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July 2016 Economic Review and Revenue Forecast Update

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

July 21, 2016

Economic Review and Revenue Forecast

Update

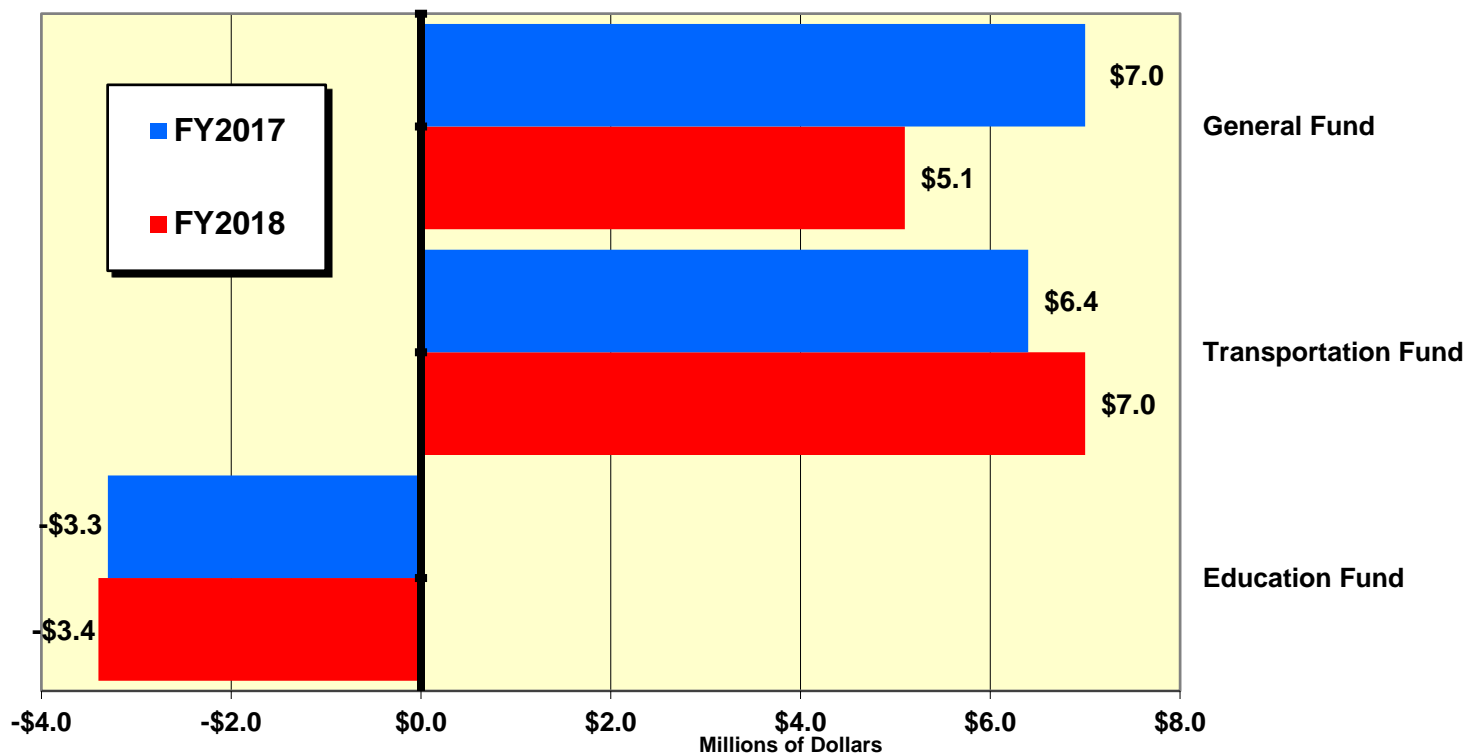
July 2016

Overview

Continued sluggish macroeconomic growth and one of the worst winter tourism seasons on record combined to leave FY16 revenues slightly below January projections. This combination of events resulted in an aggregate revenue variance across all three major funds of about 1% below January targets. Although some of the affected consumption taxes will bounce back if more “normal” seasonal weather patterns prevail in FY17, a further slowing of macroeconomic growth expectations will challenge future State revenues to match spending pressures that exceed general rates of inflation over the forecast horizon. Without new funds from the fee increases enacted during the last legislative session, revenues would have been downgraded about 1.4% in all funds in both FY17 and FY18 (see Addendum on page 37).

By virtue of the fee and other increases in both the General and Transportation Funds, revenues in FY17 and FY18 will be slightly above prior expectations (see below chart). The portion of the Education Fund analyzed herein (which excludes State property taxes) is expected to decline slightly, as weaker consumption tax revenues offset slight gains in Lottery receipts.

Recommended Net Revenue Changes from January 2016 Forecast

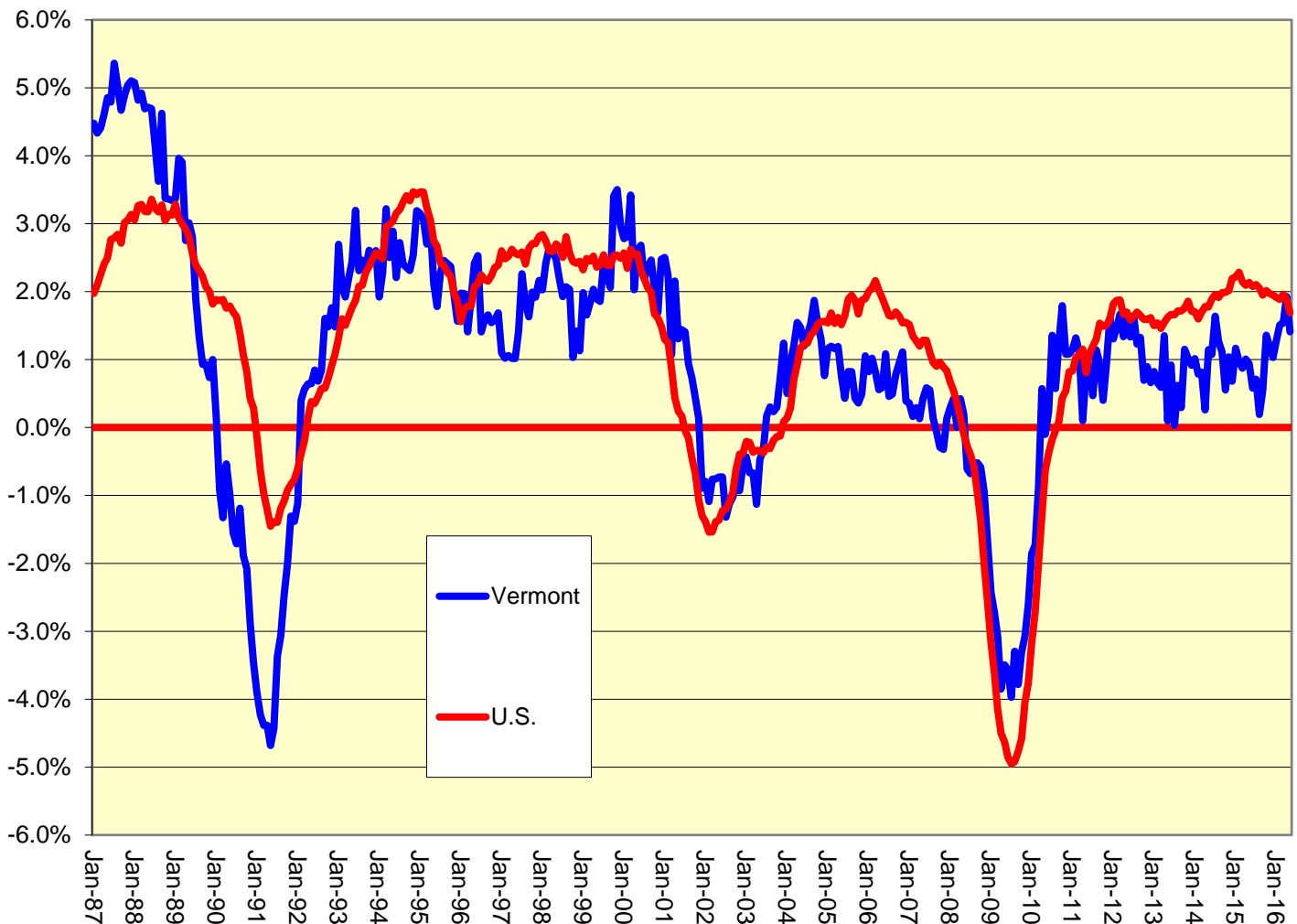


July 2016 Economic and Revenue Forecast Commentary

- The current economic expansion is entering its 85th month, the fourth longest of the 34 U.S. business cycles since 1857. It is gradually making up in sheer endurance what it has lacked in vigor, slowly amassing more than 14 million new jobs over the last 69 months. Against a relentless array of ever-changing global and domestic headwinds, however, the economy has again performed below expectations, and projections for near-term economic growth have been lowered accordingly. Real economic growth in Vermont is now expected to total 1.9% in 2016, almost a full percentage point below prior estimates, with growth in 2017 (2.3%) and 2018 (1.7%) also lowered (by 0.1 and 0.3 percentage points, respectively). While this is not a seismic change in expectations, it will result in slightly lower growth in many revenue categories. Despite this more subdued growth trajectory, risks of recession remain low. There are no major imbalances in the economy that currently point towards imminent decline, and steady improvement in labor, real estate and capital markets all suggest further, albeit unspectacular, growth ahead.

Vermont Employment Growth Converges With Steady U.S. Gains

(Total Nonagricultural Employment, Percent Change vs. Year Ago, Seasonally Adjusted Data)



Source: Bureau of Labor Statistics, U.S. Department of Labor

- The steady job growth has pushed the U.S. unemployment rate below 5% and Vermont's rate to nearly 3%, the fourth lowest in the nation (see charts on pages 4-5). Although the "official" unemployment rate (referred to as "U3" by the Bureau of Labor Statistics) does not reflect all aspects of labor markets and the general economy, it is a consistent and timely proxy for relative economic conditions. Other measures of unemployment include rates shown in the table below, such as U1, which only measures persons unemployed for 15 weeks or longer (recently down to 2.2% nationally and 1.0% in Vermont) and U6, which includes marginally attached workers and those working part-time who are seeking full-time work (which for the most recent period available topped 10% in the U.S. and 8% in Vermont).

Unemployment and Unemployment...

Various Concepts: 2015Q2 to 2016Q1

	U1	U2	U3	U4	U5	U6
U.S.	2.2%	2.5%	5.1%	5.5%	6.2%	10.1%
Vermont	1.0%	1.7%	3.6%	3.9%	4.6%	8.1%
Ratio U.S./VT	2.20	1.47	1.42	1.41	1.35	1.25

U-1, persons unemployed 15 weeks or longer, as a percent of the civilian labor force

U-2, job losers and persons who completed temporary jobs, as a percent of the civilian labor force

U-3, total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate)

U-4, total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers

U-5, total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers

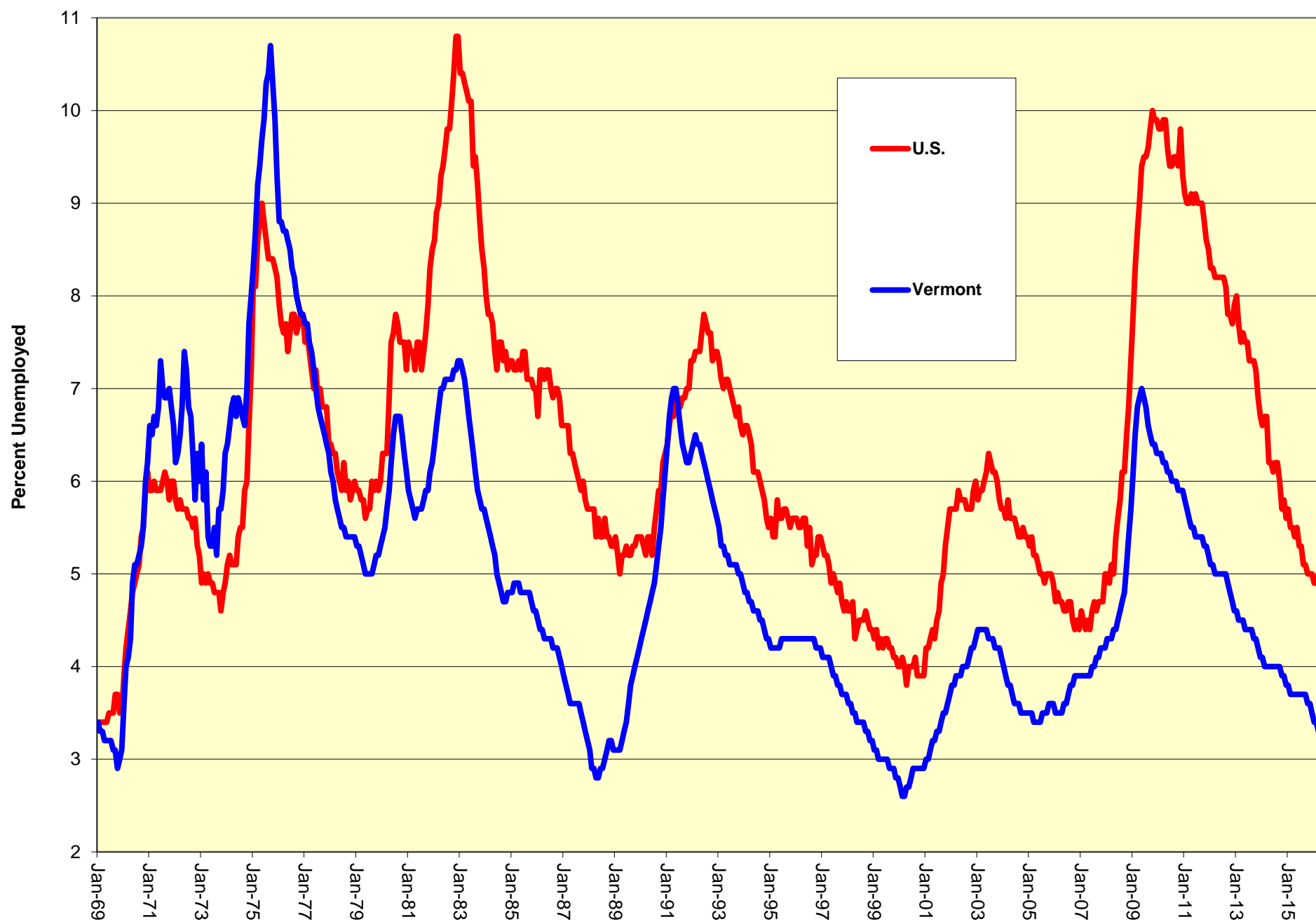
U-6, total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers

Source: U.S. Bureau of Labor Statistics

- Although Vermont unemployment rates have been below those of the nation for the past 300 consecutive months (25 years), and most of New England as well, the spread between the various unemployment rates varies. In the most recent period available (see above table) the ratio of the U.S. to Vermont rates ranged from 2.2 for U1 to 1.25 for U6.
- As shown in the charts on pages 6-7, recent unemployment rates also vary significantly by age and race. Compared to a total U.S. unemployment rate in 2015 of 5.3%, the unemployment rate among those ages 16-17 years old was 18.3%, for those 18-19 years old, 16.2%, and for those 20-24 years old, 9.7%. For African-Americans, rates across all age groups are roughly double those

