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January 2020 Economic Review and Revenue Forecast Update

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

January 16, 2020

Economic Review and Revenue Forecast Update

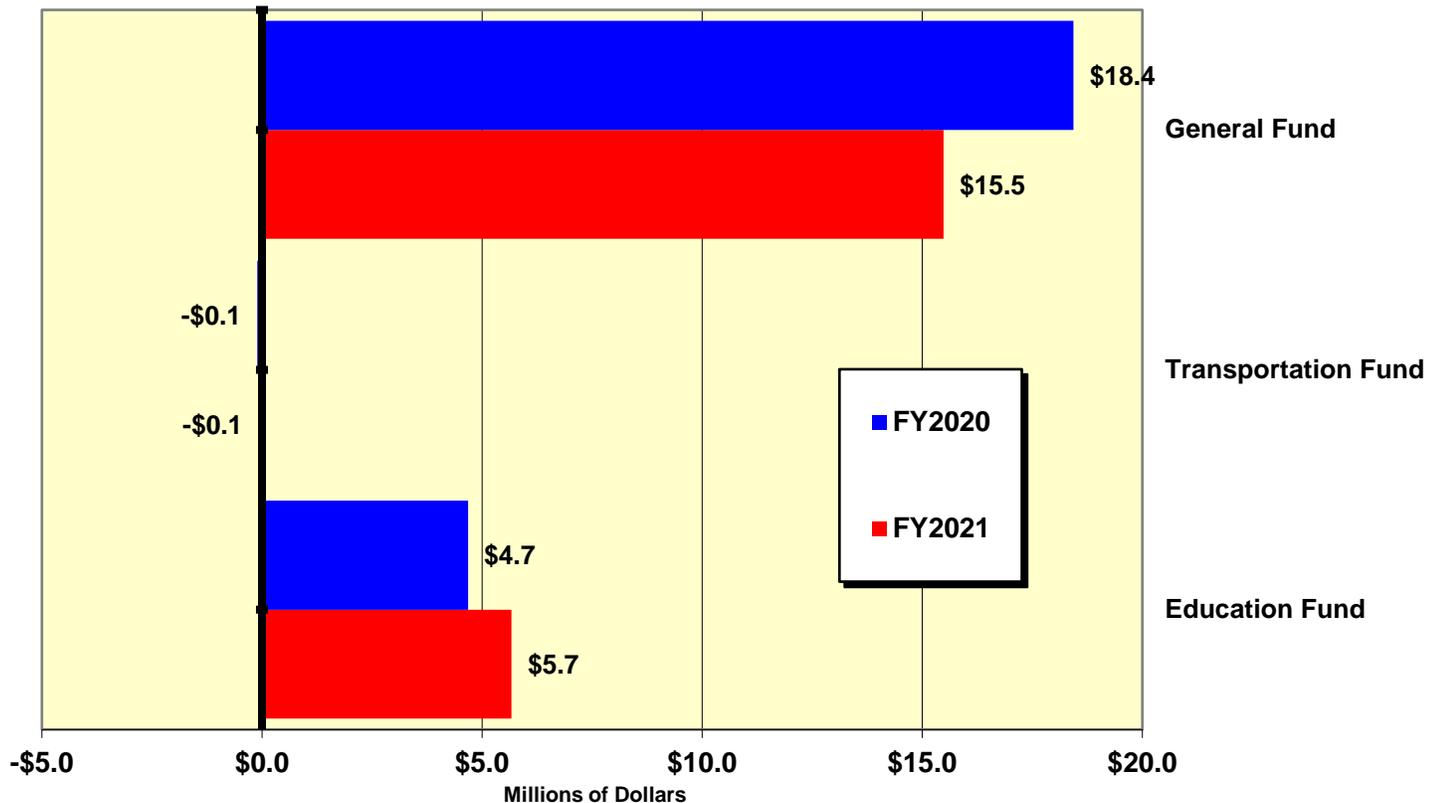
January 2020

Overview

After rising recessionary concerns throughout most of 2019, the year ended on a positive note, with a “worst case” trade war with China seemingly averted, House approval of the slightly-revised NAFTA agreement (now called USMCA), the stock market soaring to record heights, bipartisan agreement on funding the federal government (no matter how big the deficits), and stabilizing global economic conditions. Accordingly, year-ahead recession risks as measured by a Wall Street Journal survey of economists, has fallen from 34.8% in September to 25.8% in December (see chart on following page).

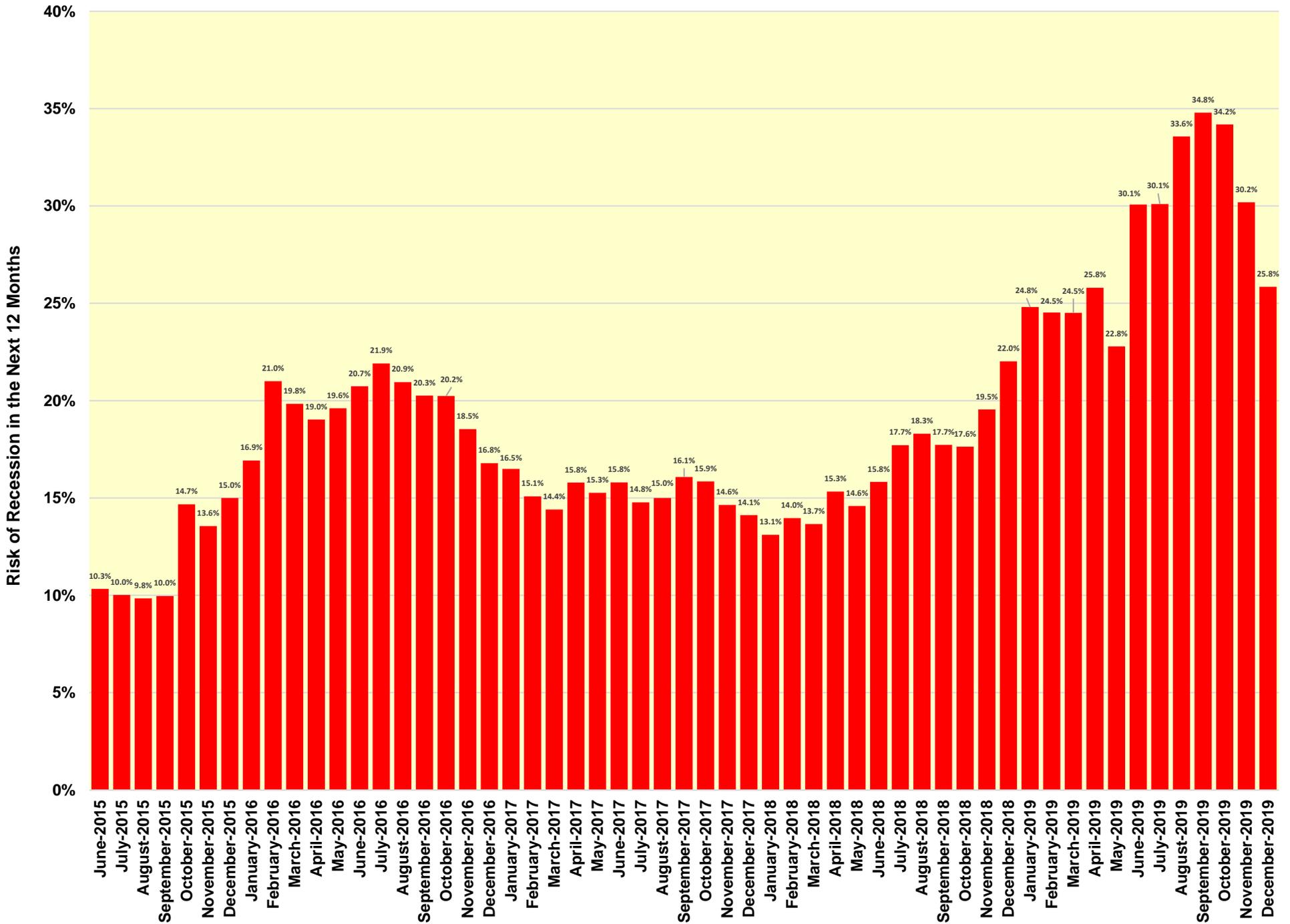
Vermont revenues in the first half of FY20 have been slightly above expectations in all major funds, with the G-Fund excluding Healthcare about +1.4% above targets, the T-Fund, +0.5%, the E-Fund, +0.8%, and Healthcare, +5.2%. As a result of both technical and economic factors, total revenues from the funds analyzed herein will be about \$23M higher in FY20 and \$21M above FY21 levels estimated in July, a minor midcourse correction of about 1%. The breakout by fund is illustrated in the below chart.

Differences in Expected Revenue Between January 2020 and July 2019 Forecasts, by Fund and Year



As "Worst-Case" Trade War Risks Recede, Chance of 2020 Recession Drops

(Risk of Recession In the Next 12 Months - Source: Wall Street Journal Survey of 75 Economists)



January 2020 Economic and Revenue Forecast Commentary

- Labor markets remain relatively tight in both the U.S. and Vermont, with each posting sustained unemployment rates in recent months close to their lowest levels ever. Vermont's unemployment rate, at 2.3% in November (the latest available), was again the best in the nation (see chart on following page), while the U.S. rate in both November and December, at 3.5%, was the lowest in more than 50 years. Even more broadly-measured unemployment rates, such as "U4" which includes discouraged workers, "U5" which adds marginally attached workers, and "U6" which adds those employed part time for economic reasons, all reached record U.S. lows (since their construct in 1994) in December.

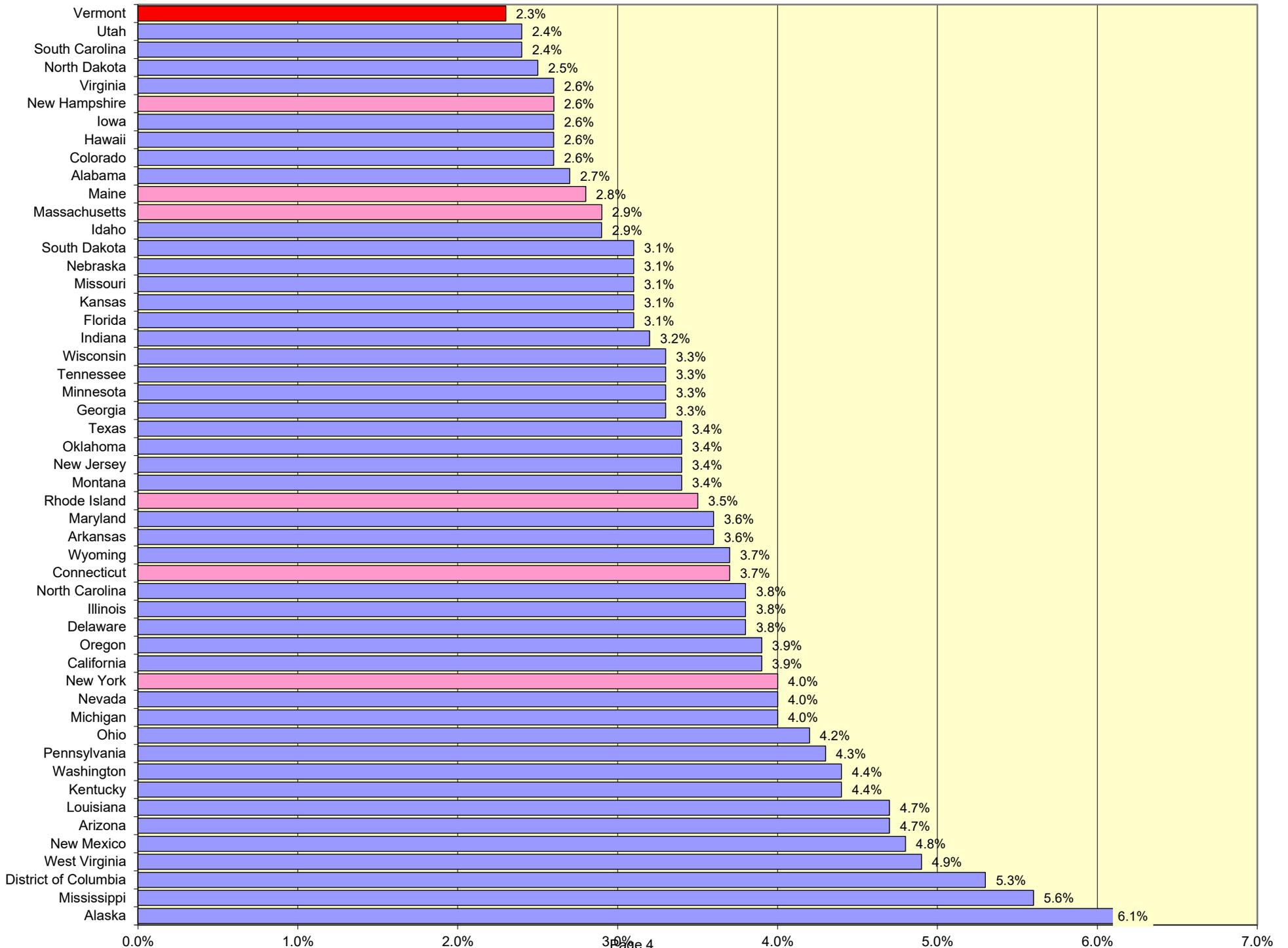


Signs of the times...and the lowest unemployment rate in the nation

- U.S. payroll jobs set another record in December, registering the 111th consecutive monthly increase – the longest stretch in 80 years of data. Also, of note in the latest month, for only the second time ever, women held more jobs than men – a reflection of the faster relative growth in sectors such as healthcare and education, which women dominate. Service sector employment in 2019 grew 1.5%, while Goods producing job growth was only 0.8%, hobbled by tariffs and trade uncertainty.
- As strong as labor markets appear, U.S. job growth in 2019 was the weakest since 2011 and nominal wage growth actually *decelerated* through most of the year, dropping from a peak of 3.4% in February to 2.9% in December. Underscoring the stark relative weakness of workers vs. employers, even in labor markets experiencing record unemployment, real wage growth in 2019 never reached 2% and in December slowed to a mere 0.6% (see page 6).

