

Source: JFO

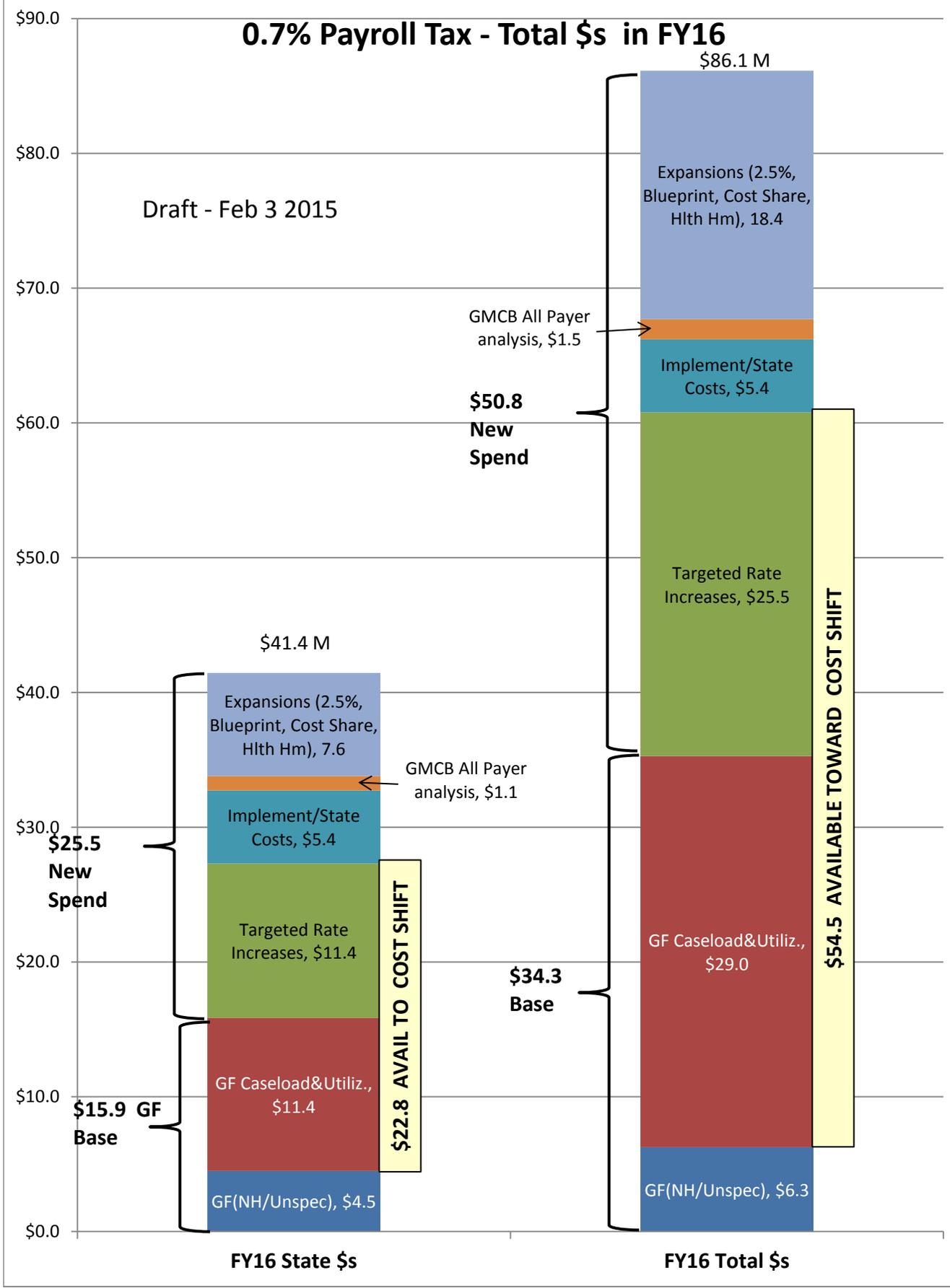
January 2015 Targets

FY15 General Fund Tracking (\$ in millions, major sources)

