IMPACT |
|-------------------------------|------------------------|----------|----------------------|
| FISCAL POLICY | | | (static basis) |
| Legislative | \$4.14 trillion | | \$649 billion |
| Bipartisan Infrastructure | \$579 billion | | \$53 billion |
| Reconciliation Infrastructure | \$3.56 trillion | | \$595 billion |

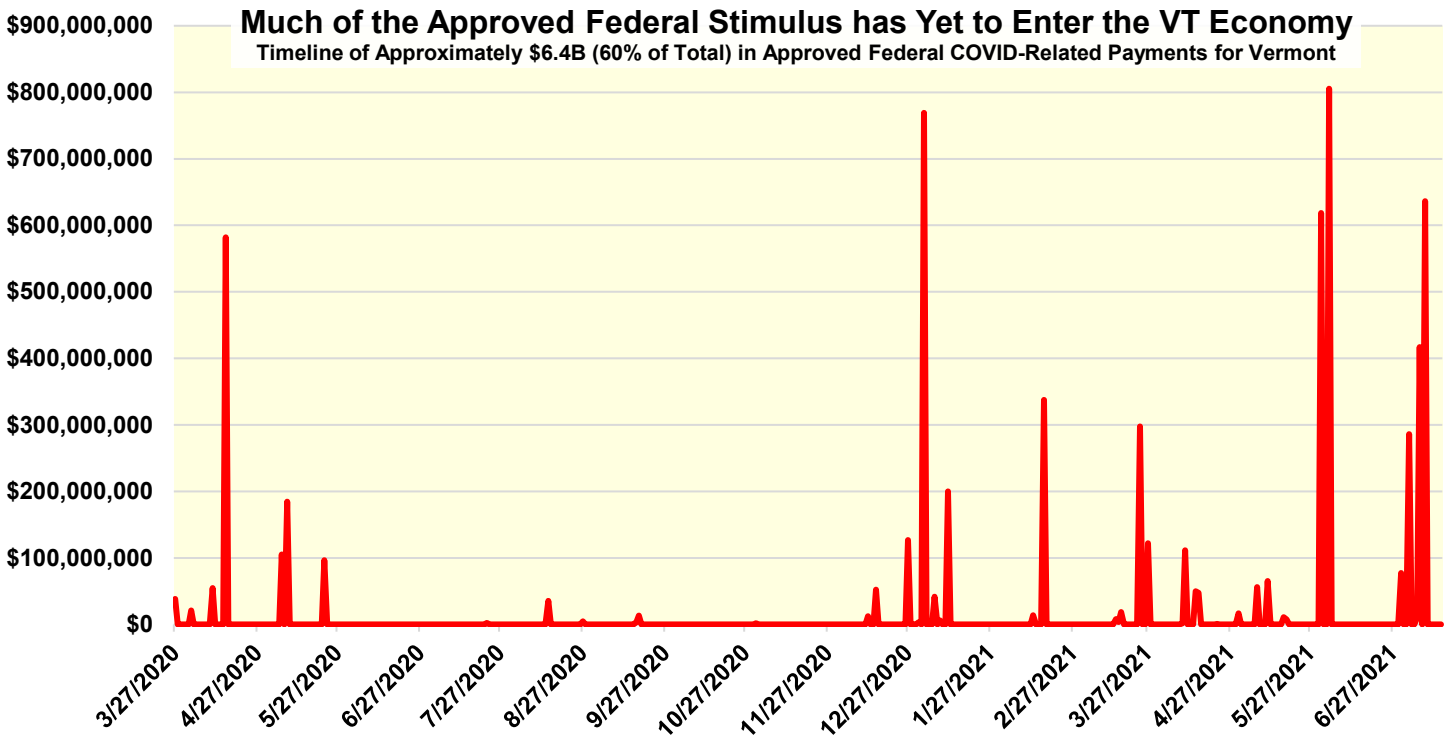
Sources: Committee for a Responsible Federal Budget, Moody's Analytics

More than \$5 trillion of the approved fiscal stimulus has been (or will be) financed with deficit spending (see chart on next page), pushing the total public debt above \$28 trillion and its share of GDP above 125%. No one truly knows what the impacts of this level of deficit spending, sustained low interest rates, and vast public asset purchases may do to the nation or the economy. Even reducing some of these supportive measures has been difficult, as powerful financial institutions and other beneficiaries lobby for their continuation.

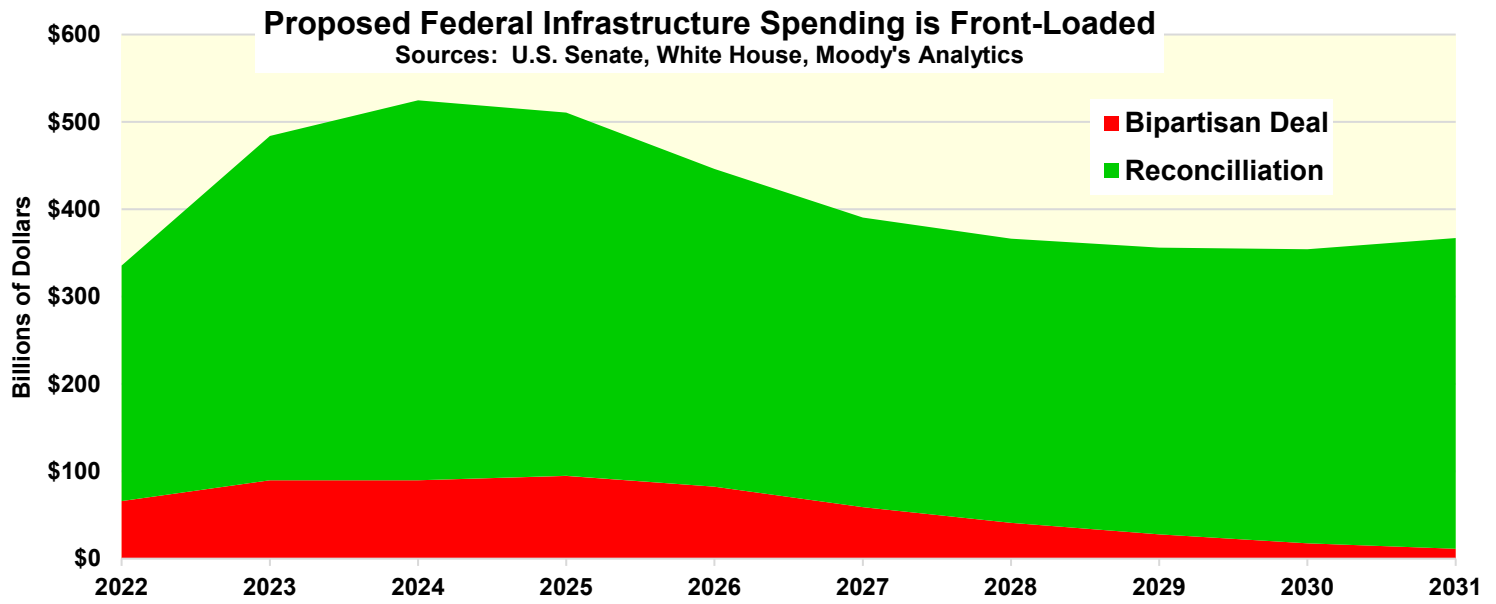
Where's the Limit? What Are the Costs? Deficit Spending Without Precedent

(Federal Budget Deficits and Surpluses, 12 Month Moving Totals, Source: U.S. Treasury)





Much of the “committed” or “disbursed” pandemic spending has yet to actually enter the economy. Some funds may be held for a variety of future uses, while projects are bid, configured and negotiated. Even much of the more-restricted early pandemic funding was either saved, invested or applied with delays. Moody’s Analytics estimates that about \$2.6 trillion in pandemic relief is still parked in savings, much of it among high net worth individuals, that will be spent over a period of years. Per the above chart, much of the pandemic funding that can be specifically traced to Vermont recipients, was approved in 2021, with actual “on the ground” spending still to come. This will sustain the beneficial impacts of this federal largess well into FY22 and FY23, at which time new infrastructure spending is likely to commence.



The proposed infrastructure spending is expected to occur over a ten year period, but is front-loaded, per the chart on the preceding page. It includes expanded childcare, dependent care and earned-income tax credits, clean energy tax incentives, education, housing, nutrition and family leave programs, expanded healthcare benefits and industry research and development and supply chain improvement funding. While most of the program costs are paid for (in theory), there is still about \$600 billion that will either be assumed to be paid via dynamic scoring or borrowing.

Federal Pandemic Transfer Payments to Vermont = **\$9.8 Billion**

...and counting

| | |
|---|-------------------------|
| ECONOMIC IMPACT PAYMENTS | \$ 1,643 Million |
| Economic Impact Payments | \$ 1,643 Million |
| UNEMPLOYMENT | \$ 1,187 Million |
| Federal Pandemic Unemployment Compensation | \$ 838 Million |
| Pandemic Emergency Unemployment Compensation | \$ 147 Million |
| Pandemic Unemployment Assistance | \$ 177 Million |
| Other Emergency Unemployment Funding | \$ 25 Million |
| SMALL BUSINESS SUPPORT | \$ 2,280 Million |
| Paycheck Protection Program | \$ 1,765 Million |
| Restaurant Revitalization Fund | \$ 77 Million |
| Shuttered Venue Operators Grant | \$ 16 Million |
| Emergency Injury Disaster Loan Advances | \$ 40 Million |
| Emergency Injury Disaster Loans | \$ 382 Million |
| PUBLIC HEALTH AID | \$ 841 Million |
| Provider Relief Fund | \$ 258 Million |
| HHS COVID-19 Appropriations | \$ 398 Million |
| Medicare Accelerated and Advance Payments | \$ 185 Million |
| DIRECT AID TO STATES | \$ 2,500 Million |
| Coronavirus Relief Fund | \$ 1,250 Million |
| Coronavirus State and Local Fiscal Recovery Fund | \$ 1,250 Million |
| OTHER | \$ 815 Million |
| FEMA Disaster Relief Fund | \$ 348 Million |
| Infrastructure Grants | \$ 65 Million |
| Rental Assistance | \$ 352 Million |
| Homeowner Assistance Fund | \$ 50 Million |
| EDUCATIONAL SUPPORT | \$ 578 Million |
| Governor's Emergency Education Relief Fund | \$ 11 Million |
| Elementary and Secondary School Emergency Relief Fund | \$ 443 Million |
| Higher Education Emergency Relief Fund | \$ 124 Million |

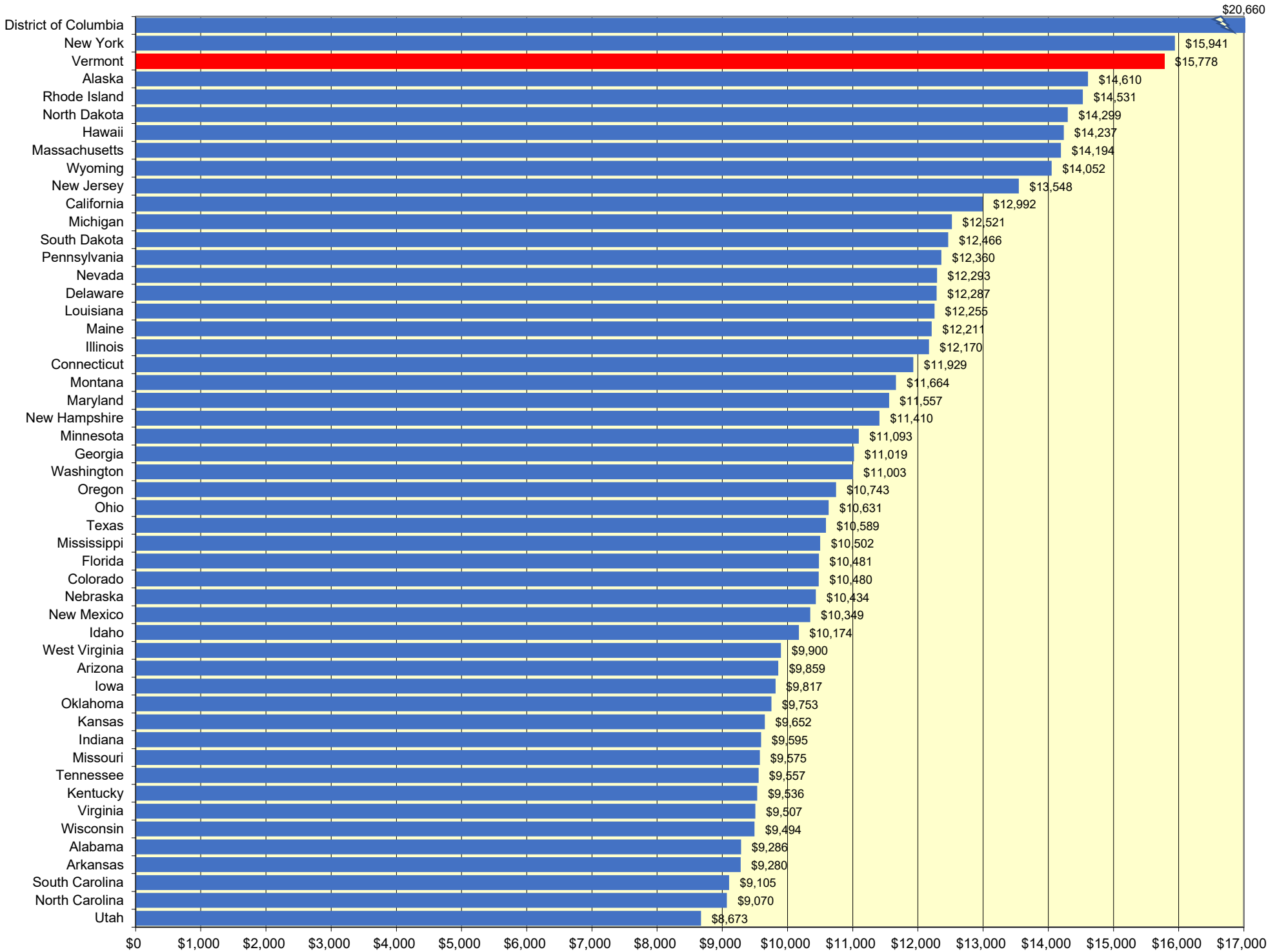
Total Per Capita (third highest in the nation, after New York and Washington, DC): **\$15,778**

Source: Peter G. Peterson Foundation, estimates through July 9, 2021

The amount of pandemic spending going to Vermont has nearly doubled since our January 2021 forecast. Our assumption in January was based on a December control forecast that did not assume one-party control of Congress. With the Georgia senate seats both going to Democrats, considerably greater federal fiscal spending has resulted. Per the above table, which only includes programs for which there is a clear state designation, Vermont is now expected to receive about \$10 billion – almost a third of the State's current annual total GDP. This represents almost \$16K

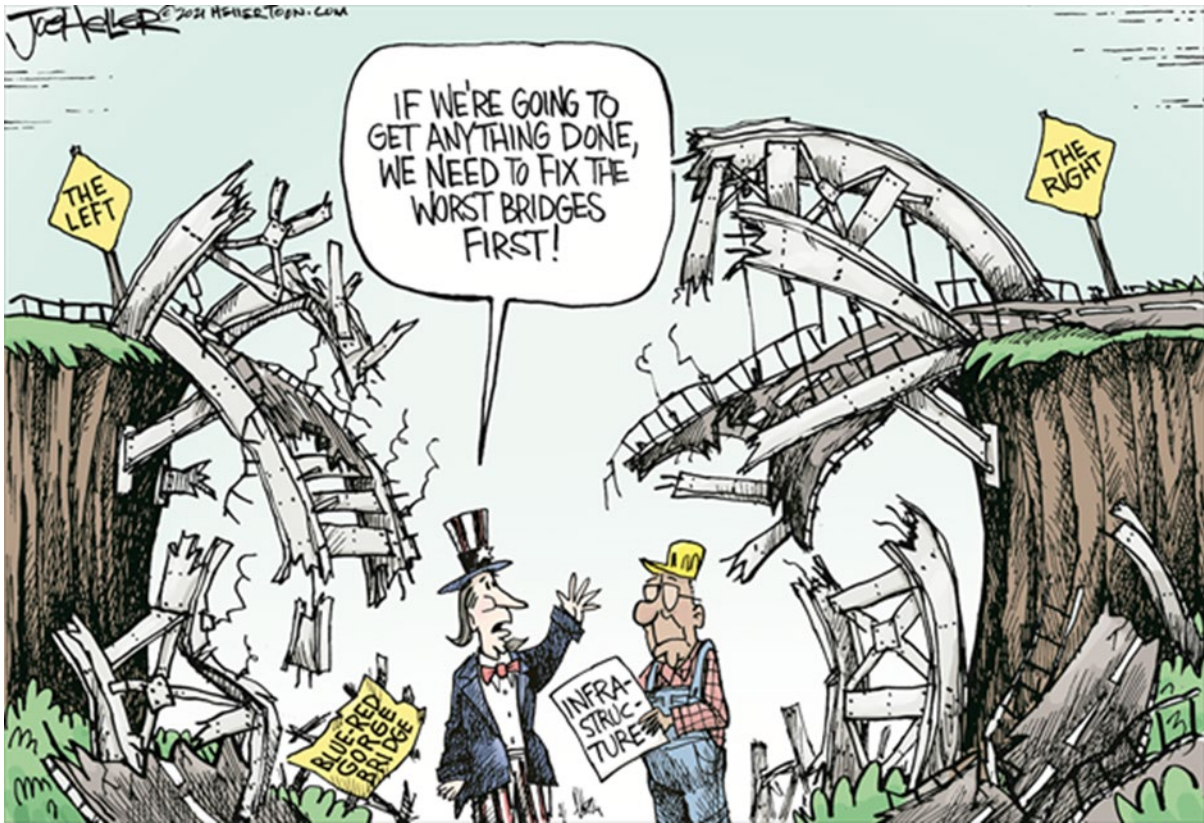
Per Capita Pandemic-Related Federal Transfer Payments

Based on Expenditures from 22 Major COVID-19 Relief Programs Totaling \$3.8 Trillion , Through July 9, 2021, Source: Peter G. Peterson Foundation



per person and, as shown on the chart on the preceding page, the third highest per capita draw in the nation.