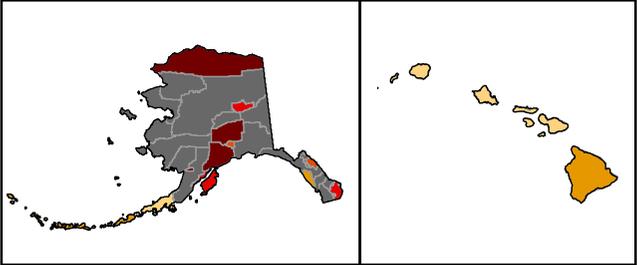
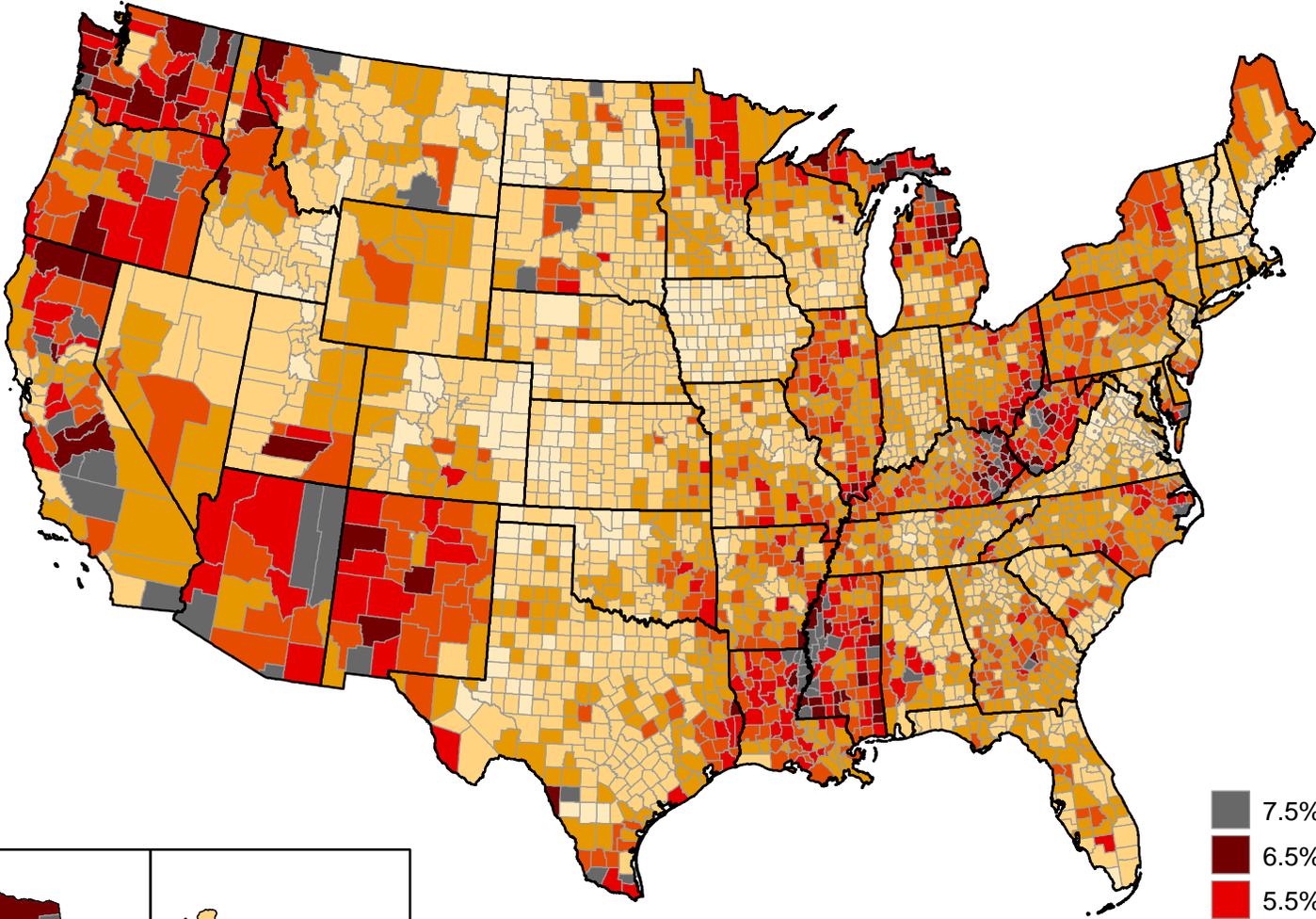
Unemployment Rate by State - November 2019

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



Unemployment rates by county, December 2018-November 2019 averages

(U.S. rate = 3.7 percent)



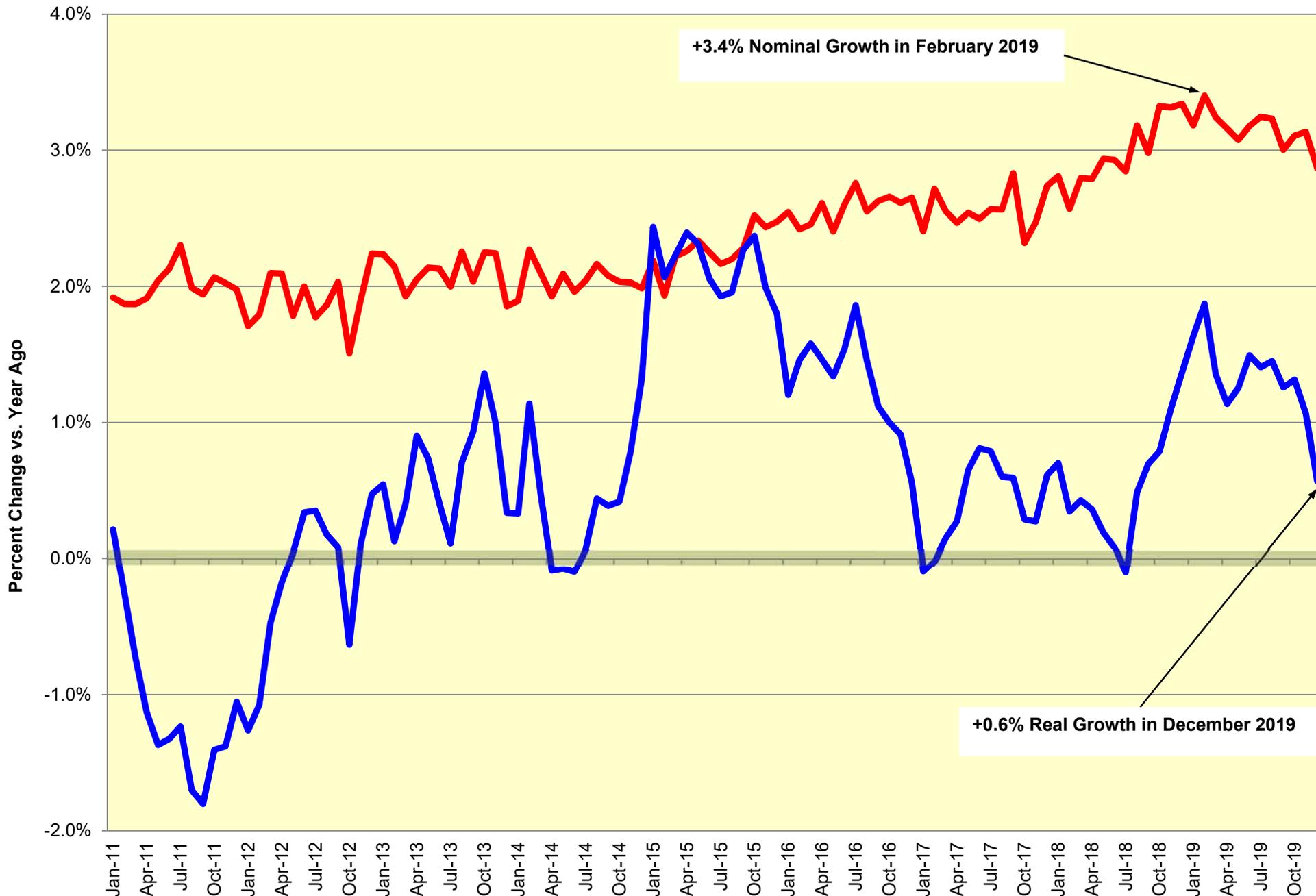
- 7.5% and over
- 6.5% to 7.4%
- 5.5% to 6.4%
- 4.5% to 5.4%
- 3.5% to 4.4%
- 2.5% to 3.4%
- 2.4% and below

SOURCE: Bureau of Labor Statistics
Local Area Unemployment Statistics

Wage Growth Remains Tepid, Underscoring the Extraordinary Weakness of Labor in the Workplace

Percent Change vs. Year Ago - Average Hourly Earnings, Nominal (Red) vs. Real (Blue)

