

# 2010

# FISCAL FACTS



**VERMONT LEGISLATIVE**  
**JOINT FISCAL OFFICE**

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# FISCAL FACTS

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*Note:* Unless otherwise noted, all dollar amounts are nominal figures and are not adjusted for inflation.

## **PART I – OVERVIEW OF STATE FINANCES**

## OVERVIEW OF STATE FINANCES

There are three major components to any government's finances. The first is **revenue** – funds coming into government coffers. The second is **debt** – most governments borrow to finance some of their activities e.g., major capital expenditures such as construction projects. The third is **expenditures** – how the government spends its money. The appropriation process provides authority for expenditures. The table below shows all appropriations. It is important to recognize that in some cases, dollars are appropriated from one fund to another, and then to their ultimate destination. To provide a more accurate picture of total state spending, appropriations must be adjusted to count each dollar only once. Adjusted appropriations are shown on page 14.

### Total State Budget: Fiscal Year 2010 - As passed (See page 14 for netted appropriations)

Sources of Funds	Amount
General	1,088,279,019
Transportation	214,955,681
Transportation Infrastructure Bond	12,565,818
Education	1,313,626,522
Fish & Wildlife	16,355,474
Special	237,258,012
Federal	1,456,100,724
Federal ARRA	373,350,323
Global Commitment	965,735,966
State Health Care Resources	156,955,519
Catamount	27,208,601
Tobacco	43,461,075
Other	187,781,902
<b>Total</b>	6,093,634,636

Appropriation	Amount
General Government	184,334,966
Protection	325,883,263
Human Services	2,850,461,739
Labor	38,499,136
Education	1,803,515,847
Higher Education	84,768,286
Natural Resources	84,458,393
Commerce/Development	65,522,227
Transportation	567,691,457
Debt Service	71,980,942
Miscellaneous/Other	16,518,380
<b>Total</b>	6,093,634,636

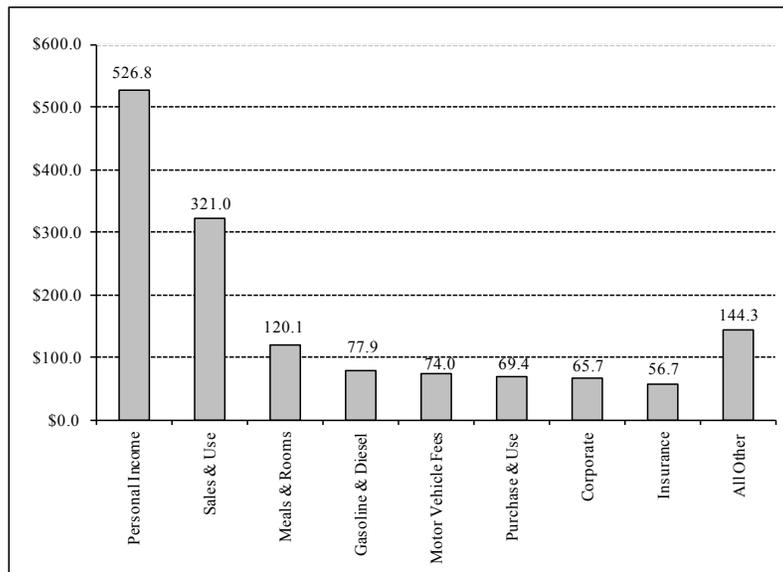
Source: Joint Fiscal Office Analysis of Act # 1 of the 2009 Special Session (Fiscal year 2009 Appropriations) & other bills with appropriations.

## REVENUE

Well over 95 percent of Vermont's state revenue comes from taxes. In addition to revenue from taxes such as income, sales & use, and rooms & meals, Vermont is the only state to collect significant revenue from a statewide property tax. Revenue from this tax is estimated at \$868.2 million in state fiscal year 2009, making it the largest single source of state revenue. For historical continuity and to enable comparisons with other states, the statewide property tax is excluded from the remainder of this section.

The personal income tax accounts for about one-third of non-property-tax revenue in Vermont, followed by the sales & use and rooms & meals taxes. In addition to tax revenues, the other major source of funding for state programs is federal funds, representing about one-third of state program costs.

**Major Sources of General, Transportation & Education Fund Revenue  
Fiscal Year 2011  
(January 2010 forecast, \$ in millions)  
Does not include Property Tax**



The first step in the creation of the annual state budget is the development of a revenue forecast. The next page contains some history and the forecast that will be used for development of the fiscal year 2011 budget.



**AVAILABLE GENERAL FUND FORECASTS**  
**(\$ in millions)**

<b>Revenue Source</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<i>(Actual)</i>	<i>(Forecast)</i>	<i>(Forecast)</i>	<i>(Forecast)</i>	<i>(Forecast)</i>
Personal Income	530.3	492.0	526.8	572.5
Sales and Use	214.1	206.4	214.0	223.4
Corporate	66.2	63.1	65.7	73.6
Meals and Rooms	117.1	116.4	120.1	125.1
Liquor	15.0	14.7	15.1	15.6
Insurance	53.7	55.2	56.7	58.0
Telephone	9.1	7.7	11.2	9.3
Beverage	5.6	5.7	5.7	5.8
Electric Generating	2.8	2.9	2.9	2.9
Estate	21.9	17.2	18.4	19.2
Property Transfer	8.5	7.2	7.6	8.2
Bank Franchise	20.6	10.4	10.6	10.8
Other Tax	2.8	1.1	1.6	1.9
<b>Subtotal Tax Revenue</b>	<b>1,067.7</b>	<b>1,000.0</b>	<b>1,056.4</b>	<b>1,126.3</b>
Business Licenses	3.0	2.7	2.8	2.9
Fees	19.1	18.6	19.4	20.2
Services	1.5	1.2	1.3	1.4
Fines	9.8	7.5	5.5	5.6
Interest	1.2	0.5	0.7	1.6
All Other	0.2	0.4	0.5	0.6
<b>Subtotal Other Revenue</b>	<b>34.8</b>	<b>30.9</b>	<b>30.2</b>	<b>32.3</b>
<b>TOTAL GENERAL FUND</b>	<b>1,102.5</b>	<b>1,030.9</b>	<b>1,086.6</b>	<b>1,158.6</b>

Source: Emergency Board Official Forecast, January 2010

**AVAILABLE TRANSPORTATION FUND FORECASTS**  
(**\$ in millions**)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Revenue Source	<i>(Actual)</i>	<i>(Forecast)</i>	<i>(Forecast)</i>	<i>(Forecast)</i>
Gasoline	60.6	61.3	62.3	63.6
Diesel	15.5	15.0	15.6	16.3
Purchase and Use [1]	44.0	44.7	46.3	48.9
Motor Vehicle Fees	65.5	72.1	74.0	77.4
Other Revenue	18.0	19.1	19.8	20.4
<b>TOTAL TF</b>	<b>203.6</b>	<b>212.2</b>	<b>218.0</b>	<b>226.6</b>

[1] Includes Motor Vehicle Rental Tax revenue.

**NON-PROPERTY TAX EDUCATION FUND FORECASTS**  
(**\$ in millions**)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Revenue Source	<i>(Actual)</i>	<i>(Forecast)</i>	<i>(Forecast)</i>	<i>(Forecast)</i>
Sales and Use	107.1	103.2	107.0	111.7
Interest	0.3	0.1	0.2	0.2
Lottery	20.9	20.4	21.0	21.7
Purchase and Use	22.0	22.4	23.1	24.5
<b>TOTAL EF</b>	<b>150.2</b>	<b>146.1</b>	<b>151.3</b>	<b>158.1</b>

Source: Emergency Board Official Forecast, January 2010

**Potential Revenue Sources and Options**

There are three main ways to increase revenue coming into state coffers:

- 1) increase existing taxes;
- 2) expand existing tax bases; or
- 3) create new taxes.

The following estimates are examples of each of these methods to raise new state revenue. In reverse, reducing rates, creating tax exemptions, and eliminating taxes all reduce state revenue.

*Preliminary Estimates Only - Subject to Revision (\$ in millions)*

<b>Tax Source</b>	<b>FY 2011 Revenue</b>	<b>Tax Rate</b>	<b>Unit of Tax</b>	<b>FY11 New Revenue [1]</b>
<i>Increase Existing Taxes</i>				
Sales & Use	321.0	6%	@1%	53.5
Meals & Rooms (and Alcohol)	120.1	9% & 10%	@1%	13.3
Cigarette & Tobacco	65.4	\$1.99	@ penny	0.3
Liquor	15.1	25%	@1%	0.6
Bank Franchise	10.6	0.0096%	.0001% increase	0.1
Insurance Premiums	56.7	various	various	N/A
Gasoline	62.3	0.19	@ penny	3.3
Diesel	15.6	0.25	@ penny	0.6
Purchase & Use	69.4	6%	@1%	11.6
Personal Income Tax	526.8	various	1% surcharge	5.3
Corporate Income Tax	65.7	various	1% surcharge	0.7
Property Transfer Tax	23.3	various	1% surcharge	0.2

[1] These are simple yield rates and do not include price elasticity. Elasticity is the decline or increase in demand in response to the price change. This will slightly reduce the new tax revenue for most increases. Elasticity will depend upon many conditions specific to a tax source, such as tax rates in competitive jurisdictions, the size of the tax change, the prior tax level, and the nature of the economic good being taxed. Most effective tax yields fall between about 90% and 100% of an estimated simple yield.

*Preliminary Estimates Only - Subject to Revision (\$ in millions)*

<b>Tax Source</b>	<b>Unit of Tax</b>	<b>Annual Revenue</b>
<i>Expand Income Tax Base</i>		
Eliminate Capital Gains Exemption	Apply ordinary rates	6.5
Eliminate Charitable Contributions Deduction	"	N/A
Eliminate Mortgage Interest Deduction	"	N/A
Eliminate Muni Bond Income Exemption	"	4.8
Apply Corporate Income Tax to Banks	"	5.0

**Potential Revenue Sources and Options**  
(continued)

*Preliminary Estimates Only - Subject to Revision*

Sales Tax	Change	FY11 Annual Revenue (\$ Millions)
<i>Expand Sales Tax Base</i>		
Clothing	Include in Sales Tax Base	19.9
Tax Clothing > \$110	"	2.2
Footwear	"	2.7
Soft Drinks	"	3.5
Candy	"	2.5
Lottery and Break-open Tickets	"	N/A
<i>Apply Sales Tax to Services (partial list only)</i>		
<u>Professional, scientific, &amp; technical services</u>		
Legal services		15.8
Accounting, tax preparation, bookkeeping, & payroll services		6.7
Architectural, engineering, & related services		17.7
Computer systems design & related services		11.4
Management, scientific, & technical consulting services		12.8
Scientific research & development services		2.8
Advertising & related services		2.5
Other professional, scientific, & technical services		6
<u>Information</u>		
Publishing industries (except Internet)		15.5
Broadcasting (except Internet)		4.2
Internet service providers, web search portals, & data processing		12.4
<u>Administrative &amp; support services</u>		
Office administrative services		2.2
Employment services		2.7
Business support services		4.3
Travel arrangement & reservation services		1.9
Investigation & security services		1.5
Services to buildings & dwellings		8.6
<u>Health care &amp; social assistance</u>		
Offices of physicians		31.0
Offices of dentists		12.1
Offices of other health practitioners		6.1
Medical & diagnostic laboratories		0.3
Home health care services		6.4
Nursing & residential care facilities		20.6
		0
<u>Other Services</u>		
Automotive repair & maintenance		13.4
Electronic & precision equipment repair & maintenance		0.8
Personal & household goods repair & maintenance		1.1
Personal care services		2.8
Dry-cleaning & laundry services		2.4
Pet care (except veterinary) services		0.2

Services estimates based on 2002 Economic Census data

## **STATE INDEBTEDNESS**

### *Capital Debt Affordability Advisory Committee*

The Capital Debt Affordability Advisory Committee was created by the 1990 Vermont Legislature to estimate annually the maximum amount of new long-term general obligation debt that prudently may be authorized by the state for the next fiscal year. The Committee's estimate is required by law to be based on a number of considerations, historic and projected, including debt service requirements, debt service as a percent of General and Transportation Fund revenues, outstanding debt as a percent of personal income, and per capita debt ratios. As changed by the Legislature in 2008, the Committee comprises seven members, three of whom are ex-officio state officials and one of whom is appointed by the Governor from the private sector for a two-year term. The Committee is directed by law to issue a report by September 30 of each calendar year.