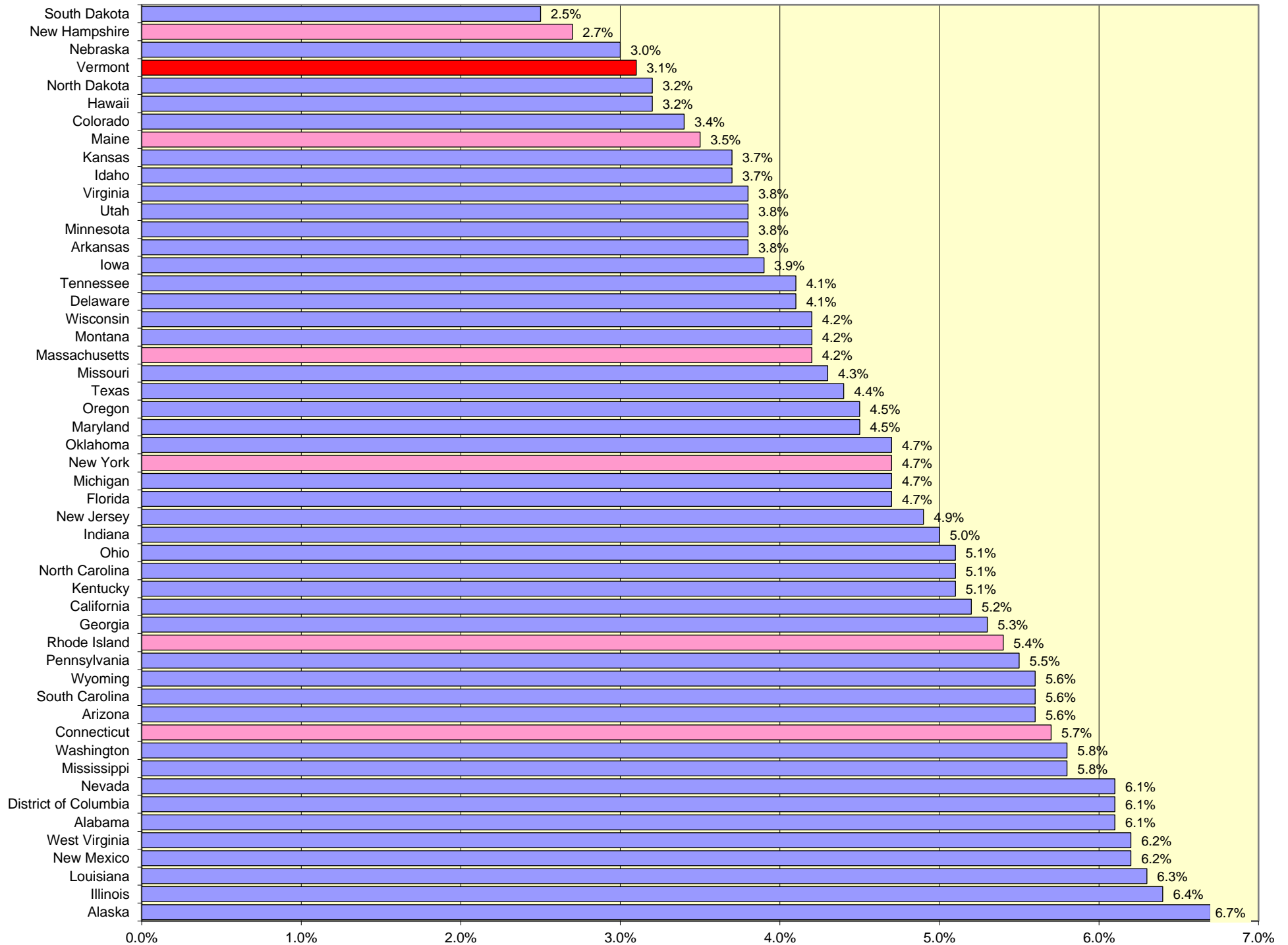
Vermont Unemployment Rate Continues to be Well Below U.S. Level

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



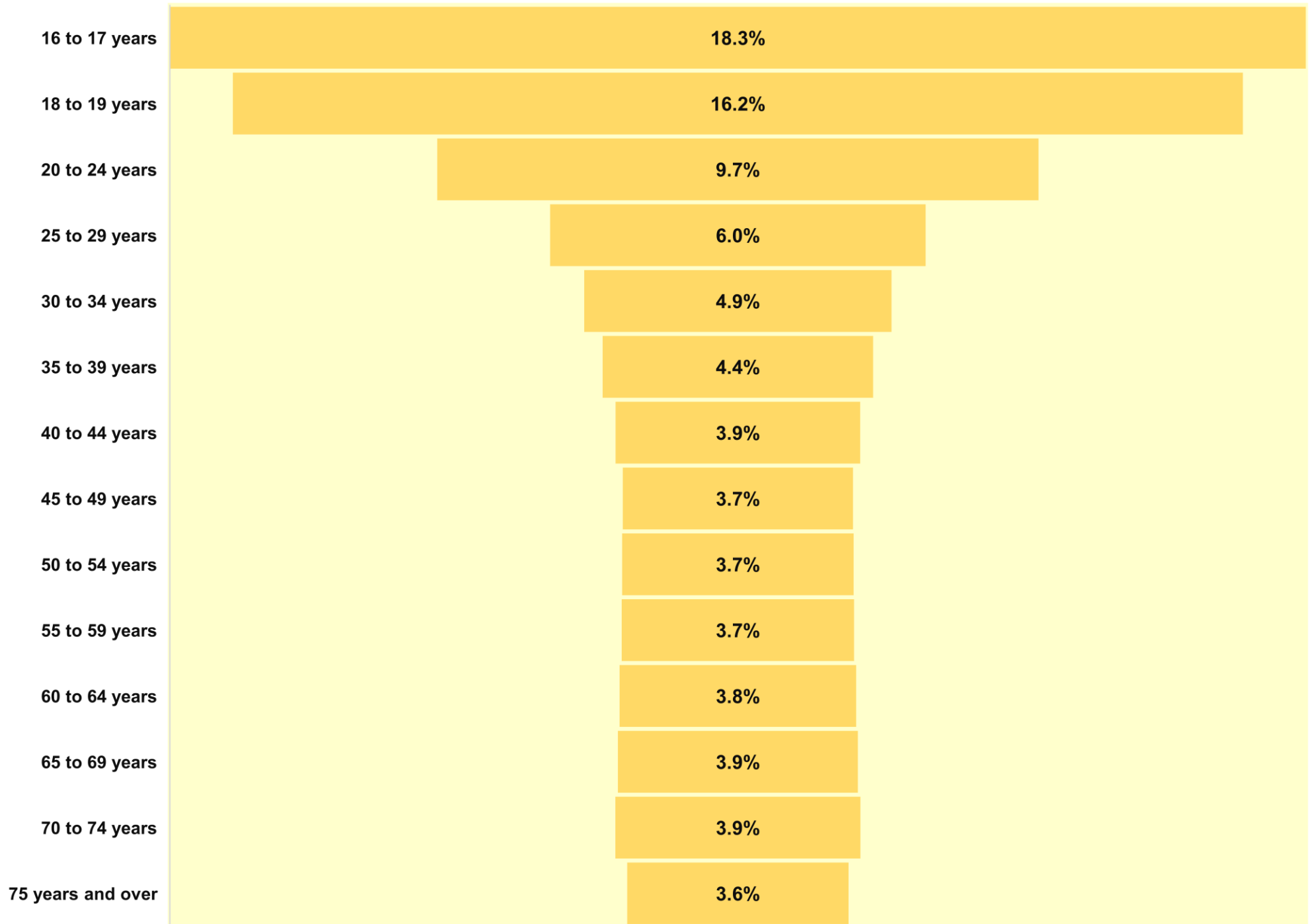
Unemployment Rate by State - May 2016

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



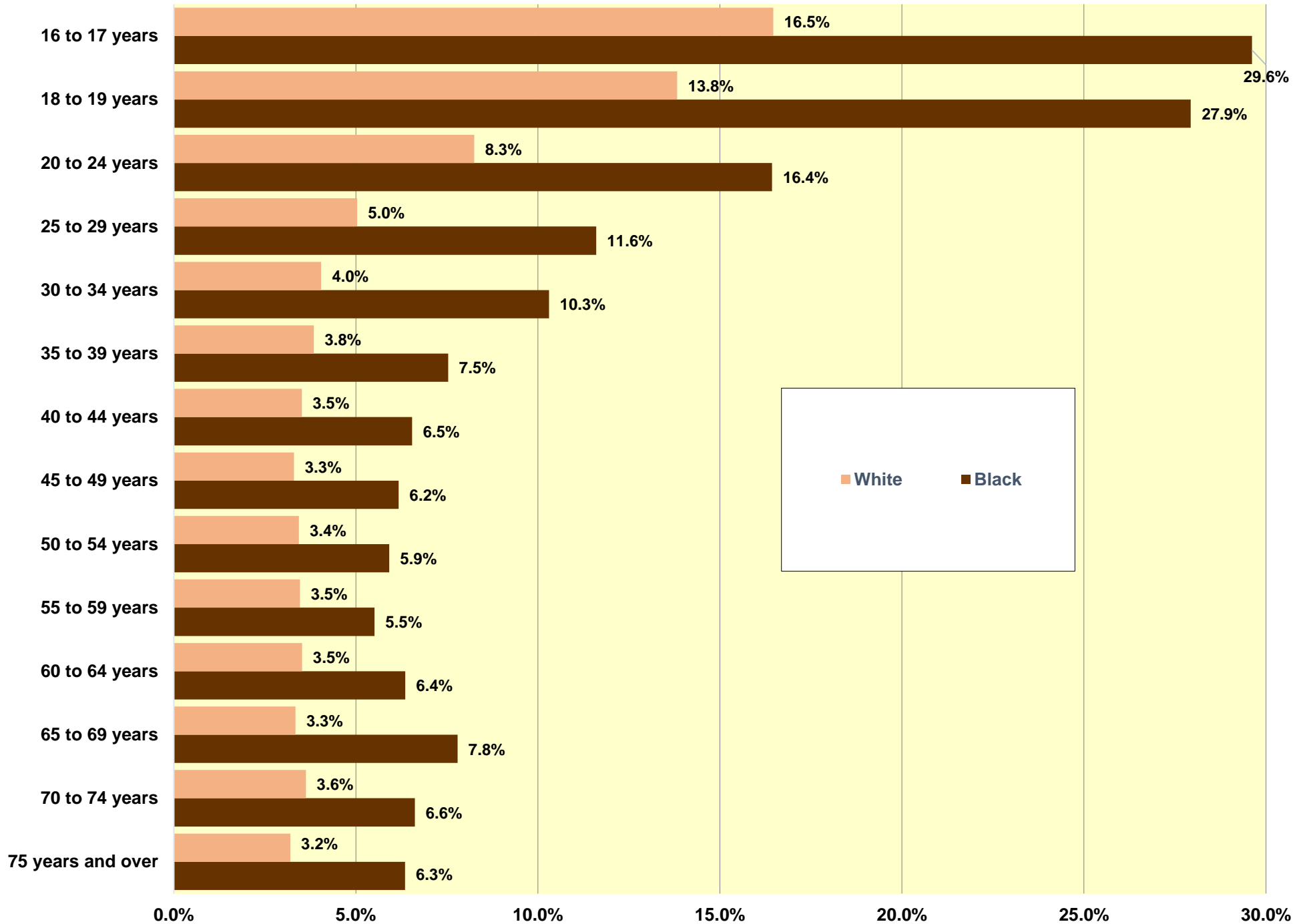
2015 U.S. Unemployment Rate By Age

(Source: U.S. Bureau of Labor Statistics, U.S. All Ages Rate = 5.3%)



2015 U.S. Unemployment Rate By Age and Selected Race

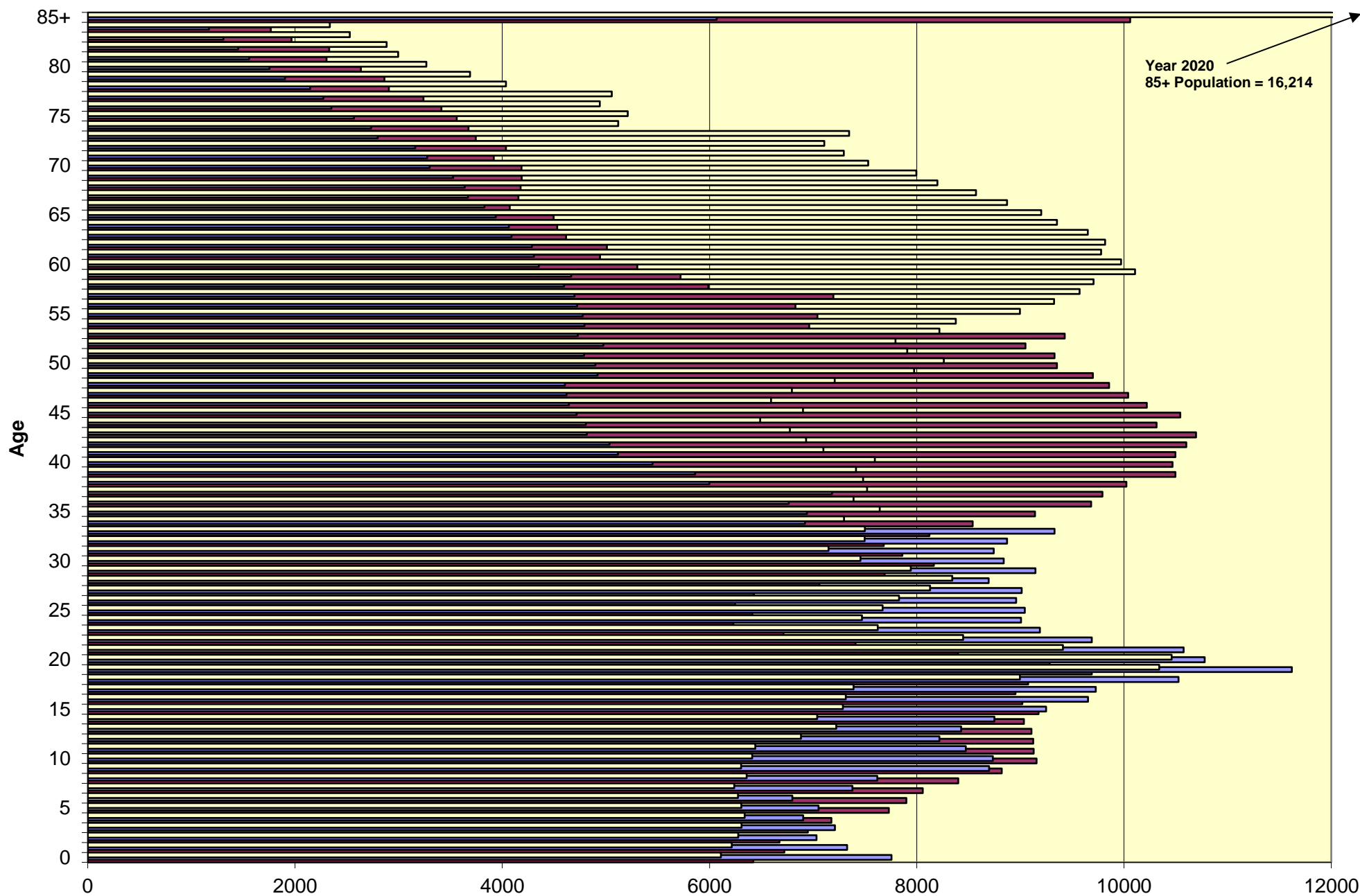
(Source: U.S. Bureau of Labor Statistics)



for Whites, with unemployment rates approaching 30% for those ages 16-19 years old, and more than 16% for those 20-24 years old. The social costs created by these differentials can be enormous. The inability of young people to find work at any wage deprives them of the development of important life skills, work habits and perhaps most importantly, hope for the future. Even those who do find work confront wages that do not cover even minimal basic living costs. To have such a stark racial divide in the employment prospects of a population underscores the legacy of slavery that persists and still surfaces in the racial discord and violence experienced of late.

- Amidst the details of the State budgets, it is important to recognize some of the tectonic external changes occurring that affect the Vermont economy and State revenues. Although these have been detailed periodically in these Economic Reviews, they bear repeating, especially at this stage of the business cycle. They include: 1) The decline in births and aging of the U.S. and State population; 2) The rapid expansion of globalized markets, especially China and Asia; 3) The inexorable development and application of new technologies in both business and consumer spheres, and; 4) Growing inequality in both income and wealth in the U.S..
- The aging of the Vermont population is illustrated in the chart on page 9. Total population growth, however, has also slowed, even registering slight declines in three of the past four years, due to the combined effects of a long term decline in fertility rates and a shorter term recession-induced decline in net immigration (see charts on pages 12-13). An aging and more slowly growing population affects revenues in several ways: as a population ages, taxable income may actually increase, as maximum earnings occur later in life (circa ages 45-63), however, as this and immediately younger cohorts eventually decline in number, taxable income will recede. It should be noted that just because a person stops working that their taxable income does not disappear. In fact, both the average Adjusted Gross Income and average Vermont Income Tax paid among those 65 and older regularly exceeds the average amounts received and paid for those 65 and under. Consumption tax revenues, however, are generally negatively affected and have already been impacted by the fact that older cohorts spend more of their income on services and far less on taxable goods than younger cohorts. This also impacts housing and related expenditures in a similar way.
- Declining State births, which started about 25 years ago (see chart on page 10) are also now affecting the size of the labor market. Reflecting these declines, the age-adjusted labor force has been shrinking since 2011 and even if total population growth resumes via increased net migration, this cohort will be unlikely to register much if any growth (see chart on page 13). Thus for employment to expand, either labor force participation will need to increase (of which it is capable) or net migration will need to dramatically increase (as it has during some historical periods). The current forecast only assumes modest increases in both participation rates and net migration growth.