All U.S. Private Employees, Source: U.S. Bureau of Labor Statistics

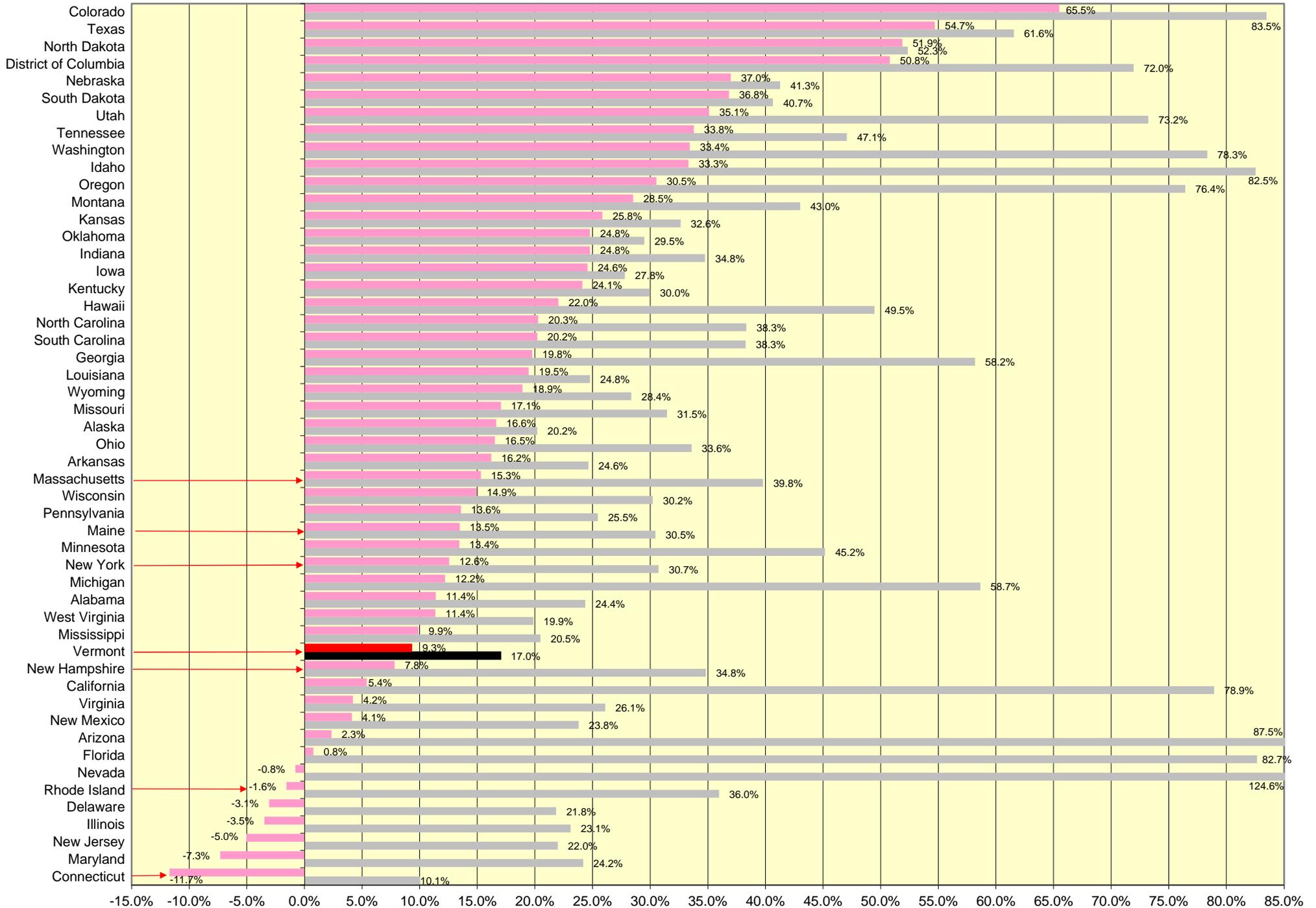


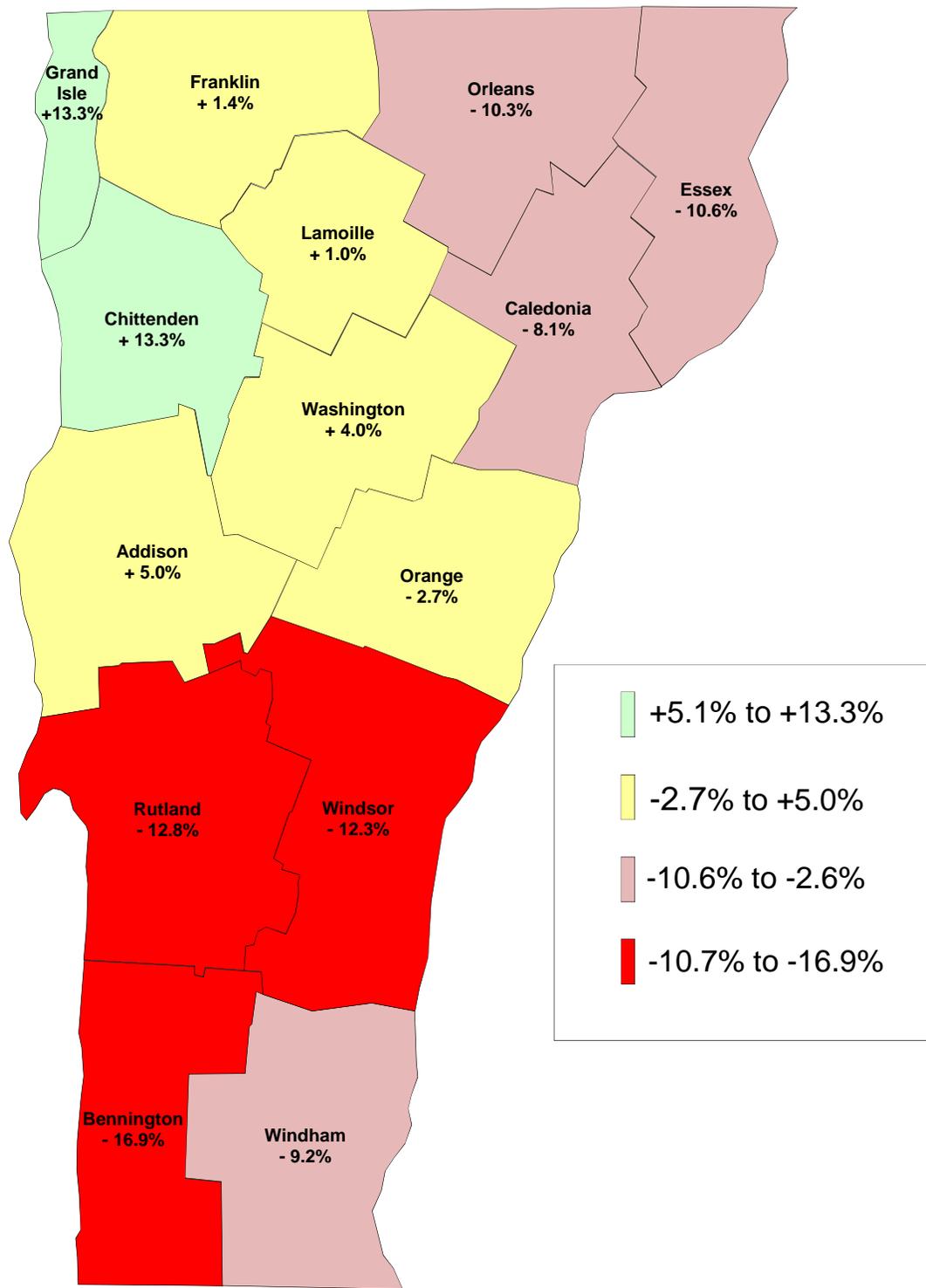
- As the expansion ages, growth rates are expected to slow. 2019 U.S. GDP growth is forecast to be about 2.3%, while 2020 and 2021 are likely to be at or slightly below 2%. The unemployment rate will move up a few ticks, but remain historically low, at 3.8% in 2020 and 4.1% in 2021.
- Real estate and housing markets benefitted in 2019 from a swing away from Federal Reserve monetary tightening that had choked this sector in late 2018 and slowed transactions and price appreciation in most regions. With three interest rate cuts in 2019, real estate markets have revived and price appreciation is currently well above inflation.
- In the latest quarter (2019:Q3), Vermont posted 4.3% year-over-year home price growth, trailing Maine (+5.9%), New Hampshire (+5.2%), New York (+4.5%) and Rhode Island (+4.4%) in the region. Idaho is currently the hottest housing market in the nation, with eight consecutive quarters of double-digit price growth. Such unsustainable runs can only end in one way...
- For the 22nd consecutive quarter, housing prices increased on a year over year basis in virtually every U.S. state. As of the third quarter of 2019 (the most recent available), 43 states equaled or exceeded their pre-recession peak levels. Only 7 states were still below their pre-recession peak prices: NV, RI, DE, IL, NJ, MD and CT (see chart on following page).
- Notably, Connecticut has the worst housing market in the nation, with prices still almost 12% below pre-recession levels. Rhode Island (-1.5%) is close to pre-recession levels, with Vermont at +9.3%, NH at +7.8%, NY at +12.6%, Maine at +13.5% and MA at +15.3%.
- After more than 10 years, Vermont real estate prices outside the Burlington MSA finally exceeded their pre-recession peaks (+2.2%). Meanwhile, the Burlington MSA – like many urban areas – has had price increases that are nearly 20% above prior peaks.
- As shown in the map on page 9, through 2018 (the latest available data), the Vermont counties with the worst housing markets have been in the southern part of the State – where second home ownership is more heavily weighted to CT residents. Until the CT market returns to at least its pre-recession level, there will be very limited wealth effects from primary home equity and, even more important, there will be a searing memory that property ownership can be a losing financial proposition. Both of these effects may dampen second home ownership in southern Vermont in the near-term.
- Despite the record longevity of the current economic cycle, and the certainty that there will be another downturn at some point, business cycles don't die of old age. They usually die from either internal imbalances that are unsustainable and result in correction and rebalancing, or external shocks. So, how long could the current expansion keep going? If we look beyond our own borders, there are three economies that are currently experiencing

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

Percent Change, 2019Q3 vs. Peak Price by State Reached Between 2005Q3 and 2009Q3 - Pink and 2019Q3 vs. Trough Price Reached Between 2009Q3 and 2014Q1 - Grey

Source: FHFA





2018 VT Home Prices vs. Prior Peak by County

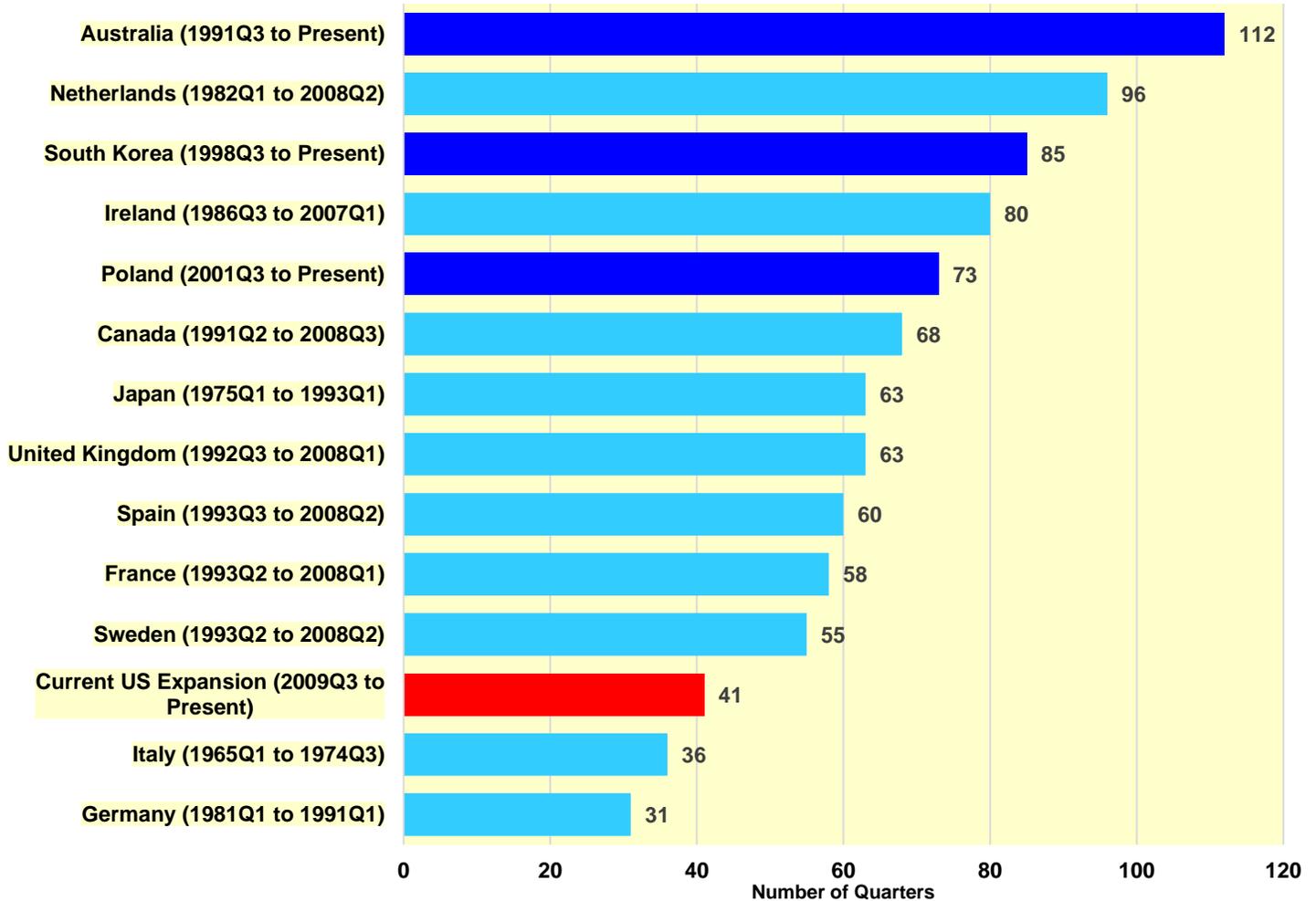
2018 FHFA Home Price Index versus Peak Price During 2007-2008

Source: FHFA Home Price Index - All Transactions, Developmental Index

economic expansions that have lasted longer than ours - with two of them more than twice as long. Australia has seen sustained growth for 112 quarters (since 1991), South Korea, for 85 quarters (since 1998) and Poland, for 73 quarters (since 2001). As shown in the below chart, there are also eight other instances in the post-war period in which nations have had longer expansions.

How Long Can an Economic Expansion Last? Selected Economic Expansion Periods by Nation, Past and Present

(Periods in which there were no two consecutive quarters of real GDP decline, Source: OECD Statistics through 2019Q3)



- Australia's extraordinary economic performance is in no small part due to its proximity to Asia, and especially, China, whose recent growth has created a huge market for Australian natural resources and services. China's blended market and command economy has also weathered recent global downturns much more effectively than primarily market-driven economies, providing ballast for Australia when other markets were in collapse.
- Australia's extraordinary expansion, however, is now at risk from an external shock, rooted in another kind of imbalance whose correction is inevitable. After years of record heat and climate-induced drought, vast wildfires are destroying agriculture, rural towns, wildlife habitats, tourism and impacting

public health and economic output. The combined effects may be enough to push the economy into recession. Ironically, much of what Australia exported to China were fossil fuels.

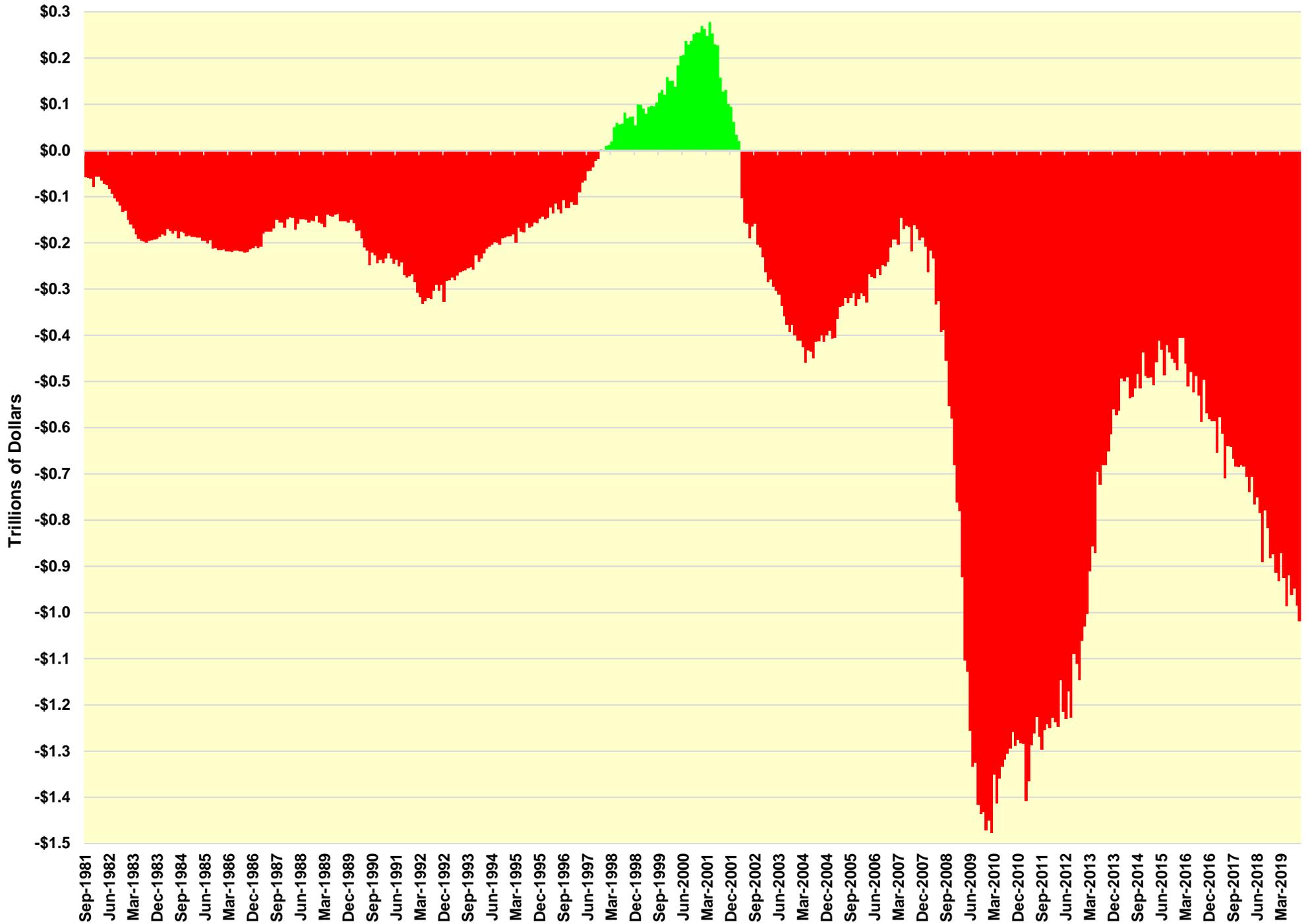
- The economic costs of climate change may come slowly enough for many to ignore and irregularly enough for some to prevaricate. But these costs are undeniably growing with each year of record heat and each “one in a thousand year” natural calamity. Costs such as those being experienced in Australia are a rising economic threat everywhere. Policy delays to address this issue look increasingly indefensible - especially to the next generation.