In September 2008, the Committee concurred with the additional transportation funding for FY 2009 and recommended a total of \$69,955,000 in new debt issuance for FY 2010, as follows:

2010 General Obligation Debt	\$54,650,000
2010 Transportation Debt	\$10,000,000
2010 Additional General Obligation Debt	\$5,305,000

In September 2009, the Committee recommended a maximum of \$71,825,000 in new debt for FY 2011. The Committee also recommended a total of \$71,825,000 per year through 2020.

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### **Net Tax-Supported Debt Outstanding**

The state's aggregate net tax-supported principal amount of debt increased from \$438.6 million as of June 30, 2008, to \$440.6 million as of June 30, 2009, an increase of 0.46%. Except for fiscal year 2002, when a carry-forward amount of authorization was included in the debt issue, for each of the fiscal years during the period 1999-2007, the state retired more G.O. bonds than it sold, including the issuance of refunding debt.

## State Indebtedness

(continued)

The table below sets forth the sources of the change in net tax-supported debt outstanding from fiscal year 2008 to fiscal year 2009 (in thousands):

Net Tax-Supported Debt as of 6/30/08 .....	\$438,582
G.O. New Money Bonds Issued .....	50,500
Less: Retired G.O. Bonds.....	(48,449)
Net Tax-Supported Debt as of 6/30/09.....	\$440,633

### *Summary of Outstanding Debt*

(as of 6/30/2009)

<u>Type of Debt</u>	<u>Total Outstanding Debt</u>	<u>Debt Service FY 09</u>
General Fund	\$411,809,000	\$64,686,000
Transportation Fund	22,794,000	3,561,000
General Fund Supported	<u>6,030,000</u>	<u>2,500,000</u>
Total	\$440,633,000	\$70,747,000

Source: Government Finance Associates, Inc., September 2009 Report

## State Indebtedness

(continued)

### Vermont Debt Burden Comparison

(Moody's Investor Service)

#### Debt as a percent of total state personal income

	2006	2007	2008	2009
Moody's VT Ratio	2.2%	2.1%	2.0%	1.8%
Moody's Median	3.2%	3.2%	3.2%	3.1%
Triple-A Mean	2.8%	2.7%	2.8%	2.4%
Vermont Rank	28	30	33	35

#### Debt per capita

	2006	2007	2008	2009
Moody's VT per capita	\$707	\$706	\$707	\$692
Moody's Median	\$1,060	\$1,101	\$1,1589	\$1,195
Triple-A Mean	\$765	\$778	\$898	\$849
Vermont Rank	29	28	32	34

### State Bond Rating

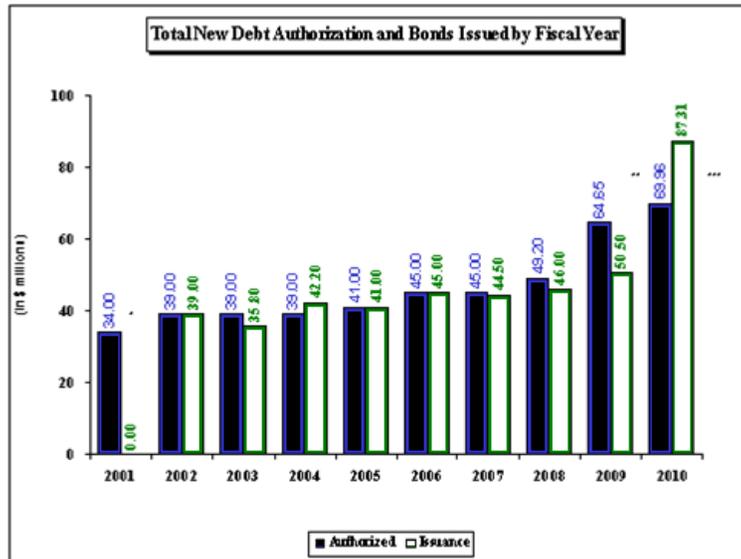
Fitch Investors Service, Inc.	AA+	(upgraded in 1999 from AA)
Moody's Investors Service	AAA	(upgraded in Feb. 2007 from Aa1)
Standard and Poor's	AA+	(upgraded in 2000 from AA)

Source: Government Finance Associates, Inc., September 2009 Report

## DEBT AUTHORIZATIONS AND PROJECTION SCENARIOS

### Recent Debt Authorizations

In FY 2009, \$50.0 million of debt was issued, representing all but \$14.15 million of the \$64.65 million authorized for that year. During FY 2010, \$87.305 million of debt is expected to be sold, the total amount of the original 2010 recommended authorization, plus an additional \$17.35 million of authorized but unissued debt remaining from FY 2008 and FY 2009. We believe this trend in which the state has annually extinguished all or nearly all of the authorized amount of debt so that there does not exist a rising residual amount of authorized but unissued debt has enhanced the state's credit position with favorable responses from the rating agencies. The following chart presents the amounts of G.O. debt that have been authorized and issued by the state since fiscal year 2001.



\* It should be emphasized that a sizeable amount of the \$34 million authorization in fiscal year 2001 was paid down through pay-as-you-go funding and the use of surplus funds.

\*\* As approved by CDAAC.

\*\*\* Anticipated to be issued.

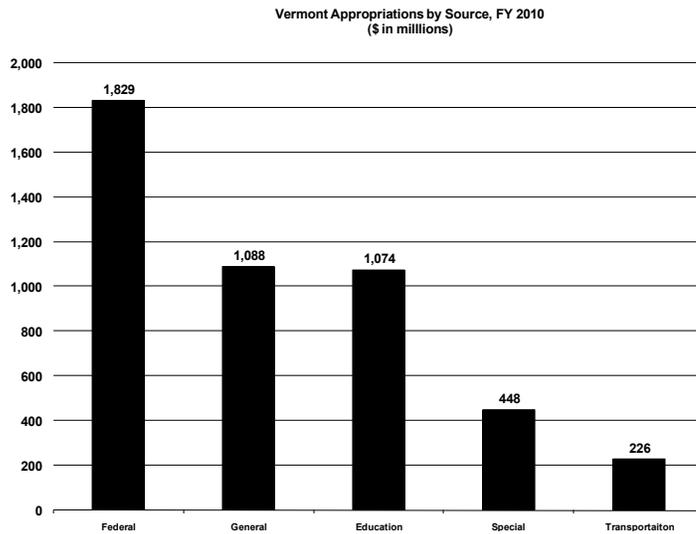
Note: Annual issuances do not include refunding bonds.

Source: Government Finance Associates report of September 2009.

## EXPENDITURES

It is important to understand that the legislature only has the power to “appropriate” money that the state raises. However, in addition to appropriations, the legislature asserts control over all other funding sources by giving departments and agencies the authority to spend money from other sources, such as grants or federal funds. Without this authority, money cannot be spent. The state’s expenditures are primarily governed by the annual appropriations act. This act includes both appropriations and spending authority, and allocates funds from 15 different sources to 11 major categories of expense. In FY2010, the major sources include the state’s general fund (23%), federal funds - including ARRA (39%), the education fund (23%), special funds (10%), and the transportation fund (5%).

The four largest expense categories are K-12 Education (33%), Medicaid & related (28%), Transportation (12%), and Corrections (3%).



**FY 2010 Appropriations by Category & Source - Adjusted for Duplication**

(prior to budget adjustment and rescissions)

The total appropriations overstate actual state spending. The tables below represent the total appropriations for FY2010 as initially passed, adjusted to exclude appropriations which are duplicative or highly restricted. What are excluded are transfers and internal service funds, as well as trust funds, enterprise funds, and local match for transportation projects.

**Appropriation - Source of Funds**

General Fund	\$ 1,088,278,019	23.3%
Transportation Fund	\$ 226,071,499	4.8%
Education Fund	\$ 1,074,322,578	23.0%
Federal Funds	\$ 1,456,100,724	31.2%
Federal ARRA Funds	\$ 373,350,323	8.0%
Special Funds	\$ 431,747,707	9.3%
Fish & Wildlife Fund	\$ 16,355,474	0.4%
	<u>\$ 4,666,226,324</u>	100%

**Appropriation Expense Category**

General Government	\$ 90,399,551	1.9%
Protection to Persons & Property	\$ 277,892,849	6.0%
Human Service	\$ 1,873,039,775	40.1%
Department of Labor	\$ 36,095,298	0.8%
General K-12 Education	\$ 1,534,021,583	32.9%
Higher Education	\$ 80,356,723	1.7%
Natural Resources	\$ 82,304,483	1.8%
Commerce & Community Development	\$ 64,512,251	1.4%
Transportation	\$ 540,598,489	11.6%
Debt Service	\$ 71,980,942	1.5%
Other	\$ 15,024,380	0.3%
	<u>\$ 4,666,226,324</u>	

**Summary of Revenue, Expenditures, and Operating Results**  
 General Fund Revenues and Appropriations Summary  
 Fiscal Year 1999 – 2010 est., \$ millions

	1999	2000	2001/1	2002/2	2003	2004/3	2005	2006	2007	2008	2009	2010/4 est
Total Revenue	840.48	894.17	909.80	852.97	882.11	972.39	1065.36	1131.91	1185.34	1219.53	1147.93	1064.24
Total Appropriations	824.82	853.95	869.09	872.14	887.97	915.41	1038.21	1113.41	1175.45	1200.27	1146.28	1090.38
Operating Surplus/Deficit	15.66	40.22	40.71	(19.17)	(5.86)	56.98	27.15	18.50	9.89	19.26	1.65	(26.14)
Net Transfers Carryforward Balance	(15.66)	(40.22)	(32.31)	10.77	5.86	(41.35)	(23.14)	(16.99)	(20.17)	(11.00)	(5.93)	16.00
	0.00	0.00	0.00	8.40	0.00	0.00	15.63	19.64	21.15	10.87	19.13	14.85
<b>Ending Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>8.40</b>	<b>0.00</b>	<b>0.00</b>	<b>15.63</b>	<b>19.64</b>	<b>21.15</b>	<b>10.87</b>	<b>19.13</b>	<b>14.85</b>	<b>4.71</b>