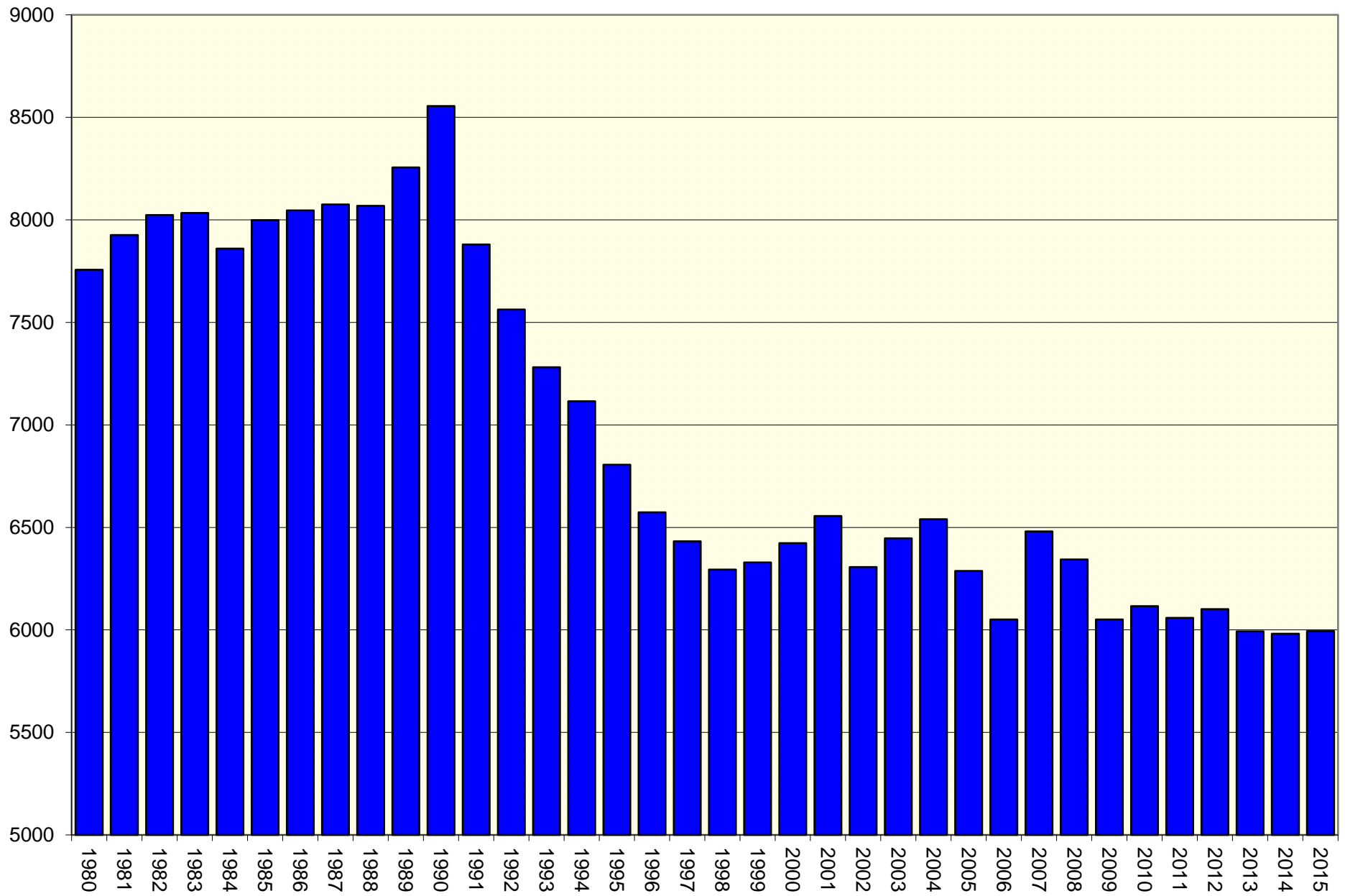
The Aging of the Vermont Population - July 1980 (blue) vs. July 2010 (red) vs. July 2020 (clear)



Number of Persons

Source: U.S. Census Bureau, JFO Projections

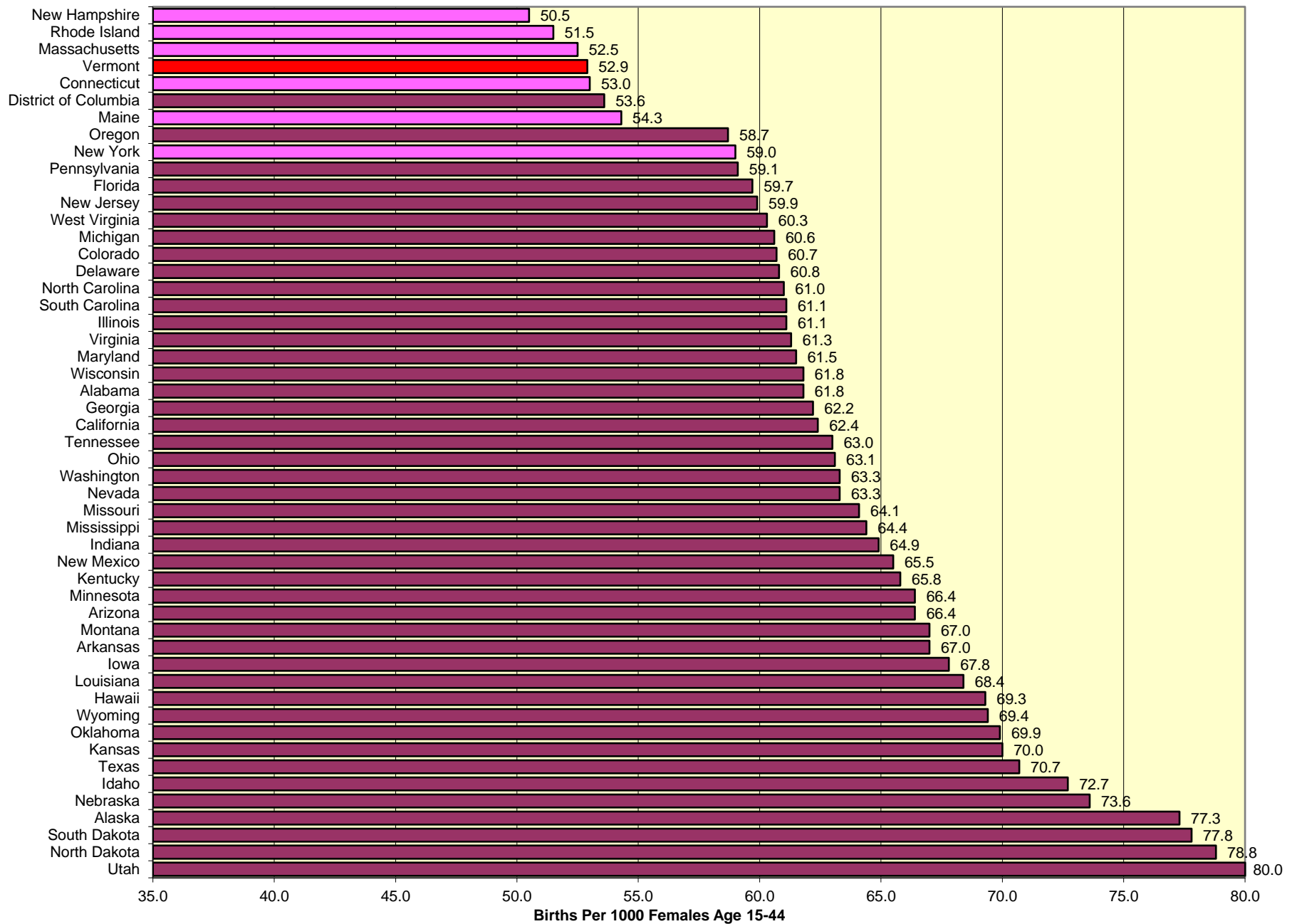
Vermont Population - Age 0 (Births)



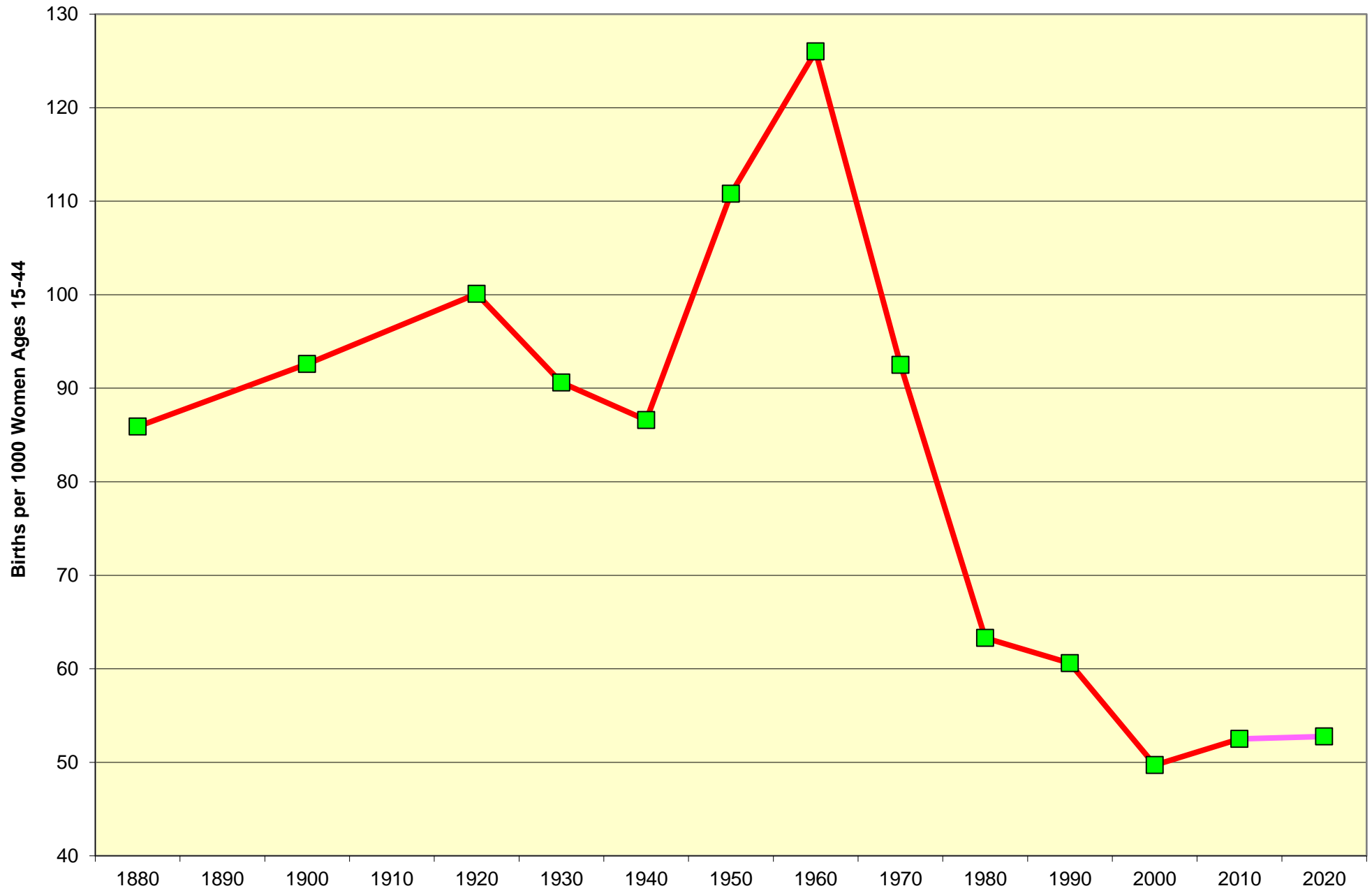
Source: U.S. Census Bureau, Vermont Legislative Joint Fiscal Office Estimates

2014 Fertility Rates

(Source: CDC/National Center for Health Statistics)

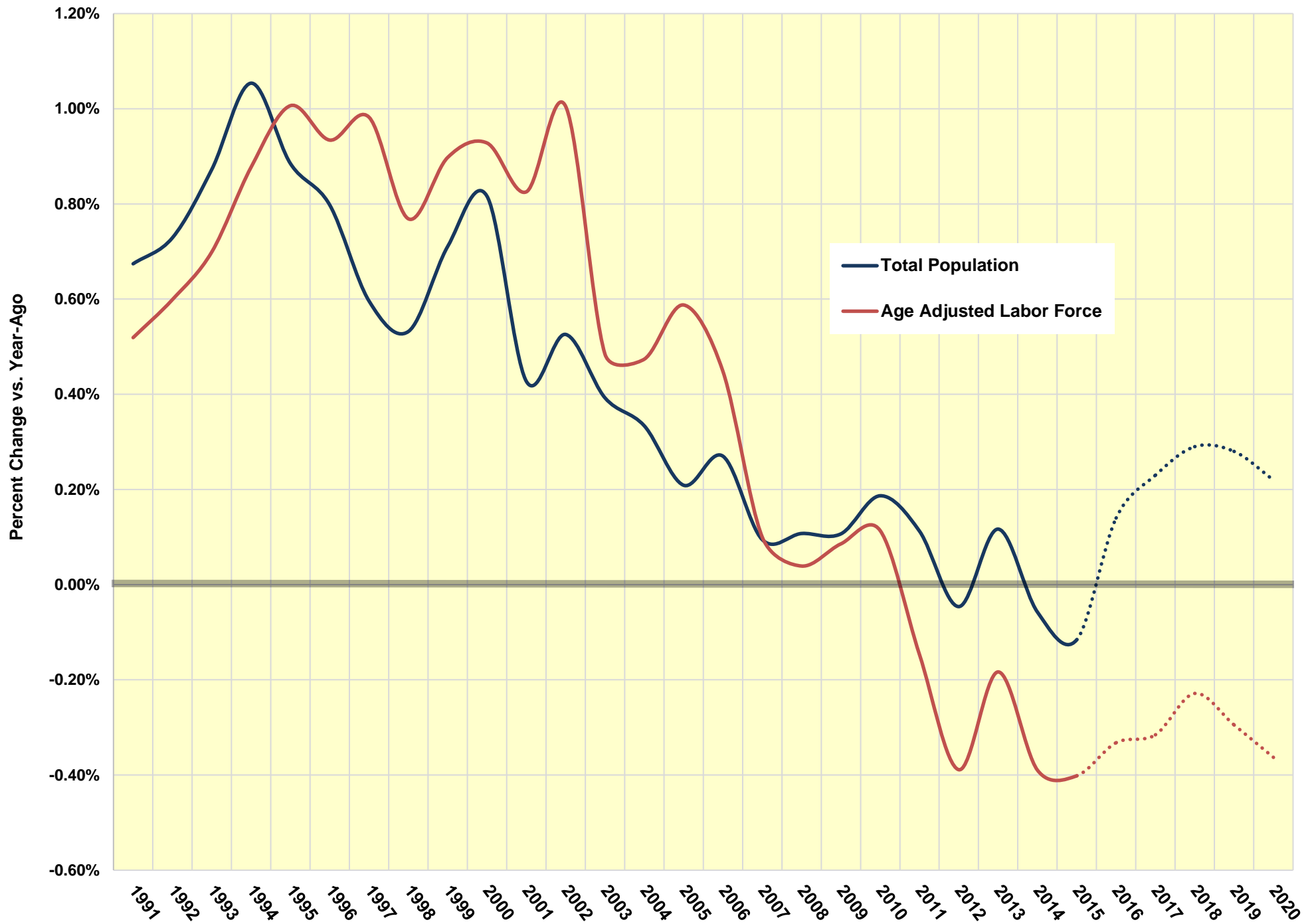


Vermont Fertility Rate

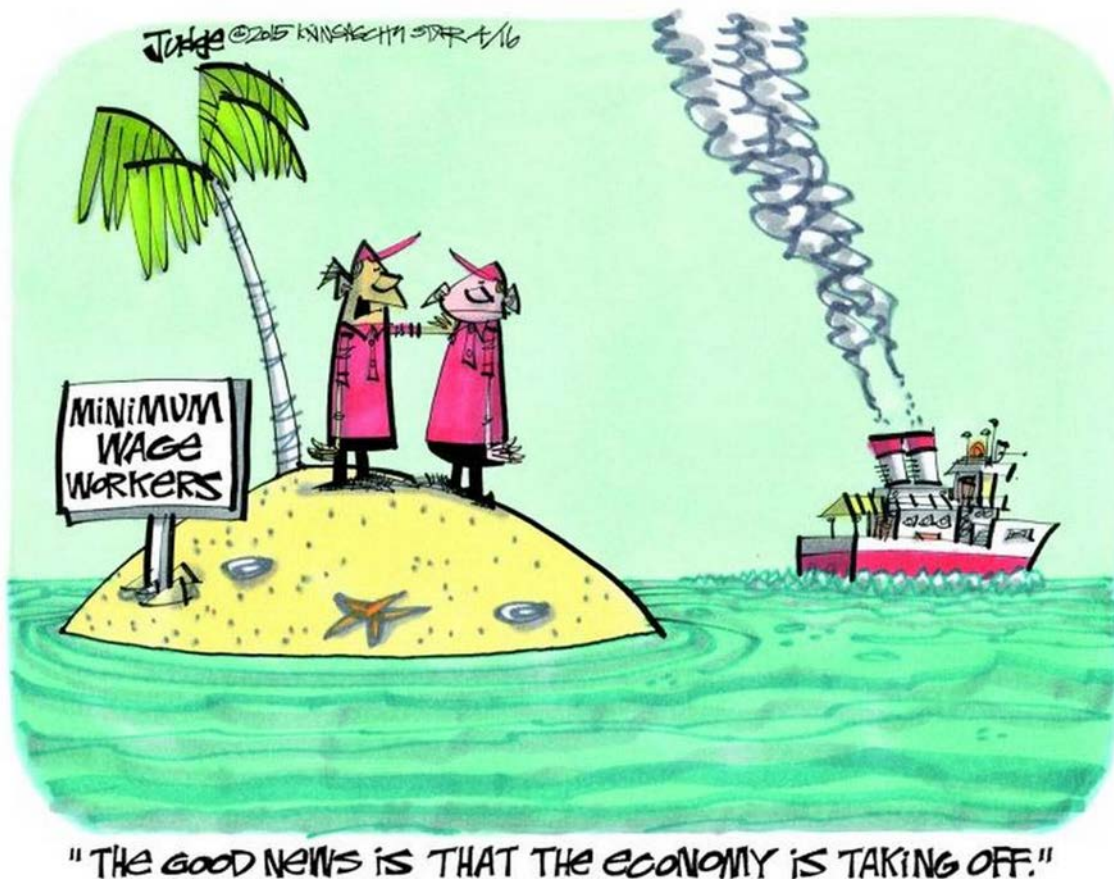


Sources: History - Vermont Department of Health, 2020 Forecast - Vermont Joint Fiscal Office