- The ballooning federal debt as a share of Gross Domestic Product is another longer-term economic risk and indefensible generational issue. While one of the few areas of true bipartisan agreement, borrowing endlessly, whether to avoid a government shutdown or cut corporate taxes, will have consequences that will diminish the financial strength and power of the nation. By deficit spending during peak expansion years – instead of saving – the nation has less capacity to deal with future downturns and saddles future generations with excessive debt servicing costs (see chart on page 12).
- The chart on page 13 outlines a number of events (many of which are interrelated) that could slow or terminate the current expansion and how they have changed since the prior July forecast. Still prominent in this risk matrix, is the threat of further trade war escalation, particularly with China. Even with a “phase 1” deal, most of the existing tariffs remain in place. To date, these

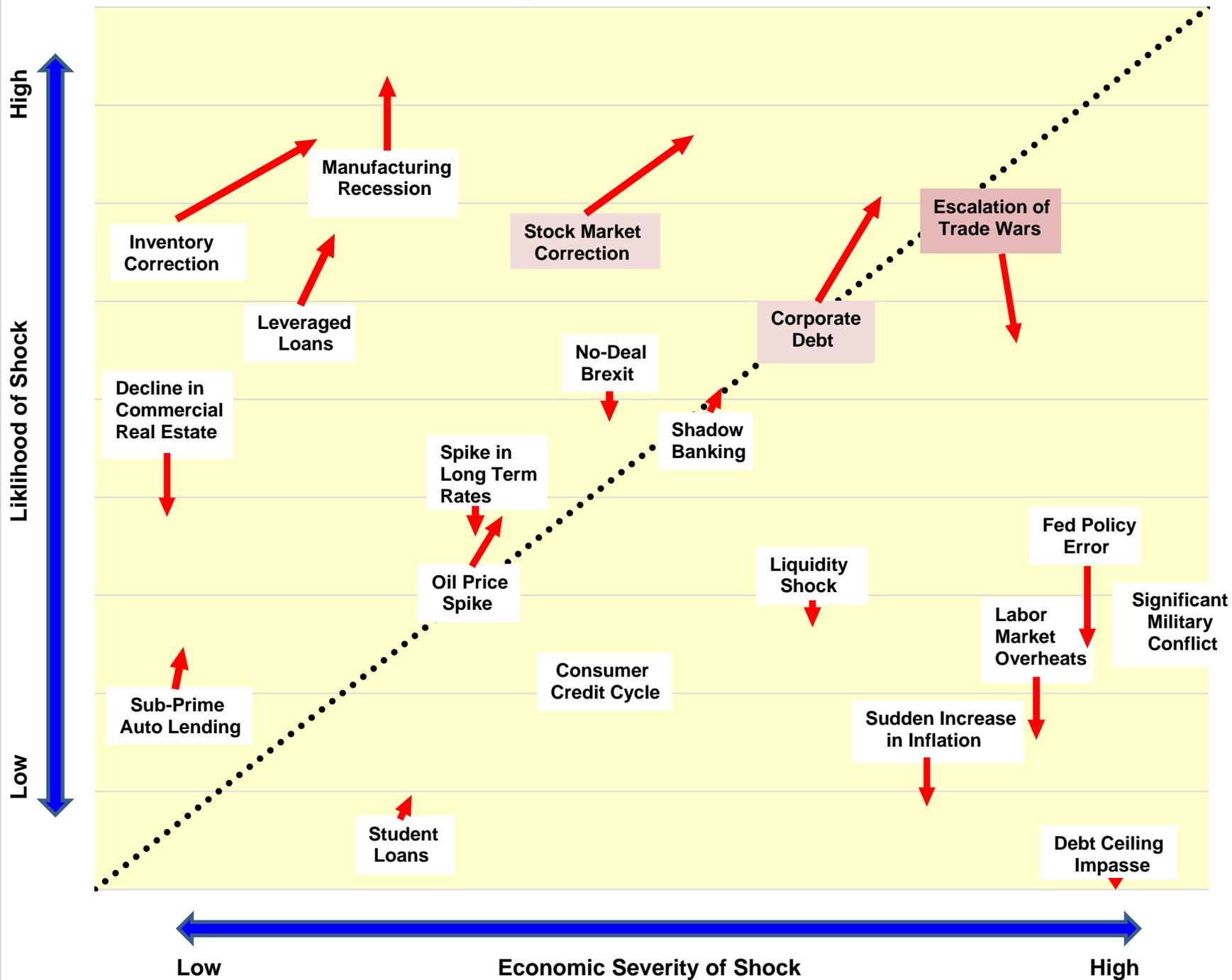
Economic Malpractice: Massive Deficit Spending During Peak Expansion Years

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

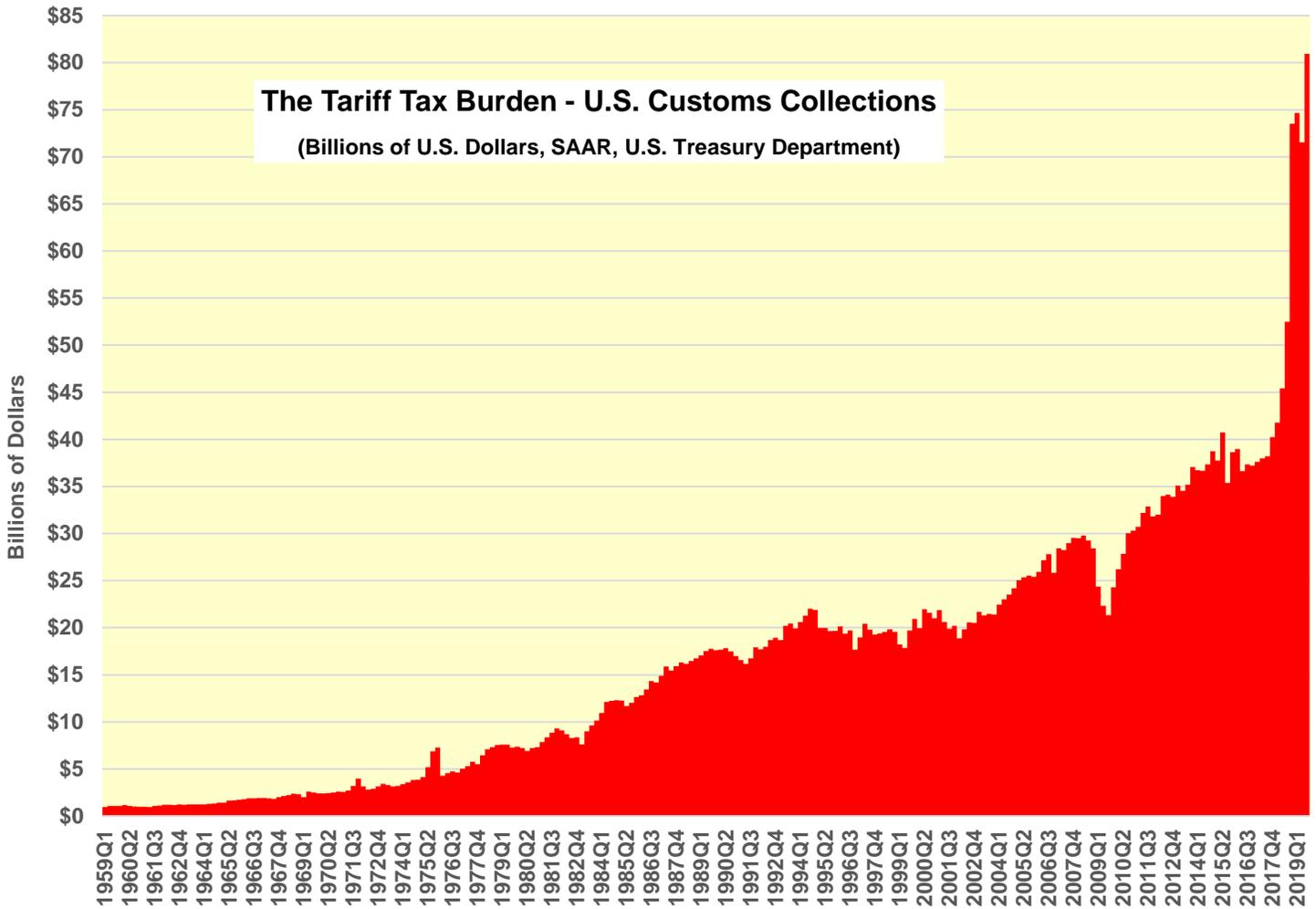


What Could Go Wrong?

Change in Recession Risk Factors Between January 2020 and July 2019, as Assessed by JFO and Administration Economists



tariffs have acted as a tax on U.S. consumers and businesses, who will ultimately pay most of this cost. Moody's estimates that they cost the economy about 0.5 points of GDP growth, 450,000 jobs and pushed the manufacturing, agriculture and transportation sectors into recession in 2019.



State Revenues

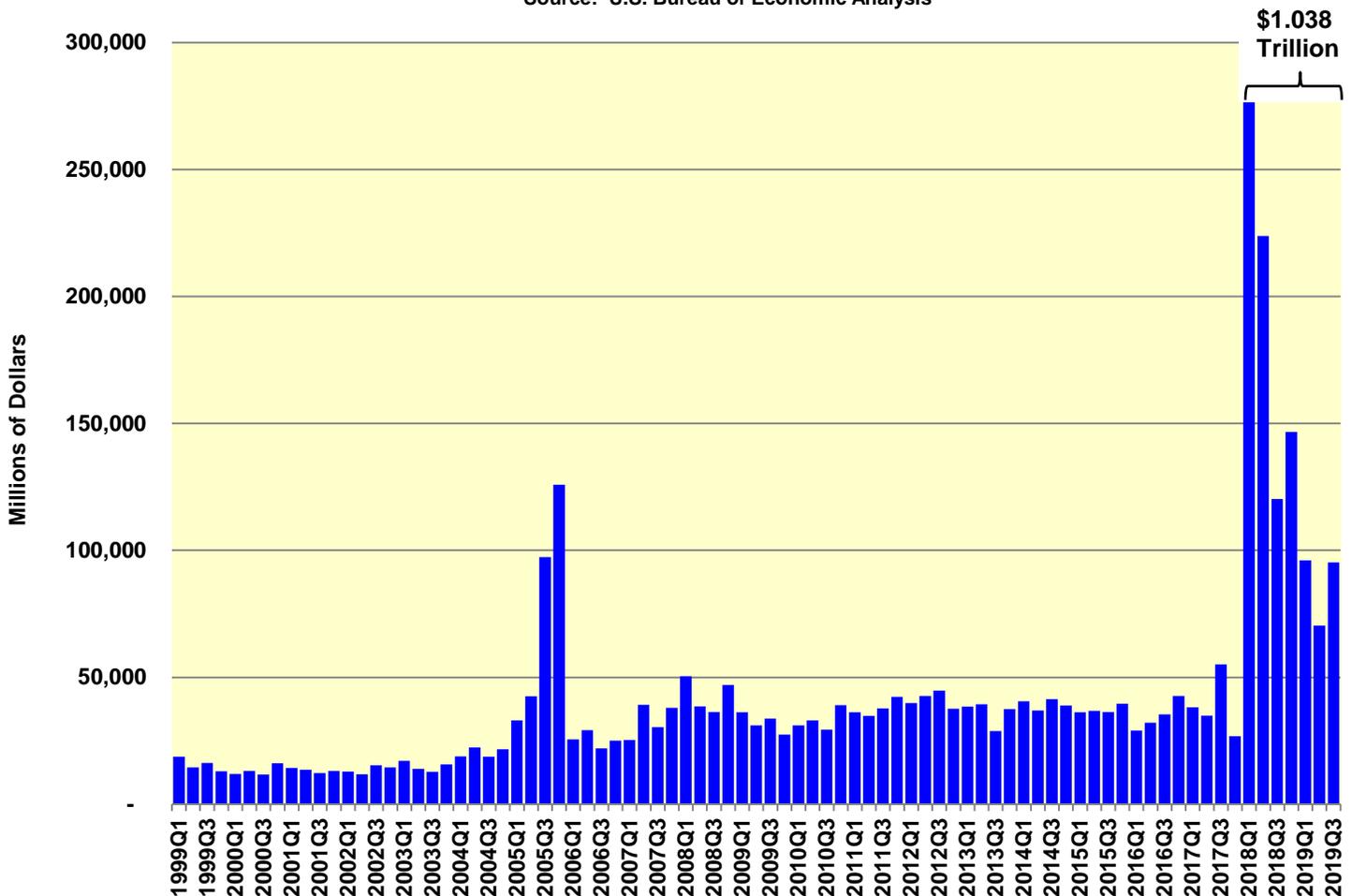
- Changes in total revenue by fund groupings and year between the current January 2020 forecast and the prior July 2019 forecast are outlined below:

	FY2020	FY2021	FY2022	FY2023	FY2024
Education Fund	\$4.7	\$5.7	\$6.2	\$6.9	\$7.5
Transportation Fund	-\$0.1	-\$0.1	-\$0.5	-\$0.4	-\$0.3
General Fund	\$18.4	\$15.5	\$8.0	\$13.1	\$16.1
(Healthcare Only)	\$4.1	\$1.9	\$1.8	\$1.6	\$1.6
(General Fund Ex HC)	\$14.4	\$13.6	\$6.2	\$11.4	\$14.6
Total Current Law	\$23.0	\$21.1	\$13.7	\$19.6	\$23.3

- Personal Income** tax revenue continues to be the largest single State revenue source and one of the most volatile. Through the first six months of FY20, it was 2.6% above target, with all subcategories except withholding revenue ahead of projections. With the stock market closing at record highs in 2019, and continued (albeit slower) economic growth through the next two years, personal income receipts in FY20 are projected to exceed \$890M, about \$15.5M above prior July expectations and in FY21 approach \$910M, about \$14.4M above the July forecast.
- Corporate** tax revenues closed the first half of the fiscal year \$0.9M below targets (about 2%). Due to the compressed analytic timeframe for this update, essential detailed work to assess company-specific corporate repatriation revenues triggered by the TCJA was not possible. Thus, the July forecast has not been changed in this update. We expect to review this revenue source over the next several weeks in greater detail and will issue a revenue advisory note, if warranted, when completed.