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
<u>Personal Income Tax</u>						
Monthly Target	97.7	2.0	24.3	150.0	35.8	67.5
Monthly Actual	91.8	0.0	0.0	0.0	0.0	0.0
<i>Difference</i>	-5.9	0.0	0.0	0.0	0.0	0.0
Cumulative Target	422.3	424.3	448.6	598.6	634.3	701.8
Cumulative Actual	416.4					
<i>Difference</i>	-5.9	0.0	0.0	0.0	0.0	0.0
<u>Sales & Use Tax</u>						
Monthly Target	28.3	17.5	17.3	19.2	17.0	19.3
Monthly Actual	28.7	0.0	0.0	0.0	0.0	0.0
<i>Difference</i>	0.4	0.0	0.0	0.0	0.0	0.0
Cumulative Target	147.5	165.0	182.3	201.5	218.5	237.8
Cumulative Actual	147.9					
<i>Difference</i>	0.4	0.0	0.0	0.0	0.0	0.0
<u>Corporate Tax</u>						
Monthly Target	2.1	-0.2	20.8	13.6	-1.9	17.6
Monthly Actual	7.9	0.0	0.0	0.0	0.0	0.0
<i>Difference</i>	5.8	0.0	0.0	0.0	0.0	0.0
Cumulative Target	52.6	52.4	73.2	86.9	85.0	102.6
Cumulative Actual	58.4					
<i>Difference</i>	5.8	0.0	0.0	0.0	0.0	0.0
<u>Meals & Rooms Tax</u>						
Monthly Target	13.1	12.5	14.2	12.4	9.1	10.6
Monthly Actual	13.6	0.0	0.0	0.0	0.0	0.0
<i>Difference</i>	0.5	0.0	0.0	0.0	0.0	0.0
Cumulative Target	90.3	102.7	117.0	129.4	138.5	149.1
Cumulative Actual	90.8					
<i>Difference</i>	0.5	0.0	0.0	0.0	0.0	0.0
<u>Property Transfer Tax</u>						
Monthly Target	0.7	0.6	0.7	0.8	0.8	1.1
Monthly Actual	0.6	0.0	0.0	0.0	0.0	0.0
<i>Difference</i>	-0.1	0.0	0.0	0.0	0.0	0.0
Cumulative Target	6.8	7.4	8.1	8.9	9.8	10.9
Cumulative Actual	6.7					
<i>Difference</i>	-0.1	0.0	0.0	0.0	0.0	0.0
<u>All Other Revenue</u>						
Monthly Target	12.8	30.7	15.8	8.6	12.4	9.3
Monthly Actual	10.8	0.0	0.0	0.0	0.0	0.0
<i>Difference</i>	-2.0	0.0	0.0	0.0	0.0	0.0
Cumulative Target	79.1	109.8	125.5	134.1	146.5	155.8
Cumulative Actual	77.1	0.0	0.0	0.0	0.0	0.0
<i>Difference</i>	-2.0	0.0	0.0	0.0	0.0	0.0
<u>Total Revenue</u>						
Monthly Target	154.7	63.0	93.1	204.7	73.1	125.3
Monthly Actual	153.4	0.0	0.0	0.0	0.0	0.0
<i>Difference</i>	-1.3	0.0	0.0	0.0	0.0	0.0
Cumulative Target	798.6	861.6	954.7	1,159.4	1,232.6	1,357.9
Cumulative Actual	797.3					
<i>Difference</i>	-1.3	0.0	0.0	0.0	0.0	0.0
<u>Estate Tax</u>						
Cumulative Collections	5.4					
% of Total	22%	0%	0%	0%	0%	0%
<i>Estate Tax to Higher Ed TF</i>						
Estate Tax Monthly Targets	2.4	1.6	2.0	2.6	2.1	1.7