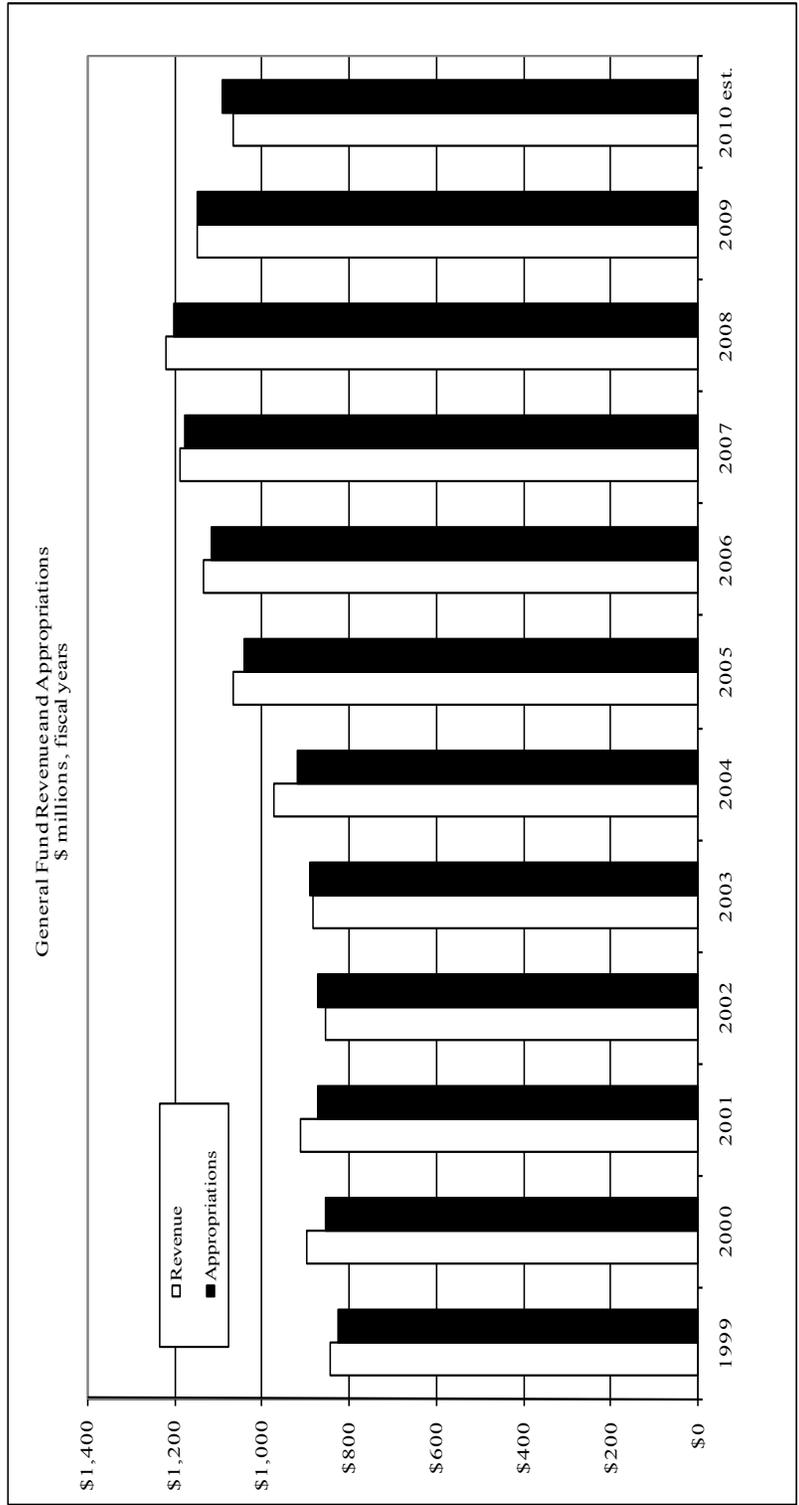
Note 1: FY01 \$12 million of debt reduction handled as a transfer instead of as an appropriation.

Note 2: FY02 utilized \$30.2 million from stabilization reserve.

Note 3: FY04 includes federal funds relief and Act 68-passed revenues.

Note 4: FY10 includes rescissions, Jan. '10 revenue forecast update, and proposed budget adjustment.

Source: JFO



**TRANSPORTATION FUND**  
**Summary of Revenues, Appropriations, Transfers & Fund Balance from July 1, 1975**

Fiscal Year	Opening Balance July 1	+ Revenue	+ Misc. Adjustments	+ Transfer* - From the General Fund	+ Transfer* - to the General Fund	- Approps.	+ Reversions (to)/from Reserve	+ Transfer (to)/from Reserve	= Fund Balance June 30	Reserve Balance June 30	= Fund Balance June 30
1976	1,197,251	47,064,098	0	0	250,000	43,857,463	449,175	0	4,603,061	0	4,603,061
1977	4,603,061	51,127,179	20,061	0	0	52,687,560	704,962	0	3,767,703	0	3,767,703
1978	3,767,703	53,926,481	14	0	0	55,134,886	617,939	0	3,177,251	0	3,177,251
1979	3,177,251	58,151,899	994	0	0	59,092,069	678,431	0	2,916,506	0	2,916,506
1980	2,916,506	54,400,717	99,822	1,500,000	0	62,323,641	1,371,850	0	(2,034,746)	0	(2,034,746)
1981	(2,034,746)	57,011,051	74,052	6,781,641	0	61,769,086	892,786	0	955,698	0	955,698
1982	955,698	69,903,828	210,336	0	0	69,234,162	1,316,607	0	3,152,307	0	3,152,307
1983	3,152,307	72,189,848	57,083	0	0	74,270,668	793,547	0	1,922,117	0	1,922,117
1984	1,922,117	87,190,356	78,258	869,000	0	85,304,397	1,125,986	0	5,881,320	0	5,881,320
1985	5,881,320	92,411,756	39,216	0	869,000	89,213,396	1,217,063	0	9,466,959	0	9,466,959
1986	9,466,959	98,062,408	(555,989)	2,000,000	2,000,000	94,184,846	845,148	0	13,633,680	0	13,633,680
1987	13,633,680	100,704,523	(482,961)	1,307,324	0	111,675,001	1,092,944	0	4,580,509	0	4,580,509
1988	4,580,509	106,218,300	(108,198)	0	0	112,519,440	152,599	0	(1,676,230)	0	(1,676,230)
1989	(1,676,230)	109,108,800	(121,996)	0	0	113,272,082	118,216	0	(5,843,292)	0	(5,843,292)
1990	(5,843,292)	126,359,400	127,031	1,650,000	0	126,757,253	420,867	0	(4,043,247)	0	(4,043,247)
1991	(4,043,247)	121,742,045	83,520	1,350,000	0	123,987,766	763,418	0	(4,092,029)	0	(4,092,029)
1992	(4,092,029)	133,446,574	364,837	0	0	124,719,685	63,177	0	5,062,874	0	5,062,874

**TRANSPORTATION FUND (Continued)**  
**Summary of Revenues, Appropriations, Transfers & Fund Balance from July 1, 1975**

Fiscal Year	Opening Balance July 1	+ Revenue	+ Misc. Adjustments	+ Transfer* - From the General Fund	- Transfer* - to the General Fund	- Approps.	+ Reversions	+ Transfer (to)/from TF Reserve	= Fund Balance June 30	= Fund Balance June 30
1993	5,062,874	138,462,397	1,166,189	0	0	121,862,851	0	(21,635,984)	1,192,625	21,635,984
1994	1,192,625	144,664,007	24,010	0	21,409,195	130,590,891	1,100,000	5,019,444	0	16,616,540
1995	0	149,853,902	(241,890)	0	1,500,000	148,848,924	288,586	448,326	0	15,825,962
1996	0	155,568,442	(207,688)	0	6,650,000	157,417,030	590,980	8,115,296	0	7,710,667
1997	0	152,626,563	209,425	4,900,000	0	158,672,224	233,312	5,602,924	0	7,007,743
1998	0	160,780,230	(141,762)	1,939,836	0	161,313,539	36,656	638,415	0	8,309,164
1999	0	181,356,945	(742,678)	0	143,000	176,058,274	0	0	4,412,993	8,309,164
2000	4,412,993	193,794,708	(1,614,062)	0	0	187,517,434	0	(493,750)	8,582,455	8,802,914
2001	9,751,197	194,169,325	(6,788,741)	6,150,000	0	203,317,934	115,689	(79,536)	0	8,882,450
2002	0	206,353,600	(1,889,338)	13,850,000	0	212,914,930	1,263,311	(1,007,947)	5,654,696	9,890,397
2003	5,654,696	213,933,232	(3,160,649)	0	6,449,528	210,756,212	44,260	734,201	0	9,156,196
2004	0	218,483,080	(5,376,279)	4,773,000	0	222,135,479	5,640,294	(1,384,616)	0	10,540,812
2005	0	210,699,490	3,108,659	4,774,450	0	225,362,834	7,337,653	(557,418)	0	11,098,230
2006	0	209,819,584	(6,163,300)	10,018,030	0	220,073,685	6,345,128	54,243	0	11,043,987
2007	0	219,970,785	(2,020,000)	8,000,000	0	223,986,116	883,027	373,117	3,220,813	10,670,870
2008	3,220,813	223,080,613	(2,070,000)	0	0	228,952,079	5,873,876	(528,436)	624,787	11,199,306
2009	624,787	204,367,364	41,483	0	0	205,671,894	729,351	(91,091)	0	11,290,397
<b>Total Transfers Between Funds 1976 - 2009: 69,863,281 39,270,723</b>										
<b>Net Transfer General Fund to Transportation Fund 1976-2009: 30,592,558</b>										

\*Note: Limited to formal transfers. Direct appropriations of transportation funds for general government purposes, so called "JIOC" appropriations, are not included.

**Education Fund Outlook  
(Millions of Dollars)**

Current Law as of January 2010

	FY2007	FY2008	FY2009	FY2010	FY2011
<b>Assumptions</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Projected</b>
a Base Homestead Tax Rate <sup>1</sup>	\$0.95	\$0.87	\$0.87	\$0.86	\$0.88
b Uniform Nonresidential Tax Rate <sup>1</sup>	\$1.44	\$1.36	\$1.36	\$1.35	\$1.37
c Base Rate on Household Income <sup>1</sup>	1.80%	1.80%	1.80%	1.80%	1.80%
d Household Income Limit	\$85,000	\$90,000	\$90,000	\$90,000	\$90,000
e Housesite Value Limit	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
f Education Payment Per Pupil	\$7,330	\$7,736	\$8,210	\$8,544	\$8,544
g Equalized Pupil Count	97,620	95,806	95,676	94,107	92,631
h Education Grand List Growth Rate	13.5%	12.2%	9.7%	6.9%	2.2%
i Education Spending Growth Rate	5.3%	4.1%	5.0%	2.0%	2.0%

<sup>1</sup> Statutory base tax rates are \$1.10, \$1.59, and 2%, respectively.

**Sources**

1a Gross Homestead Education Tax	422.5	439.4	472.2	489.5	544.9
1b Property Tax Adjustment <sup>2</sup>	(111.0)	(118.0)	(119.5)	(141.6)	(167.8)
2 Non-Homestead Education Tax	455.1	477.5	524.1	558.2	562.8
3 General Fund Transfer	282.4	280.2	291.8	240.8	239.2
4 Sales Taxes	138.1	139.1	129.1	125.6	130.1
5 Lottery Receipts	23.3	22.7	20.9	20.4	21.0
6 Other Sources	7.5	8.4	2.0	2.0	8.9
<b>7 Total Sources</b>	<b>1,217.8</b>	<b>1,249.3</b>	<b>1,320.6</b>	<b>1,294.9</b>	<b>1,339.1</b>

<sup>2</sup> Includes the homeowner rebate beginning in FY2008.

Education Fund Outlook (continued)

Uses	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Projected	FY2011 Projected
8 Education Payment	1,017.9	1,058.3	1,112.3	1,098.9	1,120.2
9 Special Education Aid	125.0	133.6	142.5	142.5	142.5
10 Transportation Aid	14.0	14.5	15.0	15.5	15.8
11 State-Placed Students	14.4	14.8	16.4	15.6	16.4
12 Technical Education Aid	10.6	11.6	12.4	12.8	12.8
13 Small Schools Aid	5.6	6.1	6.6	7.0	7.0
14 EEE Block Grant	4.8	5.2	5.5	5.7	5.7
15 Renter Rebates <sup>3</sup>	-	5.3	5.6	5.9	6.1
16 Other Uses	8.0	6.4	5.6	9.9	10.4
<b>17 Total Uses</b>	<b>1,200.3</b>	<b>1,255.8</b>	<b>1,321.8</b>	<b>1,313.8</b>	<b>1,336.9</b>

<sup>3</sup>Included in property tax adjustment prior to FY2008.

**Fund Balance**

18 Operating Result	17.5	(6.5)	(1.2)	(18.8)	2.2
19 Prior Year Fund Balance <sup>4</sup>	31.9	48.0	43.5	42.3	23.5
<b>20 Total Fund Balance</b>	<b>49.4</b>	<b>41.5</b>	<b>42.3</b>	<b>23.5</b>	<b>25.7</b>

<sup>4</sup>Adjusted for non-operating transfers and spending authority surpluses/(deficits).