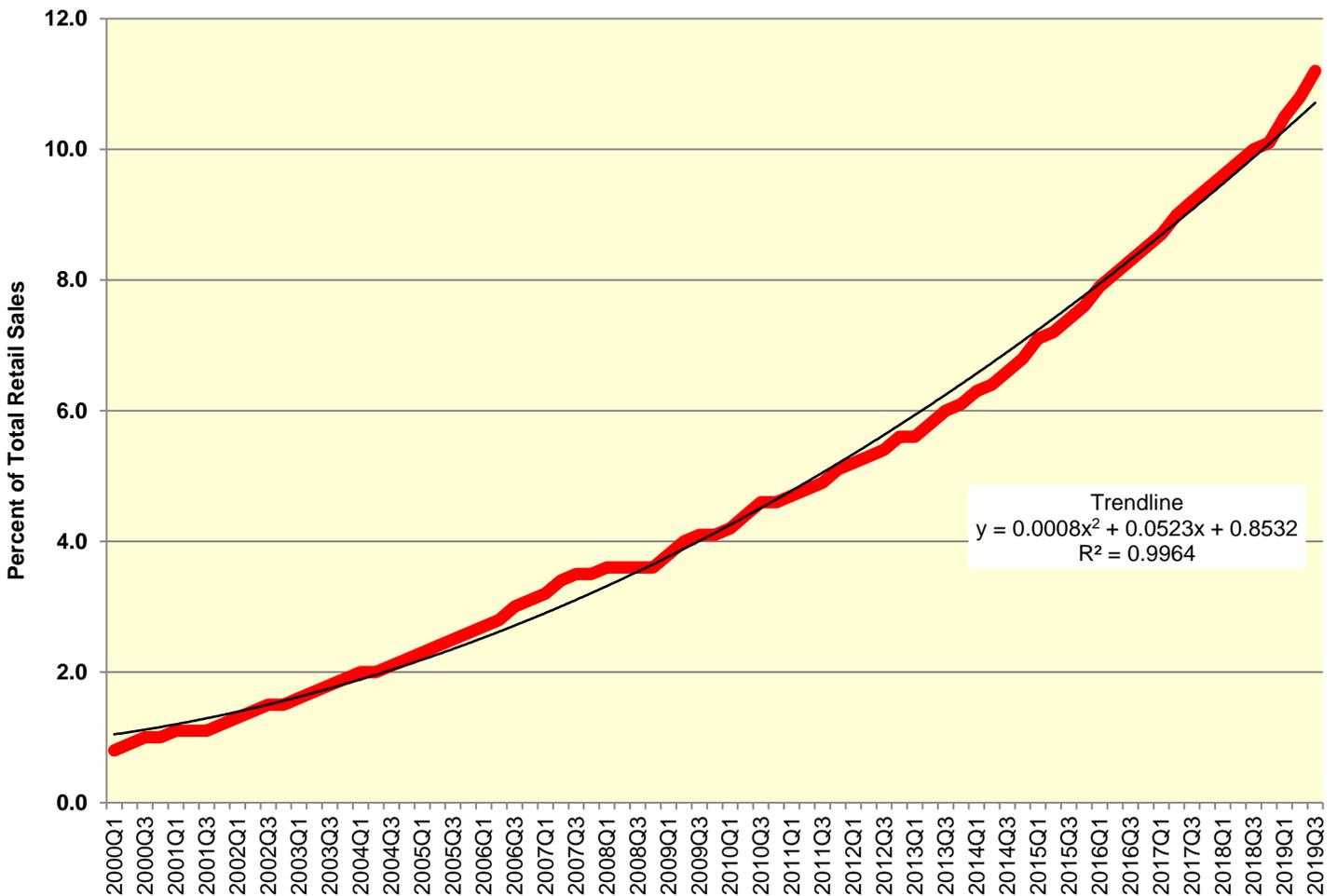
Repatriation Slows as Rulemaking Creates New Avoidance Opportunities

(U.S. International Transactions in Primary Income, Investment Income, Dividends and Withdrawals)
 Source: U.S. Bureau of Economic Analysis



E-Commerce Share of Total U.S. Retail Sales Accelerates

(Source: U.S. Census Bureau)

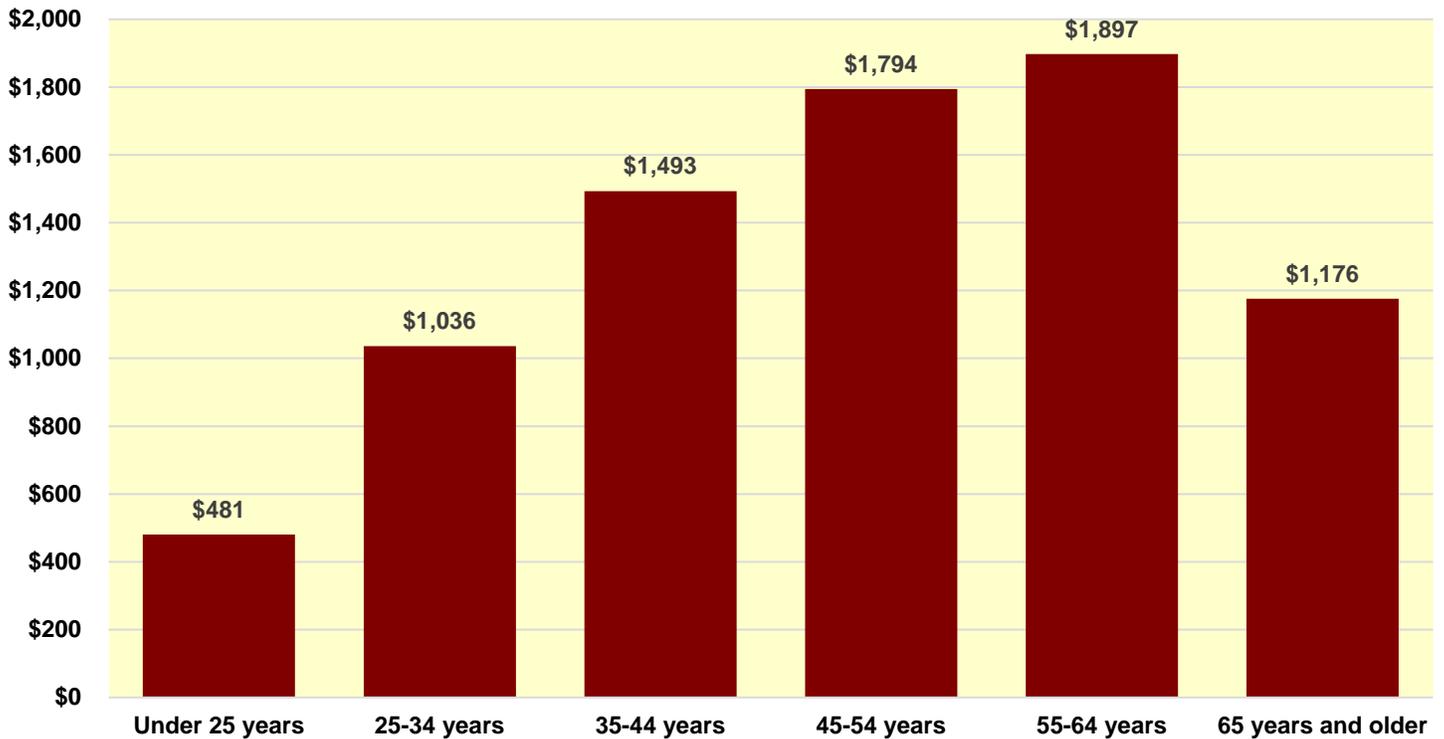


- **Sales and Use** tax revenues closed the first half of FY20 about 1% above targets (+\$2.6M), benefitting from the recent Wayfair decision and subsequent inclusion of nearly 2,000 new e-commerce vendors in the tax base. Along with Amazon and Amazon Marketplace, these new revenues have exceeded prior expectations and underlie a slight upgrade in both FY20 and FY21 revenue expectations. As shown in the above chart, e-commerce revenues now account for more than 10% of total retail sales nationally and are growing at an accelerating rate.
- The **Telephone Property** tax continues to decline and is now expected to yield only \$3.6M in FY20 - less than 40% of its FY14 level - due to aggressive depreciation being taken by some of the largest payers and statutory ambiguity regarding such depreciation and the applicability of the tax to wireless and VoIP providers. Without statutory clarification, this revenue source will likely continue to decline, generating at least \$6 to \$7 million per year less than FY14 levels.

Meals & Rooms Revenues Benefit from Aging Regional Population

Average annual travel expenditures by age of head of household, 2008 Dollars

Source: BLS Consumer Expenditure Program

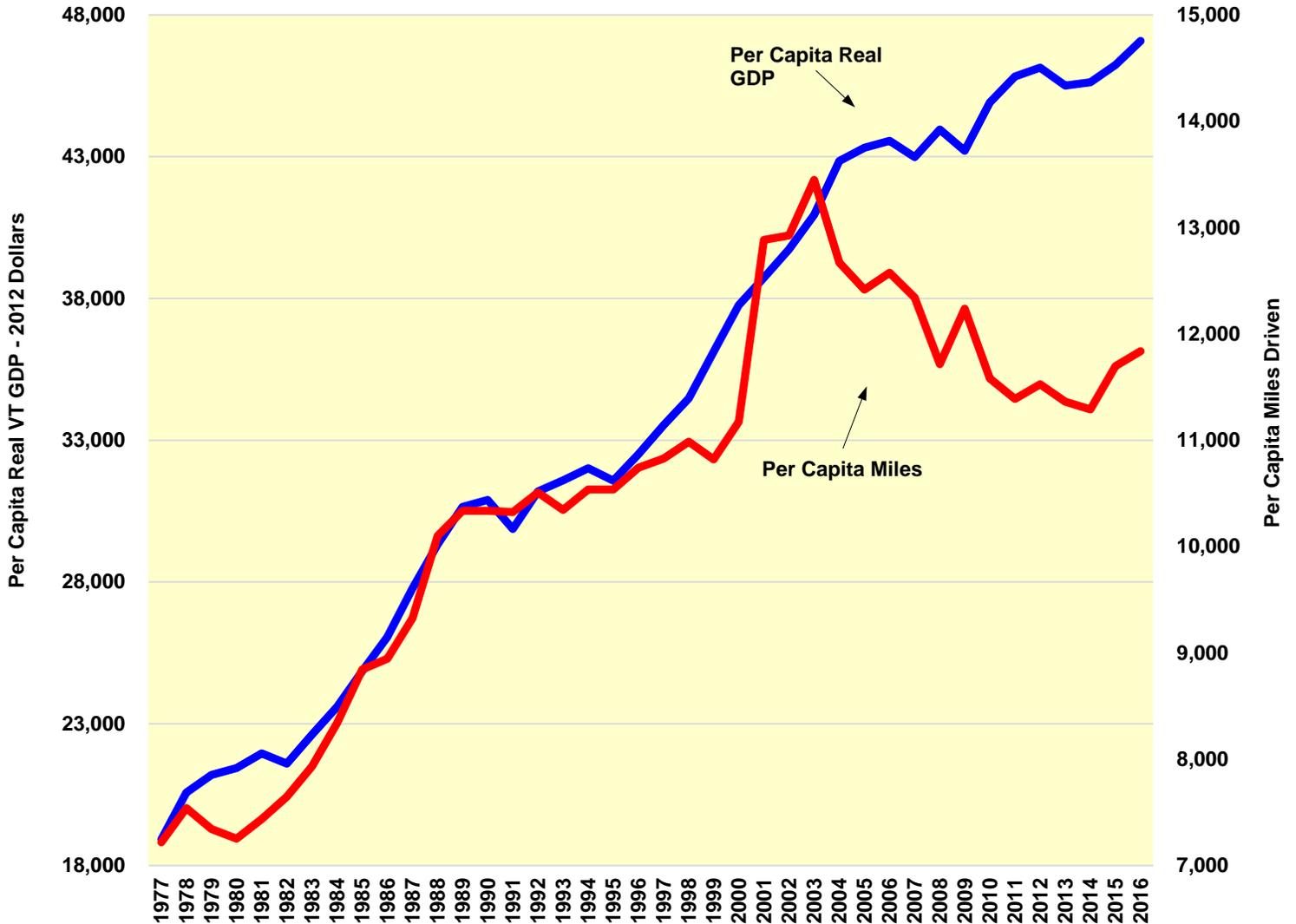


- **Meals & Rooms** revenues have shown solid growth through the first half of FY20. Although benefitting from rapidly growing on-line short-term rental income, new revenue from on-line travel agencies has been much weaker than anticipated, leading to a slight downgrade to the prior July estimates. Still, overall Meals & Rooms receipts are expected to grow at rates well above most revenue sources, with 7% growth in FY20 and 3% in FY21. Per the above chart, the aging regional demographics that are negatively affecting some revenue sources, are a clear plus to State tourism expenditures. With the highest annual travel spending among households headed by those ages 55-64, and within easy driving distance for millions, Meals & Rooms revenues have benefitted. While global warming is clearly a threat to winter tourism in Vermont, oppressive summer temperatures in the highly populated regions south of Vermont could generate greater tourism (and even relocation pressures at some point) to the State.
- **Cigarette and Tobacco** tax revenue was upgraded slightly in this forecast (about \$2M in FY20 and FY21) due to stronger than expected revenues from the new vaping tax. What is not yet clear at this early date, however, is how impactful the change in the minimum purchase age from 18 to 21 for all cigarette and tobacco products (including vaping), will ultimately be.
- **Transportation Fund** revenues were very close to targets through the first 6 months of FY20, up about 0.5%. This includes adjustment for a 7 month-long depositing error we discovered that will result in the transfer of about \$1.5M in civil fine revenue from the G-Fund Fine category to T-Fund Other Revenue.