0.7% Payroll Tax - Total \$s in FY16

Draft - Feb 3 2015



**\$25.5
New
Spend**

**\$15.9 GF
Base**

GMCB All Payer
analysis, \$1.1

GMCB All Payer
analysis, \$1.5

**\$50.8
New
Spend**

**\$34.3
Base**

\$22.8 AVAIL TO COST SHIFT

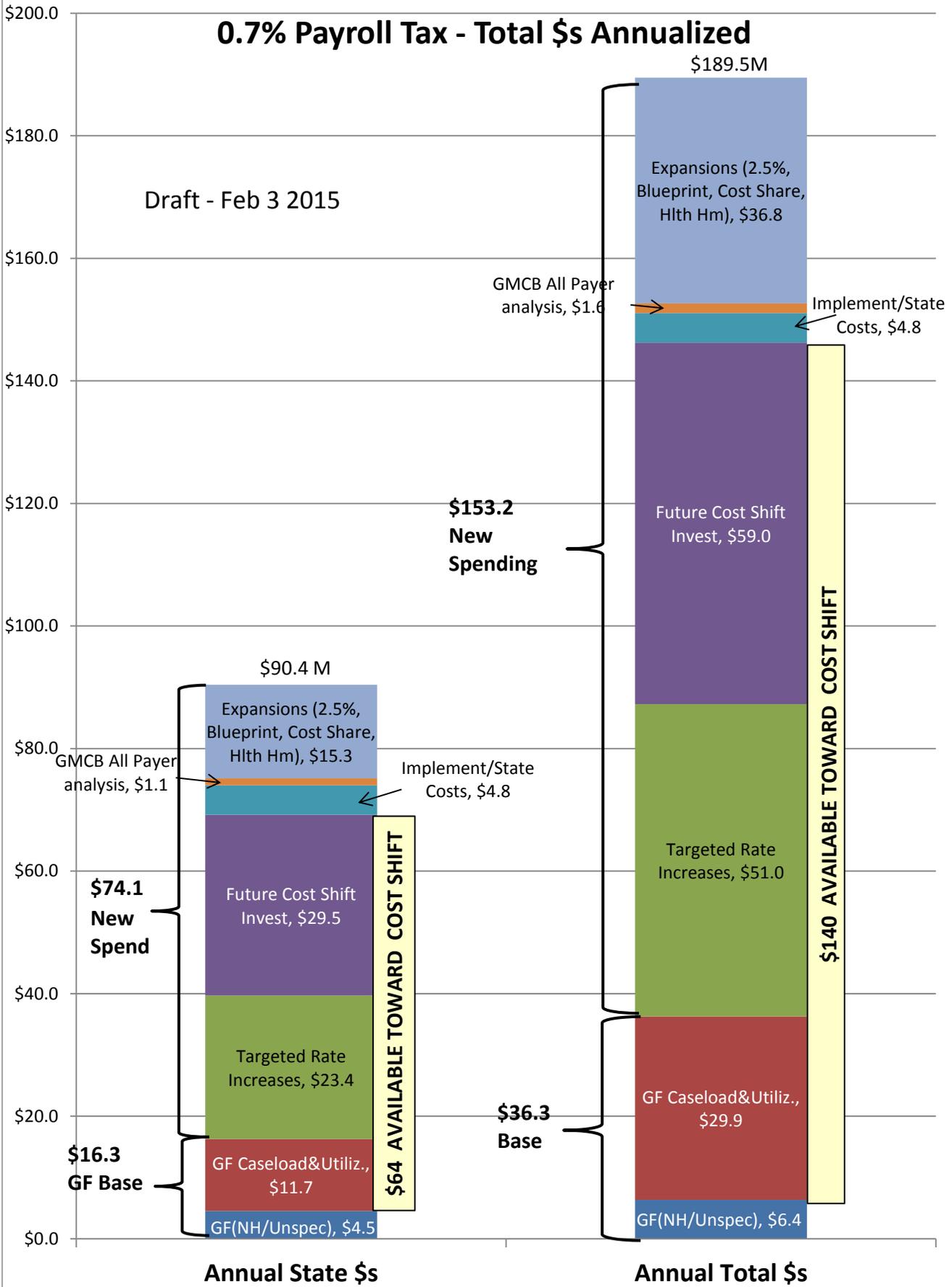
\$54.5 AVAILABLE TOWARD COST SHIFT

FY16 State \$s

FY16 Total \$s

0.7% Payroll Tax - Total \$s Annualized

Draft - Feb 3 2015



FY16 Budget				Annualized - not FY17 bud prop		
0.7% Payroll Tax - 5.5 Months of Collections				90.42		
41.44				90.42		
FY 2016 Health Care Reform Related Expenditures	State Funds	Federal Funds	Total	State Funds	Federal Funds	Total
One-time Costs						
Tax Department Implementation ²	3.47	0	3.47	0.59	0	0.59
Costs Starting July 1, 2015						
Nursing Home Statutory Rate Increase	1.44	1.76	3.2	1.48	1.81	3.30
* Caseload & Utilization Increase for New Adults	4.48	9.21	13.69	4.61	9.49	14.10
* Caseload & Utilization Incr. for ABD, Kids, Gen. Adults	6.89	8.44	15.33	7.10	8.69	15.79
GMCB All Payer Waiver and Utility Analysis Costs ³	1.08	0.43	1.51	1.15	0.43	1.57
Costs Starting in January 1, 2016						
State Payroll Tax Liability	1.94	0	1.94	4.24	0.00	4.24
Strengthening the Blueprint	2.03	2.48	4.51	4.06	4.96	9.02
Home Health Increase	0.56	0.69	1.25	1.12	1.38	2.50
* Increased Reimbursement Rates ⁴	11.44	14.06	25.5	23.42	27.58	51.00
2.5% Medicaid Provider Increases	2.55	3.12	5.67	5.09	6.23	11.32
Health Home Expansions ⁵	0.5	4.5	5	1.00	9.00	10.00
Increase Cost Sharing Reduction Program	2.00	0	2	4.00	0.00	4.00
* Continued Cost Shift investments ⁸				29.49	29.52	59.01
Total Health Care Reform Proposal	38.38	44.69	83.07	87.36	99.08	186.44
Other Caseload and Utilization Pressures	3.06	0	3.06	3.06	0.00	3.06
TOTAL	41.44	44.69	86.13	90.42	99.08	189.50
Investments Available to Impact Private Premiums (Cost Shift)						