**Stabilization Reserve**

21 Stabilization Reserve	28.3	29.4	31.1	22.3	24.5
22 Reserve Percent	5.0%	5.0%	5.0%	3.7%	4.1%
23 Maximum Reserve @ 5.0%	28.2	29.4	31.1	29.8	29.6
24 Minimum Reserve @ 3.5%	19.8	20.6	21.8	20.9	20.7

<b>25 Available for Education Tax Reduction</b>	<b>16.1</b>	<b>5.8</b>	<b>6.5</b>	<b>-</b>	<b>-</b>
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## How Does Vermont Compare?

Based on population, Vermont is the second smallest state in the union, so comparisons of total income tax collected or size of the General Fund are meaningless. In order to compare Vermont to other states, statistics are calculated on a per-capita or per-person basis. For example, individual income tax collections in California were approximately \$55.8 billion while Vermont's were \$623.0 million in 2008. On a per-capita basis, California collected approximately \$1,517 per person while Vermont collected a comparable \$1,003 per person.

The table below shows Vermont's per-capita value and rank among the 50 states for several revenue and expenditure statistics. The expenditure data and revenue data are from the U.S. Census Bureau. Both state only and state and local tax collections are shown because Vermont, unlike most other states, collects a majority of its revenue at the state level. Therefore, some of these comparisons can be misleading.

Statistic	\$ Per Capita	VT Rank (1 is highest)
2007 Total State and Local Taxes	4,710	9
2008 Total State Taxes Only	4,095	2
2007 State and Local Sales Taxes	1,083	23
2008 State Personal Income Tax	1,003	18
2008 State Corporate Income Tax	136	25
2007 State and Local Property Tax	1,981	5
2008 Direct Government Expenditures [1]	9,227	13
2006 K-12 Education Spending Per Pupil	2,005	6
2006 Public Welfare Expenditures [1]	1,810	5

[1] State and local; includes federal funds

Sources:

U.S. Census Bureau  
State Rankings 2009 (O'Leary, Morgan and Morgan)

**2007 All State & Local Tax Revenue Per Capita**

<u>State</u>	<u>Revenue</u>	<u>Rank</u>	<u>State</u>	<u>Revenue</u>	<u>Rank</u>
Alaska	7,213	1	Florida	3,981	26
New York	6,876	2	Colorado	3,772	27
Wyoming	6,095	3	New Mexico	3,759	28
Connecticut	6,024	4	Michigan	3,708	29
New Jersey	5,924	5	Iowa	3,641	30
Hawaii	5,096	6	New Hampshire	3,604	31
Massachusetts	4,943	7	Arizona	3,590	32
Maryland	4,804	8	North Carolina	3,516	33
<b>Vermont</b>	<b>4,710</b>	<b>9</b>	Georgia	3,423	34
California	4,705	10	Montana	3,380	35
Rhode Island	4,555	11	Texas	3,372	36
Minnesota	4,533	12	Oregon	3,364	37
Maine	4,276	13	West Virginia	3,362	38
Illinois	4,265	14	Indiana	3,311	39
Washington	4,204	15	Oklahoma	3,281	40
Pennsylvania	4,198	16	Utah	3,255	41
Delaware	4,191	17	Missouri	3,247	42
Virginia	4,167	18	Arkansas	3,214	43
Wisconsin	4,147	19	Kentucky	3,210	44
North Dakota	4,063	20	Idaho	3,128	45
Kansas	4,052	21	South Carolina	3,081	46
Nevada	4,017	22	South Dakota	2,977	47
Ohio	4,009	23	Tennessee	2,973	48
Nebraska	4,002	24	Mississippi	2,971	49
Louisiana	3,986	25	Alabama	2,887	50

**U.S. Average = \$4,195 per capita**

Note: Vermont property taxes are overstated due to income sensitivity adjustments.

Source: U. S. Census Bureau  
<http://www.census.gov/govs/estimate/>

### 2008 Total State Tax Revenue Per Capita

<u>State</u>	<u>Revenue</u>	<u>Rank</u>	<u>State</u>	<u>Revenue</u>	<u>Rank</u>
Alaska	12,276	1	North Carolina	2,470	26
<b>Vermont</b>	<b>4,095</b>	<b>2</b>	Illinois	2,447	27
Wyoming	4,070	3	Idaho	2,397	28
Hawaii	3,996	4	Virginia	2,369	29
Connecticut	3,818	5	Ohio	2,364	30
North Dakota	3,604	6	Kentucky	2,356	31
New Jersey	3,526	7	Nevada	2,352	32
Minnesota	3,509	8	Nebraska	2,341	33
Massachusetts	3,360	9	Indiana	2,339	34
Delaware	3,357	10	Oklahoma	2,329	35
New York	3,356	11	Iowa	2,295	36
California	3,193	12	Mississippi	2,252	37
Maryland	2,948	13	Utah	2,172	38
New Mexico	2,860	14	Arizona	2,069	39
Maine	2,797	15	Florida	1,956	40
Washington	2,740	16	Colorado	1,949	41
West Virginia	2,689	17	Alabama	1,946	42
Wisconsin	2,681	18	Oregon	1,913	43
Arkansas	2,637	19	South Carolina	1,887	44
Rhode Island	2,628	20	Georgia	1,877	45
Pennsylvania	2,581	21	Tennessee	1,857	46
Kansas	2,555	22	Missouri	1,855	47
Montana	2,541	23	Texas	1,836	48
Michigan	2,503	24	New Hampshire	1,711	49
Louisiana	2,495	25	South Dakota	1,643	50

**U.S. Average = \$2,571 per capita**

Note: Vermont is one of a handful of states that collects and reports property taxes at the state level instead of the local level of government. This is a comparison of state-level tax collections only.

Source: U. S. Census Bureau  
<http://www.census.gov/govs/www/statetax08.html>

### 2007 State & Local Sales Tax Revenue Per Capita

<u>State</u>	<u>Revenue</u>	<u>Rank</u>	<u>State</u>	<u>Revenue</u>	<u>Rank</u>
Hawaii	2,241	1	Nebraska	1,018	26
Washington	2,190	2	Oklahoma	1,011	27
Nevada	2,020	3	Illinois	1,009	28
Louisiana	1,884	4	Missouri	1,003	29
Wyoming	1,787	5	Alabama	989	30
New Mexico	1,557	6	Rhode Island	956	31
Arizona	1,524	7	Maine	954	32
New York	1,497	8	Michigan	948	33
Tennessee	1,466	9	North Carolina	924	34
Arkansas	1,438	10	Kentucky	918	35
Florida	1,427	11	Iowa	915	36
South Dakota	1,365	12	South Carolina	909	37
Texas	1,278	13	Idaho	907	38
California	1,248	14	West Virginia	907	39
Mississippi	1,217	15	Ohio	905	40
Minnesota	1,202	16	Maryland	847	41
Connecticut	1,159	17	Wisconsin	832	42
Kansas	1,142	18	Virginia	830	43
New Jersey	1,139	19	Pennsylvania	821	44
Georgia	1,125	20	Massachusetts	764	45
Colorado	1,119	21	Alaska	447	46
North Dakota	1,094	22	New Hampshire	290	47
<b>Vermont</b>	<b>1,083</b>	<b>23</b>	Delaware	225	48
Utah	1,043	24	Montana	172	49
Indiana	1,025	25	Oregon	45	50

**U.S. Average = \$1,159 per capita**

Note: Data include general and other selective sales taxes for a more accurate comparison.

Source: U. S. Census Bureau  
<http://www.census.gov/govs/estimate/>

### 2008 State Personal Income Tax Revenue Per Capita

<u>State</u>	<u>Revenue</u>	<u>Rank</u>	<u>State</u>	<u>Revenue</u>	<u>Rank</u>
Connecticut	1,999	1	Missouri	866	26
Massachusetts	1,923	2	Illinois	866	27
New York	1,876	3	West Virginia	837	28
California	1,517	4	Pennsylvania	836	29
Minnesota	1,490	5	Arkansas	821	30
New Jersey	1,452	6	Kentucky	816	31
Maryland	1,390	7	Oklahoma	765	32
Oregon	1,311	8	Indiana	759	33
Virginia	1,302	9	South Carolina	746	34
Hawaii	1,199	10	Louisiana	719	35
North Carolina	1,192	11	Michigan	718	36
Wisconsin	1,180	12	Alabama	660	37
Delaware	1,153	13	New Mexico	611	38
Maine	1,100	14	Mississippi	528	39
Kansas	1,051	15	Arizona	524	40
Rhode Island	1,039	16	North Dakota	495	41
Colorado	1,026	17	New Hampshire	90	42
<b>Vermont</b>	<b>1,003</b>	<b>18</b>	Tennessee	47	43
Nebraska	968	19	Alaska	N/A	N/A
Iowa	949	20	Florida	N/A	N/A
Utah	948	21	Nevada	N/A	N/A
Idaho	944	22	South Dakota	N/A	N/A
Ohio	919	23	Texas	N/A	N/A
Georgia	913	24	Washington	N/A	N/A
Montana	899	25	Wyoming	N/A	N/A

**U.S. Average = \$923 per capita**

Note: This is a comparison of state-level tax collections only.

Source: U. S. Census Bureau

<http://www.census.gov/govs/www/statetax08.html>

### 2008 State Corporate Income Tax Revenue Per Capita

<u>State</u>	<u>Revenue</u>	<u>Rank</u>	<u>State</u>	<u>Revenue</u>	<u>Rank</u>
Alaska	1,430	1	Mississippi	131	26
New Hampshire	467	2	North Carolina	131	27
Delaware	354	3	Nebraska	131	28
Massachusetts	335	4	Maryland	131	29
New Jersey	325	5	Oregon	126	30
California	322	6	Kentucky	125	31
West Virginia	297	7	Idaho	125	32
New York	258	8	Arizona	121	33
North Dakota	252	9	Florida	121	34
Michigan	248	10	Arkansas	120	35
Illinois	241	11	Iowa	116	36
New Mexico	203	12	Alabama	113	37
Minnesota	199	13	Colorado	103	38
Kansas	188	14	Virginia	101	39
Pennsylvania	176	15	Oklahoma	99	40
Montana	167	16	Georgia	97	41
Tennessee	162	17	Ohio	97	42
Louisiana	159	18	South Dakota	87	43
Wisconsin	153	19	Hawaii	82	44
Connecticut	153	20	South Carolina	72	45
Utah	144	21	Missouri	65	46
Indiana	143	22	Nevada	N/A	N/A
Maine	140	23	Texas	N/A	N/A
Rhode Island	139	24	Washington	N/A	N/A
<b>Vermont</b>	<b>136</b>	<b>25</b>	Wyoming	N/A	N/A

**U.S. Average = \$170 per capita**

Note: This is a comparison of state-level tax collections only.

Source: U. S. Census Bureau

<http://www.census.gov/govs/www/statetax08.html>

### 2007 State & Local Property Tax Revenue Per Capita

<u>State</u>	<u>Revenue</u>	<u>Rank</u>	<u>State</u>	<u>Revenue</u>	<u>Rank</u>
New Jersey	2,475	1	California	1,135	26
Connecticut	2,304	2	Washington	1,126	27
Wyoming	2,247	3	Nevada	1,106	28
New Hampshire	2,213	4	North Dakota	1,090	29
<b>Vermont</b>	<b>1,981</b>	<b>5</b>	Oregon	1,044	30
New York	1,954	6	South Dakota	1,020	31
Rhode Island	1,869	7	Georgia	983	32
Massachusetts	1,699	8	Indiana	964	33
Illinois	1,582	9	South Carolina	959	34
Maine	1,563	10	Arizona	957	35
Alaska	1,511	11	Missouri	889	36
Wisconsin	1,494	12	Hawaii	882	37
Florida	1,464	13	North Carolina	792	38
Michigan	1,453	14	Mississippi	751	39
Texas	1,406	15	Utah	745	40
Nebraska	1,337	16	Idaho	732	41
Virginia	1,289	17	Tennessee	721	42
Pennsylvania	1,242	18	Delaware	652	43
Kansas	1,234	19	West Virginia	626	44
Iowa	1,204	20	Kentucky	604	45
Minnesota	1,172	21	Louisiana	591	46
Ohio	1,163	22	Oklahoma	530	47
Maryland	1,162	23	New Mexico	509	48
Colorado	1,146	24	Arkansas	472	49
Montana	1,144	25	Alabama	449	50

**U.S. Average = \$1,260 per capita**

Note: Vermont property taxes are overstated due to income sensitivity adjustments.

