

National Conference of State legislatures  
State of Vermont  
**Vermont's Approach to One-Time vs. Recurring  
Funds**

Presented by Rep. Robin Scheu  
Vice Chair, House Appropriations Committee

Source of Information: VT Joint Fiscal Office



# Official Consensus Revenue Forecast

- By statute, the Emergency Board (four money chairs and the Governor) meets twice a year, once in July and again in January, to establish the official consensus revenue forecast that the budget is based upon.
- The forecast is developed by the General Assembly's Economist in collaboration with the Governor's Economist.
- The Consensus revenue forecast is developed following discussion, analysis and synthesis of independent revenue projections, econometric models and source data produced by the Administration's economist and the General Assembly's economist.



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

<b>CURRENT LAW BASIS</b> <small>Including all Education Fund allocations and other adjustments</small>	<b>FY2020</b>	<b>%</b>	<b>FY2021</b>	<b>%</b>	<b>FY2022</b>	<b>%</b>	<b>FY2023</b>	<b>%</b>	<b>FY2024</b>	<b>%</b>	<b>FY2025</b>	<b>%</b>	<b>FY2026</b>	<b>%</b>	<b>FY2027</b>	<b>%</b>	<b>FY2028</b>	<b>%</b>	<b>FY2029</b>	<b>%</b>
	<small>(Actual)</small>	<small>Change</small>	<small>(Actual)</small>	<small>Change</small>	<small>(Actual)</small>	<small>Change</small>	<small>(Actual)</small>	<small>Change</small>	<small>(Forecast)</small>	<small>Change</small>	<small>(Forecast)</small>	<small>Change</small>	<small>(Forecast)</small>	<small>Change</small>	<small>(Forecast)</small>	<small>Change</small>	<small>(Forecast)</small>	<small>Change</small>	<small>(Forecast)</small>	<small>Change</small>
<b>REVENUE SOURCE</b>																				
Personal Income	\$925.8	5.8%	\$1059.8	15.5%	\$1267.8	18.5%	\$1210.0	-4.6%	\$1140.9	-5.7%	\$1134.7	-0.5%	\$1184.5	4.4%	\$1245.8	5.2%	\$1307.2	4.9%	\$1380.8	4.1%
Sales and Use <sup>1</sup>	\$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
Corporate	\$147.9	10.2%	\$133.4	-9.8%	\$223.3	67.3%	\$281.4	26.0%	\$241.5	-14.2%	\$229.2	-5.1%	\$238.2	3.9%	\$250.7	5.2%	\$262.3	4.8%	\$273.5	4.3%
Meals and Rooms	\$118.1	-15.0%	\$99.2	-14.5%	\$149.8	50.8%	\$194.0	9.8%	\$195.2	0.7%	\$199.8	2.7%	\$175.5	-3.5%	\$182.4	3.9%	\$189.5	3.9%	\$199.7	3.8%
Liquor <sup>2</sup>	\$3.6	-83.2%	\$4.8	32.8%	\$5.0	5.0%	\$5.1	2.1%	\$5.2	1.3%	\$5.3	1.9%	\$5.4	1.9%	\$5.5	1.9%	\$5.6	1.8%	\$5.7	1.8%
Insurance	\$58.0	2.1%	\$90.4	4.0%	\$65.7	8.7%	\$88.8	4.8%	\$70.2	-2.0%	\$71.2	1.4%	\$72.7	2.1%	\$74.3	2.2%	\$75.9	2.2%	\$77.6	2.2%
Telephone	\$3.2	-26.4%	\$2.3	-28.5%	\$2.5	10.9%	\$2.4	-5.7%	\$2.2	-7.3%	\$2.1	-4.5%	\$2.0	-4.8%	\$1.9	-5.0%	\$1.8	-5.3%	\$1.7	-5.6%