Working Age Population Growth vs. Total Population Growth in Vermont



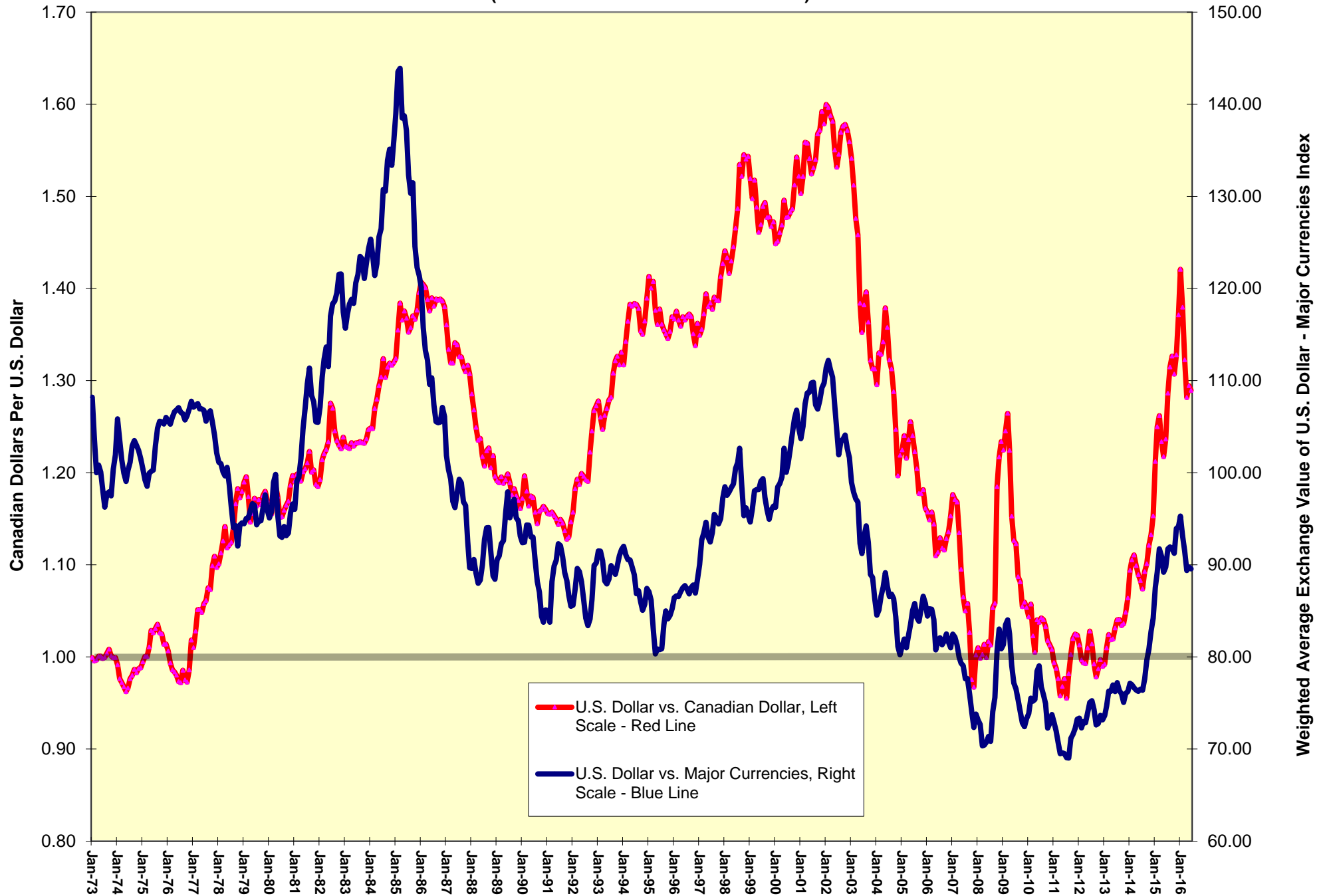
- The rapid expansion of global trade and the rise of China have linked both Vermont and the U.S. ever more closely, for better or worse, to these global forces. China (including Taiwan and Hong Kong) is now Vermont's second largest export market after Canada, supporting some of the highest paying jobs and industries in the State. China's emergence has lowered business and consumer prices on a wide array of manufactured products, but this has also driven some U.S. companies out of business, stressed others and driven wages down across a wide spectrum of the economy. This, in turn, has exacerbated income inequality and created a class of economic losers, especially among unskilled, lower-educated workers. Technological change is also contributing to this massive shift in global fortunes, by increasing productivity and returns on capital, eliminating many jobs and further depressing the value of unskilled labor.



- The income inequality that stems from this has both increased revenues from personal income taxes (by shifting more income into higher income classes, which are generally taxed at higher effective rates), corporate income taxes (where returns on capital have soared), and estate taxes (absent aggressive avoidance measures). The concentration of tax receipts among fewer and fewer wealthier taxpayers, however, will continue to cause increased revenue volatility. Growing income inequality has also, however, had the opposite effect on State consumption taxes, since lower income groups have a higher propensity for taxable in-state spending than higher income groups. For much of the early part of the past decade, the vast expansion of sub-prime lending

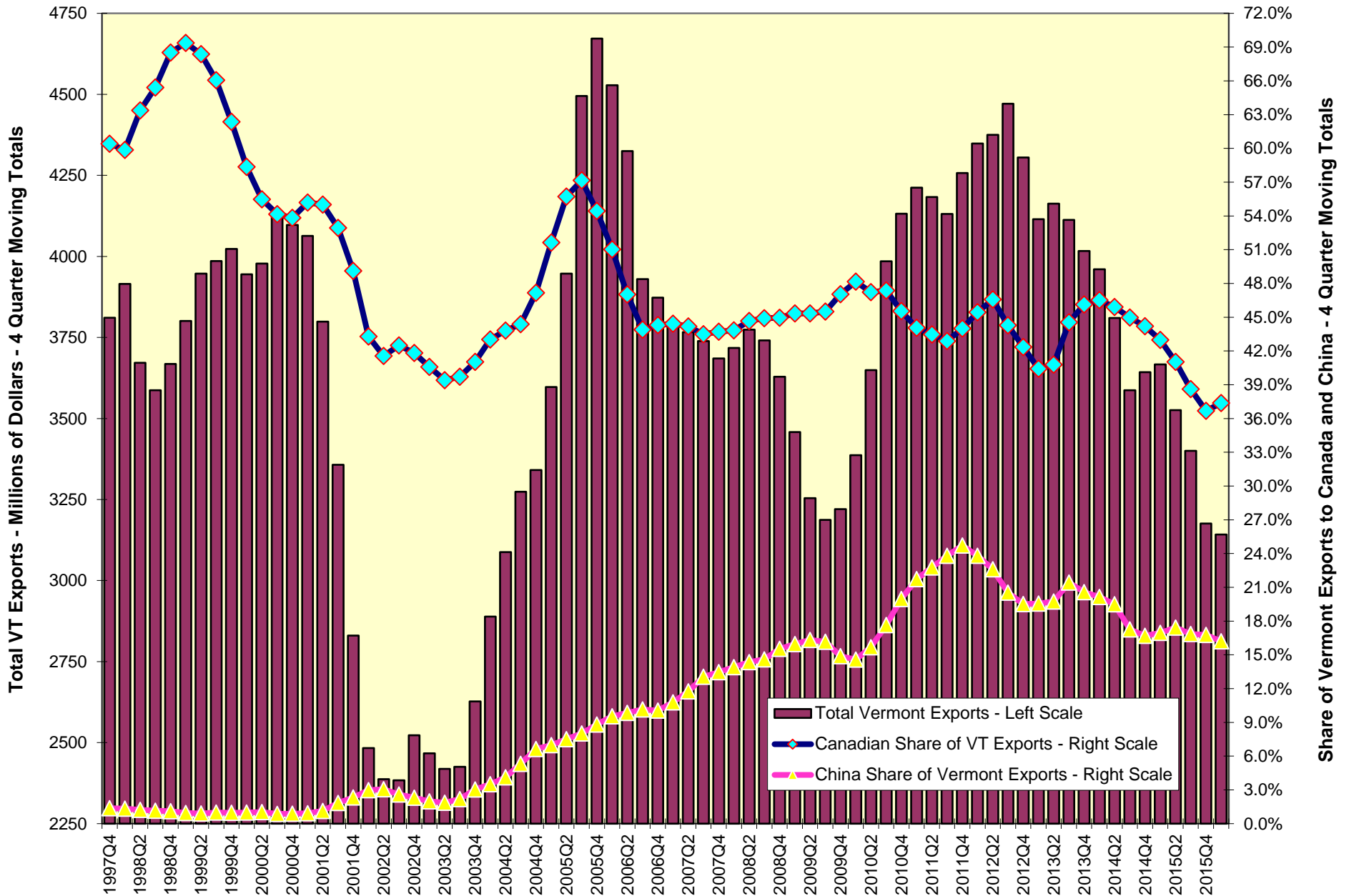
The Dollar Stregthens, Keeping Import Prices Low, But Creating Competitive Export Disadvantages

(Source: U.S. Federal Reserve Board)



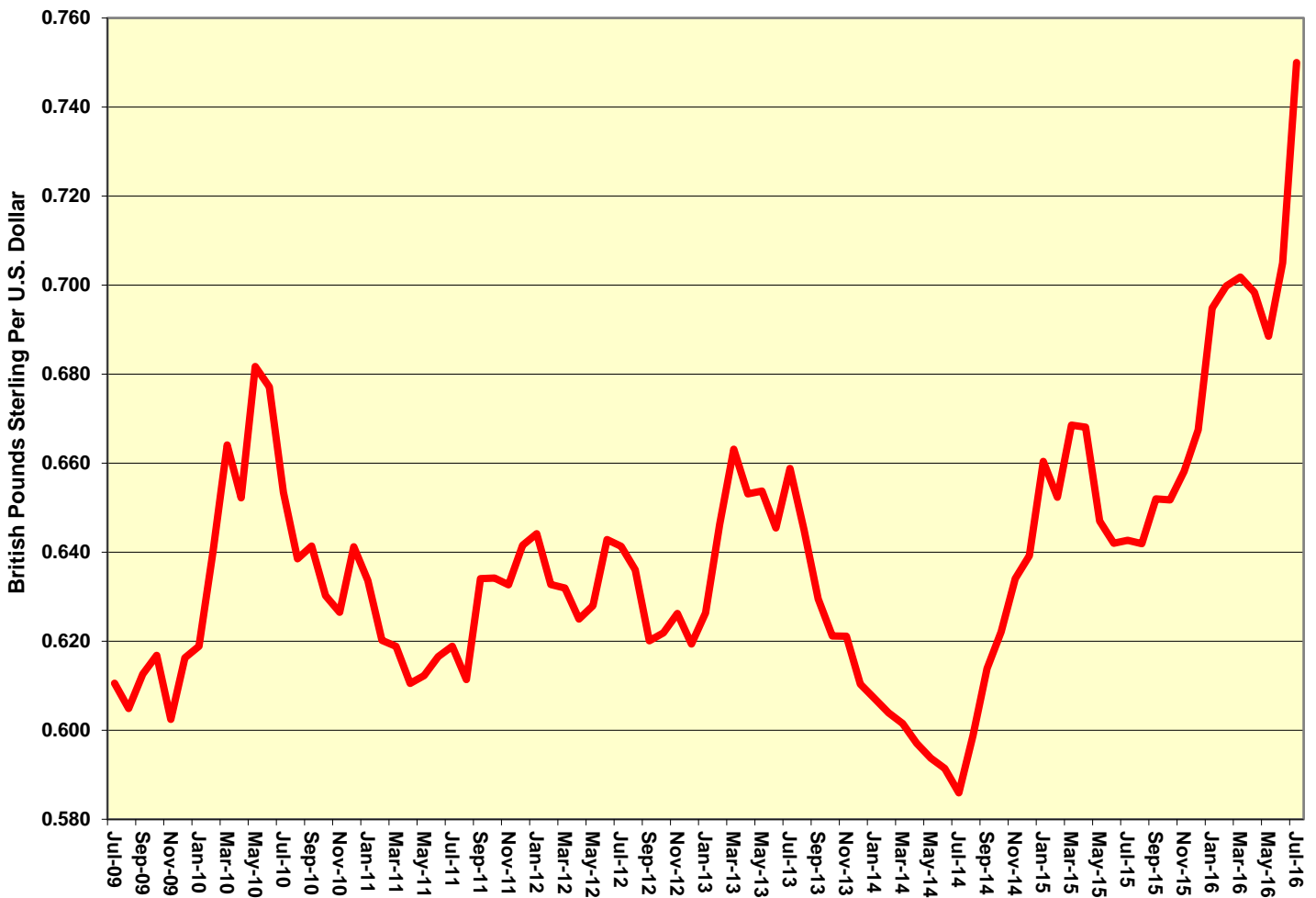
Vermont Exports Battered by Strong Dollar and Weak Loonie

(Source: World Institute of Strategic Economic Research, Federal Reserve Bank of Boston)



allowed lower income families to replace real earnings with debt - an obviously limited strategy that ended in disaster with the recent financial collapse. Now faced with more stringent credit standards, the inability of lower income families to borrow and spend has reduced consumption tax receipts relative to aggregate income levels.