Source: U. S. Census Bureau  
<http://www.census.gov/govs/estimate/>

### 2007 Direct Government Expenditures Per Capita

<u>State</u>	<u>Revenue</u>	<u>Rank</u>	<u>State</u>	<u>Revenue</u>	<u>Rank</u>
Alaska	16,877	1	South Carolina	8,127	26
New York	12,721	2	Michigan	8,060	27
Wyoming	12,499	3	Florida	8,037	28
California	10,484	4	North Dakota	8,004	29
New Jersey	9,955	5	Iowa	7,990	30
Delaware	9,881	6	Tennessee	7,840	31
Massachusetts	9,816	7	Nevada	7,657	32
Rhode Island	9,490	8	Alabama	7,639	33
Washington	9,485	9	Montana	7,596	34
Connecticut	9,433	10	Virginia	7,562	35
Hawaii	9,351	11	Georgia	7,552	36
Nebraska	9,328	12	Kansas	7,463	37
<b>Vermont</b>	<b>9,227</b>	<b>13</b>	Kentucky	7,361	38
New Mexico	9,034	14	North Carolina	7,325	39
Minnesota	8,978	15	Indiana	7,271	40
Louisiana	8,752	16	Utah	7,267	41
Pennsylvania	8,698	17	Arizona	7,236	42
Ohio	8,685	18	Oklahoma	7,089	43
Oregon	8,437	19	New Hampshire	7,075	44
Maryland	8,419	20	Missouri	7,063	45
Mississippi	8,379	21	Texas	6,999	46
Illinois	8,354	22	West Virginia	6,927	47
Wisconsin	8,231	23	South Dakota	6,832	48
Colorado	8,162	24	Arkansas	6,622	49
Maine	8,150	25	Idaho	6,444	50

**U.S. Average = \$8,699 per capita**

Source: U. S. Census Bureau  
<http://www.census.gov/govs/estimate/>

## **PART II — GENERAL REFERENCE**

## General Fund Tax Sources

Note: The GF receives 100% of the revenue from these sources unless otherwise indicated.

### Individual Income Tax

Vermont individual income tax begins at federal taxable income, which is adjusted to calculate Vermont taxable income. Vermont established five state-specific tax brackets and rates beginning in TY02. Previously, state individual income tax was calculated as a percentage of federal tax liability.

### Sales & Use Tax

Vermont has a 6% general tax on retail sales which is primarily directed at commodity transactions. Two-thirds of the revenue is dedicated to the General Fund, and one-third is dedicated to the Education Fund. Note: Vermont allows a 1% local option sales tax in some municipalities.

### Meals & Rooms Tax

A tax of 9% is imposed on taxable meals and the rent of each occupancy less than 30 days in length. The alcohol portion of the meals tax is 10%.

### Corporate Income Tax

The net income of C-corporations is taxed according to the state rate and bracket schedule. The apportionment formula includes property, payroll, and is doubled-weighted for sales. Vermont requires unitary combined reporting.

<u>Income Bracket</u>	<u>Tax Rate</u>
\$3,751 – \$10,000	6.0%
\$10,000 – \$25,000	7.0%
\$25,000 – and over	8.5%

### Insurance Premiums Taxes

Traditional insurance companies are exempt from the corporate income tax and are taxed at a rate of 2% per annum on the gross amount of premiums written in Vermont.

Captive insurance companies are taxed on the volume of premiums written for direct premiums and assumed reinsurance premiums. The rates are below:

<b>Captive Insurance Rates</b>		
Volume (\$ millions)	Direct Premiums Rate (%)	Reinsurance Rate (%)
0 - 20	0.380	0.214
20 - 40	0.285	0.143
40 - 60	0.190	0.048
60 and over	0.072	0.024

### Estate Tax

Transfers of estates are taxed in an amount equal to the federal credit for state estate taxes paid in TY2001. The estate tax exclusion amount in VT is \$2.0 million for TY09 and after. Any amount of revenue greater than 125% of the previous July forecast is deposited into the Higher Education Trust Fund.

### Liquor Tax

A tax of 25% of gross revenues is assessed on the sale of spirituous liquor.

### General Fund Tax Sources (continued)

#### Telephone Property Tax and Telephone Co. (Gross) Receipts Tax

The telephone property tax is 2.37% of the net book value of all personal property within VT on the preceding December 31st.

The telephone company receipts tax is an alternative tax that may be elected in lieu of the property tax described above. Only companies with less than \$50 million in gross operating receipts may elect this tax, and it is limited to those that made the election the previous year. The tax is between 2.25% and 5.25% of gross operating revenue.

#### Property Transfer Tax

A real property transfer tax is imposed on the transfer of deed by title to property located within the state. The revenue is distributed between the General Fund (33%), the Housing Conservation Trust Fund (50%), the Municipal Regional Planning Fund (17%), and the Tax Department (1%).

Property Transfer Tax Rates		
	First \$100K	Over \$100K
Principal Residence	0.5%	1.25%
VHFA	0	1.25%
Farm or Current Use	0.5%	
All Other	1.25%	

#### Bank Franchise Tax

Banks are taxed separately from other corporations. The tax rate is 0.0096% of average monthly deposits.

#### Beverage Taxes

Excise taxes are levied on bottlers and wholesalers of malt and vinous beverages. The beer tax rate is 26.5 cents per gallon, and wine is taxed at 55 cents per gallon.

#### Electrical Energy Tax

Electric generating facilities with a name plate generating capacity of 200,000 kw or more are subject to this tax. This is a graduated tax based on megawatt-hour production. There is an additional Electric Generating Plant Property tax dedicated to the Education Fund structured in the same manner.

#### Land Gains Tax

This tax is on the gain made from the sale of land located in VT and held by the seller for fewer than 6 years. The rate is in inverse proportion to the holding period and between 5% and 80% of the gain.

#### Land Use Change Tax

This tax is assessed if land enrolled in the use value appraisal program (Current Use Program) is developed.

#### Railroad Tax

This tax is assessed on the appraised value of property and corporate franchise of each railroad company located in whole or part within VT. The revenue is split between the state and the town where the railroad property is located.

<b>Brief History of Vermont Personal Income Tax Rates</b>		
<u>Year</u>	<u>Tax Rate</u>	
1980	23.0% of federal tax liability	
1981		
1982	24.0%	
1983	26.0%	
1984		
1985	26.5%	
1986		
1987	25.8%	
1988	23.0%	
1989	25.0%	
1990	28.0%	
1991	Tiers 28%; 31%; 34%	
1992		
1993		
1994	25.0%	
1995		
1996		
1997		
1998		
1999	24.0%	
2000		
2001	Equal to 24% of pre-EGTRAA liability	
2002	New System - based on Federal Taxable Income (5 Rates and Brackets)	
2003		
2004		
2005		
2006		3.6%, 7.2%, 8.5% 9.0% and 9.5%
2007		
2008		
2009	New Rates: 3.55%, 7.0%, 8.25%, 8.9%, 9.4%	
2010	New Rates: 3.55%, 6.8%, 7.8%, 8.8%, 8.95%	

**Federal Personal Income Tax Rates**  
**Tax Year 2009**

<b>Married Filing Jointly</b>		Standard Deduction:		11,400
Taxable Income Bracket over	but not over	Pay	plus % on excess	of amount over
0	16,700	\$ 0	10.0%	0
16,700	67,900	\$ 1,670	15.0%	16,700
67,900	137,050	\$ 9,350	25.0%	67,900
137,050	208,850	\$ 26,638	28.0%	137,050
208,850	372,950	\$ 46,742	33.0%	208,850
372,950	--	\$ 100,895	35.0%	372,950

<b>Married Filing Separately</b>		Standard Deduction:		5,700
Taxable Income Bracket over	but not over	Pay	plus % on excess	of amount over
0	8,350	\$ 0	10.0%	0
8,350	33,950	\$ 835	15.0%	8,350
33,950	68,525	\$ 4,675	25.0%	33,950
68,525	104,425	\$ 13,319	28.0%	68,525
104,425	186,475	\$ 23,371	33.0%	104,425
186,475	--	\$ 50,447	35.0%	186,475

<b>Single Individuals</b>		Standard Deduction:		5,700
Taxable Income Bracket over	but not over	Pay	plus % on excess	of amount over
0	8,350	\$ 0	10.0%	0
8,350	33,950	\$ 835	15.0%	8,350
33,950	82,250	\$ 4,675	25.0%	33,950
82,250	171,550	\$ 16,750	28.0%	82,250
171,550	372,950	\$ 41,754	33.0%	171,550
372,950	--	\$ 108,216	35.0%	372,950

<b>Head of Household</b>		Standard Deduction:		8,350
Taxable Income Bracket over	but not over	Pay	plus % on excess	of amount over
0	11,950	\$ 0	10.0%	0
11,950	45,500	\$ 1,195	15.0%	11,950
45,500	117,450	\$ 6,228	25.0%	45,500
117,450	190,200	\$ 24,215	28.0%	117,450
190,200	372,950	\$ 44,585	33.0%	190,200
372,950	--	\$ 104,893	35.0%	372,950

2009 Personal Exemption: 3,650

**Vermont Personal Income Tax Rates  
Tax Year 2009**

**Married Filing Jointly**

Taxable Income Bracket		Pay	plus % on excess	of amount over
over	but not over			
0	56,700	\$ 0	3.55%	0
56,700	137,050	\$ 2,013	7.00%	56,700
137,050	208,850	\$ 7,637	8.25%	137,050
208,850	372,950	\$ 13,561	8.90%	208,850
372,950	--	\$ 28,166	9.40%	372,950

**Married Filing Separately**

Taxable Income Bracket		Pay	plus % on excess	of amount over
over	but not over			
0	28,350	\$ 0	3.55%	0
28,350	68,525	\$ 1,006	7.00%	28,350
68,525	104,425	\$ 3,819	8.25%	68,525
104,425	186,475	\$ 6,780	8.90%	104,425
186,475	--	\$ 14,083	9.40%	186,475

**Single Individuals**

Taxable Income Bracket		Pay	plus % on excess	of amount over
over	but not over			
0	33,950	\$ 0	3.55%	0
33,950	82,250	\$ 1,205	7.00%	33,950
82,250	171,550	\$ 4,586	8.25%	82,250
171,550	372,950	\$ 11,953	8.90%	171,550
372,950	--	\$ 29,878	9.40%	372,950

**Head of Household**

Taxable Income Bracket		Pay	plus % on excess	of amount over
over	but not over			
0	45,500	\$ 0	3.55%	0
45,500	117,450	\$ 1,615	7.00%	45,500
117,450	190,200	\$ 6,652	8.25%	117,450
190,200	372,950	\$ 12,654	8.90%	190,200
372,950	--	\$ 28,918	9.40%	372,950

**2008 Vermont Income Tax Statistics by Adjusted Gross Income (AGI) Class**

(Details are for Resident Taxpayers Only)