The sluggish overall trajectory of the T-Fund is in part due to weakness in one of the largest T-Fund revenue sources, the gasoline tax. Long considered to be suffering from vehicle efficiency gains and the introduction of electric vehicles, the below chart shows that in addition to this, the number of miles driven per capita has also been declining. This may be due to demographic changes (older people drive less), the increased prevalence of e-commuting, and/or more concentrated recent growth in dense urban areas.

Economic Growth and Miles Driven Diverge

Vermont Per Capita Real GDP (left scale) vs. Vermont Per Capita Miles Driven (right scale)
 (Sources: U.S. Census, BEA and DOT Office of Highway Policy Information)



- 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 2019 projections and other major forecasting entities, including the Federal Reserve, EIA, CBO, IMF, The Conference Board and other private forecasting firms.

TABLE A
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
June 2018 through December 2019, Selected Variables, Calendar Year Basis

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real GDP Growth									
June-18	2.6	2.9	1.5	2.3	3.0	2.6	0.9	2.3	2.3
December-18	2.5	2.9	1.6	2.2	3.0	2.4	1.1	1.9	2.3
June-19	2.5	2.9	1.6	2.2	2.9	2.3	1.8	1.9	2.2
December-19	2.5	2.9	1.6	2.4	2.9	2.3	1.8	1.9	2.5
S&P 500 Growth (Annual Avg.)									
June-18	17.5	6.8	1.5	17.0	9.5	-9.7	2.3	10.3	7.7
December-18	17.5	6.8	1.5	17.0	12.2	-2.5	-4.7	9.0	6.6
June-19	17.5	6.8	1.5	17.0	12.1	6.4	-7.6	4.4	6.3
December-19	17.5	6.8	1.5	17	12.1	6.1	-2.0	1.8	6.3
Employment Growth (Non-Ag)									
June-18	1.9	2.1	1.8	1.6	1.6	1.4	0.2	0.0	0.9
December-18	1.9	2.1	1.8	1.6	1.6	1.3	0.5	0.0	0.6
June-19	1.9	2.1	1.8	1.6	1.7	1.6	0.9	-0.1	0.5
December-19	1.9	2.1	1.8	1.6	1.7	1.6	1.0	0.2	0.8
Unemployment Rate									
June-18	6.2	5.3	4.9	4.4	3.8	3.3	4.0	4.8	4.9
December-18	6.2	5.3	4.9	4.4	3.8	3.6	3.9	4.5	5.2
June-19	6.2	5.3	4.9	4.4	3.9	3.6	3.7	4.1	4.3
December-19	6.2	5.3	4.9	4.4	3.9	3.7	3.8	4.1	4.3
West Texas Int. Crude Oil \$/Bbl									
June-18	93	49	43	51	65	62	70	76	79
December-18	93	49	43	51	65	60	68	72	75
June-19	93	49	43	51	65	59	63	63	62
December-19	93	49	43	51	65	57	57	59	59
Prime Rate									
June-18	3.25	3.26	3.51	4.10	4.97	6.56	6.81	6.46	5.96
December-18	3.25	3.26	3.51	4.10	4.90	5.98	6.54	6.31	5.96
June-19	3.25	3.26	3.51	4.10	4.90	5.55	5.58	5.78	6.09
December-19	3.25	3.26	3.51	4.10	4.90	5.27	4.60	4.70	5.53
Consumer Price Index Growth									
June-18	1.6	0.1	1.3	2.1	2.7	2.5	2.4	2.3	2.2
December-18	1.6	0.1	1.3	2.1	2.4	2.5	2.1	2.3	2.3
June-19	1.6	0.1	1.3	2.1	2.4	1.9	2.1	2.3	2.3
December-19	1.6	0.1	1.3	2.1	2.4	1.9	2.2	2.4	2.4
Average Home Price Growth									
June-18	5.2	5.3	5.6	6.3	6.5	6.8	5.6	4.8	3.1
December-18	5.2	5.2	5.6	6.2	6.5	6.8	5.8	5.1	4.5
June-19	5.1	5.2	5.5	6.1	6.6	4.8	4.0	3.1	3.2
December-19	5.1	5.2	5.5	6.0	6.5	4.9	4.4	4.1	3.9

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real GSP Growth									
June-17	0.3	0.9	0.8	1.1	1.3	0.8	0.3	0.8	1.1
December-17	0.5	0.9	0.7	0.9	1.4	0.8	0.1	0.9	1.3
June-18	0.5	0.7	1.5	1.1	1.9	1.6	0.3	2.1	2.4
December-18	0.5	0.7	1.5	1.1	2.2	1.9	0.6	1.9	2.2
June-19	0.0	1.1	1.6	1.3	1.2	1.1	1.4	1.8	2.1
December-19	0.1	1.3	1.6	0.1	1.2	2.6	1.7	1.8	2.4
Population Growth									
June-17	-0.0	-0.1	-0.2	0.1	0.1	0.2	0.2	0.1	0.1
December-17	-0.1	-0.2	-0.2	0.1	-0.0	0.1	0.1	0.1	0.2
June-18	-0.1	-0.2	-0.2	0.1	0.0	0.1	0.1	0.1	0.2
December-18	-0.2	0.0	-0.2	0.1	0.3	0.1	0.2	0.2	0.2
June-19	-0.2	0.0	-0.3	0.1	0.3	0.1	0.2	0.2	0.2
December-19	-0.2	0.0	*0.3	0.1	0.0	-0.3	-0.1	0.1	0.1
Employment Growth									
June-17	1.0	0.8	0.3	0.9	1.0	0.8	0.3	0.1	0.8
December-17	1.0	0.8	0.3	0.9	1.2	0.7	0.1	0.4	0.8
June-18	1.0	0.8	0.3	0.3	0.5	0.9	0.1	0.0	0.8
December-18	1.0	0.8	0.3	0.3	-0.1	0.4	0.2	-0.2	0.5
June-19	0.9	0.8	0.3	0.6	0.1	0.8	0.6	-0.2	0.5
December-19	0.9	0.8	0.3	0.6	0.1	0.8	0.5	0.1	0.6
Unemployment Rate									
June-17	3.9	3.6	3.3	3.1	3.0	3.0	3.3	3.7	3.8
December-17	3.9	3.6	3.3	3.0	2.8	2.9	3.3	3.7	3.8
June-18	4.0	3.6	3.2	3.0	2.7	2.6	3.2	3.8	3.9
December-18	4.0	3.6	3.2	3.0	2.8	2.7	3.2	3.6	3.9
June-19	3.9	3.6	3.2	3.0	2.7	2.4	2.6	3.3	3.6
December-19	3.9	3.6	3.2	3.0	2.7	2.2	2.5	3.2	3.4
Personal Income Growth									
June-17	3.3	2.9	3.3	2.4	2.1	2.7	2.0	1.8	2.4
December-17	3.3	3.6	2.0	2.4	2.0	2.5	1.9	2.1	2.1
June-18	3.3	3.6	2.0	2.1	3.4	3.4	2.8	2.9	3.4
December-18	3.9	3.5	2.3	3.2	3.0	2.8	2.6	2.5	3.0
June-19	3.9	3.5	2.3	3.2	3.1	2.5	3.0	2.2	3.1
December-19	3.9	3.7	2.2	2.5	4.5	4.9	3.1	2.5	3.2
Home Price Growth (JFO)									
June-17	0.3	2.0	1.4	2.6	3.1	3.7	4.1	4.3	4.4
December-17	0.2	2.0	1.6	2.1	3.2	3.8	4.5	5.4	5.8
June-18	0.2	2.0	1.5	2.7	3.4	4.2	5.1	5.4	5.2
December-18	0.1	1.9	1.6	2.6	4.5	5.3	6.2	6.1	5.4
June-19	0.1	1.9	1.5	2.6	3.4	4.1	5.6	5.3	4.9
December-19	0.0	1.8	1.7	2.5	3.6	3.8	4.2	4.6	4.8

Methodological Notes and Other Comments

- This analysis has benefited significantly from the input and support of Tax Department and Joint Fiscal Office personnel, as well as Deb Brighton of Ad Hoc Associates. In the Joint Fiscal Office, Graham Campbell, Theresa Utton-Jermaine, Steve Klein, Stephanie Barrett, Dan Dickerson, Catherine Benham, Neil Schickner, Chloe Wexler, 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, Jake Feldman, Erin Hicks-Tibbles, Kevin Angell, Jennifer McCall, 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 42 years of data for each of the 25 General Fund categories (three aggregates), 39 years of data for most of the Transportation Fund categories (one aggregate), and 20 to 42 years for each of the Education Fund categories. The analyses employed includes seasonal adjustment using U.S. Census Bureau X-12, 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 - January 2020**

SOURCE G-FUND

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$893.6	2.1%	\$909.1	1.7%	\$920.9	1.3%
Sales & Use ¹	\$370.7	1.7%	\$376.7	1.6%	\$397.8	5.6%	\$412.5	3.7%	\$441.4	7.0%	\$454.6	3.0%	\$467.2	2.8%
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$108.4	-19.2%	\$95.1	-12.3%	\$89.9	-5.5%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$182.1	5.1%	\$191.7	5.3%	\$199.7	4.2%	\$207.7	4.0%
Liquor	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$21.6	0.8%	\$22.1	2.3%	\$22.6	2.3%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$57.2	0.6%	\$57.5	0.5%	\$57.9	0.7%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.6	-16.9%	\$3.3	-8.3%	\$3.0	-9.1%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.5	-0.8%	\$7.6	0.7%	\$7.8	3.3%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$20.9	65.5%	\$17.3	-17.2%	\$15.1	-12.7%
Property	\$35.7	6.2%	\$38.7	8.4%	\$40.9	5.6%	\$41.1	0.6%	\$45.1	9.8%	\$48.2	6.9%	\$50.3	4.4%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.5	0.2%	\$12.6	0.4%	\$12.6	0.4%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.7	-71.4%	\$0.5	-28.6%	\$0.4	-20.0%
Total Tax Revenue	\$1534.0	2.5%	\$1553.7	1.3%	\$1667.2	7.3%	\$1763.0	5.7%	\$1804.1	2.3%	\$1827.5	1.3%	\$1855.4	1.5%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.2	0.2%	\$1.2	1.2%	\$1.2	1.7%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$46.3	-1.4%	\$46.5	0.4%	\$46.7	0.4%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$3.3	-1.6%	\$3.4	3.0%	\$3.5	2.9%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$5.0	49.4%	\$3.9	-22.0%	\$4.0	2.6%
Interest	\$0.7	130.6%	\$1.5	111.5%	\$2.8	80.1%	\$5.0	79.1%	\$4.95	-0.8%	\$5.1	3.0%	\$6.3	23.5%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$29.2	-0.9%	\$29.9	2.4%	\$30.7	2.7%
All Other ³	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$1.5	-67.0%	\$1.6	6.7%	\$1.7	6.3%
Total Other Revenue	\$58.9	12.9%	\$87.1	47.9%	\$87.0	-0.1%	\$93.9	7.9%	\$91.5	-2.6%	\$91.6	0.2%	\$94.1	2.8%
Healthcare Revenue⁴	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$278.6	0.9%	\$282.9	1.5%	\$286.3	1.2%
TOTAL GENERAL FUND	\$1862.1	3.2%	\$1917.4	3.0%	\$2029.8	5.9%	\$2133.2	5.1%	\$2174.2	1.9%	\$2202.0	1.3%	\$2235.9	1.5%