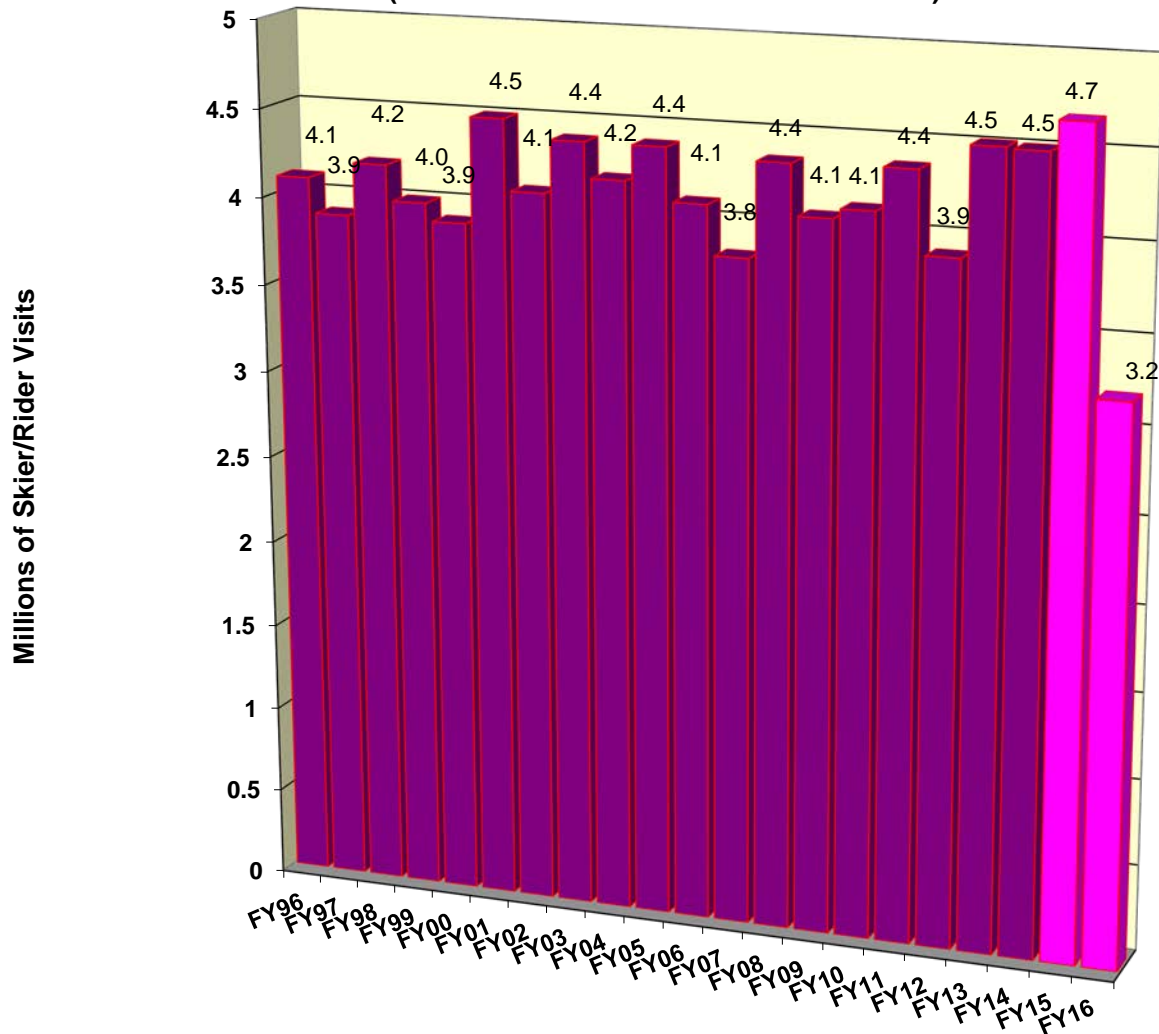
Tarnished Sterling: Brexit Fears Pound the Quid GBP-USD Exchange Rate, Source: Board of Governors of the Federal Reserve System



- One of the biggest downside risks to the forecast comes from the political discontent engendered by those who are negatively affected by these overarching trends. The Brexit vote is an example of such discontent and there could be more coming. While the impact of this decision will probably have relatively minor economic impacts on Vermont, unless a more widespread destabilization of Europe follows, any effects will be transmitted primarily through exchange rate shifts that could affect Vermont exports (including British tourism to Vermont) and imports that could displace Vermont workers.
- The winter ski season went from one of the best on record in FY15 to one of the worst in FY16. Even though some of the economic costs of this were anticipated amidst a slow start to the season at the time of the January forecast,

few anticipated the catastrophe in store. Per the chart below, skier visits dropped to just 3.22 million, the lowest in 35 years and just 6% of total U.S. visitation, down from almost 9% last year. This affected, to varying degrees, not just Meals & Rooms revenues (-\$1.4M in FY16 relative to targets) but also Sales & Use (-\$7.5M), Gasoline (-\$0.3), Personal Income (-\$13.8M) and Property Transfer (-\$0.3M) receipts.

From Best to Worst: Skier Visitation Plunges in FY16
(Source: Vermont Ski Areas Association)

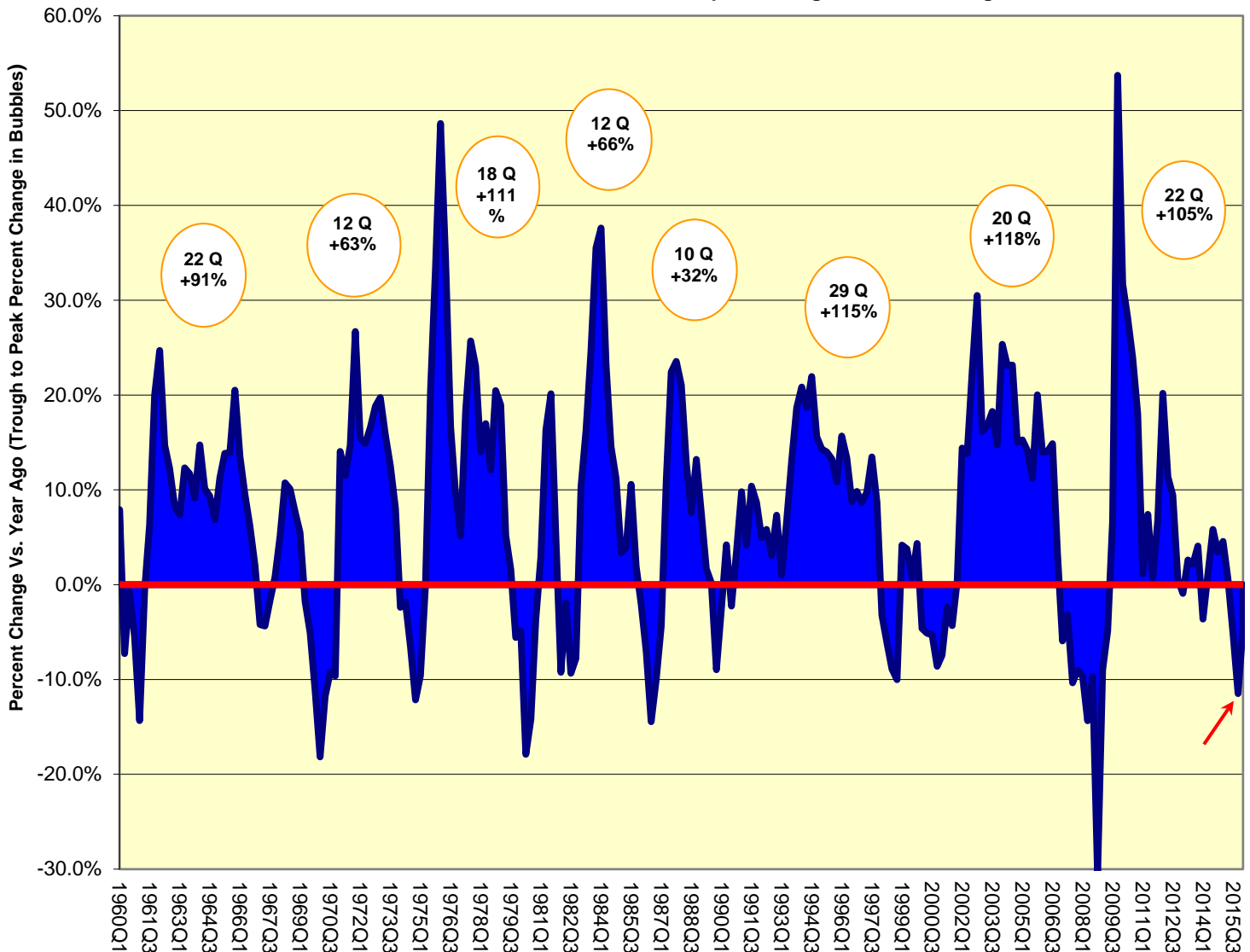


- Personal Income revenues were also more prominently affected by weak year-end equity and property markets, less revenue from prior session tax changes than expected, including software snafus by the leading tax preparation companies that shifted at least \$2.3M in what should have been FY16 PI revenues into FY17 “All Other” General Fund revenues, and lethargic macroeconomic growth in the last two quarters of the fiscal year.
- Sales & Use tax revenues will rebound slightly in FY17, assuming more “normal” winter weather, but will be confronted with continued headwinds in the coming years from constant tax base erosion from both mounting exclusions

and internet sales, and lower consumer demand due to demographic and distributional income changes cited above. Accordingly, growth is likely to be limited to 2%-3% per year – representing real growth of less than 1% per year.

Harbinger of Recession? Corporate Profits Decline in Last 3 Quarters

U.S. corporate profits with inventory valuation and capital consumption adjustment; Source: US BEA;
Data in bubbles indicate number of consecutive quarters of growth and %change from trou



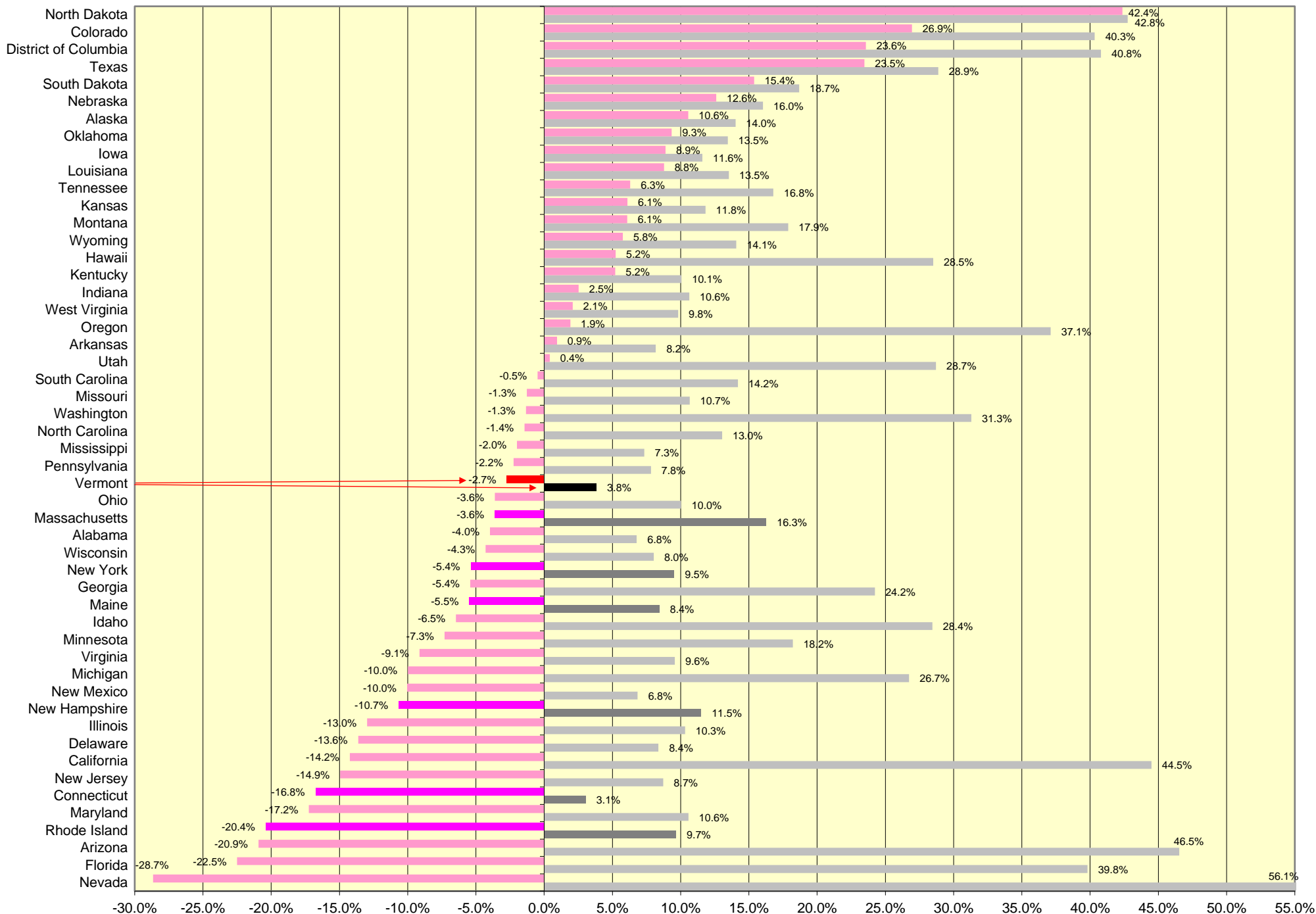
- Corporate tax revenues had an exceptional year in FY16, closing the year \$12.8M above target. Much of this strength, however, was due to unusual payment activity that is not likely to be reproduced or replaced in FY17 and beyond. The changing mix of corporate ownership in Vermont, slowing U.S. corporate profits as the business cycle ages (see chart on preceding page), and attendant increases in refunding will likely result in FY17 declines of at least 10% before stabilizing at about \$90-\$100M per year in FY18 and beyond. Individual company profitability and tax payment timing variation can create extreme volatility in this category from year to year – especially if economic growth appreciably slows.

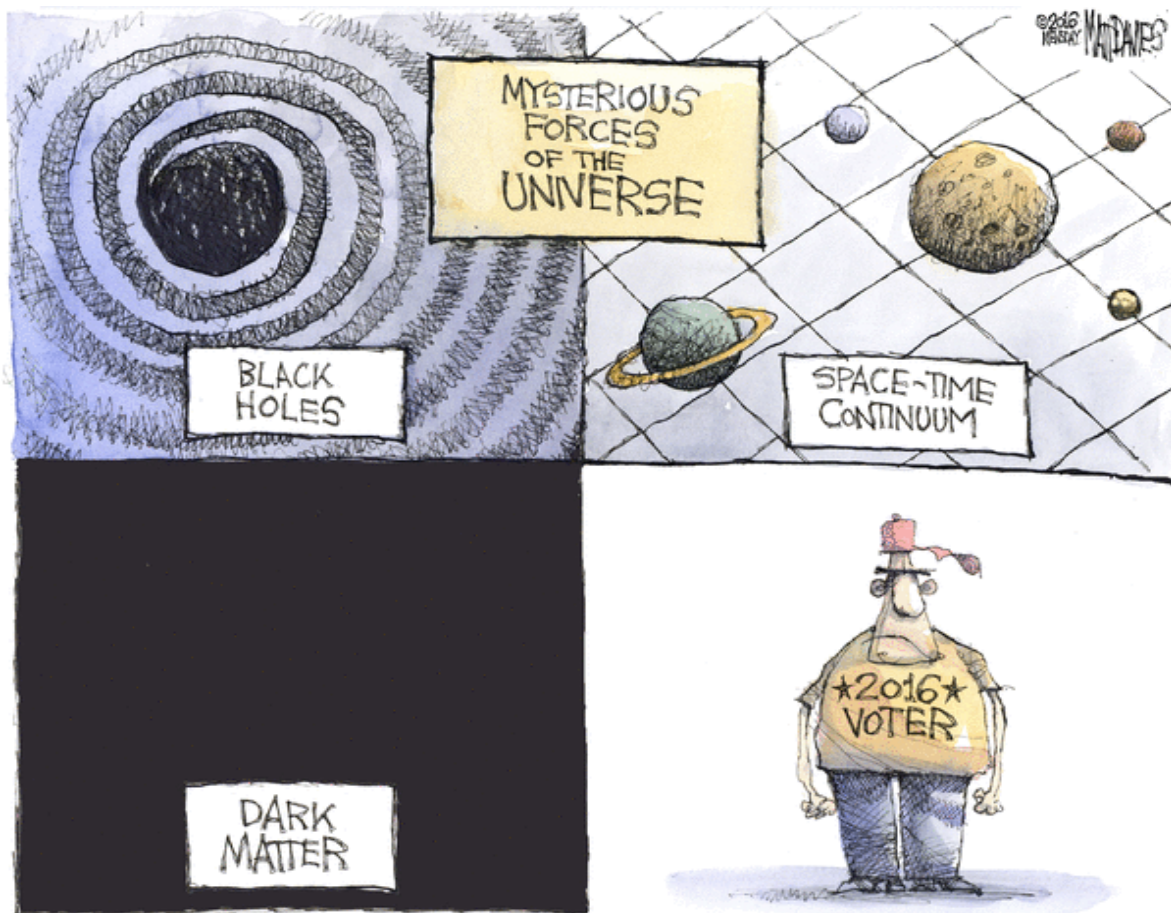
- Property transfer tax revenues grew very close to expectations in FY16 and are expected to grow at a rate nearly double that of total General Fund revenues in both FY17 and FY18. As real estate prices firm and eventually exceed prior cyclical peaks, and with relatively unattractive stock and bond investment options, investment in real estate could accelerate. As shown in the chart on page 21, for the eighth consecutive quarter, housing prices increased on a year over year basis in every state in the nation. 21 states now have reached or exceed their peak pre-recession price levels. Although no New England state has achieved this yet, Vermont is likely to be the first to do so in the coming year. Although it will take awhile for construction markets to fully respond to firming price signals, they, too, will eventually recover. Residential construction activity, however, will be muted by both distributional age (older populations) and income (more concentrated income and wealth) issues discussed above.
- Estate tax revenue, which is among the most volatile revenue categories, was true to form in FY16, closing the year \$8M below targets. Even with FY17 revenue expectations lowered by nearly \$5M, Estate revenue will need to grow nearly 40% to return to longer term average annual rates. With strong growth in equity markets over the past 5 years and property markets beginning to firm, potential Estate tax liabilities could grow substantially in future years.
- Telephone Property tax revenue dropped from \$7.2M in FY15 to \$3.1M in FY16, due to prior overpayments connected to changes in property valuation methods. Tax Department acceptance of these changes in assessed valuations, will result in FY17 revenues of about \$6.3M, with declines of about \$0.2M per year thereafter.
- Bank Franchise tax receipts will benefit from a tax change in FY17 (requiring monthly instead of quarterly tax payments) that will provide a one-year boost of an additional \$1.8M. FY18 will see a return to prior annual revenue levels and the subaltern growth rates that are the result of ever-mounting credits taken before Bank revenues are reported and slow underlying deposit growth.
- General Fund Service revenue is expected to receive additional income associated with a creative prison bed arbitrage that should push total revenues to \$3-\$4 million per year in FY17 and beyond. This revenue is based on sales of Vermont prison beds by the Department of Corrections to the U.S. Marshal Service at a price exceeding the Vermont State cost to house Vermont prisoners out-of-state.
- The Lottery was one of the few bright spots in FY16 revenues, up \$2.8M relative to targets, due to a combination of exceptionally large jackpots and low gasoline prices. With gas prices rising throughout FY17 and FY18, the legislated removal of lottery consoles, and a low probability of another billion dollar jackpot, revenues should drop about \$2 million in FY17 before resuming modest growth of about 1-2% per year in FY18 and beyond.