This tsunami of incoming money, along with the same in surrounding states, is a large part of what is now propelling Vermont tax revenues, as it circulates throughout the economy with multiplier effects. Remarkably, the largest natural disaster in the last hundred years has led to the largest State revenue upgrade ever, with funding for public projects that would not previously have been conceivable.



While undeniably impactful, the costs associated with this unprecedented spending will reverberate through the federal budget for many years, driving the federal deficit to record levels, adding significant interest expense, generating higher levels of inflation, and possibly slowing future growth as the economy is ultimately weaned off this support and deals with the bill.

Economic Forecast Update

- With the pandemic receding, the extensive fiscal and monetary support coursing through the economy is expected to combine in FY22 to create the highest nominal economic growth in Vermont (+9.2%) and the nation (+10.1%) since the 1980's. GDP growth in FY23 will slow to about half that of FY22, but still be among the best years in the last two decades.

- Employment growth has been slow, as labor force participation remains subdued due to health and childcare concerns and the more generous unemployment benefits still in effect. U.S. total nonagricultural employment in June was still 6.8 million jobs below its pre-pandemic level in February of 2020 – a 4.4% decline. Over the same period in Vermont, total employment was 19.2 thousand below pre-pandemic levels, about 6.1% lower. Despite these drops in employment, enhanced UI benefits have served to maintain consumer spending and supported withholding tax payments during the past 17 months.
- This slow employment growth, however, is not indicative of general labor market conditions. As with many economic indicators, the pandemic has skewed “normal” interpretations of market statistics. As illustrated on the chart on the following page, with the economy reopening, job openings are now at the highest levels ever recorded and, at 9.2 million in May, roughly match the number of unemployed persons. The quit rate is also at record highs and many businesses report attracting and retaining workers as being their greatest business challenge at this time. This is particularly true in low wage service jobs, such as those in the hard-hit leisure and hospitality sector. This is serving to increase wages in almost every sector and slow business reopenings in those just emerging and/or without pricing power.

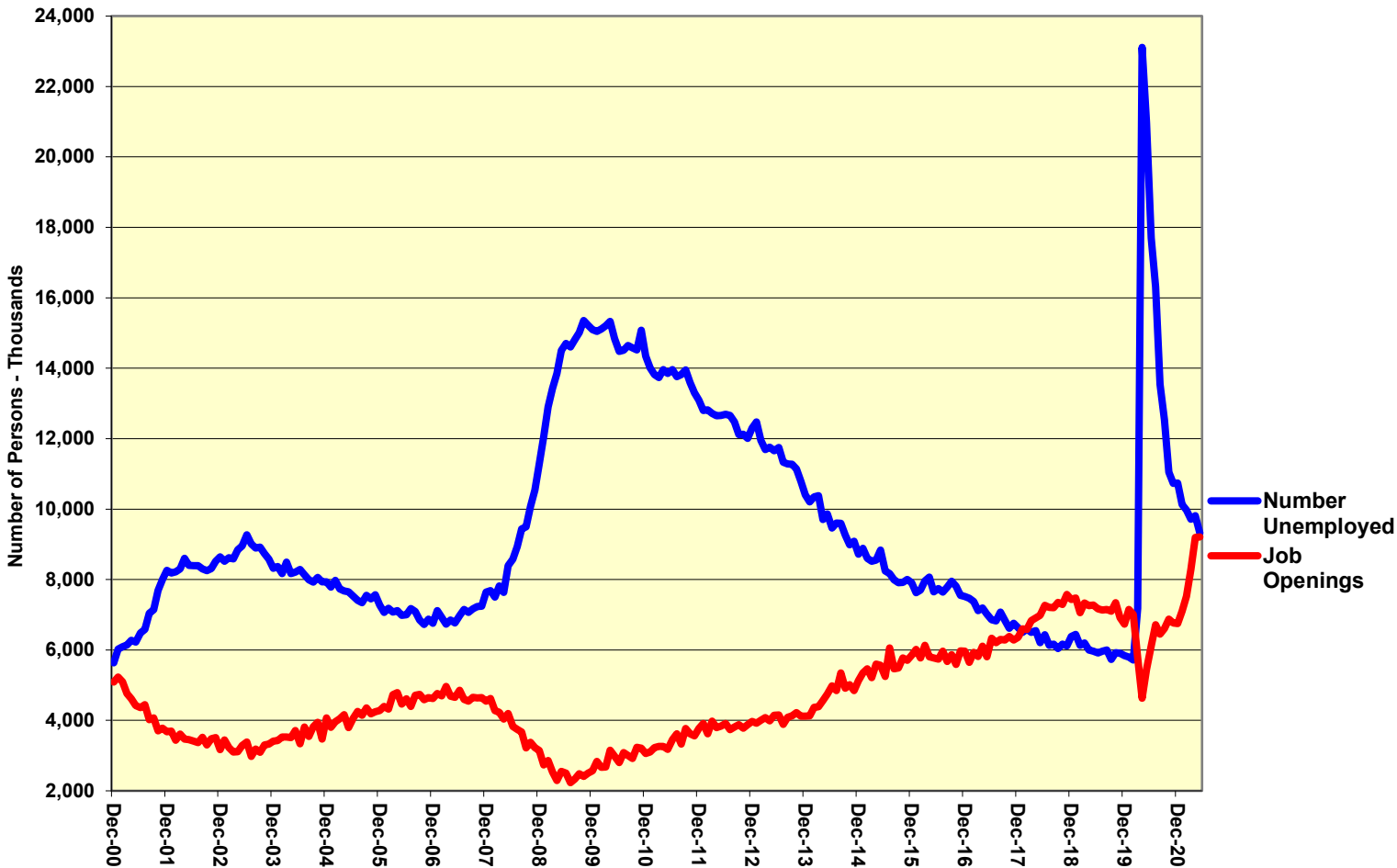


- The unemployment rate in Vermont remained among the lowest in the country in June, at 3.1%, only slightly above its pre-pandemic level. In the region, NH had the lowest rate, at 2.9%, and the other five New England and

bordering (+NY) states were widely divergent, ranging from 4.8% in Maine to 7.9% in Connecticut – the worst in the nation (see chart on page 14).

Job Openings Now Match Number Unemployed, Reflecting Tight Labor Market

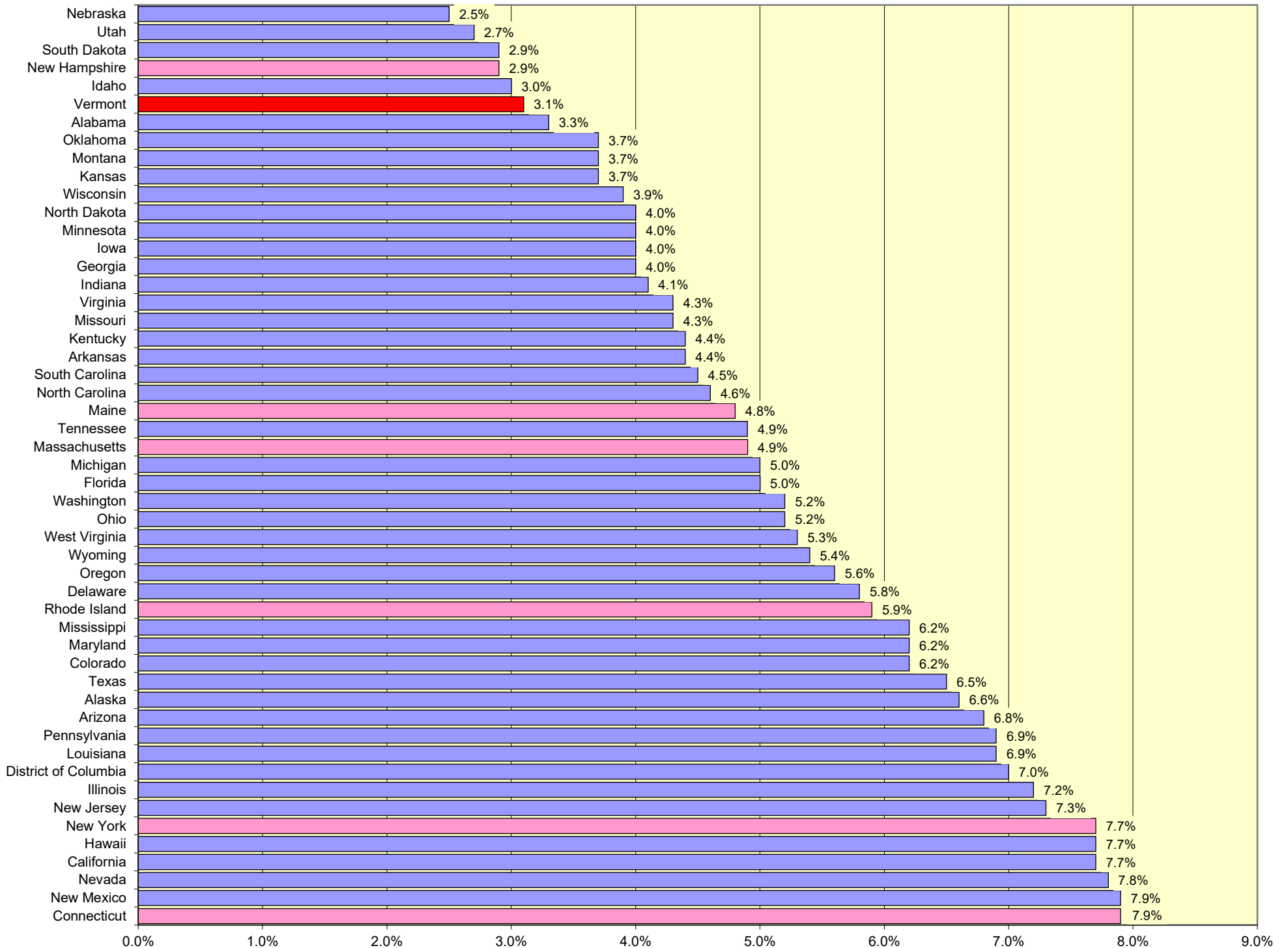
(U.S. data, Seasonally adjusted, Source: Bureau of Labor Statistics, U.S. Department of Labor)



- Along with wage increases, supply bottlenecks arising from both pandemic supply chain interruptions and surging demand are causing large price hikes and igniting inflation fears. While the Fed has been brushing these off as “transitory,” it remains to be seen whether they persist to the degree that they become baked into future expectations. If so, they could present a real threat to the Fed’s easy money policies and cause a reversal and concomitant slowing of the economy. To date, the headline CPI changes have mostly been reported on a year over year percent change basis, which given the dip in prices at the onset of the pandemic, exaggerate annualized inflation. Going back to 2019 levels, the chart on the page 16 illustrates the wide variation in price changes by selected CPI components over the past two years.
- Housing markets have been booming throughout the pandemic, but with low interest rates and vast increases in wealth and income, are poised to heat up even further. The latest home price data through the first quarter of 2021, show accelerating prices in most states, with year over year growth in Vermont rising to 8.4%. The region also experienced strong growth in the