1) Includes Telecommunications Tax; includes \$3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error.
2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13; Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and E-Fund.
3) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.
4) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$893.6	2.1%	\$909.1	1.7%	\$920.9	1.3%
Sales and Use ¹	\$241.0	1.7%	\$244.9	1.6%	\$258.6	5.6%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$108.4	-19.2%	\$95.1	-12.3%	\$89.9	-5.5%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$136.5	-21.2%	\$136.2	-0.2%	\$137.8	1.1%	\$143.3	4.0%
Liquor ⁶	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$4.1	-80.7%	\$4.2	1.4%	\$4.3	2.4%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$57.2	0.6%	\$57.5	0.5%	\$57.9	0.7%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.6	-16.9%	\$3.3	-8.3%	\$3.0	-9.1%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.5	-0.8%	\$7.6	0.7%	\$7.8	3.3%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate ³	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$20.9	65.5%	\$17.3	-17.2%	\$15.1	-12.7%
Property	\$11.5	6.0%	\$12.6	9.0%	\$12.4	-1.5%	\$12.5	0.9%	\$13.8	10.4%	\$14.8	7.3%	\$15.5	4.6%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.5	0.2%	\$12.6	0.4%	\$12.6	0.4%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.7	-71.4%	\$0.5	-28.6%	\$0.4	-20.0%
Total Tax Revenue	\$1380.1	2.5%	\$1395.7	1.1%	\$1499.5	7.4%	\$1276.4	-14.9%	\$1258.6	-1.4%	\$1259.7	0.1%	\$1270.7	0.9%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.2	0.2%	\$1.2	0.8%	\$1.2	1.7%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$46.3	-1.4%	\$46.5	0.4%	\$46.7	0.4%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$3.3	-1.6%	\$3.4	3.0%	\$3.5	2.9%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$5.0	49.4%	\$3.9	-22.0%	\$4.0	2.6%
Interest	\$0.6	136.1%	\$1.2	108.2%	\$2.3	96.1%	\$4.3	87.8%	\$4.3	-0.3%	\$4.4	2.3%	\$5.5	25.0%
All Other ⁴	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$1.5	-67.0%	\$1.6	6.7%	\$1.7	6.3%
Total Other Revenue	\$32.3	10.1%	\$61.2	89.3%	\$59.4	-3.0%	\$63.7	7.4%	\$61.6	-3.4%	\$61.0	-1.0%	\$62.6	2.7%
Healthcare Revenue⁵	\$0.0		\$0.0		\$0.0		\$272.3	NM	\$274.5	0.8%	\$275.6	0.4%	\$278.5	1.0%
TOTAL GENERAL FUND	\$1412.4	2.7%	\$1457.0	3.2%	\$1558.9	7.0%	\$1612.5	3.4%	\$1594.7	-1.1%	\$1596.3	0.1%	\$1611.8	1.0%

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

**TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

SOURCE HEALTHCARE¹

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$80.7	5.2%	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$69.2	1.1%	\$67.5	-2.4%	\$65.7	-2.7%
Claims Assessment	\$17.2	-1.5%	\$17.7	2.9%	\$19.8	12.1%	\$19.6	-1.3%	\$20.5	5.0%	\$21.0	2.2%	\$21.5	2.2%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.4	3.4%	\$22.0	7.7%	\$22.7	3.3%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$146.9	0.4%	\$150.7	2.6%	\$154.5	2.6%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.8%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$4.5	2.6%	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.3	10.3%	\$5.5	2.9%	\$5.7	3.7%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.6	-38.5%	\$1.6	1.1%	\$1.6	0.9%
TOTAL HEALTHCARE	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$278.6	0.9%	\$282.9	1.5%	\$286.3	1.2%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Cigarette, Tobacco, E-Cig	\$80.7	4.0%	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$69.2	1.1%	\$67.5	-2.4%	\$65.7	-2.7%
Claims Assessment	\$13.8	-1.5%	\$14.1	2.1%	\$15.9	13.2%	\$15.6	-1.7%	\$16.4	5.0%	\$16.3	-0.5%	\$16.7	2.2%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.4	3.4%	\$20.4	-0.2%	\$20.8	2.0%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$146.9	0.4%	\$149.6	1.9%	\$153.4	2.5%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.8%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$4.5	2.6%	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.3	10.3%	\$5.5	2.9%	\$5.7	3.7%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.6	-38.5%	\$1.6	1.1%	\$1.6	0.9%
TOTAL HEALTHCARE	\$265.7	4.8%	\$272.9	2.7%	\$271.7	-0.5%	\$272.3	0.2%	\$274.5	0.8%	\$275.6	0.4%	\$278.5	1.0%

1) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff.

**TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

SOURCE T-FUND

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$77.8	-0.1%	\$78.0	0.3%	\$77.8	-0.2%
Diesel****	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$19.0	2.4%	\$19.2	1.1%	\$19.4	1.0%
Purchase and Use*	\$100.1	2.9%	\$103.2	3.1%	\$109.4	6.0%	\$111.8	2.2%	\$115.1	2.9%	\$117.6	2.2%	\$120.8	2.7%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$86.8	1.6%	\$87.7	1.0%	\$88.5	0.9%
Other Revenue**	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$24.2	-1.6%	\$24.6	1.7%	\$24.9	1.2%
TOTAL TRANS. FUND	\$298.0	1.4%	\$305.8	2.6%	\$315.4	3.1%	\$318.2	0.9%	\$322.9	1.5%	\$327.1	1.3%	\$331.4	1.3%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$77.8	-0.1%	\$78.0	0.3%	\$77.8	-0.2%
Diesel	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$19.0	2.4%	\$19.2	1.1%	\$19.4	1.0%
Purchase and Use ¹	\$66.8	2.9%	\$68.8	3.1%	\$73.0	6.0%	\$74.5	2.2%	\$76.7	2.9%	\$78.4	2.2%	\$80.5	2.7%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$86.8	1.6%	\$87.7	1.0%	\$88.5	0.9%
Other Revenue ²	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$24.2	-1.6%	\$24.6	1.7%	\$24.9	1.2%
TOTAL TRANS. FUND	\$264.6	1.2%	\$271.4	2.6%	\$279.0	2.8%	\$280.9	0.7%	\$284.5	1.3%	\$287.9	1.2%	\$291.2	1.1%

OTHER (TIB³)

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

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

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

3) Transportation Infrastructure Bond revenues

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

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - January 2020**

CURRENT LAW BASIS

Source General and Transportation

*Fund taxes allocated to or associated
with the Education Fund only*

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
GENERAL FUND														
Meals and Rooms	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$45.5	NM	\$47.9	5.3%	\$49.9	4.2%	\$51.9	4.0%
Sales & Use ²	\$129.8	1.7%	\$131.8	1.6%	\$139.2	5.6%	\$412.5	196.3%	\$441.4	7.0%	\$454.6	3.0%	\$467.2	2.8%
Interest	\$0.2	135.7%	\$0.4	122.7%	\$0.5	30.3%	\$0.7	38.1%	\$0.7	-3.9%	\$0.7	7.7%	\$0.8	14.3%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$29.2	-0.9%	\$29.9	2.4%	\$30.7	2.7%
TRANSPORTATION FUND														
Purchase and Use ³	\$33.4	2.9%	\$34.4	3.1%	\$36.5	6.0%	\$37.3	2.2%	\$38.4	2.9%	\$39.200	2.2%	\$40.3	2.7%
TOTAL EDUCATION FUND	\$189.7	3.7%	\$192.2	1.3%	\$203.3	5.8%	\$525.4	158.4%	\$557.5	6.1%	\$574.3	3.0%	\$590.9	2.9%

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

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

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

3) Includes Motor Vehicle Rental revenues, restated

Appendix A

Five Year Revenue Forecast Tables

January 2020

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

SOURCE G-FUND

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$893.6	2.1%	\$909.1	1.7%	\$920.9	1.3%	\$947.8	2.9%	\$976.4	3.0%	\$1002.6	2.7%
Sales & Use ¹	\$370.7	1.7%	\$376.7	1.6%	\$397.8	5.6%	\$412.5	3.7%	\$441.4	7.0%	\$454.6	3.0%	\$467.2	2.8%	\$479.5	2.6%	\$491.7	2.5%	\$504.0	2.5%
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$108.4	-19.2%	\$95.1	-12.3%	\$89.9	-5.5%	\$95.3	6.0%	\$101.0	5.9%	\$105.5	4.5%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$182.1	5.1%	\$191.7	5.3%	\$199.7	4.2%	\$207.7	4.0%	\$215.6	3.8%	\$223.7	3.8%	\$231.8	3.6%
Liquor	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$21.6	0.8%	\$22.1	2.3%	\$22.6	2.3%	\$23.1	2.2%	\$23.6	2.2%	\$24.2	2.5%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$57.2	0.6%	\$57.5	0.5%	\$57.9	0.7%	\$58.2	0.5%	\$58.6	0.7%	\$59.0	0.7%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.6	-16.9%	\$3.3	-8.3%	\$3.0	-9.1%	\$2.8	-6.7%	\$2.6	-7.1%	\$2.4	-7.7%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.5	-0.8%	\$7.8	0.7%	\$7.8	3.3%	\$8.0	2.6%	\$8.2	2.5%	\$8.4	2.4%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$20.9	65.5%	\$17.3	-17.2%	\$15.1	-12.7%	\$15.6	3.3%	\$16.1	3.2%	\$16.7	3.7%
Property	\$35.7	6.2%	\$38.7	8.4%	\$40.9	5.6%	\$41.1	0.6%	\$45.1	9.8%	\$48.2	6.9%	\$50.3	4.4%	\$52.1	3.6%	\$53.9	3.5%	\$55.7	3.3%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.5	0.2%	\$12.6	0.4%	\$12.6	0.4%	\$12.7	0.8%	\$12.8	0.8%	\$12.9	0.8%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.7	-71.4%	\$0.5	-28.6%	\$0.4	-20.0%	\$0.4	0.0%	\$0.4	0.0%	\$0.4	0.0%
Total Tax Revenue	\$1534.0	2.5%	\$1553.7	1.3%	\$1667.2	7.3%	\$1763.0	5.7%	\$1804.1	2.3%	\$1827.5	1.3%	\$1855.4	1.5%	\$1911.1	3.0%	\$1968.9	3.0%	\$2023.6	2.8%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.2	0.2%	\$1.2	1.2%	\$1.2	1.7%	\$1.3	1.6%	\$1.3	1.6%	\$1.3	1.6%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$46.3	-1.4%	\$46.5	0.4%	\$46.7	0.4%	\$47.1	0.9%	\$47.6	1.1%	\$48.2	1.3%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$3.3	-1.6%	\$3.4	3.0%	\$3.5	2.9%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$5.0	49.4%	\$3.9	-22.0%	\$4.0	2.6%	\$4.1	2.5%	\$4.2	2.4%	\$4.3	2.4%
Interest	\$0.7	130.6%	\$1.5	111.5%	\$2.8	80.1%	\$5.0	79.1%	\$4.95	-0.8%	\$5.1	3.0%	\$6.3	23.5%	\$7.1	12.7%	\$6.75	-4.9%	\$7.8	15.6%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$29.2	-0.9%	\$29.9	2.4%	\$30.7	2.7%	\$31.5	2.6%	\$32.3	2.5%	\$33.1	2.5%
All Other ³	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$1.5	-67.0%	\$1.6	6.7%	\$1.7	6.3%	\$1.8	5.9%	\$1.9	5.6%	\$2.0	5.3%
Total Other Revenue	\$58.9	12.9%	\$87.1	47.9%	\$87.0	-0.1%	\$93.9	7.9%	\$91.5	-2.6%	\$91.6	0.2%	\$94.1	2.8%	\$96.5	2.5%	\$97.7	1.3%	\$100.5	2.8%
Healthcare Revenue⁴	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$278.6	0.9%	\$282.9	1.5%	\$286.3	1.2%	\$291.2	1.7%	\$293.2	0.7%	\$296.7	1.2%
TOTAL GENERAL FUND	\$1862.1	3.2%	\$1917.4	3.0%	\$2029.8	5.9%	\$2133.2	5.1%	\$2174.2	1.9%	\$2202.0	1.3%	\$2235.9	1.5%	\$2298.8	2.8%	\$2359.9	2.7%	\$2420.8	2.6%

1) Includes Telecommunications Tax; includes \$3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error.
2) Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY13; Stated Electric Energy Tax revenues exclude appropriations to the Clean Energy Development Fund and E-Fund.
3) Includes \$2.3 million in one-time payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction changes effective in tax year 2015.
4) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff. See Tables 1B and 1C for details.