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

Percent Change, 2015Q3 vs. Peak Price by State Reached Between 2005Q3 and 2009Q2 - Pink and 2016Q1 vs. Trough Price Reached Between 2009Q3 and 2016Q1 - Grey

Source: FHFA Housing Price Index





- Like Lottery ticket sales, Cigarette and Other Tobacco tax revenues have benefitted from low gasoline prices, closing FY16 more than \$1M above targets. Continued smoking cessation, however, and expected gas prices increases will erode revenues in both FY17 (-3.9%) and FY18 (-2.6%).
- Transportation Fund revenues ended the fiscal year 0.8% below target (\$2.1M), but will be boosted by a wide array of fee and other measures designed to raise revenues in FY17 and beyond. These include about \$8M per year in vehicle registration and other Motor Vehicle Fees, about \$0.5M per year in Gas and Diesel revenues via “shrinkage” reduction changes to taxable gallonage (which will also extend to TIB Fund revenues), and smaller enhancements to Motor Vehicle Purchase & Use revenues (\$0.3M). Although these changes will contribute to a one-year spike in total T-Fund revenues of 4.9% in FY17, growth in FY18 and beyond will be return to only 1.1% to 1.6% per year – implying total revenue growth below rates of inflation.
- Five year revenue projections are included in Appendix A, on pages 32 to 36. Although these are not required by statute, they have been requested by both the JFO and Administration for several years for longer term planning purposes. During the 2015 legislative session, there was considerable misinformation and confusion regarding the role these longer term projections played in the recent (though not new) discussions of structural budget deficits. As a result of this, these tables will be published on a regular basis, so as to

provide clarity with respect to longer term revenue potential and expectations. As illustrated in these tables, and consistent with past projections, longer term revenue growth from the mix and structure of the taxes in the three funds analyzed herein is unlikely to keep pace with recent levels of expenditure growth.

- The U.S. and Vermont macro-economic forecasts upon which the revenue forecasts in this Update are based are summarized in Tables A and B on pages 25 and 26, and represent a consensus JFO and Administration forecast developed using internal JFO and Administration State economic models with input from Moody's Analytics June 2016 projections and other major forecasting entities, including the Federal Reserve, EIA, CBO, IMF, Conference Board and private forecasting firms.
- Due to the reduced availability of forecasts from the New England Economic Partnership (NEEP), State consensus macroeconomic forecasts were developed using a new State on-line modeling capability provided by Moody's Analytics. This forecasting capability allows timely, customized state forecasts with modeling capabilities similar to the prior NEEP capability.
- Forecast versus actual revenue variance data for the most recent ten years are illustrated in the chart on the following page. The below table summarizes the same data since FY2001. As would be expected, January projections are generally more accurate than July – though in the most recent forecast, the July (2015) variance in the Transportation Fund was 0.4% below actual FY16 revenues while the January variance was slightly worse, at 0.8% below. Since fiscal year 2001, there have been 32 regular Consensus forecasts (January and July for each year) for each of the three major funds (General Fund, Transportation Fund and Education Fund) for a total of 96 observations. Over this sixteen year period, there have been 47 variances that were low (under-forecast actuals) and 49 variances that were high (over-forecast actuals). The average absolute value of the variance for these 16 years was about 1.9% for total revenues across all three major funds.

**AVERAGE ABSOLUTE VALUE OF FORECAST VS. ACTUAL VARIANCE
(FY2001 to FY2016)**

Fund	Forecast Period		
	January	July	All Periods
Education Fund	0.9%	2.0%	1.5%
Transportation Fund	1.2%	1.9%	1.6%
General Fund	1.9%	3.1%	2.6%
Total	1.4%	2.3%	1.9%

Vermont Consensus Revenue Forecasting Record

(Forecast Percent Variance from Actual, FY2007 to FY2016 - Source: Joint Fiscal Office)

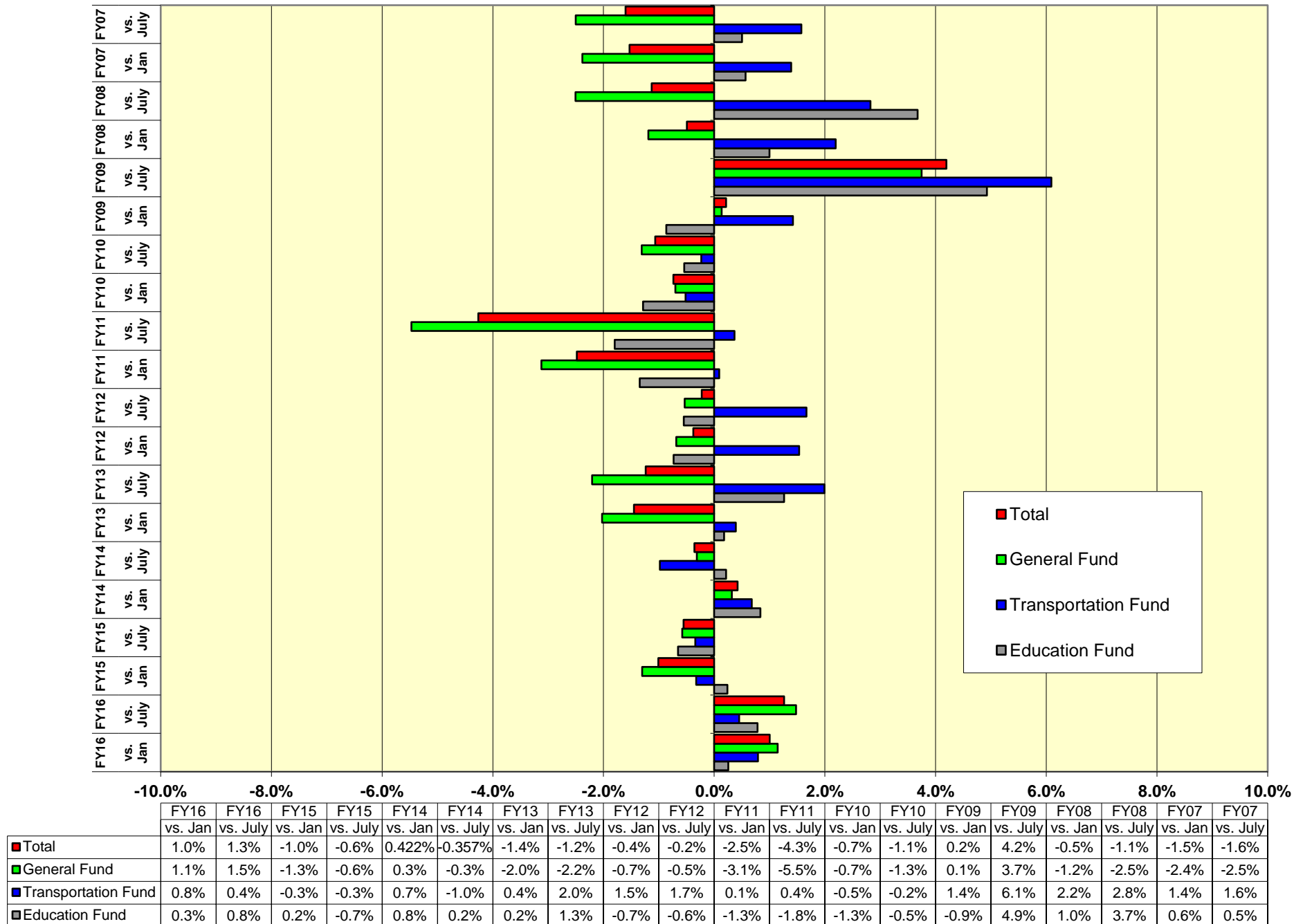


TABLE A
Comparison of Recent Consensus U.S. Macroeconomic Forecasts
December 2014 through June 2016, Selected Variables, Calendar Year Basis

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Real GDP Growth									
December-14	2.5	1.6	2.3	2.2	2.2	3.6	3.8	3.1	2.6
June-15	2.5	1.6	2.3	2.2	2.4	2.6	3.2	3.0	2.8
December-15	2.5	1.6	2.2	1.5	2.4	2.5	2.9	3.1	2.8
June-16	2.5	1.6	2.2	1.5	2.4	2.4	2.2	2.9	2.6
S&P 500 Growth (Annual Avg.)									
December-14	20.3	11.4	8.7	19.1	17.5	7.1	1.3	2.2	5.3
June-15	20.3	11.4	8.7	19.1	17.5	7.8	1.9	2.3	6.8
December-15	20.3	11.4	8.7	19.1	17.5	-0.7	2.7	4.8	6.9
June-16	20.3	11.4	8.7	19.1	17.5	6.8	-2.1	1.5	0.2
Employment Growth (Non-Ag)									
December-14	-0.7	1.2	1.7	1.7	2.0	2.4	2.6	1.7	0.8
June-15	-0.7	1.2	1.7	1.7	1.9	2.2	2.2	2.3	1.6
December-15	-0.7	1.2	1.7	1.7	1.9	2.1	2.0	2.0	1.9
June-16	-0.7	1.2	1.7	1.6	0.9	2.1	1.8	1.8	1.5
Unemployment Rate									
December-14	9.6	8.9	8.1	7.4	6.2	5.4	5.1	4.8	4.6
June-15	9.6	8.9	8.1	7.4	6.1	5.3	4.9	4.7	4.7
December-15	9.6	8.9	8.1	7.4	6.2	5.3	4.8	4.7	4.9
June-16	9.6	8.9	8.1	7.4	6.2	5.3	4.7	4.6	4.5
West Texas Int. Crude Oil \$/Bbl									
December-14	79	95	94	98	94	63	76	81	85
June-15	79	95	94	98	94	58	70	79	80
December-15	79	95	94	98	93	49	55	64	71
June-16	80	95	94	98	93	49	43	53	55
Prime Rate									
December-14	3.25	3.25	3.25	3.25	3.25	3.37	5.12	6.52	6.95
June-15	3.25	3.25	3.25	3.25	3.25	3.30	4.70	6.20	6.83
December-15	3.25	3.25	3.25	3.25	3.25	3.26	3.97	5.74	6.91
June-16	3.25	3.25	3.25	3.25	3.25	3.26	3.50	4.20	5.50
Consumer Price Index Growth									
December-14	1.6	3.1	2.1	1.5	1.6	1.5	2.3	2.6	2.5
June-15	1.6	3.1	2.1	1.5	1.6	0.5	2.5	2.6	2.5
December-15	1.6	3.1	2.1	1.5	1.6	0.2	2.2	2.9	3.1
June-16	1.6	3.1	2.1	1.5	1.6	0.1	1.2	2.1	2.4
Average Home Price Growth									
December-14	-4.0	-3.7	-0.1	4.1	5.7	5.0	5.4	5.7	5.9
June-15	-4.1	-3.7	-0.1	4.1	5.7	4.7	5.1	5.5	6.1
December-15	-4.1	-3.7	-0.1	4.0	5.6	5.5	5.7	5.9	6.1
June-16	-4.1	-3.8	-0.2	4.0	5.5	5.6	5.7	5.9	6.1

TABLE B
Comparison of Consensus Administration and JFO Vermont State Forecasts
December 2013 through June 2016, Selected Variables, Calendar Year Basis

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Real GSP Growth									
December-13	5.6	1.3	1.2	1.4	3.1	4.1	2.9	2.2	
June-14	5.6	1.3	1.2	0.5	2.9	4.0	3.2	2.4	
December-14	4.4	2.2	1.1	1.9	1.0	3.3	3.6	2.8	1.9
June-15	4.4	2.2	1.1	1.9	1.2	2.4	3.0	2.6	2.1
December-15	3.7	2.8	0.4	-0.3	0.6	2.2	2.8	2.4	2.0
June-16	3.7	2.9	0.6	-0.9	0.3	-0.1	1.9	2.3	1.7
Population Growth									
December-13	0.2	0.1	-0.1	0.1	0.1	0.1	0.2	0.2	
June-14	0.2	0.1	-0.1	0.1	0.1	0.1	0.2	0.2	
December-14	0.2	0.1	0.0	0.1	0.0	0.1	0.2	0.3	0.2
June-15	0.2	0.1	0.0	0.1	0.0	0.1	0.2	0.3	0.2
December-15	0.2	0.1	-0.1	0.1	-0.1	-0.1	0.2	0.2	0.3
June-16	0.2	0.1	-0.0	0.1	-0.1	-0.1	0.1	0.2	0.3
Employment Growth									
December-13	-0.2	0.7	1.2	1.0	1.3	2.2	1.9	1.4	
June-14	0.3	0.8	1.3	0.5	1.4	2.0	1.8	1.6	
December-14	0.3	0.8	1.3	0.5	1.0	1.6	1.9	1.3	0.7
June-15	0.3	0.9	1.3	0.8	1.0	1.7	1.9	1.8	1.3
December-15	0.3	0.9	1.3	0.8	1.0	1.6	1.7	1.8	1.6
June-16	0.3	0.9	1.3	0.7	0.9	0.9	1.6	1.7	1.5
Unemployment Rate									
December-13	6.4	5.6	5.0	4.4	4.1	3.6	3.3	3.0	
June-14	6.4	5.6	4.9	4.4	3.9	3.6	3.3	3.0	
December-14	6.4	5.6	4.9	4.4	3.7	3.5	3.2	2.9	2.8
June-15	6.1	5.5	4.9	4.4	4.1	3.6	3.2	2.9	2.8
December-15	6.1	5.5	4.9	4.4	4.1	3.7	3.4	3.3	3.2
June-16	6.1	5.5	4.9	4.4	4.0	3.7	3.3	3.2	3.1
Personal Income Growth									
December-13	3.3	4.7	3.4	3.8	5.7	6.2	5.1	4.5	
June-14	1.7	7.1	3.7	2.9	4.9	5.6	5.0	4.6	
December-14	1.7	7.1	3.7	2.9	3.8	5.1	5.4	4.7	4.4
June-15	1.6	7.2	3.4	2.5	4.0	4.8	5.2	4.7	4.4
December-15	2.2	6.8	3.6	1.4	3.5	4.5	5.1	4.6	4.6
June-16	2.2	6.8	3.6	1.4	3.5	3.0	3.3	4.1	4.2
Home Price Growth (JFO)									
December-13	-1.2	-0.6	0.5	0.5	1.5	2.1	3.1	3.7	
June-14	-1.2	-0.6	0.5	0.2	0.4	1.7	2.9	3.7	
December-14	-1.2	-0.6	0.5	0.2	0.9	2.1	2.7	3.4	4.1
June-15	-1.2	-0.7	0.4	0.2	0.7	2.3	2.8	3.4	4.1
December-15	-1.2	-0.8	0.4	0.1	0.7	2.5	2.9	3.4	4.1
June-16	-1.3	-0.8	0.4	0.1	0.6	2.2	2.3	3.0	3.8

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, Sara Teachout, Stephanie Barrett, Dan Dickerson, Catherine Benham, Neil Schickner and Mark Perrault have contributed to numerous policy and revenue impact analyses and coordinated JFO forecast production and related legislative committee support functions. Theresa Utton-Jerman, Dan Dickerson and Sara Teachout have painstakingly organized and updated large tax and other databases in support of JFO revenue forecasting activities. In the Tax Department, Sharon Asay, Mary Cox, Rebecca Sameroff, Jake Feldman and Doug Farnham provided important analytic contributions to many tax and revenue forecasts, including tax law change analyses and statistical and related background information associated with the detailed tax databases they maintain. 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 39 years of data for each of the 25 General Fund categories (three aggregates), 36 years of data for most of the Transportation Fund categories (one aggregate), and 17 to 39 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 macroeconomic models from Moody's Analytics and, when available, the New England Economic Partnership (NEEP). The NEEP forecast for Vermont is managed by Jeff Carr, of Economic & Policy Resources, Inc., who is also the current Administration economist. Since October of 2001, input and review of initial Vermont NEEP model design and output prior to its release has been provided by the Joint Fiscal Office through KRA. In this forecast cycle, consensus macroeconomic State forecasts were developed using a new Moody's on-line Vermont model. 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 economic advisors.

TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2016

SOURCE G-FUND

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

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Personal Income	\$597.0	7.9%	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$747.0	5.8%	\$776.4	3.9%	\$803.6	3.5%
Sales & Use*	\$341.8	5.0%	\$346.8	1.4%	\$353.6	2.0%	\$364.6	3.1%	\$370.7	1.7%	\$383.2	3.4%	\$394.0	2.8%
Corporate	\$85.9	-4.2%	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$117.0	-4.0%	\$102.7	-12.2%	\$98.1	-4.5%
Meals and Rooms	\$126.9	3.5%	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$154.2	2.2%	\$161.0	4.4%	\$166.2	3.2%
Cigarette and Tobacco**	\$80.1	9.9%	\$74.3	-7.2%	\$71.9	-3.3%	\$76.8	6.7%	\$80.7	5.2%	\$77.6	-3.9%	\$75.6	-2.6%
Liquor	\$16.4	7.0%	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.8%	\$19.0	3.7%	\$19.6	3.2%
Insurance	\$56.3	2.5%	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$56.2	1.7%	\$56.8	1.0%	\$57.5	1.2%
Telephone	\$9.6	-15.3%	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.2	-59.2%	\$6.3	99.3%	\$6.1	-3.2%
Beverage	\$6.0	3.3%	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.7	0.6%	\$6.9	3.0%	\$7.1	2.9%
Electric***	\$2.9	0.3%	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM
Estate	\$13.3	-62.8%	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$12.5	26.5%	\$17.3	38.3%	\$19.2	11.0%
Property	\$24.1	-6.0%	\$28.5	18.3%	\$30.9	8.5%	\$33.6	8.6%	\$35.7	6.2%	\$39.0	9.2%	\$41.6	6.7%
Bank	\$10.7	-30.9%	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.7	-0.6%	\$12.5	17.4%	\$10.8	-13.6%
Other Tax	\$1.2	-66.7%	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$1.8	-9.0%	\$2.0	8.6%	\$2.2	10.0%
Total Tax Revenue	\$1372.4	2.8%	\$1464.3	6.7%	\$1517.0	3.6%	\$1573.5	3.7%	\$1614.8	2.6%	\$1660.8	2.8%	\$1701.6	2.5%
Business Licenses	\$3.0	2.8%	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$1.1	-1.6%	\$1.1	3.1%	\$1.1	2.7%
Fees	\$20.9	2.1%	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$23.0	4.2%	\$45.1	96.2%	\$46.4	2.9%
Services	\$2.3	105.8%	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$2.8	86.6%	\$3.3	18.4%	\$3.8	15.2%
Fines	\$7.4	28.7%	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$3.7	5.5%	\$3.9	6.7%	\$4.1	5.1%
Interest	\$0.4	42.4%	\$0.6	26.3%	\$0.2	-59.2%	\$0.3	40.4%	\$0.7	130.6%	\$1.0	33.3%	\$1.2	21.5%
Lottery	\$22.3	4.2%	\$22.9	2.7%	\$22.6	-1.6%	\$22.8	0.8%	\$26.4	16.1%	\$24.2	-8.3%	\$24.5	1.2%
All Other****	\$0.9	15.8%	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.3	25.9%	\$3.7	190.9%	\$1.5	-59.5%
Total Other Revenue	\$57.3	8.6%	\$56.6	-1.2%	\$50.7	-10.4%	\$52.2	3.0%	\$58.9	12.9%	\$82.3	39.7%	\$82.6	0.4%
TOTAL GENERAL FUND	\$1429.7	3.0%	\$1520.9	6.4%	\$1567.6	3.1%	\$1625.7	3.7%	\$1673.7	2.9%	\$1743.0	4.1%	\$1784.2	2.4%

* Includes Telecommunications Tax; includes \$3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error

** Includes Cigarette, Tobacco Products and Floor Stock tax revenues

*** 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 \$5 million Vermont Yankee settlement agreement transitional payment in FY2015.

*****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.

TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2016

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%
	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Actual)</i>	<i>Change</i>	<i>(Preliminary)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>	<i>(Forecast)</i>	<i>Change</i>
REVENUE SOURCE														
Personal Income	\$597.0	7.9%	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$747.0	5.8%	\$776.4	3.9%	\$803.6	3.5%
Sales and Use*	\$227.9	5.0%	\$231.2	1.4%	\$229.9	-0.6%	\$237.0	3.1%	\$241.0	1.7%	\$249.1	3.4%	\$256.1	2.8%
Corporate	\$85.9	-4.2%	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$117.0	-4.0%	\$102.7	-12.2%	\$98.1	-4.5%
Meals and Rooms	\$126.9	3.5%	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$154.2	2.2%	\$161.0	4.4%	\$166.2	3.2%
Cigarette and Tobacco	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Liquor	\$16.4	7.0%	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.8%	\$19.0	3.7%	\$19.6	3.2%
Insurance	\$56.3	2.5%	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$56.2	1.7%	\$56.8	1.0%	\$57.5	1.2%
Telephone	\$9.6	-15.3%	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.2	-59.2%	\$6.3	99.3%	\$6.1	-3.2%
Beverage	\$6.0	3.3%	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.7	0.6%	\$6.9	3.0%	\$7.1	2.9%
Electric**	\$2.9	0.3%	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM
Estate***	\$13.3	-36.5%	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$12.5	26.5%	\$17.3	38.3%	\$19.2	11.0%
Property	\$7.9	-6.2%	\$9.2	16.5%	\$10.0	9.3%	\$10.9	8.7%	\$11.5	6.0%	\$12.6	9.5%	\$13.5	6.7%
Bank	\$10.7	-30.9%	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.7	-0.6%	\$12.5	17.4%	\$10.8	-13.6%
Other Tax	\$1.2	-66.7%	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$1.8	-9.0%	\$2.0	8.6%	\$2.2	10.0%
Total Tax Revenue	\$1162.1	3.6%	\$1255.0	8.0%	\$1300.3	3.6%	\$1346.4	3.5%	\$1380.1	2.5%	\$1422.6	3.1%	\$1460.0	2.6%
Business Licenses	\$3.0	2.8%	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$1.1	-1.6%	\$1.1	3.1%	\$1.1	2.7%
Fees	\$20.9	2.1%	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$23.0	4.2%	\$45.1	96.2%	\$46.4	2.9%
Services	\$2.3	105.8%	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$2.8	86.6%	\$3.3	18.4%	\$3.8	15.2%
Fines	\$7.4	28.7%	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$3.7	5.5%	\$3.9	6.7%	\$4.1	5.1%
Interest	\$0.4	52.6%	\$0.5	20.5%	\$0.2	-66.6%	\$0.2	51.9%	\$0.6	136.1%	\$0.8	42.2%	\$1.0	25.0%
All Other****	\$0.9	15.8%	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.3	25.9%	\$3.7	190.9%	\$1.5	-59.5%
Total Other Revenue	\$34.9	11.5%	\$33.5	-3.9%	\$28.0	-16.4%	\$29.4	4.7%	\$32.3	10.1%	\$57.9	79.1%	\$57.9	0.1%
TOTAL GENERAL FUND	\$1197.0	3.8%	\$1288.6	7.7%	\$1328.4	3.1%	\$1375.8	3.6%	\$1412.4	2.7%	\$1480.5	4.8%	\$1517.9	2.5%

* 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

** 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

**** Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015.

*****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.

**TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2016**

SOURCE T-FUND

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

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$59.3	-2.2%	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.0	0.5%	\$78.6	0.7%	\$78.6	0.0%
Diesel	\$16.0	3.9%	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$18.3	-4.4%	\$19.5	6.5%	\$19.9	2.1%
Purchase and Use*	\$81.9	6.3%	\$83.6	2.0%	\$91.8	9.9%	\$97.3	5.9%	\$100.1	2.9%	\$104.7	4.6%	\$108.8	3.9%
Motor Vehicle Fees	\$73.5	1.7%	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$82.0	2.3%	\$90.0	9.8%	\$90.8	0.9%
Other Revenue**	\$18.3	2.2%	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$19.6	-0.5%	\$19.8	1.2%	\$20.2	2.0%
TOTAL TRANS. FUND	\$249.0	2.3%	\$256.0	2.8%	\$284.0	10.9%	\$293.8	3.5%	\$298.0	1.4%	\$312.6	4.9%	\$318.3	1.8%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2016**

CURRENT LAW BASIS

including all Education Fund
allocations and other out-transfers

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE														
Gasoline	\$59.3	-2.2%	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.0	0.5%	\$78.6	0.7%	\$78.6	0.0%
Diesel	\$16.0	3.9%	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$18.3	-4.4%	\$19.5	6.5%	\$19.9	2.1%
Purchase and Use*	\$54.6	6.3%	\$55.7	2.0%	\$61.2	9.9%	\$64.8	5.9%	\$66.8	2.9%	\$69.8	4.6%	\$72.5	3.9%
Motor Vehicle Fees	\$73.5	1.7%	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$82.0	2.3%	\$90.0	9.8%	\$90.8	0.9%
Other Revenue**	\$18.3	2.2%	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$19.6	-0.5%	\$19.8	1.2%	\$20.2	2.0%
TOTAL TRANS. FUND	\$221.7	1.9%	\$228.2	2.9%	\$253.4	11.0%	\$261.4	3.2%	\$264.6	1.2%	\$277.7	4.9%	\$282.0	1.6%

OTHER

TIB Gasoline	\$20.9	26.6%	\$21.2	1.4%	\$19.2	-9.5%	\$18.2	-5.2%	\$13.0	-28.4%	\$12.6	-3.4%	\$12.6	0.2%
TIB Diesel and Other***	\$1.9	-2.1%	\$1.8	-8.1%	\$1.8	4.0%	\$2.1	11.4%	\$1.9	-6.2%	\$2.1	8.5%	\$2.1	2.1%
Total TIB	\$22.8	23.5%	\$23.0	0.6%	\$21.0	-8.4%	\$20.2	-3.8%	\$14.9	-26.1%	\$14.7	-1.9%	\$14.7	0.5%

* As of FY04, includes Motor Vehicle Rental tax revenue

** 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

*** Includes TIB Fund interest income (which has never exceeded \$15,000 per year)

**TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND* REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2016**

CURRENT LAW BASIS

Source General and Transportation

Fund taxes allocated to or associated with the Education Fund only	FY 2012 (Actual)	% Change	FY 2013 (Actual)	% Change	FY 2014 (Actual)	% Change	FY 2015 (Actual)	% Change	FY 2016 (Preliminary)	% Change	FY 2017 (Forecast)	% Change	FY 2018 (Forecast)	% Change
GENERAL FUND														
Sales & Use**	\$113.9	5.0%	\$115.6	1.4%	\$123.8	7.1%	127.6	3.1%	\$129.8	1.7%	\$134.1	3.4%	\$137.9	2.8%
Interest	\$0.0	-7.5%	\$0.1	72.8%	\$0.1	-17.2%	0.1	3.6%	\$0.2	135.7%	\$0.2	3.7%	\$0.2	5.7%
Lottery	\$22.3	4.2%	\$22.9	2.7%	\$22.6	-1.6%	22.8	0.8%	\$26.4	16.1%	\$24.2	-8.3%	\$24.5	1.2%
TRANSPORTATION FUND														
Purchase and Use***	\$27.3	6.3%	\$27.9	2.0%	\$30.6	9.9%	32.4	5.9%	\$33.4	2.9%	\$34.9	4.6%	\$36.3	3.9%
TOTAL EDUCATION FUND	\$163.6	5.1%	\$166.5	1.7%	\$177.0	6.3%	182.9	3.3%	\$189.7	3.7%	\$193.4	1.9%	\$198.9	2.8%

* 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.

** 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

*** Includes Motor Vehicle Rental revenues, restated

Appendix A

Five Year Revenue Forecast Tables

July 2016

**TABLE 1A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2016**

SOURCE G-FUND

revenues are prior to all E-Fund allocations

and other out-transfers; used for

analytic and comparative purposes only

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Personal Income	\$597.0	7.9%	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$747.0	5.8%	\$776.4	3.9%	\$803.6	3.5%	\$829.4	3.2%	\$855.4	3.1%	\$881.4	3.0%
Sales & Use*	\$341.8	5.0%	\$346.8	1.4%	\$353.6	2.0%	\$364.6	3.1%	\$370.7	1.7%	\$383.2	3.4%	\$394.0	2.8%	\$403.5	2.4%	\$412.7	2.3%	\$421.8	2.2%
Corporate	\$85.9	-4.2%	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$117.0	-4.0%	\$102.7	-12.2%	\$98.1	-4.5%	\$96.7	-1.4%	\$99.2	2.6%	\$102.3	3.1%
Meals and Rooms	\$126.9	3.5%	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$154.2	2.2%	\$161.0	4.4%	\$166.2	3.2%	\$171.3	3.1%	\$176.4	3.0%	\$181.6	2.9%
Cigarette and Tobacco**	\$80.1	9.9%	\$74.3	-7.2%	\$71.9	-3.3%	\$76.8	6.7%	\$80.7	5.2%	\$77.6	-3.9%	\$75.6	-2.6%	\$73.65	-2.6%	\$71.7	-2.7%	\$69.7	-2.7%
Liquor	\$16.4	7.0%	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.8%	\$19.0	3.7%	\$19.6	3.2%	\$20.2	3.1%	\$20.8	3.0%	\$21.4	2.9%
Insurance	\$56.3	2.5%	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$56.2	1.7%	\$56.8	1.0%	\$57.5	1.2%	\$58.2	1.2%	\$58.8	1.0%	\$59.4	1.0%
Telephone	\$9.6	-15.3%	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.2	-59.2%	\$6.3	99.3%	\$6.1	-3.2%	\$5.9	-3.3%	\$5.8	-1.7%	\$5.7	-1.7%
Beverage	\$6.0	3.3%	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.7	0.6%	\$6.9	3.0%	\$7.1	2.9%	\$7.3	2.8%	\$7.5	2.7%	\$7.7	2.7%
Electric***	\$2.9	0.3%	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate	\$13.3	-62.8%	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$12.5	26.5%	\$17.3	38.3%	\$19.2	11.0%	\$20.4	6.3%	\$21.4	4.9%	\$22.2	3.7%
Property	\$24.1	-6.0%	\$28.5	18.3%	\$30.9	8.5%	\$33.6	8.6%	\$35.7	6.2%	\$39.0	9.2%	\$41.6	6.7%	\$43.3	4.1%	\$45.0	3.9%	\$46.7	3.8%
Bank	\$10.7	-30.9%	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.7	-0.6%	\$12.5	17.4%	\$10.8	-13.6%	\$10.9	0.6%	\$11.0	0.6%	\$11.0	0.5%
Other Tax	\$1.2	-66.7%	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$1.8	-9.0%	\$2.0	8.6%	\$2.2	10.0%	\$2.4	9.1%	\$2.6	8.3%	\$2.8	7.7%
Total Tax Revenue	\$1372.4	2.8%	\$1464.3	6.7%	\$1517.0	3.6%	\$1573.5	3.7%	\$1614.8	2.6%	\$1660.8	2.8%	\$1701.6	2.5%	\$1743.2	2.4%	\$1788.2	2.6%	\$1833.8	2.5%
Business Licenses	\$3.0	2.8%	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$1.1	-1.6%	\$1.1	3.1%	\$1.1	2.7%	\$1.2	2.7%	\$1.2	2.6%	\$1.2	2.5%
Fees	\$20.9	2.1%	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$23.0	4.2%	\$45.1	96.2%	\$46.4	2.9%	\$47.7	2.8%	\$49.0	2.7%	\$50.3	2.7%
Services	\$2.3	105.8%	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$2.8	86.6%	\$3.3	18.4%	\$3.8	15.2%	\$4.0	5.3%	\$4.1	2.5%	\$4.2	2.4%
Fines	\$7.4	28.7%	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$3.7	5.5%	\$3.9	6.7%	\$4.1	5.1%	\$4.2	2.4%	\$4.3	2.4%	\$4.4	2.3%
Interest	\$0.4	42.4%	\$0.6	26.3%	\$0.2	-59.2%	\$0.3	40.4%	\$0.7	130.6%	\$1.0	33.3%	\$1.2	21.5%	\$1.3	11.8%	\$1.6	18.9%	\$1.8	15.9%
Lottery	\$22.3	4.2%	\$22.9	2.7%	\$22.6	-1.6%	\$22.8	0.8%	\$26.4	16.1%	\$24.2	-8.3%	\$24.5	1.2%	\$24.8	1.2%	\$25.0	0.8%	\$25.2	0.8%
All Other****	\$0.9	15.8%	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.3	25.9%	\$3.7	190.9%	\$1.5	-59.5%	\$1.6	6.7%	\$1.7	6.3%	\$1.8	5.9%
Total Other Revenue	\$57.3	8.6%	\$56.6	-1.2%	\$50.7	-10.4%	\$52.2	3.0%	\$58.9	12.9%	\$82.3	39.7%	\$82.6	0.4%	\$84.8	2.6%	\$86.9	2.5%	\$88.9	2.4%
TOTAL GENERAL FUND	\$1429.7	3.0%	\$1520.9	6.4%	\$1567.6	3.1%	\$1625.7	3.7%	\$1673.7	2.9%	\$1743.0	4.1%	\$1784.2	2.4%	\$1827.9	2.4%	\$1875.1	2.6%	\$1922.7	2.5%

* Includes Telecommunications Tax; includes \$3.76M transfer in FY08 to the T-Fund for prior years Jet Fuel tax processing error

** Includes Cigarette, Tobacco Products and Floor Stock tax revenues

*** 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 \$5 million Vermont Yankee settlement agreement transitional payment in FY2015. 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.