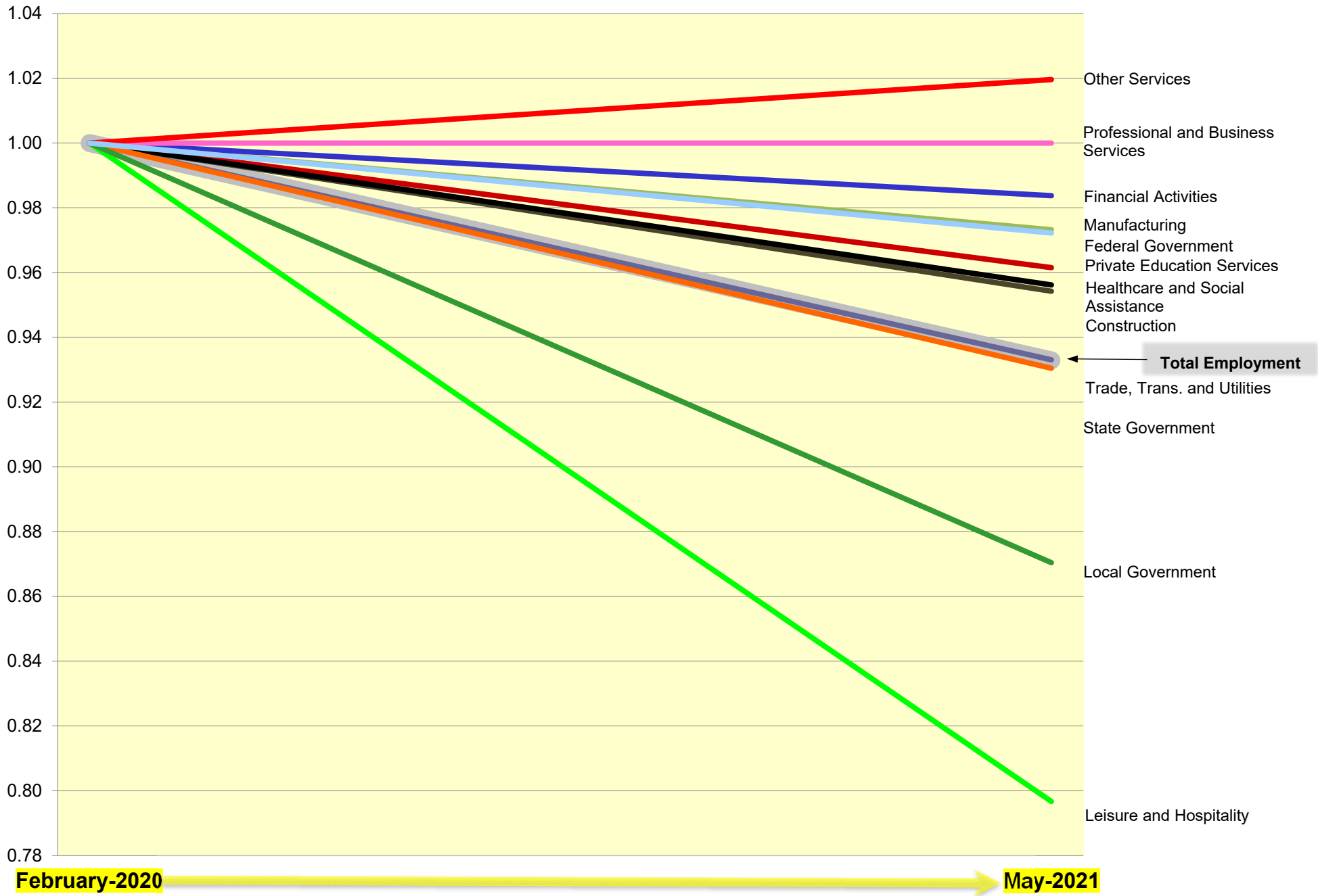
Unemployment Rate by State - June 2021

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



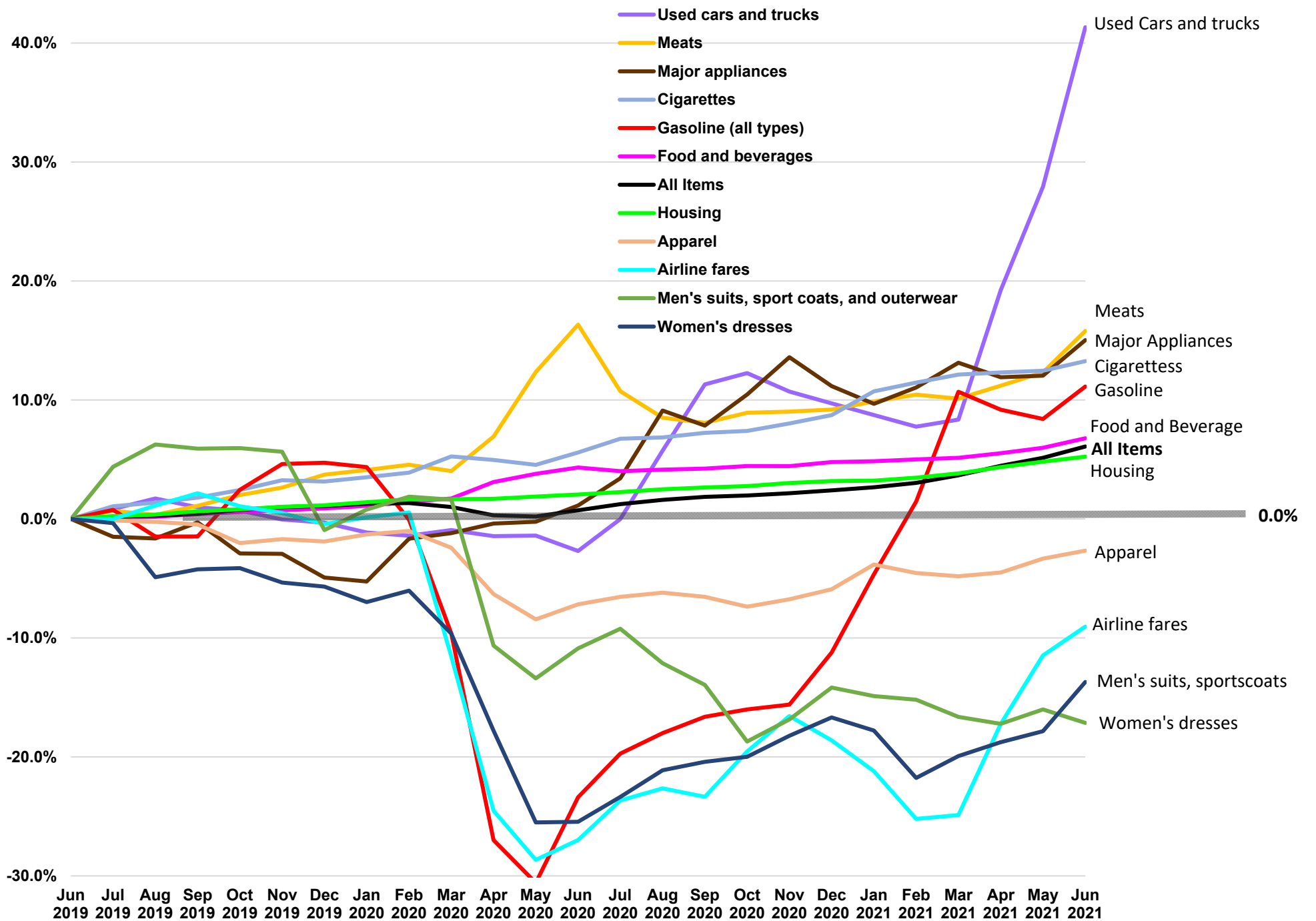
Pandemic Reshuffles Vermont Employment

Employment by Industry in May 2021 Relative to Pre-Pandemic Employment in February 2020, Indexed to 1.00, Seasonally Adjusted Data , VT DOL



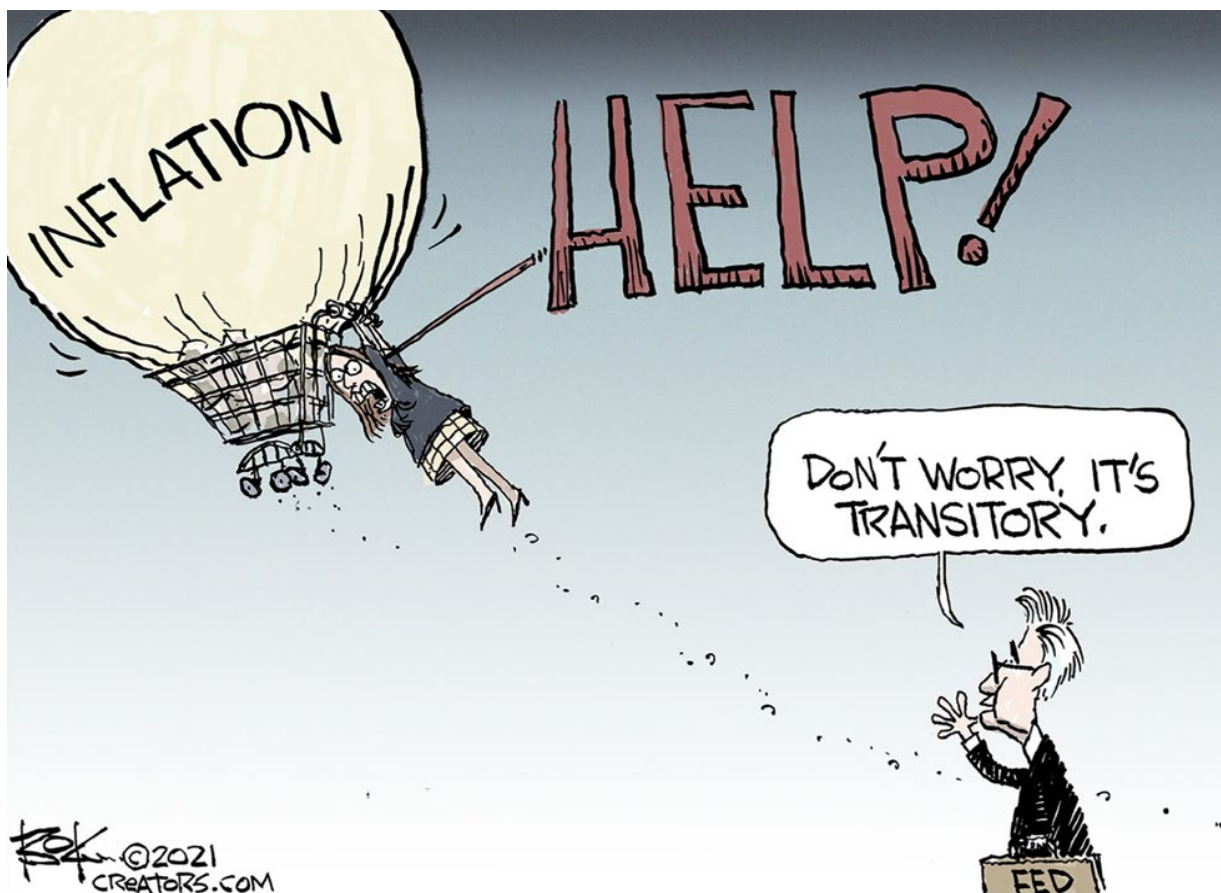
Like Everything Else, Pandemic Skews Inflationary Impacts by Sector

Percent Change in Rate of Inflation Relative to June 2019 by Selected Component, Source: BLS



first quarter, at 10.4% in ME, 9.8% in NH, 9.1% in RI, 8.6% in CT, 7.1% in NY and 6.9% in MA. It is no coincidence that the states with the largest urban centers exhibited slower growth, while more rural states had higher price growth. With demand continuing to be strong and returns from other asset classes more limited, there could be substantial investment and price appreciation in residential real estate in FY22 and beyond.

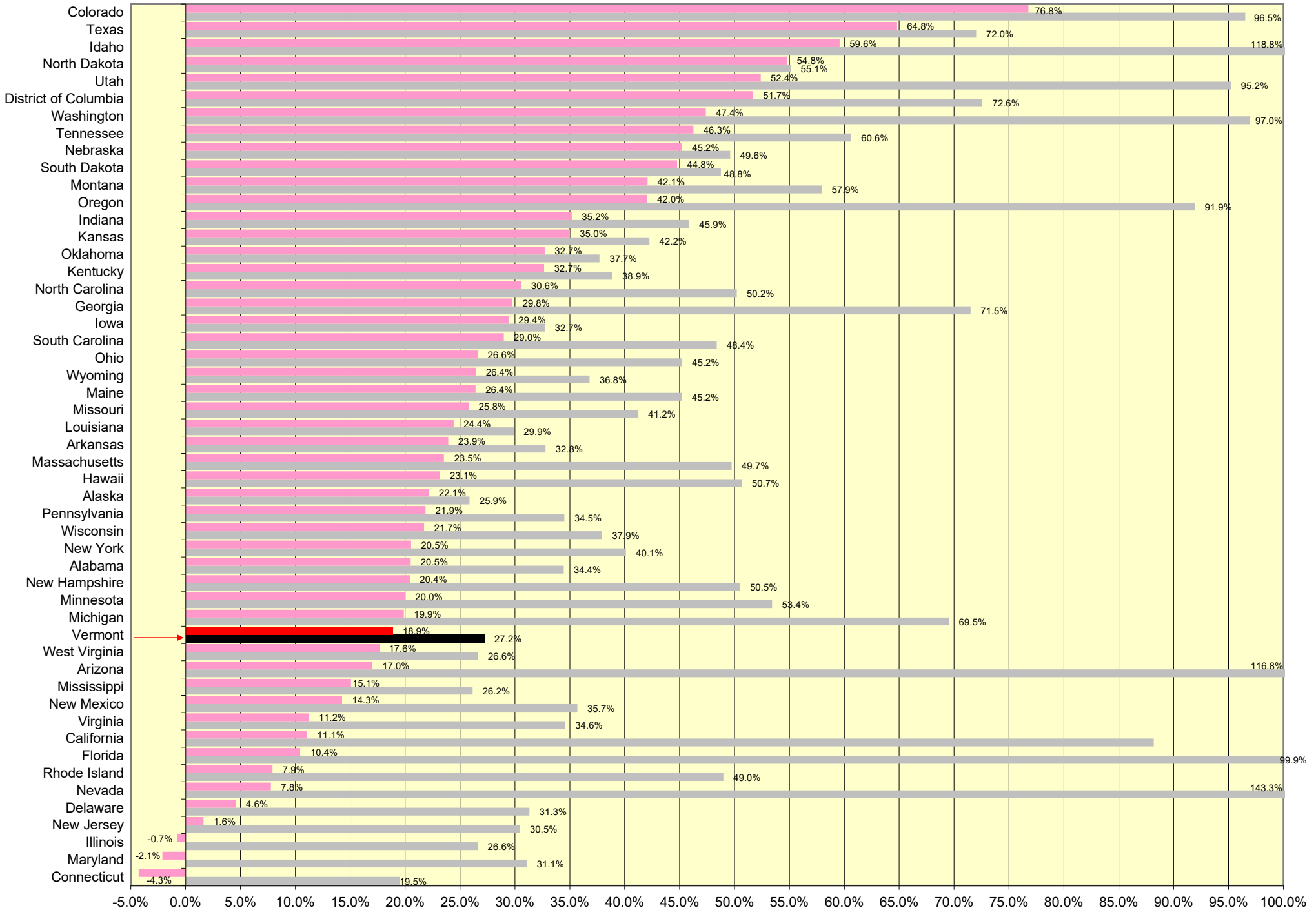
- In response to these price signals, new residential construction starts in Vermont were up 25% in 2020, while nonresidential building was down 32% and nonbuilding construction (streets, highways, bridges, etc.), dropped 23%. Warehouse construction was the only major nonresidential commercial building type to show growth in 2020. In the first six months of 2021, residential building was up another 37%, with nonresidential building down 57% and nonbuilding construction up 88%. All of the strength in residential building in Vermont was concentrated in single family housing, with the number of new starts totaling 880, up 29% from 2019. Through June, single family starts already total 571 units, a 66% increase over 2020. Apartment starts in 2020 dropped 44% from 622 units to 473 and have continued to decline in 2021, with just 99 units built in the first 6 months, a 71% decline. Going forward, residential single family building will continue to be the largest near-term growth area for those in the building trades, with nonbuilding construction benefitting from more recent pandemic and longer-term infrastructure spending.



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

Percent Change, 2021Q1 vs. Peak Price Reached Between 2005Q3 and 2009Q3 - Pink and 2021Q1 vs. Trough Price Reached Between 2009Q3 and 2014Q1 - Grey

Source: FHFA Home Price Index (All Transactions)



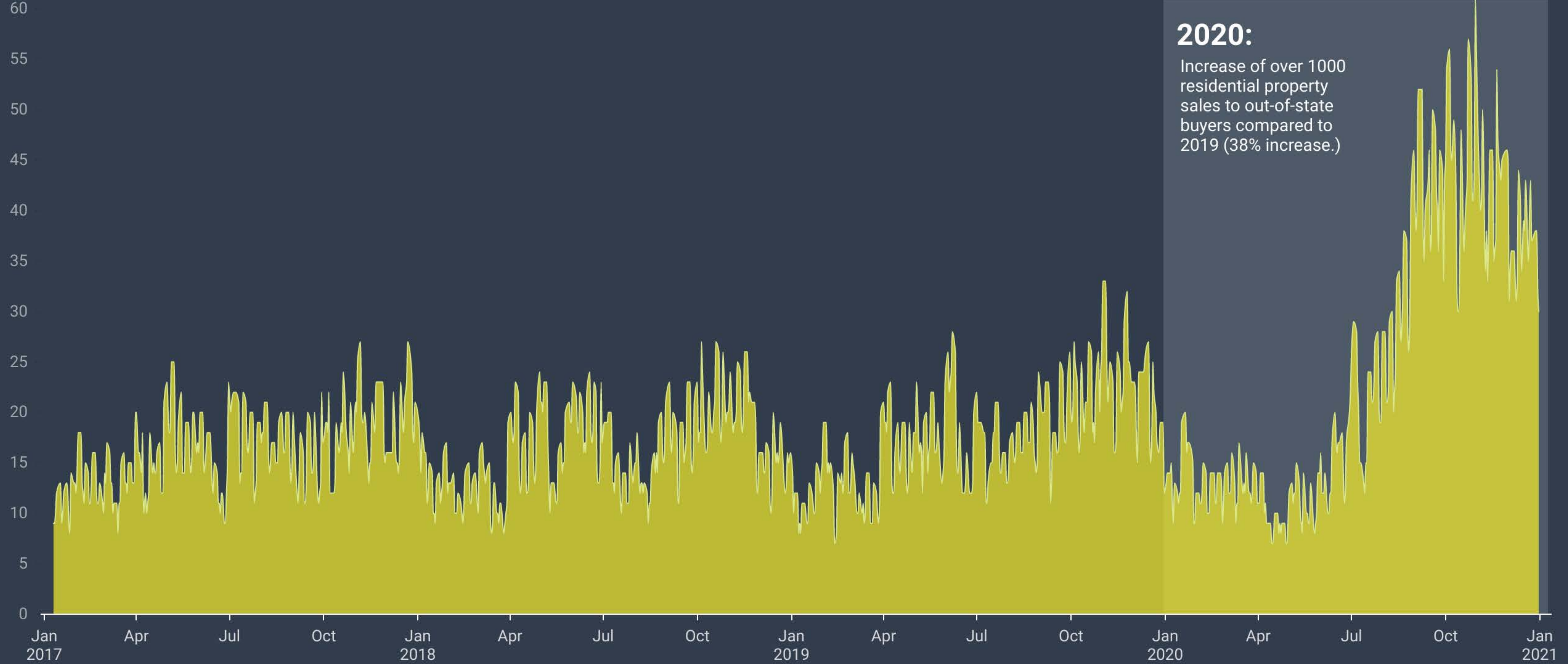
- Vermont residential property sales to out-of-state buyers surged 38% in 2020 as remote work sent many to the safety of rural areas (see chart on following page). As shown in the map on page 21, many of these sales were concentrated in resort communities. Although it is too early to know whether this trend will persist beyond the pandemic, it has continued into 2021. With remote work now a much more acceptable option for many U.S. employers and workers, if and when widespread high speed broadband access is available, Vermont will be in a strong competitive position to attract many such workers. This could be a transformational change for the State.
- Electricity consumption data in Vermont (see chart on page 22) reveal that even as commercial and industrial power usage is still not back to pre-pandemic baselines, increased residential use has created overall demand growth in 7 of the last 9 months. This suggests that working from home may be a more persistent feature of the pandemic, limiting commercial demand reductions to office and other workplace buildings and not retail and other commercial establishments.
- There are both upside and downside risks to the forecast – both of which could be larger than “normal.” They include:
 - Extremely low global vaccination rates that render the emergence of viral variants a high probability event. Any resurgent variant (or even the current Delta variant) that causes significant healthcare impacts and results in school and business closures could reverse the reopening gains or worse.
 - A large equity, housing, or other asset market price correction could dent growth and undermine consumer confidence.
 - A rapid and sustained acceleration in inflation could lead the Fed to raise interest rates higher and earlier than projected, with severe effects.
 - The gradual removal of monetary support will be difficult to effect gracefully and could result in market disruptions that derail growth.