Beverage	\$7.2	-5.3%	\$7.2	1.3%	\$7.0	-2.9%	\$7.3	3.1%	\$7.1	-2.2%	\$7.2	1.4%	\$7.3	1.4%	\$7.4	1.4%	\$7.5	1.4%	\$7.6	1.3%
Estate <sup>3</sup>	\$15.2	20.1%	\$23.4	54.1%	\$14.0	-40.1%	\$18.6	33.1%	\$22.4	20.2%	\$23.1	3.1%	\$24.0	3.9%	\$24.9	3.7%	\$25.8	3.6%	\$26.7	3.5%
Property	\$12.9	3.0%	\$23.1	79.6%	\$24.3	5.3%	\$21.6	-11.2%	\$18.7	-13.5%	\$18.0	-3.6%	\$18.6	3.2%	\$19.5	5.1%	\$20.6	5.5%	\$21.6	5.2%
Bank	\$12.1	-3.0%	\$13.9	14.6%	\$16.9	22.1%	\$17.8	4.9%	\$17.9	0.7%	\$17.6	-1.7%	\$17.2	-3.3%	\$16.9	-1.7%	\$17.1	1.2%	\$17.2	0.6%
Cannabis Excise	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$6.7	NM	\$0.0	-100.0%	\$0.0	NM	\$20.4	NM	\$21.2	3.9%	\$21.7	2.4%	\$22.2	2.3%
Other Tax	\$0.4	-84.7%	\$0.7	74.6%	\$1.3	91.3%	\$1.4	11.7%	\$0.9	-35.7%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%	\$1.4	7.7%
<b>Total Tax Revenue</b>	<b>\$1302.3</b>	<b>2.0%</b>	<b>\$1438.1</b>	<b>10.4%</b>	<b>\$1777.4</b>	<b>23.8%</b>	<b>\$1805.1</b>	<b>1.6%</b>	<b>\$1692.1</b>	<b>-8.3%</b>	<b>\$1679.0</b>	<b>-0.8%</b>	<b>\$1766.8</b>	<b>5.2%</b>	<b>\$1851.7</b>	<b>4.8%</b>	<b>\$1935.2</b>	<b>4.6%</b>	<b>\$2012.7</b>	<b>3.9%</b>
Business Licenses	\$1.1	-4.5%	\$1.3	13.6%	\$1.2	-4.4%	\$0.8	-54.5%	\$0.7	23.6%	\$0.8	14.3%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%
Fees	\$44.7	-4.7%	\$42.7	-4.5%	\$42.2	-1.3%	\$45.6	8.1%	\$44.1	-3.3%	\$44.2	0.2%	\$44.4	0.5%	\$45.1	1.6%	\$45.9	1.8%	\$46.8	2.0%
Services	\$2.4	-27.1%	\$3.0	24.3%	\$2.8	-7.7%	\$3.7	33.2%	\$3.8	1.6%	\$3.6	-5.3%	\$3.7	2.8%	\$3.8	2.7%	\$3.9	2.6%	\$4.0	2.6%
Fines	\$4.8	44.3%	\$3.1	-35.6%	\$3.3	7.5%	\$2.6	-21.1%	\$2.9	9.8%	\$3.1	6.9%	\$3.2	3.2%	\$3.3	3.1%	\$3.4	3.0%	\$3.5	2.9%
Interest	\$3.3	-24.5%	\$0.8	-75.5%	\$2.3	187.4%	\$91.2	2129%	\$04.9	26.0%	\$49.9	-23.1%	\$33.4	-33.1%	\$23.1	-30.8%	\$19.1	-17.3%	\$17.9	-6.3%
All Other <sup>4</sup>	\$0.7	-83.6%	\$0.5	-34.4%	\$1.0	95.4%	\$1.5	58.7%	\$0.8	-47.6%	\$0.9	12.5%	\$1.0	11.1%	\$1.1	10.0%	\$1.2	9.1%	\$1.3	8.3%
<b>Total Other Revenue</b>	<b>\$57.2</b>	<b>-10.3%</b>	<b>\$51.5</b>	<b>-9.9%</b>	<b>\$52.9</b>	<b>2.6%</b>	<b>\$105.2</b>	<b>99.1%</b>	<b>\$117.2</b>	<b>11.4%</b>	<b>\$102.5</b>	<b>-12.5%</b>	<b>\$86.6</b>	<b>-15.5%</b>	<b>\$77.4</b>	<b>-10.6%</b>	<b>\$74.6</b>	<b>-3.6%</b>	<b>\$74.7</b>	<b>0.1%</b>
Healthcare Revenue <sup>5</sup>	\$280.9	3.1%	\$278.1	-1.0%	\$299.3	7.6%	\$314.3	5.0%	\$322.0	2.5%	\$332.0	3.1%	\$337.5	1.7%	\$343.3	1.7%	\$349.4	1.8%	\$355.7	1.8%
<b>TOTAL GENERAL FUND</b>	<b>\$1640.4</b>	<b>1.7%</b>	<b>\$1767.7</b>	<b>7.8%</b>	<b>\$2129.5</b>	<b>20.5%</b>	<b>\$2224.6</b>	<b>4.5%</b>	<b>\$2131.4</b>	<b>-4.2%</b>	<b>\$2113.5</b>	<b>-0.8%</b>	<b>\$2191.0</b>	<b>3.7%</b>	<b>\$2272.3</b>	<b>3.7%</b>	<b>\$2360.2</b>	<b>3.9%</b>	<b>\$2443.1</b>	<b>3.5%</b>