<b>AGI Income Class</b>	<b># Returns</b>	<b>Federal AGI</b>	<b>Vermont TI [1]</b>	<b>Net VT Tax [2]</b>	<b>VT EITC [3]</b>	<b>Avg Tax Paid [4]</b>	<b>Effective Rate [5]</b>
Negative	4,462	-177,635,303	0	356,254	13,964	77	N/A
None/Missing	194	0	0	1,439	1,698	-1	N/A
0.01 - 4,999	28,573	73,960,735	70,366,312	110,603	852,731	-26	-1.0%
5,000 - 9,999	26,665	197,254,560	176,431,036	544,734	3,100,973	-96	-1.3%
10,000 - 14,999	23,056	287,369,187	276,007,272	1,968,750	4,812,695	-123	-1.0%
15,000 - 19,999	21,647	378,681,506	364,183,147	4,037,252	4,720,214	-32	-0.2%
20,000 - 24,999	21,127	474,994,871	423,938,473	6,848,019	3,712,215	148	0.7%
25,000 - 29,999	19,914	546,617,221	447,732,872	9,428,698	2,462,693	350	1.3%
30,000 - 34,999	17,811	577,774,800	466,613,303	11,040,474	1,129,274	556	1.7%
35,000 - 39,999	15,362	575,042,811	459,715,073	11,623,347	346,256	734	2.0%
40,000 - 44,999	13,235	561,350,152	466,115,195	11,857,056	16,970	895	2.1%
45,000 - 49,999	11,650	552,785,590	453,543,000	12,467,131	0	1,070	2.3%
50,000 - 59,999	20,581	1,129,024,415	860,224,928	26,985,327	0	1,311	2.4%
60,000 - 74,999	24,217	1,626,700,601	1,114,720,942	40,583,342	0	1,676	2.5%
75,000 - 99,999	27,831	2,400,194,670	1,210,303,757	67,639,799	0	2,430	2.8%
100,000 - 124,999	13,877	1,536,949,824	690,821,415	51,621,283	0	3,720	3.4%
125,000 - 149,999	6,663	908,403,851	436,444,078	33,738,863	0	5,064	3.7%
150,000 - 199,999	6,127	1,048,379,202	526,133,500	42,489,089	0	6,935	4.1%

**2008 Vermont Income Tax Statistics by Adjusted Gross Income (AGI) Class (continued)**

<b>AGI Income Class</b>	<b># Returns</b>	<b>Federal AGI</b>	<b>Vermont TI [1]</b>	<b>Net VT Tax [2]</b>	<b>VT EITC [3]</b>	<b>Avg Tax Paid [4]</b>	<b>Effective Rate [5]</b>
200,000 - 299,999	3,861	926,769,873	518,400,206	43,184,138	0	11,185	4.7%
300,000 - 499,999	1,811	678,854,945	423,481,811	35,583,316	0	19,648	5.2%
500,000 - 999,999	795	529,161,175	345,865,247	30,866,167	0	38,825	5.8%
1,000,000 +	400	1,248,216,895	782,904,039	64,551,484	0	161,379	5.2%
<b>State Total</b>	<b>309,859</b>	<b>16,080,851,580</b>	<b>10,513,945,606</b>	<b>507,526,565</b>	<b>21,169,683</b>	<b>1,570</b>	<b>3.0%</b>
<b>Out of State</b>	<b>50,046</b>	<b>20,024,994,978</b>	<b>15,485,765,262</b>	<b>41,456,597</b>	<b>218,083</b>	<b>824</b>	<b>0.2%</b>
<b>All Returns</b>	<b>359,905</b>	<b>36,105,846,558</b>	<b>25,999,710,868</b>	<b>548,983,163</b>	<b>21,387,766</b>	<b>1,466</b>	<b>1.5%</b>

- [1] Vermont Taxable Income
- [2] Net of Adjustments and Credits
- [3] Vermont Earned Income Tax Credit
- [4] Net VT Tax less VT EITC divided by # Returns
- [5] Net VT Tax less VT EITC divided by Federal AGI

Source: Vermont Department of Taxes

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### Brief History of the Sales & Use Tax

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1969	New tax based on 3.0% of retail sale
1982	Increased to 4.0%
1991	Increased to 5.0%; tax extended to wine and tobacco products; 4.0% effective 7/1/93
1993	5.0% rate extended to 6/30/95
1995	5.0% rate extended to 6/30/96
1996	5.0% rate extended to 6/30/97; tax on energy used in manufacturing reduced from 2.0% to 0.0% effective 7/1/96
1997	Sunset repealed; tax rate = 5.0%; 1.0% local option authorized; sale of fresh-cut flowers by charitable organizations exempt
1998	Recycled construction materials exempt; railroad construction materials exempt
1999	Articles of clothing valued at less than \$110 each are exempt effective 12/1/99; footwear valued at less than \$110 exempt effective 7/1/2000
2002	Steel-toed work boots are exempt regardless of value effective 1/1/2003. Building materials temporarily stored in Vermont are exempt from the Use Tax effective 7/1/2002. Repealed the exemption for fertilizer and pesticides unless used in agriculture effective 7/1/2002
2003	Rate increased from 5% to 6%. In addition, telecommunications tax rate increased from 4.36% to 6.0%. Both effective 10/1/2003.  A Use Tax reporting table equal to 0.04% of adjusted gross income will be included in tax year 2004 returns.
2004	Changed the earliest date of membership in the Streamlined Sales & Use Tax Agreement from 1/1/2005 to 4/1/2005. Passed additional technical amendments to comply with streamlined.
2005	The maximum tax on tracked vehicles is increased from \$900 to \$1,100 effective 7/1/2005.
2007	The Streamlined Sales and Use Tax Agreement (SSTA) begins in Vermont. The exemption for aircraft parts, machinery, and equipment is broadened to included parts installed on private aircraft.
2008	Two-day sales tax holiday on items of \$2,000 or less, one-week sales tax holiday on Energy Star appliances. Sunset on airplane parts, machinery, and equipment is extended from 2011 to 2018.
2009	Tax extended to digital downloads and spirituous liquor. Two one-day sales tax holidays enacted.

*Sources: Vermont Department of Taxes, Vermont Statutes Annotated*

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### Brief History of the Rooms & Meals Tax

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1959	New tax based on 3.0% of gross receipts
1968	Increased to 4.0%
1969	Increased to 5.0%
1984	Increased to 6.0%
1989	Alcoholic beverage component increased to 10.0%
1990	Rooms and meals Increased to 7.0%
1991	Rooms and meals Increased to 8.0% - 8.0% - 10.0%; effective 7/1/93, 7.0% - 7.0% - 10.0%; effective 7/1/94, 6.0% - 6.0% - 10.0%
1993	Rooms and meals decreased to 6.0%
1994	Rooms and meals increased to 7.0%
1997	Rooms and meals increased to 9.0% ; Limited 1.0% local option authorized

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### Brief Corporate Income Tax History

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1931	New franchise tax based on 2.0% of net income
1947	Tax rate increased to 4.0%; \$25 minimum tax
1955	Tax rate increased to 5.0%
1965	Restructured from franchise tax to income tax
1969	6.0% corporate income tax
1974	Restructured to a range of 5.0% to 7.5%; \$50 minimum
1984	6.0% - 9.0%; \$75 minimum until 12/31/87; 5.5% - 8.25%; \$75 minimum effective 1/1/88
1991	Minimum tax increased to \$150; NOL refunds eliminated
1997	7.0 % - 9.75%; minimum \$250
1998	Small investment companies exempt from minimum tax
2002	The federal accelerated ("bonus") depreciation allowance is disallowed. Effective 1/1/2001
2004	<p>Unitary combined reporting is required for all C-corporations with income attributable to Vermont beginning in tax year 2006.</p> <p>Reduced corporate income tax rates in two phases beginning in tax year 2006 and continuing in 2007.</p> <p>Changed the apportionment formula for determining corporate income that is allocable to VT from an equal weighted 3-factor formula (property, payroll, and sales) to a formula in which the sales factor is double-weighted beginning in tax year 2006.</p>
2006	Vermont adopted a new net operating loss (NOL) rule that will allow corporate taxpayers to carry forward all Vermont losses for 10 years regardless of whether the federal loss is carried back. There is a transition period between 2007 and 2009.
2009	Adopted the federal treatment of unrelated business income of nonprofits beginning TY10. Added new digital corporations franchise tax.

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*Sources: Vermont Department of Taxes, Vermont Statutes Annotated*

## Major Special Fund Tax Sources

### Cigarette and Tobacco Products Taxes

The tax on all cigarettes is \$2.24 per pack effective 7/1/2009.

The tax on tobacco products is at a rate of 92% of the wholesale price, except snuff and new smokeless tobacco which is \$1.66 per ounce (see history for details).

The revenue from these excise taxes is dedicated to health care. Both cigarettes and other tobacco products are additionally subject to the sales tax.

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#### **Cigarette and Tobacco Products Tax History**

1937	New tax; 1.5 cents per pack of 20 cigarettes
1946	Tax rate increased to 2.0 cents per pack
1949	Tax rate increased to 3.0 cents per pack
1950	Tax rate increased to 4.0 cents per pack
1957	Tax rate increased to 5.0 cents per pack
1959	Tax rate increased to 7.0 cents per pack
1963	Tax rate increased to 9.0 cents per pack
1965	Tax rate increased to 10.0 cents per pack
1969	Tax rate increased to 12.0 cents per pack
1983	Tax rate increased to 17.0 cents per pack
1991	Tax rate increased to 18.0 cents 7/1/91
1992	Tax rate increased to 19.0 cents 1/1/92 and tax rate increased to 20.0 cents 7/1/92
1995	Increased to 44.0 cents per pack effective 7/1/95
2002	Tax rate increased to 93 cents per pack effective 7/1/2002; \$1.19 per pack effective 7/1/2003
2006	Tax rate increased to \$1.79 per pack effective 7/1/2006; tax rate scheduled to increase to \$1.99 effective 7/1/2008.  "Little cigars" (cigars weighing 3 lbs per 1000 or less) and roll-your-own (RYO) tobacco tax as cigarettes, instead of other tobacco products effective 7/1/2006.  Snuff will be taxed at \$1.49 per ounce effective 7/1/2006 and \$1.66 per ounce effective 7/1/2008. Previously, snuff was taxed at 41% of wholesale.
2009	Tax rate increased to \$2.24 per pack effective 7/1/09.

The wholesale price for tobacco products was increased from 41% to 92% of the wholesale price.

New smokeless tobacco was added to the definitions and is taxed at the same rate as snuff or \$1.66 per ounce but no less than \$1.99 per package if it contains less than 1.2 ounces

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*Sources: Vermont Department of Taxes, Vermont Statutes Annotated*

### Fuel Gross Receipts Tax

A tax of 0.5% on fuel, including heating oil and kerosene, propane, natural gas, electricity and coal. This revenue is dedicated to the Home Weatherization Trust Fund.

### Petroleum Distributor Licensing Fee

A fee of 1-cent per gallon of motor fuel sold by a distributor or dealer is assessed (see gasoline and diesel tax descriptions). A tax of 1/2 cent per gallon is assessed on heating oil or kerosene effective 7/1/04. The revenue is dedicated to the Petroleum Cleanup Fund.

## **Education Fund Revenue Sources (Non Property Tax)**

### General Fund Transfer

By statute, the education fund receives a transfer from the general fund equal to the amount transferred in the prior fiscal year adjusted by the percent change in the general fund base spending during the current fiscal year.

### Lottery Transfer

All profits from the state lottery are transferred to the education fund. The state lottery was created in 1978. The Tri-State Lottery was introduced in 1986, and Powerball was introduced in 2004.

### Electric Generating Plant Education Property Tax

All revenue from the education property tax on electric generating plants is dedicated to the education fund. Vermont Yankee is the only plant currently subject to this tax, which is based on megawatt-hour production.

### Purchase & Use Tax

One-third of the revenue from the purchase & use tax is dedicated to the education fund. (See the description of transportation fund revenue sources.)

### Sales & Use Tax

One-third of the revenue from the sales & use tax is dedicated to the education fund. (See the description of general fund revenue sources.)

### Medicaid Transfer

A portion of the federal Medicaid reimbursements received by the state for medically-related services provided to students who are Medicaid-eligible is transferred to the education fund.