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Personal Income	\$747.0	5.8%	\$756.5	1.3%	\$832.0	10.0%	\$875.4	5.2%	\$893.6	2.1%	\$909.1	1.7%	\$920.9	1.3%	\$947.8	2.9%	\$976.4	3.0%	\$1002.6	2.7%
Sales and Use ¹	\$241.0	1.7%	\$244.9	1.6%	\$258.6	5.6%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Corporate	\$117.0	-4.0%	\$95.8	-18.1%	\$96.4	0.6%	\$134.2	39.3%	\$108.4	-19.2%	\$95.1	-12.3%	\$89.9	-5.5%	\$95.3	6.0%	\$101.0	5.9%	\$105.5	4.5%
Meals and Rooms	\$154.2	2.2%	\$165.3	7.3%	\$173.2	4.8%	\$136.5	-21.2%	\$136.2	-0.2%	\$137.8	1.1%	\$143.3	4.0%	\$148.8	3.8%	\$154.4	3.8%	\$159.9	3.6%
Liquor ⁶	\$18.3	0.8%	\$19.1	4.4%	\$19.8	3.6%	\$21.4	8.1%	\$4.1	-80.7%	\$4.2	1.4%	\$4.3	2.4%	\$4.4	2.3%	\$4.5	2.3%	\$4.6	2.2%
Insurance	\$56.2	1.7%	\$57.0	1.3%	\$57.5	1.0%	\$56.9	-1.2%	\$57.2	0.6%	\$57.5	0.5%	\$57.9	0.7%	\$58.2	0.5%	\$58.6	0.7%	\$59.0	0.7%
Telephone	\$3.2	-59.2%	\$5.7	80.6%	\$4.7	-16.8%	\$4.3	-8.8%	\$3.6	-16.9%	\$3.3	-8.3%	\$3.0	-9.1%	\$2.8	-6.7%	\$2.6	-7.1%	\$2.4	-7.7%
Beverage	\$6.7	0.6%	\$6.9	2.9%	\$7.1	2.5%	\$7.6	6.9%	\$7.5	-0.8%	\$7.6	0.7%	\$7.8	3.3%	\$8.0	2.6%	\$8.2	2.5%	\$8.4	2.4%
Electric ²	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate ³	\$12.5	26.5%	\$16.7	33.3%	\$22.9	37.6%	\$12.6	-44.9%	\$20.9	65.5%	\$17.3	-17.2%	\$15.1	-12.7%	\$15.6	3.3%	\$16.1	3.2%	\$16.7	3.7%
Property	\$11.5	6.0%	\$12.6	9.0%	\$12.4	-1.5%	\$12.5	0.9%	\$13.8	10.4%	\$14.8	7.3%	\$15.5	4.6%	\$16.0	3.8%	\$16.6	3.6%	\$17.2	3.5%
Bank	\$10.7	-0.6%	\$13.2	24.0%	\$13.1	-1.3%	\$12.5	-4.6%	\$12.5	0.2%	\$12.6	0.4%	\$12.6	0.4%	\$12.7	0.8%	\$12.8	0.8%	\$12.9	0.8%
Other Tax	\$1.8	-9.0%	\$2.2	18.0%	\$1.8	-15.2%	\$2.4	32.9%	\$0.7	-71.4%	\$0.5	-28.6%	\$0.4	-20.0%	\$0.4	0.0%	\$0.4	0.0%	\$0.4	0.0%
Total Tax Revenue	\$1380.1	2.5%	\$1395.7	1.1%	\$1499.5	7.4%	\$1276.4	-14.9%	\$1258.6	-1.4%	\$1259.7	0.1%	\$1270.7	0.9%	\$1310.0	3.1%	\$1351.5	3.2%	\$1389.6	2.8%
Business Licenses	\$1.1	-1.6%	\$1.2	16.8%	\$1.2	-2.9%	\$1.2	-1.0%	\$1.2	0.2%	\$1.2	0.8%	\$1.2	1.7%	\$1.3	1.6%	\$1.3	1.6%	\$1.3	1.6%
Fees	\$23.0	4.2%	\$48.5	110.8%	\$47.1	-2.9%	\$47.0	-0.2%	\$46.3	-1.4%	\$46.5	0.4%	\$46.7	0.4%	\$47.1	0.9%	\$47.6	1.1%	\$48.2	1.3%
Services	\$2.8	86.6%	\$3.0	7.9%	\$2.9	-4.2%	\$3.4	16.4%	\$3.3	-1.6%	\$3.4	3.0%	\$3.5	2.9%	\$3.6	2.9%	\$3.7	2.8%	\$3.8	2.7%
Fines	\$3.7	5.5%	\$4.4	21.0%	\$3.5	-19.8%	\$3.3	-5.6%	\$5.0	49.4%	\$3.9	-22.0%	\$4.0	2.6%	\$4.1	2.5%	\$4.2	2.4%	\$4.3	2.4%
Interest	\$0.6	136.1%	\$1.2	108.2%	\$2.3	96.1%	\$4.3	87.8%	\$4.3	-0.3%	\$4.4	2.3%	\$5.5	25.0%	\$6.2	12.7%	\$5.8	-6.5%	\$6.8	17.2%
All Other ⁴	\$1.3	25.9%	\$2.9	128.5%	\$2.4	-18.8%	\$4.6	92.7%	\$1.5	-67.0%	\$1.6	6.7%	\$1.7	6.3%	\$1.8	5.9%	\$1.9	5.6%	\$2.0	5.3%
Total Other Revenue	\$32.3	10.1%	\$61.2	89.3%	\$59.4	-3.0%	\$63.7	7.4%	\$61.6	-3.4%	\$61.0	-1.0%	\$62.6	2.7%	\$64.1	2.3%	\$64.5	0.7%	\$66.4	3.0%
Healthcare Revenue⁵	\$0.0		\$0.0		\$0.0		\$272.3	NM	\$274.5	0.8%	\$275.6	0.4%	\$278.5	1.0%	\$281.3	1.0%	\$284.3	1.1%	\$292.1	2.8%
TOTAL GENERAL FUND	\$1412.4	2.7%	\$1457.0	3.2%	\$1558.9	7.0%	\$1612.5	3.4%	\$1594.7	-1.1%	\$1596.3	0.1%	\$1611.8	1.0%	\$1655.3	2.7%	\$1700.3	2.7%	\$1748.2	2.8%

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

**TABLE 1B - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

SOURCE HEALTHCARE¹

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change										
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$80.7	5.2%	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$69.2	1.1%	\$67.5	-2.4%	\$65.7	-2.7%	\$63.8	-2.9%	\$62.0	-2.8%	\$60.2	-2.9%
Claims Assessment	\$17.2	-1.5%	\$17.7	2.9%	\$19.8	12.1%	\$19.6	-1.3%	\$20.5	5.0%	\$21.0	2.2%	\$21.5	2.2%	\$21.9	2.2%	\$22.4	2.2%	\$22.9	2.2%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.4	3.4%	\$22.0	7.7%	\$22.7	3.3%	\$23.5	3.3%	\$24.2	3.3%	\$25.0	3.0%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$146.9	0.4%	\$150.7	2.6%	\$154.5	2.6%	\$160.1	3.6%	\$162.5	1.5%	\$166.5	2.5%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.8%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$4.5	2.6%	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.3	10.3%	\$5.5	2.9%	\$5.7	3.7%	\$5.7	0.9%	\$5.8	1.8%	\$5.8	0.7%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.6	-38.5%	\$1.6	1.1%	\$1.6	0.9%	\$1.6	0.0%	\$1.6	0.9%	\$1.6	-2.3%
TOTAL HEALTHCARE	\$269.2	5.1%	\$276.6	2.8%	\$275.6	-0.4%	\$276.3	0.2%	\$278.6	0.9%	\$282.9	1.5%	\$286.3	1.2%	\$291.2	1.7%	\$293.2	0.7%	\$296.7	1.2%

**TABLE 1C - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE HEALTHCARE REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change										
REVENUE SOURCE																				
Cigarette, Tobacco, E-Cig	\$80.7	4.0%	\$76.7	-5.0%	\$71.1	-7.3%	\$68.4	-3.7%	\$69.2	1.1%	\$67.5	-2.4%	\$65.7	-2.7%	\$63.8	-2.9%	\$62.0	-2.8%	\$60.2	-2.9%
Claims Assessment	\$13.8	-1.5%	\$14.1	2.1%	\$15.9	13.2%	\$15.6	-1.7%	\$16.4	5.0%	\$16.3	-0.5%	\$16.7	2.2%	\$17.1	2.2%	\$17.4	2.2%	\$18.3	5.0%
Employer Assessment	\$17.9	12.7%	\$19.2	7.1%	\$19.8	3.6%	\$19.8	-0.5%	\$20.4	3.4%	\$20.4	-0.2%	\$20.8	2.0%	\$21.2	2.0%	\$21.6	2.0%	\$25.0	15.4%
Hospital Provider Tax	\$131.7	5.1%	\$137.3	4.2%	\$143.5	4.5%	\$146.3	2.0%	\$146.9	0.4%	\$149.6	1.9%	\$153.4	2.5%	\$157.2	2.5%	\$161.1	2.5%	\$166.5	3.4%
Nursing Home Provide Tax	\$15.7	0.5%	\$15.0	-4.3%	\$14.8	-1.0%	\$14.8	-0.3%	\$14.7	-0.8%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%	\$14.7	0.0%
Home Health Provider Tax	\$4.5	2.6%	\$5.5	21.8%	\$4.7	-14.0%	\$4.8	2.2%	\$5.3	10.3%	\$5.5	2.9%	\$5.7	3.7%	\$5.7	0.9%	\$5.8	1.8%	\$5.8	0.7%
All other HC revenues	\$1.5	70.8%	\$5.3	263.8%	\$1.8	-65.5%	\$2.6	41.7%	\$1.6	-38.5%	\$1.6	1.1%	\$1.6	0.9%	\$1.6	0.0%	\$1.6	0.9%	\$1.6	-2.3%
TOTAL HEALTHCARE	\$265.7	4.8%	\$272.9	2.7%	\$271.7	-0.5%	\$272.3	0.2%	\$274.5	0.8%	\$275.6	0.4%	\$278.5	1.0%	\$281.3	1.0%	\$284.3	1.1%	\$292.1	2.8%

1) Healthcare Related Taxes - Act 6 of 2019 (BAA) moved selected revenue sources from the State Health Care Resources Fund to the General Fund, effective in FY20. With the exception of the cigarette, tobacco products and vaping tax, which has historically been part of the General Fund forecast, the forecasts for the other Healthcare related taxes are provided by the a healthcare consensus forecasting group, which includes JFO, F&M and AHS staff.

**TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

SOURCE T-FUND

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

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change										
REVENUE SOURCE																				
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$77.8	-0.1%	\$78.0	0.3%	\$77.8	-0.2%	\$77.6	-0.3%	\$77.4	-0.3%	\$77.2	-0.2%
Diesel****	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$19.0	2.4%	\$19.2	1.1%	\$19.4	1.0%	\$19.6	1.0%	\$19.8	1.0%	\$20.0	1.0%
Purchase and Use*	\$100.1	2.9%	\$103.2	3.1%	\$109.4	6.0%	\$111.8	2.2%	\$115.1	2.9%	\$117.6	2.2%	\$120.8	2.7%	\$124.1	2.7%	\$127.4	2.7%	\$130.5	2.4%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$86.8	1.6%	\$87.7	1.0%	\$88.5	0.9%	\$89.6	1.2%	\$90.5	1.0%	\$91.6	1.2%
Other Revenue**	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$24.2	-1.6%	\$24.6	1.7%	\$24.9	1.2%	\$25.3	1.6%	\$25.7	1.6%	\$26.2	1.9%
TOTAL TRANS. FUND	\$298.0	1.4%	\$305.8	2.6%	\$315.4	3.1%	\$318.2	0.9%	\$322.9	1.5%	\$327.1	1.3%	\$331.4	1.3%	\$336.2	1.4%	\$340.8	1.3%	\$345.5	1.4%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - January 2020**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change										
REVENUE SOURCE																				
Gasoline	\$78.0	0.5%	\$78.2	0.3%	\$78.2	0.0%	\$77.8	-0.5%	\$77.8	-0.1%	\$78.0	0.3%	\$77.8	-0.2%	\$77.6	-0.3%	\$77.4	-0.3%	\$77.2	-0.2%
Diesel	\$18.3	-4.4%	\$18.2	-0.5%	\$18.9	3.6%	\$18.6	-1.6%	\$19.0	2.4%	\$19.2	1.1%	\$19.4	1.0%	\$19.6	1.0%	\$19.8	1.0%	\$20.0	1.0%
Purchase and Use ¹	\$66.8	2.9%	\$68.8	3.1%	\$73.0	6.0%	\$74.5	2.2%	\$76.7	2.9%	\$78.4	2.2%	\$80.5	2.7%	\$82.7	2.7%	\$84.9	2.7%	\$87.0	2.4%
Motor Vehicle Fees	\$82.0	2.3%	\$86.2	5.2%	\$86.0	-0.3%	\$85.4	-0.7%	\$86.8	1.6%	\$87.7	1.0%	\$88.5	0.9%	\$89.6	1.2%	\$90.5	1.0%	\$91.6	1.2%
Other Revenue ²	\$19.6	-0.5%	\$19.9	1.8%	\$23.0	15.3%	\$24.6	7.0%	\$24.2	-1.6%	\$24.6	1.7%	\$24.9	1.2%	\$25.3	1.6%	\$25.7	1.6%	\$26.2	1.9%
TOTAL TRANS. FUND	\$264.6	1.2%	\$271.4	2.6%	\$279.0	2.8%	\$280.9	0.7%	\$284.5	1.3%	\$287.9	1.2%	\$291.2	1.1%	\$294.9	1.3%	\$298.3	1.2%	\$302.0	1.2%

OTHER (TIB³)

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

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

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

3) Transportation Infrastructure Bond revenues

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

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND¹ REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - January 2020**

CURRENT LAW BASIS

Source General and Transportation

Fund taxes allocated to or associated
with the Education Fund only

	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%	FY2022	%	FY2023	%	FY2024	%	FY2025	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
GENERAL FUND																				
Meals and Rooms	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$45.5	NM	\$47.9	5.3%	\$49.9	4.2%	\$51.9	4.0%	\$53.9	3.8%	\$55.9	3.8%	\$58.0	3.6%
Sales & Use ²	\$129.8	1.7%	\$131.8	1.6%	\$139.2	5.6%	\$412.5	196.3%	\$441.4	7.0%	\$454.6	3.0%	\$467.2	2.8%	\$479.5	2.6%	\$491.7	2.5%	\$504.0	2.5%
Interest	\$0.2	135.7%	\$0.4	122.7%	\$0.5	30.3%	\$0.7	38.1%	\$0.7	-3.9%	\$0.7	7.7%	\$0.8	14.3%	\$0.9	12.5%	\$1.0	5.6%	\$1.0	5.3%
Lottery	\$26.4	16.1%	\$25.5	-3.3%	\$27.1	6.4%	\$29.5	8.6%	\$29.2	-0.9%	\$29.9	2.4%	\$30.7	2.7%	\$31.5	2.6%	\$32.3	2.5%	\$33.1	2.5%
TRANSPORTATION FUND																				
Purchase and Use ³	\$33.4	2.9%	\$34.4	3.1%	\$36.5	6.0%	\$37.3	2.2%	\$38.4	2.9%	\$39.200	2.2%	\$40.3	2.7%	\$41.367	2.7%	\$42.5	2.7%	\$43.5	2.4%
TOTAL EDUCATION FUND	\$189.7	3.7%	\$192.2	1.3%	\$203.3	5.8%	\$525.4	158.4%	\$557.5	6.1%	\$574.3	3.0%	\$590.9	2.9%	\$607.2	2.8%	\$623.3	2.7%	\$639.5	2.6%

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

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

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

3) Includes Motor Vehicle Rental revenues, restated