State Revenue Update

- State revenues in FY21 consistently surpassed targets in almost all major revenue categories. The early deployment of vaccines accelerated the economy’s reopening and the massive flows of federal money permeated almost every tax category, leading to huge increases in some of the largest State revenue sources. The General Fund ended the year \$194M above target (+11%), the Transportation Fund was up about \$8M (+3%), and the Education Fund closed the fiscal year \$31M above target (+5%). Total revenues across all three major funds were \$233M (+9%) over target.
- In FY22, total revenues across all three funds are expected to be about \$242M above prior January 2021 estimates and in FY23, \$268M above prior estimates.

VT Residential Property Sales to Out-of-State Buyers

7-Day Average of Daily Transactions from 2017-2021



2020:

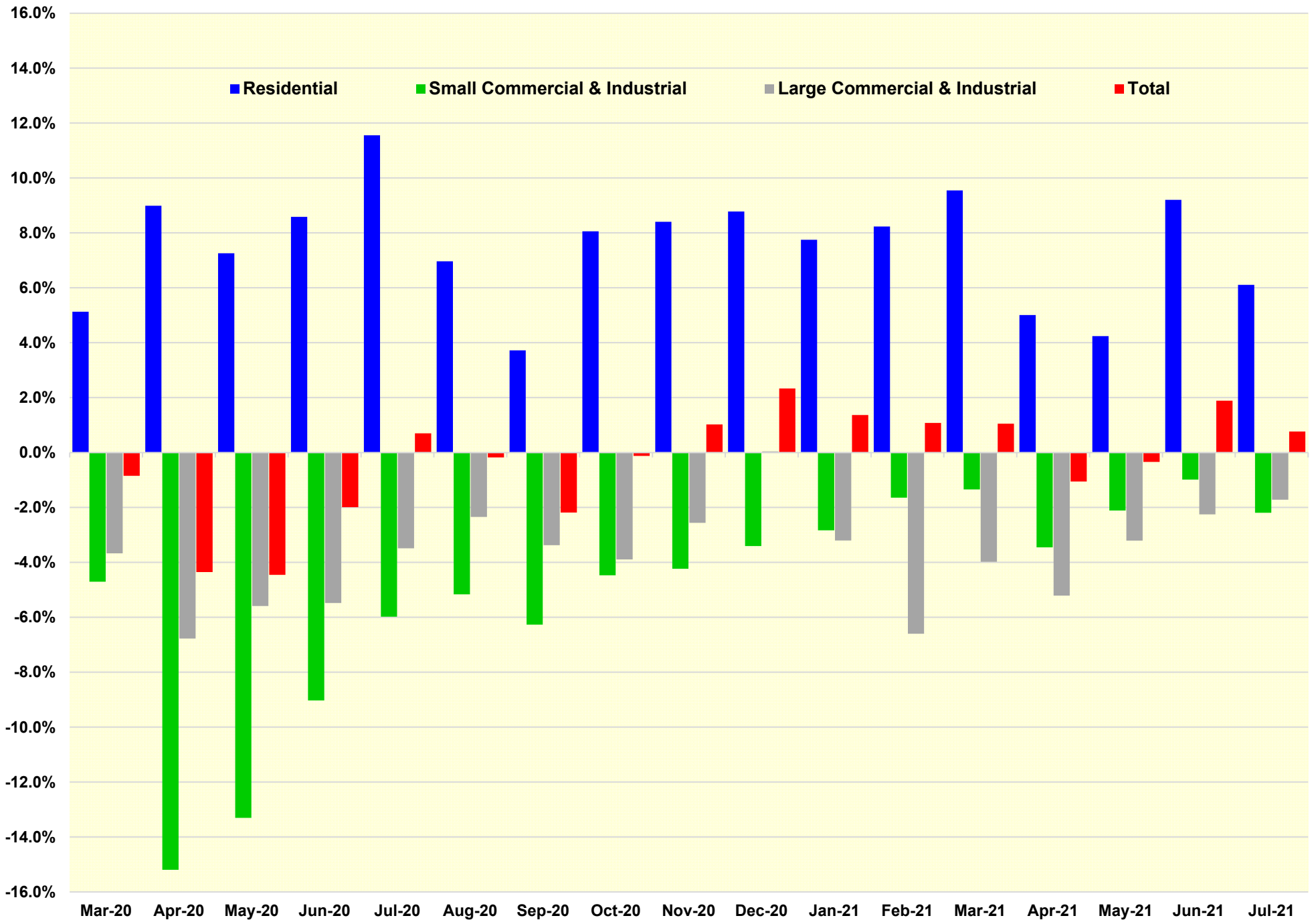
Increase of over 1000 residential property sales to out-of-state buyers compared to 2019 (38% increase.)

Transactions included are those over \$20,000 with buyer self reporting use as 'primary' or 'secondary' residence and buyer mailing address outside of Vermont in the property transfer tax return.

Chart: VCGI • Source: VT Dept of Taxes • Created with Datawrapper

Slowly Returning to Some Kind of Normal...

GMP Electricity Sales By End-Market in Vermont, Average Monthly Percent Change from Baseline, Normalized Actual vs. Baseline, Sources: GMP, Itron, KRA. GMP represents approximately 77% of the total Vermont electricity load



- Revenue comparisons with both the January 2021 and January 2020 (pre-pandemic) forecasts are outlined in the below two tables:

| July 2021 vs. January 2021 | | | |
|-----------------------------------|----------------|----------------|----------------|
| | FY2021 | FY2022 | FY2023 |
| Education Fund | \$31.1 | \$39.0 | \$54.3 |
| Transportation Fund | \$7.7 | \$13.3 | \$14.7 |
| General Fund | \$194.0 | \$190.2 | \$199.1 |
| (Healthcare Only) | -\$2.3 | \$6.4 | \$6.8 |
| (General Fund Ex HC) | \$196.3 | \$183.8 | \$192.4 |
| Total Current Law | \$232.9 | \$242.5 | \$268.1 |

| July 2021 vs January 2020 | | | |
|----------------------------------|----------------|----------------|----------------|
| | FY2021 | FY2022 | FY2023 |
| Education Fund | \$46.5 | \$70.5 | \$72.3 |
| Transportation Fund | -\$5.2 | \$7.2 | \$10.4 |
| General Fund | \$171.4 | \$242.0 | \$249.0 |
| (Healthcare Only) | \$2.5 | \$9.3 | \$7.4 |
| (General Fund Ex HC) | \$168.9 | \$232.8 | \$241.6 |
| Total Current Law | \$212.7 | \$319.7 | \$331.7 |

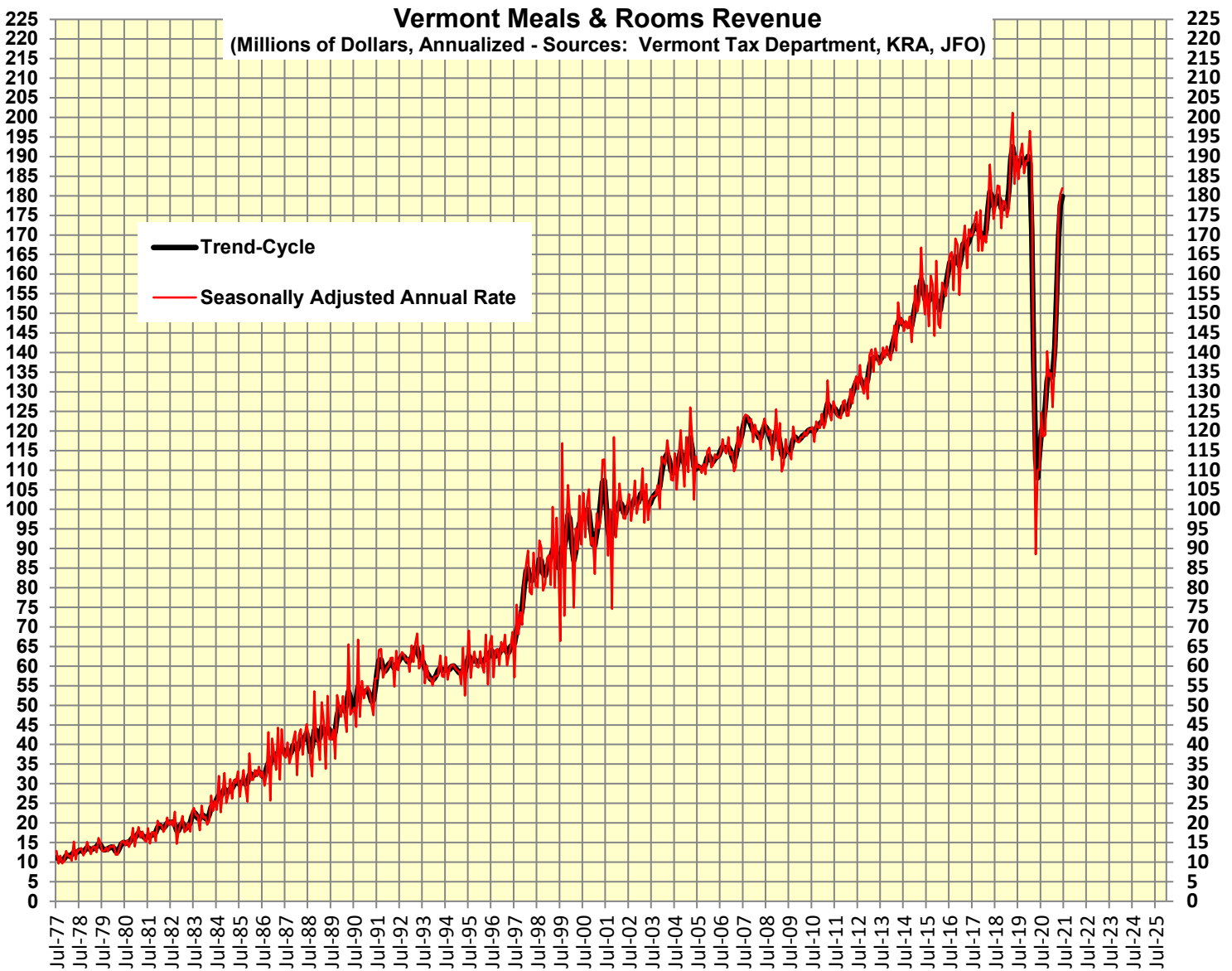
- While there were a few discreet large taxable events that boosted FY21 revenues, even after accounting for these, there was broad-based strength in each of the above-target revenue sources that is likely to persist as long as the federal dollars continue to flow and the pandemic recedes to manageable levels.
- As noted above, much of the already approved federal funding has yet to be spent and will support State tax revenues as it flows into FY22 and FY23. Additional infrastructure spending, if/when approved, will only add to the length and intensity of the stimulus now present. Because much of the funding released to date has been saved or invested, the capacity for future spending is elevated and will support continued revenue strength.
- Personal income tax receipts topped \$1 billion in FY21 for the first time ever – and are expected to remain elevated for at least the next two fiscal years. The strength in PI receipts extended to all subcategories, with both higher payments and lower refunding boosting total revenues. Although there were many sizeable PI tax payments, there were no single events that gave rise to extremely large individual or groups of tax payments. When final 2020 tax year data are available after final payments are made in October of this year, we will know more about the composition of the tax filings and sources of income. Early indications do not suggest a large surge in payments by out-of-state taxpayers working in Vermont remotely, but until the extension filings

are processed, this will be uncertain. Early review of FY21 data also suggest that the distribution of income may have continued to tilt towards higher income taxpayers, who pay higher marginal rates – which may also explain some of the exceptional FY21 strength. If so, this is unlikely to change anytime within the forecast horizon. With asset prices soaring across many asset classes, capital gains-related revenues are also a likely source of FY21 PI growth – and will be an important factor in FY22 and FY23 growth as well. Any change to the federal capital gains tax rate could push gains into a single year, yielding uneven but comparably large revenue gains over the two-year forecast period.

- Corporate tax revenues were extraordinarily robust in FY21, with a diverse array of taxpayers experiencing strong profitability. While corporate tax revenues are usually concentrated in a relatively small number of firms (not always the same ones), the distribution of payments in FY21 was broad-based, with the top 35 payers accounting for about half of all corporate receipts and the top 100, about 70% of all revenue. The shift to market-based sourcing effective in 2020 also appears to have contributed to FY21 strength, although until final returns are filed, it will be impossible to know the magnitude of this. The current environment for corporate profits is extremely favorable, with low interest rates, high consumer demand, and pricing power at many firms that will allow costs to be passed through and profitability preserved or enhanced.
- Despite a 41% FY21 growth forecast in January for Property Transfer tax revenues, the fiscal year ended with phenomenal 80% growth. Although most of the PTT revenue does not accrue to the Available General Fund, it still generates substantial revenues to the State. As mentioned above, accelerating residential real estate markets will continue to support very high levels of PTT revenue in FY22 and FY23, with bubble-like conditions possibly developing during this period.
- Education Fund consumption taxes virtually all benefitted from federal transfer payment flows to individuals and businesses in FY21. Sales & Use, Motor Vehicle Purchase & Use, and Meals & Rooms taxes were all powered by plentiful personal income and savings, and wealth effects from equity and real estate markets. Sales & Use revenues topped FY21 targets by \$19M (4%), while MVP&U and M&R revenues were both more than 10% above target. MVP&U had several of its largest single months ever recorded during the second half of FY21, growing 27% for the year. Meals & Rooms revenues are probably the best measure of the extent to which complete reopening is occurring, and after early vaccination success, surged in the last quarter of FY21 to a seasonally adjusted annual rate of \$180M (see chart on following page). While still not 100% back, this is strong and early progress.
- Transportation Fund revenues also benefitted from MVP&U strength, while most other revenue sources were close to projections. Weakness in Other T-Fund revenue was caused by low jet fuel demand and reduced civil traffic fine

revenues, as both air and car travel were limited. This should rebound in FY22 as the pandemic recedes.

- Lottery revenues reached record levels in FY21 due to several large jackpots and plentiful consumer income. While higher operating costs are expected to slow revenue transfers to the E-Fund in FY22, growth should resume in FY23 and beyond.