Source: 16 V.S.A. § 4025

## **Transportation Fund Revenue Sources**

The Transportation Fund has 6 sources of revenue: (1) gasoline tax; (2) diesel fuel tax; (3) gasoline and diesel fuel assessments; (4) motor vehicle purchase & use tax; (5) motor vehicle fees; and (6) “other revenue,” namely other, small revenue-generating, transportation-related taxes and fees.

### **Gasoline Tax**

For practical purposes, the gasoline tax is a fixed 20 cents per gallon. Technically, however, this consists of (1) a 19-cent-per-gallon tax which is allocated among the Transportation Fund, the DUI Fund, and the Fish & Wildlife Fund; and (2) a 1-cent-per-gallon fee which is dedicated to the Petroleum Cleanup Fund. The 20-cents-per-gallon total is allocated as follows:

#### Allocation of Gasoline Tax and Fee

<b>Fund</b>	<b>Cents per gallon FY10</b>
Transportation Fund	18.245
DUI Fund	0.380
Fish & Wildlife Fund	0.375
Petroleum Cleanup Fund	1.000
Total	20.000

### **Diesel Fuel Tax**

For practical purposes, the diesel fuel tax is a fixed 26 cents per gallon. Like the gasoline tax, this technically consists of (1) a 25-cent-per-gallon tax which is allocated to the Transportation Fund and (2) a 1-cent-per-gallon fee which is dedicated to the Petroleum Cleanup Fund.

### **Gasoline and Diesel Fuel Assessments**

A 2% assessment on the retail price of gasoline and 3-cent-per-gallon assessment on diesel fuel went into effect in FY 2010. The assessment revenue is dedicated to the Transportation Infrastructure Bond Fund, a sub-fund of the transportation fund, and can only be used to directly pay the cost of transportation capital projects or to pay the principal and interest on bonds issued to finance such projects.

## **Transportation Fund Revenue Sources (continued)**

### **Motor Vehicle Purchase and Use Tax**

The motor vehicle purchase & use tax applies to (1) motor vehicle sale transactions; and (2) where a sale is not involved, to an owner's initial registration of a vehicle in the state. For sale transactions, the tax is assessed on the vehicle's purchase price less the value of any trade-in which is credited against the purchase price. For non-sale transactions, the tax is assessed on the vehicle's current market value at the time of registration. Sale taxes paid by the owner in another jurisdiction are credited against the tax due. In both cases, the tax rate is 6%. For trucks over 10,099 pounds, the tax is capped at \$1,850.

Vehicles purchased for the short-term rental market are exempt from the purchase tax, but each rental transaction is subject to a rental tax equal to 9% of the rental charge.

Revenue from the purchase & use tax and short-term rental tax is allocated 2/3 to the Transportation Fund and 1/3 to the Education Fund.

### **Motor Vehicle Fees**

This category covers a range of fees collected by DMV of which the most important are registration fees and driver license fees. A registration fee is collected on all motor vehicles and trailers. The fee varies depending upon the vehicle type, size, weight, and purpose. All motor vehicle fees are deposited in the Transportation Fund.

### **Relative Contribution to the Transportation Fund**

The above sources made the following relative contributions to Transportation Fund revenue from FY-06 through FY-09:

Transportation Fund Sources				
Source	FY06	FY-07	FY-08	FY-09
Gasoline tax	30.4%	28.9%	28.1%	29.8%
Diesel tax	8.4%	8.2%	7.4%	7.6%
Purchase & Use tax	25.7%	24.4%	23.6%	21.6%
Motor vehicle fees	27.3%	29.7%	30.3%	32.2%
Other revenue	8.2%	8.7%	10.6%	8.8%
Total	100.0%	100.0%	100.0%	100.0%

### Highlights of Recent Tax Legislation

#### 2007

Sales & Use Tax The Streamlined Sales and Use Tax Agreement (SSTA) begins in Vermont. Several significant changes are 1) the elimination of sales tax on all clothing and footwear, 2) taxation of beer, 3) repeal of the exemption of the first \$20 of monthly residential telephone charges, 4) change from origin to destination sourcing rules, 5) delivery and shipping charges subject to tax when associated with taxable sales, among other changes.

Tax Credits The Economic Advancement Tax Incentive Program and the associated credits are replaced with a single payroll-based incentive for job creation and capital investment known as the Vermont Economic Growth Incentive or VEGI.

Corporate Income Tax New NOL rules are adopted.

#### 2008

Income Tax VT decoupled from bonus depreciation; the capital gains exclusion may not exceed 40% of federal taxable income; 100% pass-through of the VT-property portion of the federal business solar energy investment tax credit; wood products manufacturer tax credit sunset extended from 2008 to 2011; and the affordable housing tax credit was expanded.

Sales & Use Tax Exemption for aircraft parts, machinery, and equipment is broadened to include parts installed on private aircraft.

Local option tax authority for the City of South Burlington and the Town of Middlebury.

Tax Credits Downtown Tax Credit Allocation increased from \$1.5 to \$1.6 million.

Other Incentives An enhanced VEGI growth incentive was added for environmental technology businesses, along with other modifications.

Tax Increment Financing (TIF) statutes substantially changed; allows for 6 new districts in a 5-year period beginning 7/1/2008.

### Highlights of Recent Tax Legislation (continued)

#### 2009

Amnesty	Vermont provided a 6-week tax amnesty between 7/20 and 8/31.
Individual Income Tax	Rates were lowered in two-phases in TY09 and TY10. The pass-through of the state and local income tax deduction was capped at \$5,000 for itemizers. The 40% capital gains exclusion is converted to a flat \$2,500 exemption in TY09 and TY10 increasing to \$5,000 in TY11. Farm and timber sales retain the 40% exclusion. Taxpayers >70 choose between the 40% exclusion or the flat exemption. Prevented the pass-through of the temporary federal new vehicle deduction.
Estate Tax	Vermont froze the exclusion at \$2 million, while the federal amount increased to \$3.5 million in TY09.
Corporate Income Tax	Adopted the federal treatment of unrelated business income of nonprofits beginning TY10. Added new digital corporations franchise tax.
Sales & Use Tax	Tax extended to digital downloads and spirituous liquor. Two one-day sales tax holidays enacted.
Motor Fuels Taxes	A 2% assessment on the retail price of gasoline and a 3-cent-per-gallon assessment on diesel fuel were added. These are dedicated to the Transportation Infrastructure Bond fund or TIB.
Tax Credits	Downtown Credit Award Cap increased from \$1.6 to \$1.7 million in TY10. Investment Tax Credit limited to VT-property portion of the investment. New research and development credit authorized beginning TY11. Seed Capital Fund renamed Entrepreneur's Seed Capital Fund with capitalization increased from \$5 million to \$7.15 million. Credit also applied against captive insurance taxes. Business solar tax credit rules clarified.
Other Incentives	Special TIF provisions were enacted for Burlington and Milton. VEGI modifications enacted.

### Tax Credits by Date of Enactment

- 1967 Credit for the Elderly or Disabled  
Investment Tax Credit
  
- 1976 Credit for Child and Dependent Care
  
- 1988 Earned Income Tax Credit  
Alternative Minimum Tax Credit
  
- 1990 Charitable Housing Tax Credit
  
- 1996 Financial Services Tax Credit (Expired in 2007)
  
- 1998 Economic Advancement Tax Incentive (EATI)  
EATI Payroll Tax Credit  
EATI Research and Development Tax Credit  
EATI Capital Investment Tax Credit  
EATI Workforce Development Tax Credit  
EATI Export Tax Credit  
  
Commercial Film Production Credit  
Qualified Sale of Mobile Home Park Credit  
Employee Training Credit  
Rehabilitation of Certified Historic Buildings Credit  
Older or Historic Building Rehabilitation Credit
  
- 2000 Affordable Housing Tax Credit
  
- 2002 Low Income Child and Dependent Care Credit  
EATI High-Tech Business Credit  
Platform Lifts, Elevators and Sprinkler System Credit  
Commercial Code Improvement Credit  
Vermont Farm Income Averaging
  
- 2003 EATI Sustainable Technology R&D Credit  
EATI Sustainable Technology Export Credit  
Angel Venture Capital Deferral
  
- 2005 Wood Products Manufacturer Tax Credit
  
- 2006 Angel Venture Capital Deferral changed to a Tax Credit
  
- 2007 Vermont Economic Growth Incentive (VEGI) Payroll Incentive  
Downtown Credit allocation increased from \$1.5 to \$1.6 million
  
- 2008 Substantial modifications to Tax Increment Financing  
Business Solar Energy Credit  
Wood Products Manufacturer Tax Credit sunset extended  
Affordable Housing Tax Credit expanded  
Enhanced VEGI incentive for environmental technology businesses
  
- 2009 Downtown Credit allocation increased from \$1.5 to \$1.6 million  
Investment Tax Credit limited to VT-property portion of the investment  
Research and Development Tax Credit - effective TY11  
Seed Capital Tax Credit modified  
Business Solar Energy Tax Credit clarified

STATE TEACHERS' RETIREMENT SYSTEM

Fiscal Year	Final Actuarial Request*	Actual Funding	Percent of Request	Market Value of Assets	Actuarial Value of Assets (AV)	AV % of Mkt Value	Pension Benefit Obligation	Actuarial Liability (AAL)	% Funded Market Value/PBO (MKT/PBO)	% Funded Actuarial value GASB 25 (AV/AAL)
2011	\$63,501,220									
2010	\$41,503,002	\$41,503,002								
2009	\$39,616,990	\$37,049,000	93.5%	\$1,145,066,114	\$1,374,079,337	120.0%	\$1,991,892,119	\$2,101,838,000	57.5%	65.4%
2008	\$41,204,051	\$40,749,097	98.9%	\$1,501,320,179	\$1,605,461,728	106.9%	\$1,869,805,187	\$1,984,967,000	80.3%	80.9%
2007	\$38,929,729	\$38,446,000	98.8%	\$1,647,057,577	\$1,541,859,000	93.6%	\$1,734,182,847	\$1,816,650,000	95.0%	84.9%
2006	\$56,627,046	\$24,446,282	43.2%	\$1,430,282,999	\$1,427,393,070	99.8%	\$1,603,243,522	\$1,686,502,000	89.2%	84.6%
2005	\$47,714,318	\$24,446,282	51.2%	\$1,333,532,418	\$1,354,006,143	101.5%	\$1,551,210,118	\$1,492,150,000	86.0%	90.7%
2004	\$41,658,946	\$24,446,282	58.7%	\$1,245,650,105	\$1,284,832,664	103.1%	\$1,431,107,667	\$1,424,662,000	87.0%	90.2%
2003	\$28,279,810	\$20,446,282	72.3%	\$1,099,109,824	\$1,218,000,794	110.8%	\$1,306,864,372	\$1,358,822,000	84.1%	89.6%
2002	\$22,146,880	\$20,446,282	92.3%	\$1,065,978,943	\$1,169,294,000	109.7%	\$1,178,063,357	\$1,307,202,000	90.5%	89.5%
2001	\$20,970,278	\$19,143,827	91.3%	\$1,138,548,007	\$1,116,846,000	98.1%	\$1,087,419,007	\$1,254,341,000	104.7%	89.0%
2000	\$19,936,345	\$18,586,240	93.2%	\$1,190,498,179	\$1,037,465,880	87.1%	\$1,014,994,651	\$1,174,087,000	117.3%	88.4%
1999	\$20,723,874	\$18,080,000	87.2%	\$1,110,214,000	\$931,056,000	83.9%	\$935,311,000	\$1,066,400,000	118.7%	87.3%
1998	\$26,927,205	\$18,106,000	67.2%	\$1,006,493,000	\$821,977,000	81.7%	\$842,124,000	\$955,694,000	119.5%	86.0%
1997	\$30,721,768	\$18,080,000	58.9%	\$865,856,000	\$717,396,000	82.9%	\$802,481,000	\$849,179,000	107.9%	84.5%
1996	\$28,711,597	\$11,480,000	40.0%	\$703,392,000	\$570,776,000	81.1%	\$710,049,000	\$700,377,000	99.1%	81.5%
1995	\$27,451,926	\$18,080,000	65.9%	\$601,100,000	\$520,850,000	86.6%	\$630,889,000	\$648,052,000	95.3%	80.4%