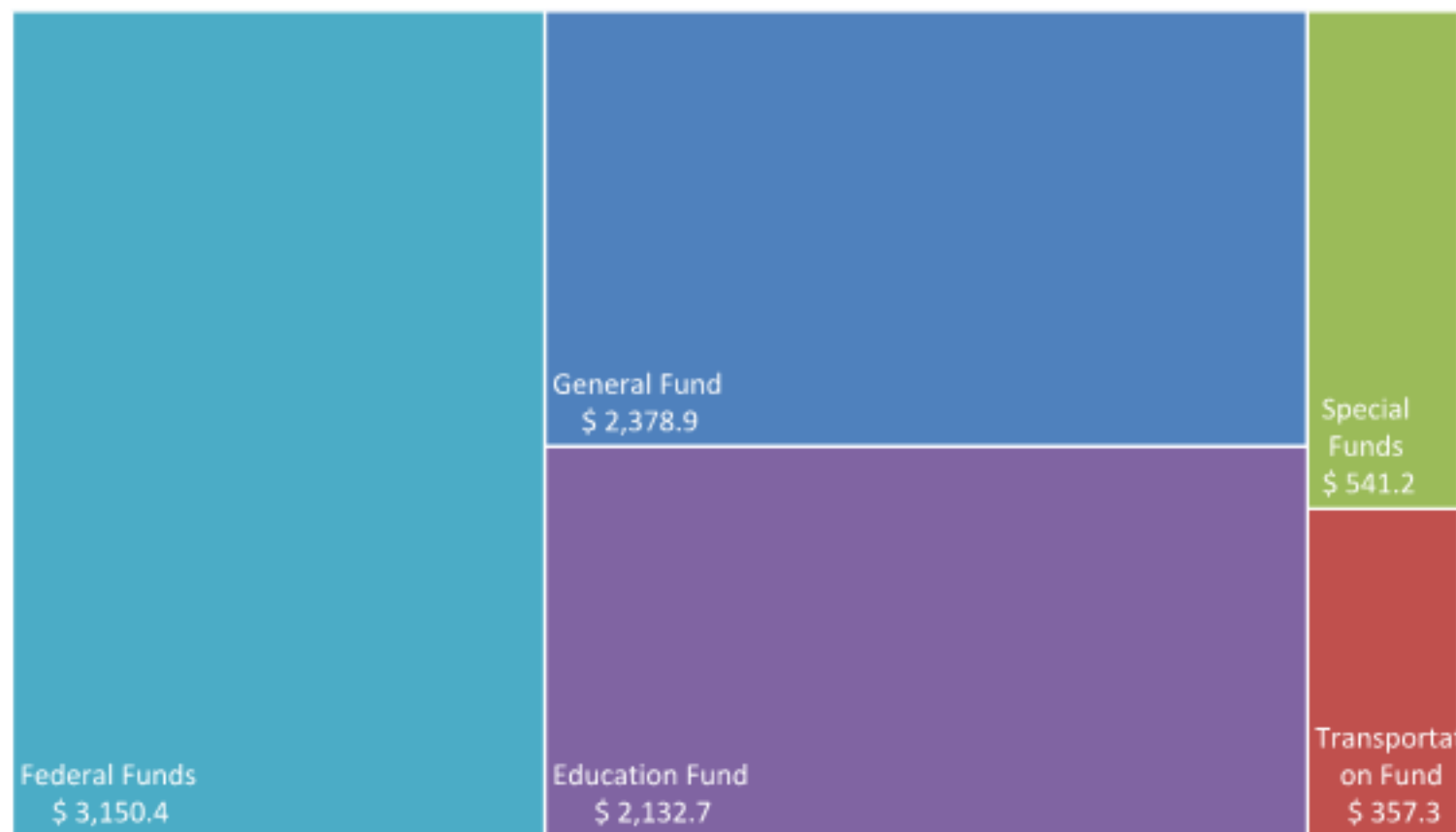
- Includes \$2.8M transfer to the T-Fund in FY08 for prior years Jet Fuel tax processing errors. Transfer to the Education Fund increases from 33.3% to 35.0% effective in FY14 and 35.0% to 36.0% effective in FY18.
- Reflects closure of Vermont Yankee in December of 2014, taxed per Act 143 of 2012 effective in FY12.
- States 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 FY08, \$6.3M in FY09 and \$11.5M in FY11.
- Includes \$2.3 million in onetime payments in FY2017 by tax software vendors for errors related to Personal Income tax deduction charges 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 a healthcare consensus forecasting group, which includes JFO, FPM and AHS staff. See Tables 18 and 19 for details.
- Series is discontinuous beginning in FY20 due to fund allocation changes associated with Act 73 of the 2019 Session.