- 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 December 2020 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 2019 through June 2021, Selected Variables, Calendar Year Basis

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|------|------|------|------|------|
| Real GDP Growth | | | | | | | | | |
| December-19 | 2.9 | 1.6 | 2.4 | 2.9 | 2.3 | 1.8 | 1.9 | 2.5 | 2.1 |
| July-20 | 2.9 | 1.6 | 2.4 | 2.9 | 2.3 | -5.9 | 3.2 | 5.2 | 2.7 |
| December-20 | 3.1 | 1.7 | 2.3 | 3.0 | 2.2 | -3.5 | 4.1 | 4.7 | 3.2 |
| June-21 | 3.1 | 1.7 | 2.3 | 3.0 | 2.2 | -3.5 | 6.7 | 5.0 | 2.9 |
| S&P 500 Growth (Annual Avg.) | | | | | | | | | |
| December-19 | 6.8 | 1.5 | 17.0 | 12.1 | 6.1 | -2.0 | 1.8 | 6.3 | |
| July-20 | 6.8 | 1.5 | 17.0 | 12.1 | 6.1 | -3.0 | -2.9 | 12.4 | 4.9 |
| December-20 | 6.8 | 1.5 | 17.0 | 12.1 | 6.1 | 9.7 | 12.8 | 1.7 | -3.9 |
| June-21 | 6.8 | 1.5 | 17.0 | 12.1 | 6.1 | 10.5 | 26.3 | -3.5 | -2.7 |
| Employment Growth (Non-Ag) | | | | | | | | | |
| December-19 | 2.1 | 1.8 | 1.6 | 1.7 | 1.6 | 1.0 | 0.2 | 0.8 | 0.6 |
| July-20 | 2.1 | 1.8 | 1.6 | 1.6 | 1.4 | -5.9 | 0.5 | 3.5 | 3.2 |
| December-20 | 2.1 | 1.8 | 1.6 | 1.6 | 1.4 | -5.8 | 1.2 | 2.5 | 2.4 |
| June-21 | 2.1 | 1.8 | 1.6 | 1.6 | 1.3 | -5.7 | 3.0 | 4.6 | 2.1 |
| Unemployment Rate | | | | | | | | | |
| December-19 | 5.3 | 4.9 | 4.4 | 3.9 | 3.7 | 3.8 | 4.1 | 4.3 | 4.4 |
| July-20 | 5.3 | 4.9 | 4.3 | 3.9 | 3.7 | 9.2 | 8.1 | 6.6 | 4.9 |
| December-20 | 5.3 | 4.9 | 4.3 | 3.9 | 3.7 | 8.1 | 6.9 | 6.0 | 4.6 |
| June-21 | 5.3 | 4.9 | 4.4 | 3.9 | 3.7 | 8.1 | 5.4 | 3.7 | 3.5 |
| West Texas Int. Crude Oil \$/Bbl | | | | | | | | | |
| December-19 | 49 | 43 | 51 | 65 | 57 | 57 | 59 | 59 | 60 |
| July-20 | 49 | 43 | 51 | 65 | 57 | 37 | 45 | 54 | 60 |
| December-20 | 49 | 43 | 51 | 65 | 57 | 38 | 45 | 54 | 60 |
| June-21 | 49 | 43 | 51 | 65 | 57 | 39 | 67 | 63 | 58 |
| Prime Rate | | | | | | | | | |
| December-19 | 3.26 | 3.51 | 4.10 | 4.90 | 5.27 | 4.60 | 4.70 | 5.53 | 6.05 |
| July-20 | 3.26 | 3.51 | 4.10 | 4.90 | 5.29 | 3.50 | 3.25 | 3.25 | 3.63 |
| December-20 | 3.26 | 3.51 | 4.10 | 4.90 | 5.29 | 3.54 | 3.25 | 3.25 | 3.33 |
| June-21 | 3.26 | 3.51 | 4.10 | 4.90 | 5.29 | 3.54 | 3.25 | 3.25 | 3.64 |
| Consumer Price Index Growth | | | | | | | | | |
| December-19 | 0.1 | 1.3 | 2.1 | 2.4 | 1.9 | 2.2 | 2.4 | 2.4 | 2.4 |
| July-20 | 0.1 | 1.3 | 2.1 | 2.4 | 1.8 | 0.4 | 1.6 | 2.3 | 2.4 |
| December-20 | 0.1 | 1.3 | 2.1 | 2.4 | 1.8 | 1.2 | 2.0 | 2.6 | 2.7 |
| June-21 | 0.1 | 1.3 | 2.1 | 2.4 | 1.8 | 1.2 | 3.4 | 2.8 | 2.6 |
| Average Home Price Growth | | | | | | | | | |
| December-19 | 5.2 | 5.5 | 6.0 | 6.5 | 4.9 | 4.4 | 4.1 | 3.9 | 3.7 |
| July-20 | 5.2 | 5.4 | 5.9 | 6.2 | 5.1 | 3.5 | 1.8 | 3.1 | 5.2 |
| December-20 | 5.2 | 5.3 | 5.8 | 5.8 | 4.8 | 4.7 | 4.5 | 4.8 | 5.1 |
| June-21 | 5.2 | 5.3 | 5.5 | 5.6 | 4.6 | 5.1 | 8.6 | 10.4 | 8.4 |

TABLE B
Comparison of Consensus Administration and JFO Vermont State Forecasts
June 2017 through December 2019, Selected Variables, Calendar Year Basis

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------|------|------|------|------|------|------|------|------|------|
| Real GSP Growth | | | | | | | | | |
| December-18 | 0.7 | 1.5 | 1.1 | 2.2 | 1.9 | 0.6 | 1.9 | 2.2 | |
| June-19 | 1.1 | 1.6 | 1.3 | 1.2 | 1.1 | 1.4 | 1.8 | 2.1 | |
| December-19 | 1.3 | 1.6 | 0.1 | 1.2 | 2.6 | 1.7 | 1.8 | 2.4 | 2.2 |
| July-20 | 1.3 | 1.6 | 0.1 | 1.2 | 2.5 | -5.1 | 2.9 | 4.8 | 4.0 |
| December-20 | 1.3 | 1.1 | 0.4 | 0.9 | 0.8 | -6.2 | 3.4 | 4.9 | 3.4 |
| June-21 | 1.3 | 1.1 | 0.4 | 0.9 | 0.8 | -5.4 | 6.2 | 4.6 | 2.8 |
| Population Growth | | | | | | | | | |
| December-18 | 0.0 | -0.2 | 0.1 | 0.3 | 0.1 | 0.2 | 0.2 | 0.2 | |
| June-19 | 0.0 | -0.3 | 0.1 | 0.3 | 0.1 | 0.2 | 0.2 | 0.2 | |
| December-19 | 0.0 | -0.3 | 0.1 | 0.0 | -0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| July-20 | 0.0 | -0.3 | 0.1 | 0.0 | -0.1 | 0.1 | 0.2 | 0.2 | 0.1 |
| December-20 | 0.0 | -0.2 | 0.1 | -0.1 | -0.1 | -0.1 | 0.1 | 0.1 | 0.1 |
| June-21 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Employment Growth | | | | | | | | | |
| December-18 | 0.8 | 0.3 | 0.3 | -0.1 | 0.4 | 0.2 | -0.2 | 0.5 | |
| June-19 | 0.8 | 0.3 | 0.6 | 0.1 | 0.8 | 0.6 | -0.2 | 0.5 | |
| December-19 | 0.8 | 0.3 | 0.6 | 0.1 | 0.8 | 0.5 | 0.1 | 0.6 | 0.5 |
| July-20 | 0.9 | 0.3 | 0.6 | 0.2 | 0.1 | -8.0 | 1.3 | 3.2 | 2.6 |
| December-20 | 0.9 | 0.3 | 0.6 | 0.2 | 0.1 | -9.3 | 2.0 | 2.7 | 2.4 |
| June-21 | 0.9 | 0.3 | 0.6 | 0.3 | 0.1 | -9.4 | 2.7 | 3.8 | 1.8 |
| Unemployment Rate | | | | | | | | | |
| December-18 | 3.6 | 3.2 | 3.0 | 2.8 | 2.7 | 3.2 | 3.6 | 3.9 | |
| June-19 | 3.6 | 3.2 | 3.0 | 2.7 | 2.4 | 2.6 | 3.3 | 3.6 | |
| December-19 | 3.6 | 3.2 | 3.0 | 2.7 | 2.2 | 2.5 | 3.2 | 3.4 | 3.6 |
| July-20 | 3.6 | 3.2 | 2.9 | 2.6 | 2.4 | 7.9 | 6.1 | 4.9 | 3.9 |
| December-20 | 3.6 | 3.2 | 2.9 | 2.6 | 2.4 | 6.1 | 3.4 | 3.3 | 3.1 |
| June-21 | 3.5 | 3.1 | 3.0 | 2.6 | 2.3 | 5.6 | 2.8 | 2.3 | 2.4 |
| Personal Income Growth | | | | | | | | | |
| December-18 | 3.5 | 2.3 | 3.2 | 3.0 | 2.8 | 2.6 | 2.5 | 3.0 | |
| June-19 | 3.5 | 2.3 | 3.2 | 3.1 | 2.5 | 3.0 | 2.2 | 3.1 | |
| December-19 | 3.7 | 2.2 | 2.5 | 4.5 | 4.9 | 3.1 | 2.5 | 3.2 | 3.0 |
| July-20 | 3.7 | 2.2 | 2.5 | 4.5 | 4.2 | 4.0 | -1.1 | 4.3 | 4.9 |
| December-20 | 3.3 | 1.8 | 2.6 | 3.5 | 3.2 | 8.6 | 2.3 | 4.1 | 5.2 |
| June-21 | 3.3 | 1.8 | 2.6 | 3.5 | 3.2 | 6.0 | 3.5 | 1.3 | 4.6 |
| Home Price Growth (JFO) | | | | | | | | | |
| December-18 | 1.9 | 1.6 | 2.6 | 4.5 | 5.3 | 6.2 | 6.1 | 5.4 | |
| June-19 | 1.9 | 1.5 | 2.6 | 3.4 | 4.1 | 5.6 | 5.3 | 4.9 | |
| December-19 | 1.8 | 1.7 | 2.5 | 3.6 | 3.8 | 4.2 | 4.6 | 4.8 | 4.5 |
| July-20 | 1.8 | 1.6 | 2.4 | 3.5 | 4.1 | 4.9 | 5.2 | 6.0 | 5.8 |
| December-20 | 1.8 | 1.5 | 2.2 | 3.3 | 3.7 | 4.9 | 5.9 | 6.2 | 5.7 |
| June-21 | 1.8 | 1.6 | 2.2 | 3.1 | 3.6 | 5.2 | 8.7 | 10.2 | 8.9 |

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, Graham Campbell, Theresa Utton-Jerman, Steve Klein, Stephanie Barrett, Dan Dickerson, Catherine Benham, Breanna Parker, Joyce Manchester, Mark Perrault and Sorsha Anderson have contributed to numerous policy and revenue impact analyses and coordinated JFO forecast production and related legislative committee support functions. They have also painstakingly organized and updated large tax and other databases in support of JFO revenue forecasting activities. In the Tax Department, Sharon Asay, Jennifer McNall, Jake Feldman, Erin Hicks-Tibbles, Rebecca Sameroff, Kevin Angell, Claudia Brousseau and Doug Farnham provided important analytic contributions to many tax and revenue forecasts, including recent federal tax law change analyses and statistical and related background information associated with the detailed tax databases they oversee. 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 44 years of data for each of the 25 General Fund categories (three aggregates), 41 years of data for most of the Transportation Fund categories (one aggregate), and 22 to 44 years for each of the Education Fund categories. The analyses employed includes seasonal adjustment using U.S. Census Bureau X-13-ARIMA-SEATS and TRAMO-SEATS methods, various moving average techniques (such as Henderson Curves, etc.), Box-Jenkins ARIMA type models, pressure curve analysis, comparable-pattern analysis of monthly, quarterly and half year trends for current year estimation, and behavioral econometric forecasting models.
- Because the State does not currently fund an internal State or U.S. macro-economic model, this analysis relies primarily on semi-annual macroeconomic models from Moody's Analytics with consensus model adjustments made by JFO and Administration economists using a customized Moody's on-line Vermont model prepared during the month preceding the revenue forecast. Dynamic and other input/output-based models for the State of Vermont, including those from Regional Economic Models, Inc. (REMI), Regional Dynamics, Inc. (REDYN), and IMPLAN are also maintained and managed by the JFO and KRA for use in selected economic impact and simulation analyses used herein.
- The Consensus JFO and Administration forecasts are developed following discussion, analysis and synthesis of independent revenue projections, econometric models and source data produced by Administration and Joint Fiscal Office economists.

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

SOURCE G-FUND

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

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | FY2020 | % | FY2021 | % | FY2022 | % | FY2023 | % |
|---------------------------------------|-----------------|--------------|-----------------|--------------|-----------------|-------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|-------------|
| | (Actual) | Change | (Actual) | Change | (Actual) | Change | (Actual) | Change | (Preliminary) | Change | (Forecast) | Change | (Forecast) | Change |
| REVENUE SOURCE | | | | | | | | | | | | | | |
| Personal Income | \$756.5 | 1.3% | \$832.0 | 10.0% | \$875.4 | 5.2% | \$925.8 | 5.8% | \$1069.8 | 15.5% | \$1071.4 | 0.2% | \$1102.9 | 2.9% |
| Sales and Use ¹ | \$376.7 | 1.6% | \$397.8 | 5.6% | \$412.5 | 3.7% | \$432.5 | 4.8% | \$507.6 | 17.4% | \$538.6 | 6.1% | \$551.2 | 2.3% |
| Corporate | \$95.8 | -18.1% | \$96.4 | 0.6% | \$134.2 | 39.3% | \$147.9 | 10.2% | \$133.4 | -9.8% | \$175.3 | 31.4% | \$182.2 | 3.9% |
| Meals and Rooms ² | \$165.3 | 7.3% | \$173.2 | 4.8% | \$182.1 | 5.1% | \$163.6 | -10.1% | \$143.8 | -12.1% | \$179.9 | 25.1% | \$193.6 | 7.6% |
| Liquor | \$19.1 | 4.4% | \$19.8 | 3.6% | \$21.4 | 8.1% | \$21.6 | 0.8% | \$28.7 | 32.8% | \$30.0 | 4.5% | \$31.2 | 4.0% |
| Insurance | \$57.0 | 1.3% | \$57.5 | 1.0% | \$56.9 | -1.2% | \$58.0 | 2.1% | \$60.4 | 4.0% | \$60.9 | 0.9% | \$61.4 | 0.8% |
| Telephone | \$5.7 | 80.6% | \$4.7 | -16.8% | \$4.3 | -8.8% | \$3.2 | -26.4% | \$2.3 | -28.8% | \$1.9 | -16.2% | \$1.6 | -15.8% |
| Beverage | \$6.9 | 2.9% | \$7.1 | 2.5% | \$7.6 | 6.9% | \$7.2 | -5.3% | \$7.2 | 1.3% | \$7.5 | 3.5% | \$7.6 | 1.3% |
| Electric ² | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM |
| Estate | \$16.7 | 33.3% | \$22.9 | 37.6% | \$12.6 | -44.9% | \$15.2 | 20.1% | \$26.9 | 77.5% | \$30.2 | 12.2% | \$32.4 | 7.3% |
| Property | \$38.7 | 8.4% | \$40.9 | 5.6% | \$41.1 | 0.6% | \$42.3 | 2.9% | \$73.9 | 74.8% | \$79.6 | 7.7% | \$68.4 | -14.1% |
| Bank | \$13.2 | 24.0% | \$13.1 | -1.3% | \$12.5 | -4.6% | \$12.1 | -3.0% | \$13.9 | 14.6% | \$12.8 | -7.7% | \$14.2 | 10.9% |
| Other Tax | \$2.2 | 18.0% | \$1.8 | -15.2% | \$2.4 | 32.9% | \$0.4 | -84.7% | \$0.7 | 74.6% | \$0.8 | 22.1% | \$0.9 | 12.5% |
| Total Tax Revenue | \$1553.7 | 1.3% | \$1667.2 | 7.3% | \$1763.0 | 5.7% | \$1829.7 | 3.8% | \$2068.5 | 13.1% | \$2188.9 | 5.8% | \$2247.6 | 2.7% |
| Business Licenses | \$1.2 | 16.8% | \$1.2 | -2.9% | \$1.2 | -1.0% | \$1.1 | -4.5% | \$1.3 | 13.9% | \$1.3 | -0.2% | \$1.4 | 7.7% |
| Fees | \$48.5 | 110.8% | \$47.1 | -2.9% | \$47.0 | -0.2% | \$44.7 | -4.7% | \$42.7 | -4.5% | \$42.0 | -1.7% | \$42.4 | 1.0% |
| Services | \$3.0 | 7.9% | \$2.9 | -4.2% | \$3.4 | 16.4% | \$2.4 | -27.1% | \$3.0 | 24.3% | \$3.1 | 1.9% | \$3.2 | 1.6% |
| Fines | \$4.4 | 21.0% | \$3.5 | -19.8% | \$3.3 | -5.6% | \$4.8 | 44.3% | \$3.1 | -35.6% | \$3.3 | 6.1% | \$3.5 | 6.1% |
| Interest | \$1.5 | 111.5% | \$2.8 | 80.1% | \$5.0 | 79.1% | \$4.1 | -18.0% | \$0.9 | -77.9% | \$1.0 | 10.3% | \$1.4 | 40.0% |
| Special Assessments | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM |
| Lottery | \$25.5 | -3.3% | \$27.1 | 6.4% | \$29.5 | 8.6% | \$26.8 | -9.0% | \$32.5 | 21.2% | \$31.2 | -4.0% | \$32.3 | 3.5% |
| All Other ³ | \$2.9 | 128.5% | \$2.4 | -18.8% | \$4.6 | 92.7% | \$0.7 | -83.6% | \$0.5 | -34.4% | \$0.6 | 22.4% | \$0.7 | 16.7% |
| Total Other Revenue | \$87.1 | 47.9% | \$87.0 | -0.1% | \$93.9 | 7.9% | \$84.8 | -9.7% | \$84.1 | -0.8% | \$82.5 | -1.9% | \$84.9 | 2.8% |
| Healthcare Revenue⁴ | \$276.6 | 2.8% | \$275.6 | -0.4% | \$276.3 | 0.2% | \$284.7 | 3.0% | \$281.0 | -1.3% | \$291.7 | 3.8% | \$292.7 | 0.3% |
| TOTAL GENERAL FUND | \$1917.4 | 3.0% | \$2029.8 | 5.9% | \$2133.2 | 5.1% | \$2199.2 | 3.1% | \$2433.6 | 10.7% | \$2563.1 | 5.3% | \$2625.1 | 2.4% |