**TABLE 1 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE GENERAL FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2016**

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%
	<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	\$597.0	7.9%	\$660.6	10.7%	\$671.1	1.6%	\$705.9	5.2%	\$747.0	5.8%	\$776.4	3.9%	\$803.6	3.5%	\$829.4	3.2%	\$855.4	3.1%	\$881.4	3.0%
Sales and Use*	\$227.9	5.0%	\$231.2	1.4%	\$229.9	-0.6%	\$237.0	3.1%	\$241.0	1.7%	\$249.1	3.4%	\$256.1	2.8%	\$262.3	2.4%	\$268.3	2.3%	\$274.2	2.2%
Corporate	\$85.9	-4.2%	\$95.0	10.5%	\$94.8	-0.1%	\$121.9	28.5%	\$117.0	-4.0%	\$102.7	-12.2%	\$98.1	-4.5%	\$96.7	-1.4%	\$99.2	2.6%	\$102.3	3.1%
Meals and Rooms	\$126.9	3.5%	\$134.8	6.2%	\$142.7	5.9%	\$150.8	5.7%	\$154.2	2.2%	\$161.0	4.4%	\$166.2	3.2%	\$171.3	3.1%	\$176.4	3.0%	\$181.6	2.9%
Cigarette and Tobacco	\$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
Liquor	\$16.4	7.0%	\$17.0	3.4%	\$17.7	4.0%	\$18.2	2.9%	\$18.3	0.8%	\$19.0	3.7%	\$19.6	3.2%	\$20.2	3.1%	\$20.8	3.0%	\$21.4	2.9%
Insurance	\$56.3	2.5%	\$55.0	-2.3%	\$57.1	3.7%	\$55.3	-3.1%	\$56.2	1.7%	\$56.8	1.0%	\$57.5	1.2%	\$58.2	1.2%	\$58.8	1.0%	\$59.4	1.0%
Telephone	\$9.6	-15.3%	\$9.4	-2.6%	\$9.1	-2.9%	\$7.7	-14.9%	\$3.2	-59.2%	\$6.3	99.3%	\$6.1	-3.2%	\$5.9	-3.3%	\$5.8	-1.7%	\$5.7	-1.7%
Beverage	\$6.0	3.3%	\$6.2	3.3%	\$6.4	3.6%	\$6.7	4.2%	\$6.7	0.6%	\$6.9	3.0%	\$7.1	2.9%	\$7.3	2.8%	\$7.5	2.7%	\$7.7	2.7%
Electric**	\$2.9	0.3%	\$8.9	204.5%	\$13.1	46.9%	\$9.4	-28.2%	\$0.0	-100.0%	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM	\$0.0	NM
Estate***	\$13.3	-36.5%	\$15.4	15.4%	\$35.5	131.0%	\$9.9	-72.2%	\$12.5	26.5%	\$17.3	38.3%	\$19.2	11.0%	\$20.4	6.3%	\$21.4	4.9%	\$22.2	3.7%
Property	\$7.9	-6.2%	\$9.2	16.5%	\$10.0	9.3%	\$10.9	8.7%	\$11.5	6.0%	\$12.6	9.5%	\$13.5	6.7%	\$14.0	4.1%	\$14.6	3.9%	\$15.1	3.8%
Bank	\$10.7	-30.9%	\$10.7	0.2%	\$11.0	2.7%	\$10.7	-2.0%	\$10.7	-0.6%	\$12.5	17.4%	\$10.8	-13.6%	\$10.9	0.6%	\$11.0	0.6%	\$11.0	0.5%
Other Tax	\$1.2	-66.7%	\$1.8	42.9%	\$1.9	9.6%	\$2.0	4.5%	\$1.8	-9.0%	\$2.0	8.6%	\$2.2	10.0%	\$2.4	9.1%	\$2.6	8.3%	\$2.8	7.7%
Total Tax Revenue	\$1162.1	3.6%	\$1255.0	8.0%	\$1300.3	3.6%	\$1346.4	3.5%	\$1380.1	2.5%	\$1422.6	3.1%	\$1460.0	2.6%	\$1499.0	2.7%	\$1541.7	2.8%	\$1584.8	2.8%
Business Licenses	\$3.0	2.8%	\$2.8	-8.0%	\$1.1	-61.4%	\$1.1	0.2%	\$1.1	-1.6%	\$1.1	3.1%	\$1.1	2.7%	\$1.2	2.7%	\$1.2	2.6%	\$1.2	2.5%
Fees	\$20.9	2.1%	\$21.4	2.2%	\$20.6	-3.4%	\$22.1	7.0%	\$23.0	4.2%	\$45.1	96.2%	\$46.4	2.9%	\$47.7	2.8%	\$49.0	2.7%	\$50.3	2.7%
Services	\$2.3	105.8%	\$2.5	8.3%	\$1.3	-47.3%	\$1.5	12.5%	\$2.8	86.6%	\$3.3	18.4%	\$3.8	15.2%	\$4.0	5.3%	\$4.1	2.5%	\$4.2	2.4%
Fines	\$7.4	28.7%	\$4.7	-35.9%	\$3.6	-24.2%	\$3.5	-3.1%	\$3.7	5.5%	\$3.9	6.7%	\$4.1	5.1%	\$4.2	2.4%	\$4.3	2.4%	\$4.4	2.3%
Interest	\$0.4	52.6%	\$0.5	20.5%	\$0.2	-66.6%	\$0.2	51.9%	\$0.6	136.1%	\$0.8	42.2%	\$1.0	25.0%	\$1.1	10.0%	\$1.3	18.2%	\$1.5	15.4%
All Other	\$0.9	15.8%	\$1.7	93.1%	\$1.3	-24.0%	\$1.0	-20.4%	\$1.3	25.9%	\$3.7	190.9%	\$1.5	-59.5%	\$1.6	6.7%	\$1.7	6.3%	\$1.8	5.9%
Total Other Revenue****	\$34.9	11.5%	\$33.5	-3.9%	\$28.0	-16.4%	\$29.4	4.7%	\$32.3	10.1%	\$57.9	79.1%	\$57.9	0.1%	\$59.8	3.2%	\$61.6	3.1%	\$63.4	3.0%
TOTAL GENERAL FUND	\$1197.0	3.8%	\$1288.6	7.7%	\$1328.4	3.1%	\$1375.8	3.6%	\$1412.4	2.7%	\$1480.5	4.8%	\$1517.9	2.5%	\$1558.7	2.7%	\$1603.3	2.9%	\$1648.2	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

** 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

**** Excludes \$5 million Vermont Yankee settlement agreement transitional payment in FY2015

**TABLE 2A - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
SOURCE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2016**

SOURCE T-FUND

revenues are prior to all E-Fund allocations

and other out-transfers; used for

analytic and comparative purposes only

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Gasoline	\$59.3	-2.2%	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.0	0.5%	\$78.6	0.7%	\$78.6	0.0%	\$78.3	-0.4%	\$77.9	-0.5%	\$77.4	-0.6%
Diesel	\$16.0	3.9%	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$18.3	-4.4%	\$19.5	6.5%	\$19.9	2.1%	\$20.2	1.5%	\$20.5	1.5%	\$20.8	1.5%
Purchase and Use*	\$81.9	6.3%	\$83.6	2.0%	\$91.8	9.9%	\$97.3	5.9%	\$100.1	2.9%	\$104.7	4.6%	\$108.8	3.9%	\$112.7	3.6%	\$116.5	3.4%	\$120.2	3.2%
Motor Vehicle Fees	\$73.5	1.7%	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$82.0	2.3%	\$90.0	9.8%	\$90.8	0.9%	\$91.4	0.7%	\$92.0	0.7%	\$92.8	0.9%
Other Revenue**	\$18.3	2.2%	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$19.6	-0.5%	\$19.8	1.2%	\$20.2	2.0%	\$20.5	1.5%	\$20.8	1.5%	\$21.0	1.0%
TOTAL TRANS. FUND	\$249.0	2.3%	\$256.0	2.8%	\$284.0	10.9%	\$293.8	3.5%	\$298.0	1.4%	\$312.6	4.9%	\$318.3	1.8%	\$323.1	1.5%	\$327.7	1.4%	\$332.2	1.4%

**TABLE 2 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE TRANSPORTATION FUND REVENUE FORECAST UPDATE
Consensus JFO and Administration Forecast - July 2016**

CURRENT LAW BASIS

including all Education Fund

allocations and other out-transfers

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
REVENUE SOURCE																				
Gasoline	\$59.3	-2.2%	\$59.9	1.1%	\$76.5	27.6%	\$77.6	1.5%	\$78.0	0.5%	\$78.6	0.7%	\$78.6	0.0%	\$78.3	-0.4%	\$77.9	-0.5%	\$77.4	-0.6%
Diesel	\$16.0	3.9%	\$15.6	-2.2%	\$17.2	9.7%	\$19.1	11.5%	\$18.3	-4.4%	\$19.5	6.5%	\$19.9	2.1%	\$20.2	1.5%	\$20.5	1.5%	\$20.8	1.5%
Purchase and Use*	\$54.6	6.3%	\$55.7	2.0%	\$61.2	9.9%	\$64.8	5.9%	\$66.8	2.9%	\$69.8	4.6%	\$72.5	3.9%	\$75.1	3.6%	\$77.7	3.4%	\$80.1	3.2%
Motor Vehicle Fees	\$73.5	1.7%	\$77.9	5.9%	\$79.0	1.5%	\$80.1	1.4%	\$82.0	2.3%	\$90.0	9.8%	\$90.8	0.9%	\$91.4	0.7%	\$92.0	0.7%	\$92.8	0.9%
Other Revenue**	\$18.3	2.2%	\$19.1	4.2%	\$19.5	2.3%	\$19.7	0.8%	\$19.6	-0.5%	\$19.8	1.2%	\$20.2	2.0%	\$20.5	1.5%	\$20.8	1.5%	\$21.0	1.0%
TOTAL TRANS. FUND	\$221.7	1.9%	\$228.2	2.9%	\$253.4	11.0%	\$261.4	3.2%	\$264.6	1.2%	\$277.7	4.9%	\$282.0	1.6%	\$285.5	1.2%	\$288.9	1.2%	\$292.1	1.1%

OTHER

TIB Gasoline	\$20.9	26.6%	\$21.2	1.4%	\$19.2	-9.5%	\$18.2	-5.2%	\$13.0	-28.4%	\$12.6	-3.4%	\$12.6	0.2%	\$13.7	8.5%	\$14.9	9.1%	\$16.0	7.4%
TIB Diesel and Other***	\$1.9	-2.1%	\$1.8	-8.1%	\$1.8	4.0%	\$2.1	11.4%	\$1.9	-6.2%	\$2.1	8.5%	\$2.1	2.1%	\$2.2	1.5%	\$2.2	1.5%	\$2.2	1.5%
Total TIB	\$22.8	23.5%	\$23.0	0.6%	\$21.0	-8.4%	\$20.2	-3.8%	\$14.9	-26.1%	\$14.7	-1.9%	\$14.7	0.5%	\$15.8	7.5%	\$17.1	8.0%	\$18.3	6.7%

* As of FY04, includes Motor Vehicle Rental tax revenue

** 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

*** Includes TIB Fund interest income (which has never exceeded \$15,000 per year)

TABLE 3 - STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE
AVAILABLE EDUCATION FUND* REVENUE FORECAST UPDATE
(Partial Education Fund Total - Includes Source General and Transportation Fund Allocations Only)
Consensus JFO and Administration Forecast - July 2016

CURRENT LAW BASIS

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

	FY 2012	%	FY 2013	%	FY 2014	%	FY 2015	%	FY 2016	%	FY 2017	%	FY 2018	%	FY 2019	%	FY2020	%	FY2021	%
	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Actual)	Change	(Preliminary)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change	(Forecast)	Change
GENERAL FUND																				
Sales & Use**	\$113.9	5.0%	\$115.6	1.4%	\$123.8	7.1%	127.6	3.1%	\$129.8	1.7%	\$134.1	3.4%	\$137.9	2.8%	\$141.2	2.4%	\$144.4	2.3%	\$147.6	2.2%
Interest	\$0.0	-7.5%	\$0.1	72.8%	\$0.1	-17.2%	0.1	3.6%	\$0.2	135.7%	\$0.2	3.7%	\$0.2	5.7%	\$0.2	21.6%	\$0.3	22.2%	\$0.3	18.2%
Lottery	\$22.3	4.2%	\$22.9	2.7%	\$22.6	-1.6%	22.8	0.8%	\$26.4	16.1%	\$24.2	-8.3%	\$24.5	1.2%	\$24.8	1.2%	\$25.0	0.8%	\$25.2	0.8%
TRANSPORTATION FUND																				
Purchase and Use***	\$27.3	6.3%	\$27.9	2.0%	\$30.6	9.9%	32.4	5.9%	\$33.4	2.9%	\$34.9	4.6%	\$36.3	3.9%	\$37.6	3.6%	\$38.8	3.4%	\$40.1	3.2%
TOTAL EDUCATION FUND	\$163.6	5.1%	\$166.5	1.7%	\$177.0	6.3%	182.9	3.3%	\$189.7	3.7%	\$193.4	1.9%	\$198.9	2.8%	\$203.8	2.5%	\$208.6	2.3%	\$213.2	2.2%

* 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.

** 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

*** Includes Motor Vehicle Rental revenues, restated

Addendum:

Administration and JFO

Revenue Comparison

FY17 Revenue Assumption Comparison

Fund	January 2016 Revenue Forecast	Session Changes as Originally Estimated	May 2016* Revenue Assumption	July 2016 Revenue Forecast**	Variance***
General Fund	\$ 1,473.5	\$ 28.0	\$ 1,501.5	\$ 1,480.5	\$ (21.0)
Transportation Fund	\$ 271.3	\$ 9.9	\$ 281.2	\$ 277.7	\$ (3.5)
Education Fund	\$ 196.7	\$ 0.1	\$ 196.8	\$ 193.4	\$ (3.4)
TIB Fund	\$ 14.7	\$ 0.1	\$ 14.8	\$ 14.7	\$ (0.1)

*May 2016 revenue assumptions did not include any update to the January revenue forecasts

**Proposed Consensus recommendation

***Variance includes re-estimated session changes, changes in macroeconomic assumptions and technical adjustments