* Caseload & Utilization Increase for New Adults	4.48	9.21	13.69	4.61	9.49	14.10
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults	6.89	8.44	15.33	7.10	8.69	15.79
* Increased Reimbursement Rates	11.44	14.06	25.5	23.42	27.58	51.00
* Continued Cost Shift investments ⁸	0	0	0	29.49	29.52	59.01
Total Available to Impact Private Premiums	22.81	31.71	54.52	64.63	75.27	139.90
Steady State Budget Pressures						
Nursing Home Statutory Rate Increase	1.44	1.76	3.2	1.44	1.81	3.25
Caseload & Utilization Increase for New Adults	4.48	9.21	13.69	4.48	9.49	13.97
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults	6.89	8.44	15.33	6.89	8.69	15.58
Remaining Revenue for Other Budget Pressures	3.06	0	3.06	3.06	0.00	3.06
Total	15.87	19.41	35.28	15.87	19.99	35.86
GMCB All Payer Waiver and Utility Analysis Costs ³	1.08	0.43	1.51	1.15	0.43	1.57
Total Including Funding GMCB All Payer Waiver	16.95	19.84	36.79	17.02	20.42	37.43

- 1 - Annualized assumptions; not the FY2017 Budget Proposal
- 2 - Includes ongoing annual operating cost of \$592K
- 3 - GMCB State funds include the match for GC, the Bill back fund, and other non-matchable GF needs; total only includes Federal and General funds
- 4 - Reimbursement rates include in-state outpatient, primary care services, Dartmouth-Hitchcock, and professional services (included psychologists, specialists, and chiropractors across all settings of care)
- 5 - Medicaid provider increase for providers not reimbursed through the Department of Vermont Health Access Global Commitment, State Only, and Non-DVHA Waiver Appropriations
- 6 - 10/90 Match rate
- 7 - Assume 3% Medicaid Growth and the FY2016 FMAP assumptions for New Adults and traditional Medicaid
- 8 - Investments could include further reduction in the uninsured, Medicaid/Vermont Premium Assistance/Cost Sharing Reduction, additional investment in rates, and Provider Reimbursement Inflation