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

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

including all Education Fund

| <i>allocations and other out-transfers</i> | FY 2017 <i>(Actual)</i> | % <i>Change</i> | FY 2018 <i>(Actual)</i> | % <i>Change</i> | FY 2019 <i>(Actual)</i> | % <i>Change</i> | FY2020 <i>(Actual)</i> | % <i>Change</i> | FY2021 <i>(Preliminary)</i> | % <i>Change</i> | FY2022 <i>(Forecast)</i> | % <i>Change</i> | FY2023 <i>(Forecast)</i> | % <i>Change</i> |
|--|-----------------------------------|---------------------------|-----------------------------------|---------------------------|-----------------------------------|---------------------------|----------------------------------|---------------------------|---------------------------------------|---------------------------|------------------------------------|---------------------------|------------------------------------|---------------------------|
| REVENUE SOURCE | | | | | | | | | | | | | | |
| Personal Income | \$756.5 | 1.3% | \$832.0 | 10.0% | \$875.4 | 5.2% | \$925.8 | 5.8% | \$1069.8 | 15.5% | \$1071.4 | 0.2% | \$1102.9 | 2.9% |
| Sales and Use ¹ | \$244.9 | 1.6% | \$258.6 | 5.6% | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM |
| Corporate | \$95.8 | -18.1% | \$96.4 | 0.6% | \$134.2 | 39.3% | \$147.9 | 10.2% | \$133.4 | -9.8% | \$175.3 | 31.4% | \$182.2 | 3.9% |
| Meals and Rooms | \$165.3 | 7.3% | \$173.2 | 4.8% | \$136.5 | -21.2% | \$116.1 | -15.0% | \$99.2 | -14.5% | \$124.1 | 25.1% | \$133.6 | 7.6% |
| Liquor ⁶ | \$19.1 | 4.4% | \$19.8 | 3.6% | \$21.4 | 8.1% | \$3.6 | -83.2% | \$4.8 | 32.8% | \$5.0 | 4.5% | \$5.2 | 4.0% |
| Insurance | \$57.0 | 1.3% | \$57.5 | 1.0% | \$56.9 | -1.2% | \$58.0 | 2.1% | \$60.4 | 4.0% | \$60.9 | 0.9% | \$61.4 | 0.8% |
| Telephone | \$5.7 | 80.6% | \$4.7 | -16.8% | \$4.3 | -8.8% | \$3.2 | -26.4% | \$2.3 | -28.8% | \$1.9 | -16.2% | \$1.6 | -15.8% |
| Beverage | \$6.9 | 2.9% | \$7.1 | 2.5% | \$7.6 | 6.9% | \$7.2 | -5.3% | \$7.2 | 1.3% | \$7.5 | 3.5% | \$7.6 | 1.3% |
| Electric ² | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM |
| Estate ³ | \$16.7 | 33.3% | \$22.9 | 37.6% | \$12.6 | -44.9% | \$15.2 | 20.1% | \$23.4 | 54.1% | \$30.2 | 29.2% | \$32.4 | 7.3% |
| Property | \$12.6 | 9.0% | \$12.4 | -1.5% | \$12.5 | 0.9% | \$12.9 | 3.0% | \$23.1 | 79.6% | \$24.9 | 8.0% | \$21.3 | -14.5% |
| Bank | \$13.2 | 24.0% | \$13.1 | -1.3% | \$12.5 | -4.6% | \$12.1 | -3.0% | \$13.9 | 14.6% | \$12.8 | -7.7% | \$14.2 | 10.9% |
| Other Tax | \$2.2 | 18.0% | \$1.8 | -15.2% | \$2.4 | 32.9% | \$0.4 | -84.7% | \$0.7 | 74.6% | \$0.8 | 22.1% | \$0.9 | 12.5% |
| Total Tax Revenue | \$1395.7 | 1.1% | \$1499.5 | 7.4% | \$1276.4 | -14.9% | \$1302.3 | 2.0% | \$1438.1 | 10.4% | \$1514.9 | 5.3% | \$1563.3 | 3.2% |
| Business Licenses | \$1.2 | 16.8% | \$1.2 | -2.9% | \$1.2 | -1.0% | \$1.1 | -4.5% | \$1.3 | 13.9% | \$1.3 | -0.2% | \$1.4 | 7.7% |
| Fees | \$48.5 | 110.8% | \$47.1 | -2.9% | \$47.0 | -0.2% | \$44.7 | -4.7% | \$42.7 | -4.5% | \$42.0 | -1.7% | \$42.4 | 1.0% |
| Services | \$3.0 | 7.9% | \$2.9 | -4.2% | \$3.4 | 16.4% | \$2.4 | -27.1% | \$3.0 | 24.3% | \$3.1 | 1.9% | \$3.2 | 1.6% |
| Fines | \$4.4 | 21.0% | \$3.5 | -19.8% | \$3.3 | -5.6% | \$4.8 | 44.3% | \$3.1 | -35.6% | \$3.3 | 6.1% | \$3.5 | 6.1% |
| Interest | \$1.2 | 108.2% | \$2.3 | 96.1% | \$4.3 | 87.8% | \$3.3 | -24.5% | \$0.8 | -75.5% | \$0.9 | 12.7% | \$1.2 | 33.3% |
| All Other ⁴ | \$2.9 | 128.5% | \$2.4 | -18.8% | \$4.6 | 92.7% | \$0.7 | -83.6% | \$0.5 | -34.4% | \$0.6 | 22.4% | \$0.7 | 16.7% |
| Total Other Revenue | \$61.2 | 89.3% | \$59.4 | -3.0% | \$63.7 | 7.4% | \$57.2 | -10.3% | \$51.5 | -9.9% | \$51.2 | -0.6% | \$52.4 | 2.2% |
| Healthcare Revenue⁵ | \$0.0 | | \$0.0 | | \$272.3 | NM | \$280.9 | 3.1% | \$278.1 | -1.0% | \$287.7 | 3.5% | \$288.7 | 0.3% |
| TOTAL GENERAL FUND | \$1457.0 | 3.2% | \$1558.9 | 7.0% | \$1612.5 | 3.4% | \$1640.4 | 1.7% | \$1767.7 | 7.8% | \$1853.8 | 4.9% | \$1904.4 | 2.7% |

- 1) Includes \$2.5M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors; Transfer to the Education Fund increases from 33.3% to 35.0% effective in FY14 and 35.0% to 36.0% effective in FY19.
- 2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13;
Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and Education Fund.
- 3) Excludes transfer to the Higher Education Trust Fund of \$2.4M in FY05, \$5.2M in FY06 and \$11.0M in FY11.
- 4) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.
- 5) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.
- 6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

**TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

SOURCE HEALTHCARE¹

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

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | FY2020 | % | FY2021 | % | FY2022 | % | FY2023 | % |
|---------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|----------------------|---------------|-------------------|---------------|-------------------|---------------|
| | <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 | \$76.7 | -5.0% | \$71.1 | -7.3% | \$68.4 | -3.7% | \$71.4 | 4.3% | \$77.5 | 8.6% | \$78.3 | 1.1% | \$76.7 | -2.1% |
| Claims Assessment | \$17.7 | 2.9% | \$19.8 | 12.1% | \$19.6 | -1.3% | \$20.7 | 5.7% | \$19.7 | -4.7% | \$20.0 | 1.5% | \$20.0 | 0.0% |
| Employer Assessment | \$19.2 | 7.1% | \$19.8 | 3.6% | \$19.8 | -0.5% | \$20.2 | 2.4% | \$17.9 | -11.4% | \$20.5 | 14.4% | \$21.5 | 4.9% |
| Hospital Provider Tax | \$137.3 | 4.2% | \$143.5 | 4.5% | \$146.3 | 2.0% | \$150.2 | 2.6% | \$143.7 | -4.4% | \$150.0 | 4.4% | \$151.5 | 1.0% |
| Nursing Home Provide Tax | \$15.0 | -4.3% | \$14.8 | -1.0% | \$14.8 | -0.3% | \$14.7 | -0.6% | \$14.6 | -1.0% | \$14.7 | 0.7% | \$14.7 | 0.0% |
| Home Health Provider Tax | \$5.5 | 21.8% | \$4.7 | -14.0% | \$4.8 | 2.2% | \$5.6 | 16.3% | \$5.8 | 4.1% | \$6.6 | 12.8% | \$6.6 | 0.6% |
| All other HC revenues | \$5.3 | 263.8% | \$1.8 | -65.5% | \$2.6 | 41.7% | \$1.9 | -26.5% | \$1.8 | -3.6% | \$1.7 | -7.1% | \$1.8 | 5.9% |
| TOTAL HEALTHCARE | \$276.6 | 2.8% | \$275.6 | -0.4% | \$276.3 | 0.2% | \$284.7 | 3.0% | \$281.0 | -1.3% | \$291.7 | 3.8% | \$292.7 | 0.3% |

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

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

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | FY2020 | % | FY2021 | % | FY2022 | % | FY2023 | % |
|---------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|----------------------|---------------|-------------------|---------------|-------------------|---------------|
| | <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 | \$76.7 | -5.0% | \$71.1 | -7.3% | \$68.4 | -3.7% | \$71.4 | 4.3% | \$77.5 | 8.6% | \$78.3 | 1.1% | \$76.7 | -2.1% |
| Claims Assessment | \$14.1 | 2.1% | \$15.9 | 13.2% | \$15.6 | -1.7% | \$16.9 | 7.8% | \$16.4 | -3.0% | \$16.0 | -2.3% | \$16.0 | 0.0% |
| Employer Assessment | \$19.2 | 7.1% | \$19.8 | 3.6% | \$19.8 | -0.5% | \$20.2 | 2.4% | \$18.4 | -9.2% | \$20.5 | 11.6% | \$21.5 | 4.9% |
| Hospital Provider Tax | \$137.3 | 4.2% | \$143.5 | 4.5% | \$146.3 | 2.0% | \$150.2 | 2.6% | \$143.7 | -4.4% | \$150.0 | 4.4% | \$151.5 | 1.0% |
| Nursing Home Provide Tax | \$15.0 | -4.3% | \$14.8 | -1.0% | \$14.8 | -0.3% | \$14.7 | -0.6% | \$14.6 | -1.0% | \$14.7 | 0.7% | \$14.7 | 0.0% |
| Home Health Provider Tax | \$5.5 | 21.8% | \$4.7 | -14.0% | \$4.8 | 2.2% | \$5.6 | 16.3% | \$5.8 | 4.1% | \$6.6 | 12.8% | \$6.6 | 0.6% |
| All other HC revenues | \$5.3 | 263.8% | \$1.8 | -65.5% | \$2.6 | 41.7% | \$1.9 | -26.5% | \$1.8 | -3.6% | \$1.7 | -7.1% | \$1.8 | 5.9% |
| TOTAL HEALTHCARE | \$272.9 | 2.7% | \$271.7 | -0.5% | \$272.3 | 0.2% | \$280.9 | 3.1% | \$278.1 | -1.0% | \$287.7 | 3.5% | \$288.7 | 0.3% |

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 2021**

SOURCE T-FUND

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

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | FY2020 | % | FY2021 | % | FY2022 | % | FY2023 | % |
|--------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|----------------------|---------------|-------------------|---------------|-------------------|---------------|
| | <i>(Actual)</i> | <i>Change</i> | <i>(Actual)</i> | <i>Change</i> | <i>(Actual)</i> | <i>Change</i> | <i>(Actual)</i> | <i>Change</i> | <i>(Preliminary)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> |
| REVENUE SOURCE | | | | | | | | | | | | | | |
| Gasoline | \$78.2 | 0.3% | \$78.2 | 0.0% | \$77.8 | -0.5% | \$71.0 | -8.7% | \$67.3 | -5.3% | \$75.4 | 12.1% | \$77.4 | 2.7% |
| Diesel**** | \$18.2 | -0.5% | \$18.9 | 3.6% | \$18.6 | -1.6% | \$17.9 | -3.5% | \$17.9 | 0.2% | \$19.0 | 5.9% | \$19.6 | 3.2% |
| Purchase and Use* | \$103.2 | 3.1% | \$109.4 | 6.0% | \$111.8 | 2.2% | \$105.4 | -5.7% | \$134.1 | 27.2% | \$139.6 | 4.1% | \$142.1 | 1.8% |
| Motor Vehicle Fees | \$86.2 | 5.2% | \$86.0 | -0.3% | \$85.4 | -0.7% | \$83.6 | -2.1% | \$87.6 | 4.7% | \$88.9 | 1.5% | \$90.0 | 1.2% |
| Other Revenue** | \$19.9 | 1.8% | \$23.0 | 15.3% | \$24.6 | 7.0% | \$21.3 | -13.5% | \$20.5 | -3.4% | \$22.0 | 7.2% | \$23.5 | 6.8% |
| TOTAL TRANS. FUND | \$305.8 | 2.6% | \$315.4 | 3.1% | \$318.2 | 0.9% | \$299.2 | -6.0% | \$327.4 | 9.4% | \$344.9 | 5.3% | \$352.6 | 2.2% |

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | FY2020 | % | FY2021 | % | FY2022 | % | FY2023 | % |
|-------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|----------------------|---------------|-------------------|---------------|-------------------|---------------|
| | <i>(Actual)</i> | <i>Change</i> | <i>(Actual)</i> | <i>Change</i> | <i>(Actual)</i> | <i>Change</i> | <i>(Actual)</i> | <i>Change</i> | <i>(Preliminary)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> |
| REVENUE SOURCE | | | | | | | | | | | | | | |
| Gasoline | \$78.2 | 0.3% | \$78.2 | 0.0% | \$77.8 | -0.5% | \$71.0 | -8.7% | \$67.3 | -5.3% | \$75.4 | 12.1% | \$77.4 | 2.7% |
| Diesel | \$18.2 | -0.5% | \$18.9 | 3.6% | \$18.6 | -1.6% | \$17.9 | -3.5% | \$17.9 | 0.2% | \$19.0 | 5.9% | \$19.6 | 3.2% |
| Purchase and Use ¹ | \$68.8 | 3.1% | \$73.0 | 6.0% | \$74.5 | 2.2% | \$70.3 | -5.7% | \$89.4 | 27.2% | \$93.1 | 4.1% | \$94.7 | 1.8% |
| Motor Vehicle Fees | \$86.2 | 5.2% | \$86.0 | -0.3% | \$85.4 | -0.7% | \$83.6 | -2.1% | \$87.6 | 4.7% | \$88.9 | 1.5% | \$90.0 | 1.2% |
| Other Revenue ² | \$19.9 | 1.8% | \$23.0 | 15.3% | \$24.6 | 7.0% | \$21.3 | -13.5% | \$20.5 | -3.4% | \$22.0 | 7.2% | \$23.5 | 6.8% |
| TOTAL TRANS. FUND | \$271.4 | 2.6% | \$279.0 | 2.8% | \$280.9 | 0.7% | \$264.1 | -6.0% | \$282.7 | 7.0% | \$298.4 | 5.5% | \$305.2 | 2.3% |

OTHER (TIB³)

| | | | | | | | | | | | | | | |
|-----------------------------------|---------------|--------------|---------------|-------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|-------------|
| TIB Gasoline | \$12.6 | -3.3% | \$12.9 | 2.2% | \$14.6 | 13.1% | \$12.7 | -12.8% | \$10.2 | -19.5% | \$14.92 | 46.0% | \$14.99 | 0.5% |
| TIB Diesel and Other ⁴ | \$1.7 | -11.3% | \$2.0 | 16.1% | \$2.1 | 3.7% | \$2.0 | -2.5% | \$1.9 | -4.5% | \$2.06 | 7.6% | \$2.13 | 3.4% |
| TOTAL OTHER (TIB) | \$14.5 | -2.9% | \$14.9 | 2.4% | \$16.6 | 11.9% | \$14.7 | -11.6% | \$12.1 | -17.5% | \$17.0 | 40.0% | \$17.1 | 0.8% |

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

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

3) Transportation Infrastructure Bond revenues

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

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

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

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | FY2020 | % | FY2021 | % | FY2022 | % | FY2023 | % |
|-------------------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|----------------------|---------------|-------------------|---------------|-------------------|---------------|
| | <i>(Actual)</i> | <i>Change</i> | <i>(Actual)</i> | <i>Change</i> | <i>(Actual)</i> | <i>Change</i> | <i>(Actual)</i> | <i>Change</i> | <i>(Preliminary)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> |
| GENERAL FUND | | | | | | | | | | | | | | |
| Meals and Rooms | \$0.0 | NM | \$0.0 | NM | \$45.5 | NM | \$40.9 | -10.1% | \$36.0 | -12.1% | \$45.0 | 25.1% | \$48.4 | 7.6% |
| Sales & Use ² | \$131.8 | 1.6% | \$139.2 | 5.6% | \$412.5 | 196.3% | \$432.5 | 4.8% | \$507.6 | 17.4% | \$538.6 | 6.1% | \$551.2 | 2.3% |
| Interest | \$0.4 | 122.7% | \$0.5 | 30.3% | \$0.7 | 38.1% | \$0.8 | 23.9% | \$0.1 | -87.1% | \$0.10 | -7.2% | \$0.20 | 100.0% |
| Lottery | \$25.5 | -3.3% | \$27.1 | 6.4% | \$29.5 | 8.6% | \$26.8 | -9.0% | \$32.5 | 21.2% | \$31.2 | -4.0% | \$32.3 | 3.5% |
| TRANSPORTATION FUND | | | | | | | | | | | | | | |
| Purchase and Use ³ | \$34.4 | 3.1% | \$36.5 | 6.0% | \$37.3 | 2.2% | \$35.1 | -5.7% | \$44.7 | 27.2% | \$46.5 | 4.1% | \$47.4 | 1.8% |
| TOTAL EDUCATION FUND | \$192.2 | 1.3% | \$203.3 | 5.8% | \$525.4 | 158.4% | \$536.2 | 2.0% | \$620.9 | 15.8% | \$661.4 | 6.5% | \$679.5 | 2.7% |