# State Budget Overview

FY 2024 Operating Budget – \$8.56 Billion  
(Appropriations in Millions)

- Where does the money come from?



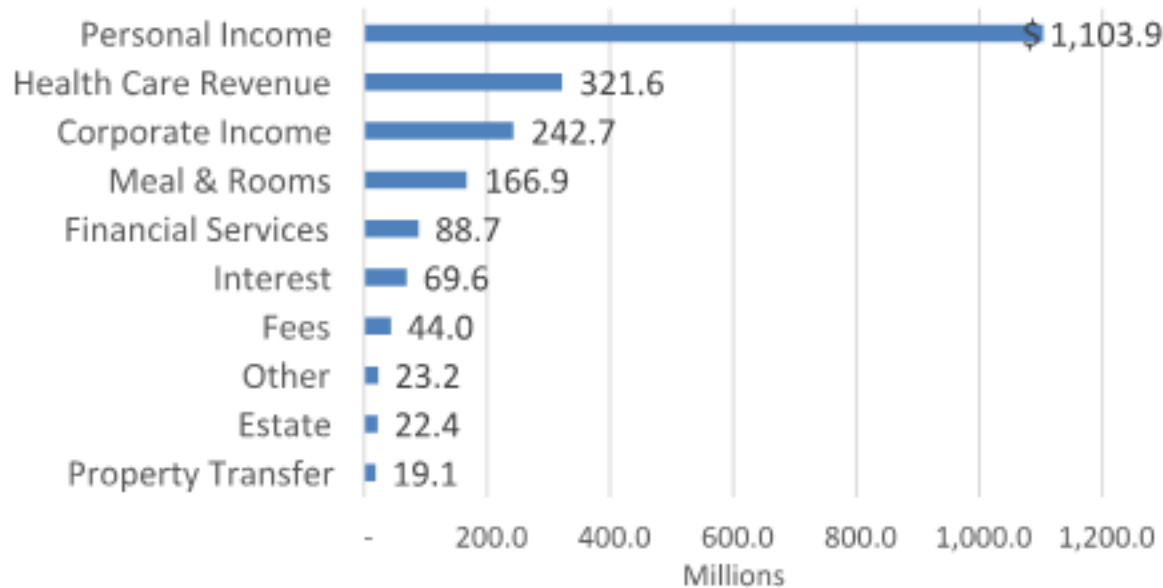
# Where Does the Money Come From?

## General Fund

Tax Type	FY 2024 Forecast (In Millions)	Percentage of Total
Personal Income	\$ 1,103.9	53%
Health Care Revenue*	321.6	15%
Corporate Income	242.7	12%
Meals & Rooms (69%)	166.9	8%
Financial Services	88.7	4%
Interest	69.6	3%
Fees	44.0	2%
Other	23.2	1%
Estate	22.4	1%
Property Transfer	19.1	1%
<b>Total</b>	<b>\$ 2,102.1</b>	

\* Health care revenues include Provider taxes, tobacco product taxes, Claims Assessment

FY 2024 Forecasted General Fund Sources  
(\$2,102.1 Million Total)



Based on the July 2023 Adopted Consensus Revenue Forecast





# Base vs One-time

## Base

- Base funds are included in the official revenue forecast and are expected to recur in future years
- Ideally, base funds support base expenditures (ongoing programs and operations of State government)

## One-time

- One-time funds are non-recurring revenues or fund balances
  - Includes special fund balances and court settlements
- Generally used to address one-time spending issues or are reserved for future use



# How One-time Funds Were Appropriated in Act 74 (2021) and Act 185 (2022)

*(\$1 Billion ARPA-SFR, \$113 Million CAP, \$415 Million GF)*