Governor's Education Finance Proposals
Initial Joint Fiscal Office Analysis
February 4, 2015

- Community High School of Vermont (Big Bill – Corrections and K-12 Education)
 - Restructures the Community High School of Vermont by closing field office locations – reduces EF expenses by \$1.7M
 - Redirects the administrative savings from the EF to the GF (by reducing the GF transfer to the EF)
 - FY2016 EF impact: - \$1.7 million (net impact on EF - \$0.0M)
- State Lottery (Misc. Tax Bill)
 - The State Lottery has introduced a new way to play existing lottery games – Touch Play Lottery consoles
 - Provides that up to \$2M of profits from sales of lottery games sold on Touch Play Lottery consoles be redirected from the EF to the Vermont Veterans' Home Operations Special Fund
 - Sales through Touch Play Lottery consoles will likely reduce *existing* revenues from the Lottery to the EF (FY2016 estimate is \$22.9 million)
- Use Value Appraisal – Farm Buildings and Moratorium (Misc. Tax Bill; Big Bill – K-12 Education)
 - Increases the taxable value of farm buildings enrolled in current use from 0% to 30% of FMV
 - Places a moratorium on new enrollments in current use for 2015, 2016, 2017
 - Redirects the additional revenue that would normally accrue to the EF to the GF (by reducing the GF transfer to the EF)
 - FY2016 EF impact: - \$ 1.2 million (net impact on EF \$0.0M if existing appraisals of farm buildings are accurate – see next bullet)

- Since it is likely that farm buildings are overvalued, it is possible that taxing farm buildings at 30% of their value will not raise \$1.2 million (although that amount will be lost to the EF)
- Landowners have already submitted forestry plans as part of their current-use applications last September – these landowners would not be allowed to enroll until 2018 under the proposed moratorium
- Municipalities and GF
 - FY2016 impact on municipalities - municipal property tax would raise an additional \$0.4 million statewide (unless appraisals are high)
 - FY2017 GF impact - GF reimbursement to municipalities reduced by \$0.4 million (unless appraisals are high)
- Health Care Payroll Tax (Misc. Tax Bill)
 - Imposes a 0.7% payroll tax on all wages paid by employers including school districts
 - In the 2012-2013 school year, schools districts paid roughly \$855 million in wages
 - A 0.7% payroll tax on school districts would raise more than \$6 million per calendar year beginning in January 2016; however, some of this cost may be offset (see next bullet)
 - Use of payroll tax revenue to reduce the cost shift creates potential savings to school districts in the form of reduced health insurance premiums for teachers and staff ([working on an estimate here](#))
 - There may be additional pressure on school district spending due to the federal excise tax on high-value health insurance plans beginning in 2018 (the so-called “Cadillac tax”)
- Taxation of Municipal Garages (Miscellaneous Tax Bill)
 - Excludes parking garages owned and managed by a municipality in a designated center from the nonresidential property tax
 - FY2016 impact: small

- Tax Increment Financing Districts (Miscellaneous Tax Bill)
 - Allows TIF districts to keep certain taxes out of the increment which has the effect of decreasing the amount that would otherwise go to the EF
 - FY2016 impact: small
- Small Schools Grant
 - Administration expressed support for eliminating the small schools grant – geographically-isolated small schools would be exempt and the grant may be phased out rather than repealed
 - School districts considering mergers may be able to retain the grant for several years
 - FY2016 impact: very roughly + \$1.9 to \$3.8 million
- “Phantom” Students
 - Administration expressed support for eliminating so-called “phantom” students from the equalized pupil count - may be phased out
 - “Phantom” students are included in the equalized pupil count when a school district loses more than 3.5% of their equalized pupils from one year to the next
 - There are currently 773 phantom students in the system
 - FY2016 impact: \$0.0 million; however, eliminating phantom students would *redistribute* the education tax burden among school districts
- School Construction Aid (Capital Bill)
 - Allocates \$4.1 million from the Capital Bill for school construction aid
 - Allocates an additional \$3.0 million from the Capital Bill for incentive funding for school district consolidation projects
 - Indirect impact on EF since it may reduce interest and principal payment on capital projects and reduce education spending