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

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

2) Includes Telecommunications Tax; Includes \$1.25M transfer to T-Fund in FY08 for prior Jet Fuel Tax processing errors; Transfer percentage from the General Fund increases from 33.3% to 35.0% effective in FY14 and to 36.0% in F1

3) Includes Motor Vehicle Rental revenues, restated

Appendix A

Five Year Revenue Forecast Tables

July 2021

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

| SOURCE G-FUND | <i>revenues are prior to all E-Fund allocations and other out-transfers; used for analytic and comparative purposes only</i> | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------|--|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|----------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|--|
| | FY 2017 | % | FY 2018 | % | FY 2019 | % | 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> | <i>(Forecast)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> | |
| REVENUE SOURCE | | | | | | | | | | | | | | | | | | | | | |
| Personal Income | \$756.5 | 1.3% | \$832.0 | 10.0% | \$875.4 | 5.2% | \$925.8 | 5.8% | \$1069.8 | 15.5% | \$1071.4 | 0.2% | \$1102.9 | 2.9% | \$1132.0 | 2.6% | \$1158.5 | 2.3% | \$1192.8 | 3.0% | |
| Sales & Use ¹ | \$376.7 | 1.6% | \$397.8 | 5.6% | \$412.5 | 3.7% | \$432.5 | 4.8% | \$507.6 | 17.4% | \$538.6 | 6.1% | \$551.2 | 2.3% | \$557.1 | 1.1% | \$567.2 | 1.8% | \$580.2 | 2.3% | |
| Corporate | \$95.8 | -18.1% | \$96.4 | 0.6% | \$134.2 | 39.3% | \$147.9 | 10.2% | \$133.4 | -9.8% | \$175.3 | 31.4% | \$182.2 | 3.9% | \$185.4 | 1.8% | \$191.7 | 3.4% | \$197.3 | 2.9% | |
| Meals and Rooms ² | \$165.3 | 7.3% | \$173.2 | 4.8% | \$182.1 | 5.1% | \$163.6 | -10.1% | \$143.8 | -12.1% | \$179.9 | 25.1% | \$193.6 | 7.6% | \$204.7 | 5.7% | \$215.0 | 5.0% | \$224.3 | 4.3% | |
| Liquor | \$19.1 | 4.4% | \$19.8 | 3.6% | \$21.4 | 8.1% | \$21.6 | 0.8% | \$28.7 | 32.8% | \$30.0 | 4.5% | \$31.2 | 4.0% | \$32.4 | 3.8% | \$33.6 | 3.7% | \$34.8 | 3.6% | |
| Insurance | \$57.0 | 1.3% | \$57.5 | 1.0% | \$56.9 | -1.2% | \$58.0 | 2.1% | \$60.4 | 4.0% | \$60.9 | 0.9% | \$61.4 | 0.8% | \$61.8 | 0.7% | \$62.2 | 0.6% | \$62.5 | 0.5% | |
| Telephone | \$5.7 | 80.6% | \$4.7 | -16.8% | \$4.3 | -8.8% | \$3.2 | -26.4% | \$2.3 | -28.8% | \$1.9 | -16.2% | \$1.6 | -15.8% | \$1.3 | -18.8% | \$1.1 | -15.4% | \$0.9 | -18.2% | |
| Beverage | \$6.9 | 2.9% | \$7.1 | 2.5% | \$7.6 | 6.9% | \$7.2 | -5.3% | \$7.2 | 1.3% | \$7.5 | 3.5% | \$7.6 | 1.3% | \$7.7 | 1.3% | \$7.9 | 2.6% | \$8.0 | 1.3% | |
| Electric ² | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | |
| Estate | \$16.7 | 33.3% | \$22.9 | 37.6% | \$12.6 | -44.9% | \$15.2 | 20.1% | \$26.9 | 77.5% | \$30.2 | 12.2% | \$32.4 | 7.3% | \$33.6 | 3.7% | \$34.7 | 3.3% | \$35.8 | 3.2% | |
| Property | \$38.7 | 8.4% | \$40.9 | 5.6% | \$41.1 | 0.6% | \$42.3 | 2.9% | \$73.9 | 74.8% | \$79.6 | 7.7% | \$68.4 | -14.1% | \$59.7 | -12.7% | \$54.2 | -9.2% | \$49.9 | -7.9% | |
| Bank | \$13.2 | 24.0% | \$13.1 | -1.3% | \$12.5 | -4.6% | \$12.1 | -3.0% | \$13.9 | 14.6% | \$12.8 | -7.7% | \$14.2 | 10.9% | \$13.9 | -2.1% | \$14.1 | 1.4% | \$13.5 | -4.3% | |
| Other Tax | \$2.2 | 18.0% | \$1.8 | -15.2% | \$2.4 | 32.9% | \$0.4 | -84.7% | \$0.7 | 74.6% | \$0.8 | 22.1% | \$0.9 | 12.5% | \$1.0 | 11.1% | \$1.1 | 10.0% | \$1.2 | 9.1% | |
| Total Tax Revenue | \$1553.7 | 1.3% | \$1667.2 | 7.3% | \$1763.0 | 5.7% | \$1829.7 | 3.8% | \$2068.5 | 13.1% | \$2188.9 | 5.8% | \$2247.6 | 2.7% | \$2290.6 | 1.9% | \$2341.3 | 2.2% | \$2401.2 | 2.6% | |
| Business Licenses | \$1.2 | 16.8% | \$1.2 | -2.9% | \$1.2 | -1.0% | \$1.1 | -4.5% | \$1.3 | 13.9% | \$1.3 | -0.2% | \$1.4 | 7.7% | \$1.3 | -7.1% | \$1.3 | -3.1% | \$1.3 | 3.2% | |
| Fees | \$48.5 | 110.8% | \$47.1 | -2.9% | \$47.0 | -0.2% | \$44.7 | -4.7% | \$42.7 | -4.5% | \$42.0 | -1.7% | \$42.4 | 1.0% | \$42.6 | 0.5% | \$42.9 | 0.7% | \$43.4 | 1.2% | |
| Services | \$3.0 | 7.9% | \$2.9 | -4.2% | \$3.4 | 16.4% | \$2.4 | -27.1% | \$3.0 | 24.3% | \$3.1 | 1.9% | \$3.2 | 1.6% | \$3.2 | 1.6% | \$3.3 | 1.6% | \$3.3 | 1.5% | |
| Fines | \$4.4 | 21.0% | \$3.5 | -19.8% | \$3.3 | -5.6% | \$4.8 | 44.3% | \$3.1 | -35.6% | \$3.3 | 6.1% | \$3.5 | 6.1% | \$3.7 | 5.7% | \$3.8 | 2.7% | \$3.9 | 2.6% | |
| Interest | \$1.5 | 111.5% | \$2.8 | 80.1% | \$5.0 | 79.1% | \$4.1 | -18.0% | \$0.9 | -77.9% | \$1.0 | 10.3% | \$1.4 | 40.0% | \$2.8 | 100.0% | \$3.3 | 17.9% | \$3.9 | 18.2% | |
| Special Assessments | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | |
| Lottery | \$25.5 | -3.3% | \$27.1 | 6.4% | \$29.5 | 8.6% | \$26.8 | -9.0% | \$32.5 | 21.2% | \$31.2 | -4.0% | \$32.3 | 3.5% | \$33.0 | 2.2% | \$33.6 | 1.8% | \$34.2 | 1.8% | |
| All Other ³ | \$2.9 | 128.5% | \$2.4 | -18.8% | \$4.6 | 92.7% | \$0.7 | -83.6% | \$0.5 | -34.4% | \$0.6 | 22.4% | \$0.7 | 16.7% | \$0.8 | 14.3% | \$0.9 | 12.5% | \$1.0 | 11.1% | |
| Total Other Revenue | \$87.1 | 47.9% | \$87.0 | -0.1% | \$93.9 | 7.9% | \$84.8 | -9.7% | \$84.1 | -0.8% | \$82.5 | -1.9% | \$84.9 | 2.8% | \$87.4 | 3.0% | \$89.0 | 1.8% | \$91.0 | 2.2% | |
| Healthcare Revenue⁴ | \$276.6 | 2.8% | \$275.6 | -0.4% | \$276.3 | 0.2% | \$284.7 | 3.0% | \$281.0 | -1.3% | \$291.7 | 3.8% | \$292.7 | 0.3% | \$294.7 | 0.7% | \$296.9 | 0.7% | \$298.2 | 0.4% | |
| TOTAL GENERAL FUND | \$1917.4 | 3.0% | \$2029.8 | 5.9% | \$2133.2 | 5.1% | \$2199.2 | 3.1% | \$2433.6 | 10.7% | \$2563.1 | 5.3% | \$2625.1 | 2.4% | \$2672.7 | 1.8% | \$2727.1 | 2.0% | \$2790.3 | 2.3% | |

- 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

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | 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> | <i>(Forecast)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> |
| REVENUE SOURCE | | | | | | | | | | | | | | | | | | | | |
| Personal Income | \$756.5 | 1.3% | \$832.0 | 10.0% | \$875.4 | 5.2% | \$925.8 | 5.8% | \$1069.8 | 15.5% | \$1071.4 | 0.2% | \$1102.9 | 2.9% | \$1132.0 | 2.6% | \$1158.5 | 2.3% | \$1192.8 | 3.0% |
| Sales and Use ¹ | \$244.9 | 1.6% | \$258.6 | 5.6% | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM |
| Corporate | \$95.8 | -18.1% | \$96.4 | 0.6% | \$134.2 | 39.3% | \$147.9 | 10.2% | \$133.4 | -9.8% | \$175.3 | 31.4% | \$182.2 | 3.9% | \$185.4 | 1.8% | \$191.7 | 3.4% | \$197.3 | 2.9% |
| Meals and Rooms | \$165.3 | 7.3% | \$173.2 | 4.8% | \$136.5 | -21.2% | \$116.1 | -15.0% | \$99.2 | -14.5% | \$124.1 | 25.1% | \$133.6 | 7.6% | \$141.2 | 5.7% | \$148.4 | 5.0% | \$154.8 | 4.3% |
| Liquor ⁶ | \$19.1 | 4.4% | \$19.8 | 3.6% | \$21.4 | 8.1% | \$3.6 | -83.2% | \$4.8 | 32.8% | \$5.0 | 4.5% | \$5.2 | 4.0% | \$5.4 | 3.8% | \$5.6 | 3.7% | \$5.8 | 3.6% |
| Insurance | \$57.0 | 1.3% | \$57.5 | 1.0% | \$56.9 | -1.2% | \$58.0 | 2.1% | \$60.4 | 4.0% | \$60.9 | 0.9% | \$61.4 | 0.8% | \$61.8 | 0.7% | \$62.2 | 0.6% | \$62.5 | 0.5% |
| Telephone | \$5.7 | 80.6% | \$4.7 | -16.8% | \$4.3 | -8.8% | \$3.2 | -26.4% | \$2.3 | -28.8% | \$1.9 | -16.2% | \$1.6 | -15.8% | \$1.3 | -18.8% | \$1.1 | -15.4% | \$0.9 | -18.2% |
| Beverage | \$6.9 | 2.9% | \$7.1 | 2.5% | \$7.6 | 6.9% | \$7.2 | -5.3% | \$7.2 | 1.3% | \$7.5 | 3.5% | \$7.6 | 1.3% | \$7.7 | 1.3% | \$7.9 | 2.6% | \$8.0 | 1.3% |
| Electric ² | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM | \$0.0 | NM |
| Estate ³ | \$16.7 | 33.3% | \$22.9 | 37.6% | \$12.6 | -44.9% | \$15.2 | 20.1% | \$23.4 | 54.1% | \$30.2 | 29.2% | \$32.4 | 7.3% | \$33.6 | 3.7% | \$34.7 | 3.3% | \$35.8 | 3.2% |
| Property | \$12.6 | 9.0% | \$12.4 | -1.5% | \$12.5 | 0.9% | \$12.9 | 3.0% | \$23.1 | 79.6% | \$24.9 | 8.0% | \$21.3 | -14.5% | \$18.5 | -13.2% | \$16.7 | -9.6% | \$15.3 | -8.3% |
| Bank | \$13.2 | 24.0% | \$13.1 | -1.3% | \$12.5 | -4.6% | \$12.1 | -3.0% | \$13.9 | 14.6% | \$12.8 | -7.7% | \$14.2 | 10.9% | \$13.9 | -2.1% | \$14.1 | 1.4% | \$13.5 | -4.3% |
| Other Tax | \$2.2 | 18.0% | \$1.8 | -15.2% | \$2.4 | 32.9% | \$0.4 | -84.7% | \$0.7 | 74.6% | \$0.8 | 22.1% | \$0.9 | 12.5% | \$1.0 | 11.1% | \$1.1 | 10.0% | \$1.2 | 9.1% |
| Total Tax Revenue | \$1395.7 | 1.1% | \$1499.5 | 7.4% | \$1276.4 | -14.9% | \$1302.3 | 2.0% | \$1438.1 | 10.4% | \$1514.9 | 5.3% | \$1563.3 | 3.2% | \$1601.8 | 2.5% | \$1642.0 | 2.5% | \$1687.9 | 2.8% |
| Business Licenses | \$1.2 | 16.8% | \$1.2 | -2.9% | \$1.2 | -1.0% | \$1.1 | -4.5% | \$1.3 | 13.9% | \$1.3 | -0.2% | \$1.4 | 7.7% | \$1.3 | -7.1% | \$1.3 | -3.1% | \$1.3 | 3.2% |
| Fees | \$48.5 | 110.8% | \$47.1 | -2.9% | \$47.0 | -0.2% | \$44.7 | -4.7% | \$42.7 | -4.5% | \$42.0 | -1.7% | \$42.4 | 1.0% | \$42.6 | 0.5% | \$42.9 | 0.7% | \$43.4 | 1.2% |
| Services | \$3.0 | 7.9% | \$2.9 | -4.2% | \$3.4 | 16.4% | \$2.4 | -27.1% | \$3.0 | 24.3% | \$3.1 | 1.9% | \$3.2 | 1.6% | \$3.2 | 1.6% | \$3.3 | 1.6% | \$3.3 | 1.5% |
| Fines | \$4.4 | 21.0% | \$3.5 | -19.8% | \$3.3 | -5.6% | \$4.8 | 44.3% | \$3.1 | -35.6% | \$3.3 | 6.1% | \$3.5 | 6.1% | \$3.7 | 5.7% | \$3.8 | 2.7% | \$3.9 | 2.6% |
| Interest | \$1.2 | 108.2% | \$2.3 | 96.1% | \$4.3 | 87.8% | \$3.3 | -24.5% | \$0.8 | -75.5% | \$0.9 | 12.7% | \$1.2 | 33.3% | \$2.5 | 108.3% | \$2.8 | 12.0% | \$3.2 | 14.3% |
| All Other ⁴ | \$2.9 | 128.5% | \$2.4 | -18.8% | \$4.6 | 92.7% | \$0.7 | -83.6% | \$0.5 | -34.4% | \$0.6 | 22.4% | \$0.7 | 16.7% | \$0.8 | 14.3% | \$0.9 | 12.5% | \$1.0 | 11.1% |
| Total Other Revenue | \$61.2 | 89.3% | \$59.4 | -3.0% | \$63.7 | 7.4% | \$57.2 | -10.3% | \$51.5 | -9.9% | \$51.2 | -0.6% | \$52.4 | 2.2% | \$54.1 | 3.3% | \$54.9 | 1.5% | \$56.1 | 2.2% |
| Healthcare Revenue⁵ | \$0.0 | | \$0.0 | | \$272.3 | NM | \$280.9 | 3.1% | \$278.1 | -1.0% | \$287.7 | 3.5% | \$288.7 | 0.3% | \$290.5 | 0.6% | \$292.5 | 0.7% | \$293.7 | 0.4% |
| TOTAL GENERAL FUND | \$1457.0 | 3.2% | \$1558.9 | 7.0% | \$1612.5 | 3.4% | \$1640.4 | 1.7% | \$1767.7 | 7.8% | \$1853.8 | 4.9% | \$1904.4 | 2.7% | \$1946.5 | 2.2% | \$1989.3 | 2.2% | \$2037.7 | 2.4% |

- 1) Includes \$2.5M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors; Transfer to the Education Fund increases from 33.3% to 35.0% effective in FY14 and 35.0% to 36.0% effective in FY19.
- 2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13;
Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and Education Fund.
- 3) Excludes transfer to the Higher Education Trust Fund of \$2.4M in FY05, \$5.2M in FY06 and \$11.0M in FY11.
- 4) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.
- 5) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.
- 6) Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.

**TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

SOURCE HEALTHCARE¹

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

| | FY 2017 | | FY 2018 | | FY 2019 | | FY 2020 | | FY 2021 | | FY 2022 | | FY 2023 | | FY 2024 | | FY 2025 | | FY 2026 | |
|---------------------------|----------------|-------------|----------------|--------------|----------------|-------------|----------------|-------------|----------------|--------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| | (Actual) | % Change | (Actual) | % Change | (Actual) | % Change | (Actual) | % Change | (Preliminary) | % Change | (Forecast) | % Change | (Forecast) | % Change | (Forecast) | % Change | (Forecast) | % Change | (Forecast) | % Change |
| REVENUE SOURCE | | | | | | | | | | | | | | | | | | | | |
| Cigarette, Tobacco, E-Cig | \$76.7 | -5.0% | \$71.1 | -7.3% | \$68.4 | -3.7% | \$71.4 | 4.3% | \$77.5 | 8.6% | \$78.3 | 1.1% | \$76.7 | -2.1% | \$75.0 | -2.2% | \$73.2 | -2.3% | \$71.6 | -2.3% |
| Claims Assessment | \$17.7 | 2.9% | \$19.8 | 12.1% | \$19.6 | -1.3% | \$20.7 | 5.7% | \$19.7 | -4.7% | \$20.0 | 1.5% | \$20.0 | 0.0% | \$21.0 | 5.1% | \$22.0 | 4.8% | \$22.2 | 1.0% |
| Employer Assessment | \$19.2 | 7.1% | \$19.8 | 3.6% | \$19.8 | -0.5% | \$20.2 | 2.4% | \$17.9 | -11.4% | \$20.5 | 14.4% | \$21.5 | 4.9% | \$22.5 | 4.7% | \$23.5 | 4.4% | \$24.5 | 4.3% |
| Hospital Provider Tax | \$137.3 | 4.2% | \$143.5 | 4.5% | \$146.3 | 2.0% | \$150.2 | 2.6% | \$143.7 | -4.4% | \$150.0 | 4.4% | \$151.5 | 1.0% | \$153.0 | 1.0% | \$154.5 | 1.0% | \$156.1 | 1.0% |
| Nursing Home Provide Tax | \$15.0 | -4.3% | \$14.8 | -1.0% | \$14.8 | -0.3% | \$14.7 | -0.6% | \$14.6 | -1.0% | \$14.7 | 0.7% | \$14.7 | 0.0% | \$14.7 | 0.0% | \$14.7 | 0.0% | \$14.7 | 0.0% |
| Home Health Provider Tax | \$5.5 | 21.8% | \$4.7 | -14.0% | \$4.8 | 2.2% | \$5.6 | 16.3% | \$5.8 | 4.1% | \$6.6 | 12.8% | \$6.6 | 0.6% | \$6.8 | 3.0% | \$7.0 | 2.9% | \$7.2 | 2.9% |
| All other HC revenues | \$5.3 | 263.8% | \$1.8 | -65.5% | \$2.6 | 41.7% | \$1.9 | -26.5% | \$1.8 | -3.6% | \$1.7 | -7.1% | \$1.8 | 5.9% | \$1.8 | 0.0% | \$1.9 | 5.6% | \$1.9 | 0.0% |
| TOTAL HEALTHCARE | \$276.6 | 2.8% | \$275.6 | -0.4% | \$276.3 | 0.2% | \$284.7 | 3.0% | \$281.0 | -1.3% | \$291.7 | 3.8% | \$292.7 | 0.3% | \$294.7 | 0.7% | \$296.9 | 0.7% | \$298.2 | 0.4% |

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

| | FY 2017 | | FY 2018 | | FY 2019 | | FY 2020 | | FY 2021 | | FY 2022 | | FY 2023 | | FY 2024 | | FY 2025 | | FY 2026 | |
|---------------------------|----------------|-------------|----------------|--------------|----------------|-------------|----------------|-------------|----------------|--------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| | (Actual) | % Change | (Actual) | % Change | (Actual) | % Change | (Actual) | % Change | (Preliminary) | % Change | (Forecast) | % Change | (Forecast) | % Change | (Forecast) | % Change | (Forecast) | % Change | (Forecast) | % Change |
| REVENUE SOURCE | | | | | | | | | | | | | | | | | | | | |
| Cigarette, Tobacco, E-Cig | \$76.7 | -5.0% | \$71.1 | -7.3% | \$68.4 | -3.7% | \$71.4 | 4.3% | \$77.5 | 8.6% | \$78.3 | 1.1% | \$76.7 | -2.1% | \$75.0 | -2.2% | \$73.2 | -2.3% | \$71.6 | -2.3% |
| Claims Assessment | \$14.1 | 2.1% | \$15.9 | 13.2% | \$15.6 | -1.7% | \$16.9 | 7.8% | \$16.4 | -3.0% | \$16.0 | -2.3% | \$16.0 | 0.0% | \$16.8 | 5.1% | \$17.6 | 4.8% | \$17.8 | 1.0% |
| Employer Assessment | \$19.2 | 7.1% | \$19.8 | 3.6% | \$19.8 | -0.5% | \$20.2 | 2.4% | \$18.4 | -9.2% | \$20.5 | 11.6% | \$21.5 | 4.9% | \$22.5 | 4.7% | \$23.5 | 4.4% | \$24.5 | 4.3% |
| Hospital Provider Tax | \$137.3 | 4.2% | \$143.5 | 4.5% | \$146.3 | 2.0% | \$150.2 | 2.6% | \$143.7 | -4.4% | \$150.0 | 4.4% | \$151.5 | 1.0% | \$153.0 | 1.0% | \$154.5 | 1.0% | \$156.1 | 1.0% |
| Nursing Home Provide Tax | \$15.0 | -4.3% | \$14.8 | -1.0% | \$14.8 | -0.3% | \$14.7 | -0.6% | \$14.6 | -1.0% | \$14.7 | 0.7% | \$14.7 | 0.0% | \$14.7 | 0.0% | \$14.7 | 0.0% | \$14.7 | 0.0% |
| Home Health Provider Tax | \$5.5 | 21.8% | \$4.7 | -14.0% | \$4.8 | 2.2% | \$5.6 | 16.3% | \$5.8 | 4.1% | \$6.6 | 12.8% | \$6.6 | 0.6% | \$6.8 | 3.0% | \$7.0 | 2.9% | \$7.2 | 2.9% |
| All other HC revenues | \$5.3 | 263.8% | \$1.8 | -65.5% | \$2.6 | 41.7% | \$1.9 | -26.5% | \$1.8 | -3.6% | \$1.7 | -7.1% | \$1.8 | 5.9% | \$1.8 | 0.0% | \$1.9 | 5.6% | \$1.9 | 0.0% |
| TOTAL HEALTHCARE | \$272.9 | 2.7% | \$271.7 | -0.5% | \$272.3 | 0.2% | \$280.9 | 3.1% | \$278.1 | -1.0% | \$287.7 | 3.5% | \$288.7 | 0.3% | \$290.5 | 0.6% | \$292.5 | 0.7% | \$293.7 | 0.4% |

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 2021**

SOURCE T-FUND

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

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | FY2020 | % | FY2021 | % | FY2022 | % | FY2023 | % | FY2024 | % | FY2025 | % | FY2026 | % |
|--------------------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|--------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|--------------|----------------|--------------|----------------|-------------|
| | (Actual) | Change | (Actual) | Change | (Actual) | Change | (Actual) | Change | (Preliminary) | Change | (Forecast) | Change | (Forecast) | Change | (Forecast) | Change | (Forecast) | Change | (Forecast) | Change |
| REVENUE SOURCE | | | | | | | | | | | | | | | | | | | | |
| Gasoline | \$78.2 | 0.3% | \$78.2 | 0.0% | \$77.8 | -0.5% | \$71.0 | -8.7% | \$67.3 | -5.3% | \$75.4 | 12.1% | \$77.4 | 2.7% | \$77.7 | 0.4% | \$77.5 | -0.3% | \$76.9 | -0.8% |
| Diesel**** | \$18.2 | -0.5% | \$18.9 | 3.6% | \$18.6 | -1.6% | \$17.9 | -3.5% | \$17.9 | 0.2% | \$19.0 | 5.9% | \$19.6 | 3.2% | \$19.9 | 1.5% | \$20.1 | 1.0% | \$20.3 | 1.0% |
| Purchase and Use* | \$103.2 | 3.1% | \$109.4 | 6.0% | \$111.8 | 2.2% | \$105.4 | -5.7% | \$134.1 | 27.2% | \$139.6 | 4.1% | \$142.1 | 1.8% | \$137.3 | -3.4% | \$133.4 | -2.8% | \$137.6 | 3.1% |
| Motor Vehicle Fees | \$86.2 | 5.2% | \$86.0 | -0.3% | \$85.4 | -0.7% | \$83.6 | -2.1% | \$87.6 | 4.7% | \$88.9 | 1.5% | \$90.0 | 1.2% | \$90.8 | 0.9% | \$91.8 | 1.1% | \$92.5 | 0.8% |
| Other Revenue** | \$19.9 | 1.8% | \$23.0 | 15.3% | \$24.6 | 7.0% | \$21.3 | -13.5% | \$20.5 | -3.4% | \$22.0 | 7.2% | \$23.5 | 6.8% | \$24.2 | 3.0% | \$24.9 | 2.9% | \$25.6 | 2.8% |
| TOTAL TRANS. FUND | \$305.8 | 2.6% | \$315.4 | 3.1% | \$318.2 | 0.9% | \$299.2 | -6.0% | \$327.4 | 9.4% | \$344.9 | 5.3% | \$352.6 | 2.2% | \$349.9 | -0.8% | \$347.7 | -0.6% | \$352.9 | 1.5% |

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | FY2020 | % | FY2021 | % | FY2022 | % | FY2023 | % | FY2024 | % | FY2025 | % | FY2026 | % |
|-------------------------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|--------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|--------------|----------------|--------------|----------------|-------------|
| | (Actual) | Change | (Actual) | Change | (Actual) | Change | (Actual) | Change | (Preliminary) | Change | (Forecast) | Change | (Forecast) | Change | (Forecast) | Change | (Forecast) | Change | (Forecast) | Change |
| REVENUE SOURCE | | | | | | | | | | | | | | | | | | | | |
| Gasoline | \$78.2 | 0.3% | \$78.2 | 0.0% | \$77.8 | -0.5% | \$71.0 | -8.7% | \$67.3 | -5.3% | \$75.4 | 12.1% | \$77.4 | 2.7% | \$77.7 | 0.4% | \$77.5 | -0.3% | \$76.9 | -0.8% |
| Diesel | \$18.2 | -0.5% | \$18.9 | 3.6% | \$18.6 | -1.6% | \$17.9 | -3.5% | \$17.9 | 0.2% | \$19.0 | 5.9% | \$19.6 | 3.2% | \$19.9 | 1.5% | \$20.1 | 1.0% | \$20.3 | 1.0% |
| Purchase and Use ¹ | \$68.8 | 3.1% | \$73.0 | 6.0% | \$74.5 | 2.2% | \$70.3 | -5.7% | \$89.4 | 27.2% | \$93.1 | 4.1% | \$94.7 | 1.8% | \$91.5 | -3.4% | \$88.9 | -2.8% | \$91.7 | 3.1% |
| Motor Vehicle Fees | \$86.2 | 5.2% | \$86.0 | -0.3% | \$85.4 | -0.7% | \$83.6 | -2.1% | \$87.6 | 4.7% | \$88.9 | 1.5% | \$90.0 | 1.2% | \$90.8 | 0.9% | \$91.8 | 1.1% | \$92.5 | 0.8% |
| Other Revenue ² | \$19.9 | 1.8% | \$23.0 | 15.3% | \$24.6 | 7.0% | \$21.3 | -13.5% | \$20.5 | -3.4% | \$22.0 | 7.2% | \$23.5 | 6.8% | \$24.2 | 3.0% | \$24.9 | 2.9% | \$25.6 | 2.8% |
| TOTAL TRANS. FUND | \$271.4 | 2.6% | \$279.0 | 2.8% | \$280.9 | 0.7% | \$264.1 | -6.0% | \$282.7 | 7.0% | \$298.4 | 5.5% | \$305.2 | 2.3% | \$304.1 | -0.4% | \$303.2 | -0.3% | \$307.0 | 1.3% |

OTHER (TIB³)

| | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------|---------------|--------------|---------------|-------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| TIB Gasoline | \$12.6 | -3.3% | \$12.9 | 2.2% | \$14.6 | 13.1% | \$12.7 | -12.8% | \$10.2 | -19.5% | \$14.92 | 46.0% | \$14.99 | 0.5% | \$15.58 | 3.9% | \$16.11 | 3.4% | \$16.59 | 3.0% |
| TIB Diesel and Other ⁴ | \$1.7 | -11.3% | \$2.0 | 16.1% | \$2.1 | 3.7% | \$2.0 | -2.5% | \$1.9 | -4.5% | \$2.06 | 7.6% | \$2.13 | 3.4% | \$2.16 | 1.4% | \$2.18 | 0.9% | \$2.20 | 0.9% |
| TOTAL OTHER (TIB) | \$14.5 | -2.9% | \$14.9 | 2.4% | \$16.6 | 11.9% | \$14.7 | -11.6% | \$12.1 | -17.5% | \$17.0 | 40.0% | \$17.1 | 0.8% | \$17.7 | 3.6% | \$18.3 | 3.1% | \$18.8 | 2.7% |

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

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

3) Transportation Infrastructure Bond revenues

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

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2021**

CURRENT LAW BASIS

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

| | FY 2017 | % | FY 2018 | % | FY 2019 | % | 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> | <i>(Forecast)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> | <i>(Forecast)</i> | <i>Change</i> |
| GENERAL FUND | | | | | | | | | | | | | | | | | | | | |
| Meals and Rooms | \$0.0 | NM | \$0.0 | NM | \$45.5 | NM | \$40.9 | -10.1% | \$36.0 | -12.1% | \$45.0 | 25.1% | \$48.4 | 7.6% | \$51.2 | 5.7% | \$53.8 | 5.0% | \$56.1 | 4.3% |
| Sales & Use ² | \$131.8 | 1.6% | \$139.2 | 5.6% | \$412.5 | 196.3% | \$432.5 | 4.8% | \$507.6 | 17.4% | \$538.6 | 6.1% | \$551.2 | 2.3% | \$557.1 | 1.1% | \$567.2 | 1.8% | \$580.2 | 2.3% |
| Interest | \$0.4 | 122.7% | \$0.5 | 30.3% | \$0.7 | 38.1% | \$0.8 | 23.9% | \$0.1 | -87.1% | \$0.10 | -7.2% | \$0.20 | 100.0% | \$0.3 | 50.0% | \$0.50 | 66.7% | \$0.7 | 40.0% |
| Lottery | \$25.5 | -3.3% | \$27.1 | 6.4% | \$29.5 | 8.6% | \$26.8 | -9.0% | \$32.5 | 21.2% | \$31.2 | -4.0% | \$32.3 | 3.5% | \$33.0 | 2.2% | \$33.6 | 1.8% | \$34.2 | 1.8% |
| TRANSPORTATION FUND | | | | | | | | | | | | | | | | | | | | |
| Purchase and Use ³ | \$34.4 | 3.1% | \$36.5 | 6.0% | \$37.3 | 2.2% | \$35.1 | -5.7% | \$44.7 | 27.2% | \$46.5 | 4.1% | \$47.4 | 1.8% | \$45.8 | -3.4% | \$44.5 | -2.8% | \$45.9 | 3.1% |
| TOTAL EDUCATION FUND | \$192.2 | 1.3% | \$203.3 | 5.8% | \$525.4 | 158.4% | \$536.2 | 2.0% | \$620.9 | 15.8% | \$661.4 | 6.5% | \$679.5 | 2.7% | \$687.3 | 1.2% | \$699.5 | 1.8% | \$717.0 | 2.5% |

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

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

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

3) Includes Motor Vehicle Rental revenues, restated