\*FY 2011 is an actuarial projection

STATE EMPLOYEES' RETIREMENT SYSTEM

Fiscal year	Actuarial Request	Actual Funding	Percent of Request	Market Value of Assets	Actuarial Value of Assets (AV)	AV% of Mkt Value	Pension Benefit Obligation	Actuarial Accrued Liability (AAL)	% Funded Market Value (MKT/PBO)	% Funded Actuarial value (AV/AAL)
2011	\$41,581,656									
2010	\$39,707,907									
2009	\$28,997,554	\$25,134,235	86.7%	\$1,014,697,982	\$1,217,637,578	120.0%	\$1,506,490,361	\$1,544,144,000	67.4%	78.9%
2008	\$42,375,068	\$39,193,942	92.5%	\$1,282,493,872	\$1,377,101,471	107.4%	\$1,438,415,791	\$1,464,202,000	89.2%	94.1%
2007	\$40,189,812	\$39,297,002	97.8%	\$1,392,327,467	\$1,318,686,844	94.7%	\$1,284,274,919	\$1,307,643,000	108.4%	100.8%
2006	\$38,214,704	\$36,866,451	96.5%	\$1,219,616,872	\$1,223,322,954	100.3%	\$1,201,278,850	\$1,232,367,000	101.5%	99.3%
2005	\$36,019,056	\$36,493,435	101.3%	\$1,120,247,149	\$1,148,907,597	102.6%	\$1,123,617,264	\$1,174,796,000	99.7%	97.8%
2004	\$29,023,431	\$26,645,619	91.8%	\$1,040,927,987	\$1,081,358,637	103.9%	\$1,034,491,775	\$1,107,634,000	100.6%	97.6%
2003	\$24,715,309	\$24,394,934	98.7%	\$917,711,810	\$1,025,469,088	111.7%	\$968,014,164	\$1,052,004,000	94.8%	97.5%
2002	\$24,189,000	\$23,788,282	98.3%	\$892,221,769	\$990,450,000	111.0%	\$893,863,866	\$1,017,129,000	99.8%	97.4%
2001	\$19,679,398	\$19,548,598	99.3%	\$962,944,449	\$954,821,000	99.2%	\$882,725,301	\$1,026,993,000	109.1%	93.0%
2000	\$19,548,817	\$19,012,608	97.3%	\$1,058,889,568	\$895,150,880	84.5%	\$835,491,792	\$967,064,000	126.7%	92.6%
1999	\$23,268,000	\$22,956,000	98.7%	\$963,971,000	\$804,970,000	83.5%	\$745,531,000	\$876,412,000	129.3%	91.8%
1998	\$22,598,000	\$23,426,000	103.7%	\$914,960,000	\$733,716,000	80.2%	\$679,751,000	\$804,501,000	134.6%	91.2%
1997	\$24,098,000	\$23,973,000	99.5%	\$779,308,000	\$639,128,000	82.0%	\$634,794,000	\$753,883,000	122.8%	84.8%
1996	\$24,222,000	\$21,442,000	88.5%	\$638,674,000	\$560,659,000	87.8%	\$578,158,000	\$664,173,000	110.5%	84.4%
1995	\$29,245,000	\$20,383,000	69.7%	\$538,671,000	\$480,049,000	89.1%	\$541,597,000	\$679,427,000	99.5%	70.7%

## Overview of Medicaid

The Medicaid program was created by Congress in 1965. Medicaid is structured as a partnership between individual states and the federal government. The rules of this partnership address eligibility (who is covered), services (what is covered), and financing (how funding is shared). At the federal level, Medicaid is administered by the Centers for Medicare and Medicaid Services (CMS). In Vermont, the Medicaid program is administered by the Office of Vermont Health Access (OVHA), part of the Agency of Human Services.

Medicaid funding is shared between the states and the federal government through what is known as the *Federal Medical Assistance Percentage* or *FMAP*. In Vermont, for every state or local dollar spent, the state traditionally received on average 60 cents from the federal government. Since July 2009, the state has received an enhanced FMAP of approximately 65 to 70 cents for every dollar spent as a result of the American Recovery and Reinvestment Act of 2009 (ARRA). This enhanced FMAP is slated to expire December 31, 2010.

The original Medicaid program was designed for two groups: “aged, blind, and disabled” (ABD) and low income families. ABD eligibility was extended to those receiving Supplemental Social Security. Low income families were receiving “aid for needy families with children” (ANFC). These are referred to as categorical eligibles. Within basic Medicaid law, there are mandatory populations (primarily the two groups above) and optional populations. Optional eligibility factors usually are age (e.g., covering older children) or income (e.g., covering to a higher percent of poverty). There is also an eligibility category called spend-down. Spend-down occurs when people who do not otherwise qualify have their incomes reduced by high medical expenses.

In Vermont, Medicaid eligibility has been expanded three ways. The first is the State Children’s Health Insurance Program (SCHIP) (1998). This was a Congressional initiative to encourage states to expand eligibility for children. Under SCHIP, states receive a higher match rate than under regular Medicaid. The Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) reauthorized this program (now known as CHIP) through federal fiscal year 2013. The second is an “1115 waiver” (1115 refers to a section of the Social Security Act). Under 1115 waivers, CMS is permitted to waive certain Medicaid requirements in the interests of expanding coverage. The Vermont Health Access Plan (VHAP) program, which provides full coverage for uninsured low income adults and pharmacy coverage for low income Medicare beneficiaries, is the result of an 1115 waiver.

Finally, Catamount Health was designed to help provide coverage for the uninsured who are not Medicaid-eligible and has two main parts: a

### **Overview of Medicaid (continued)**

specified private health insurance product offered by private health insurers, and a state-sponsored premium assistance program. Enrollment for Catamount began October 1, 2007.

During state fiscal year 2007, there were two major changes to Vermont's Medicaid program. The first was a result of the federal Medicare Modernization Act (MMA). Medicare is the national health care program that provides coverage for people over 65. MMA expanded Medicare benefits to include pharmacy coverage. Prior to MMA, the state Medicaid program paid for pharmacy coverage for low income seniors. The state continues to provide coverage that supplements the federal program through its VPharm program.

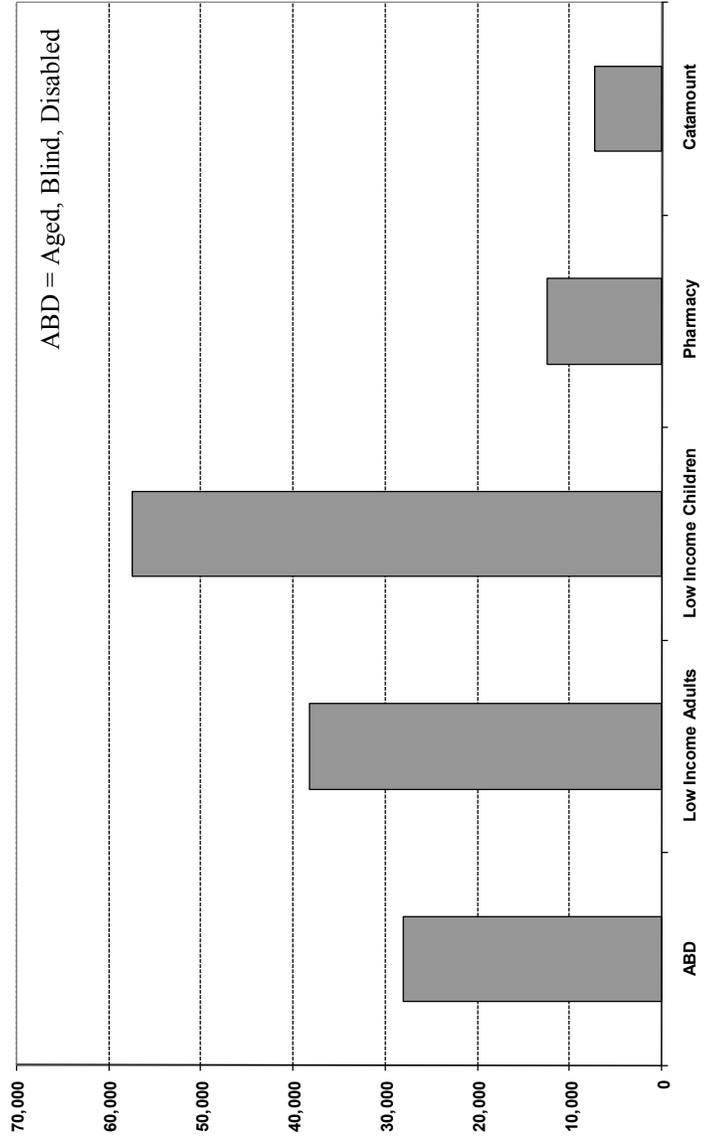
The second major change was the implementation of the state's "Global Commitment for Health" waiver. Global Commitment substantially restructured the financing and organization of the state's Medicaid program. Most notably, it turned the Office of Vermont Health Access into a public managed care organization. While there have been no substantial changes in benefits received, a goal of this model is to improve coordination of care received by Medicaid beneficiaries.

### **Figures**

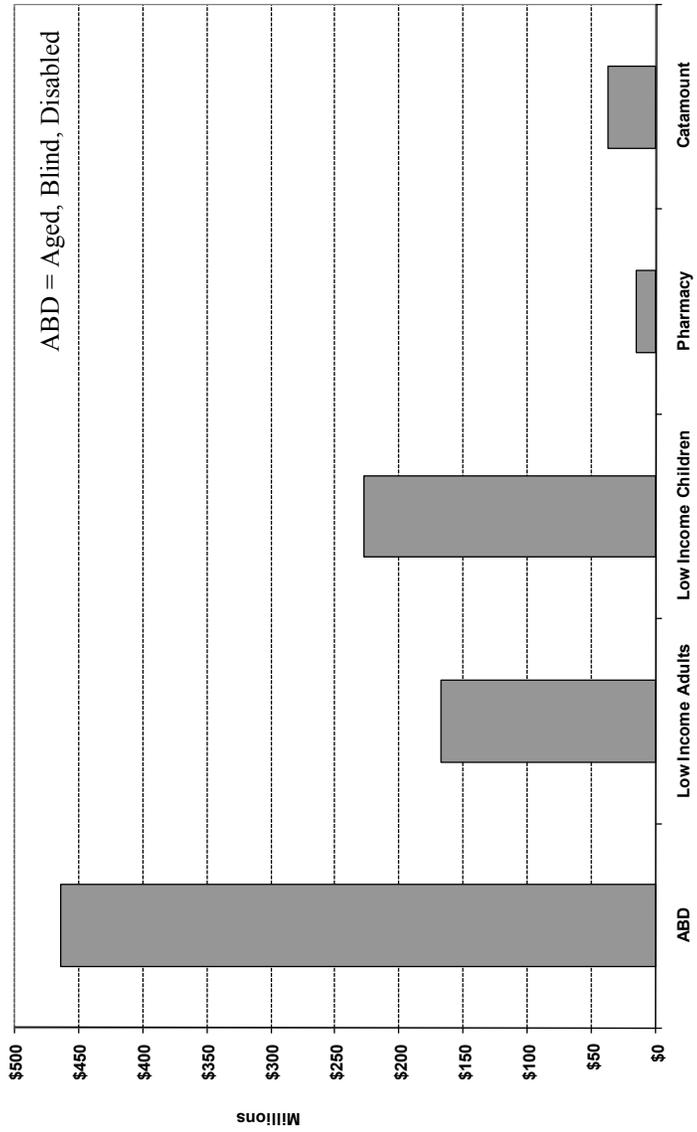
The tables on the next several pages analyze Vermont's Medicaid program in two different ways. One way to look at Medicaid is by eligibility category. Information is presented on estimated enrollment, total spending, and spending per person per month (PMPM) in five large categories: Aged, Blind, and Disabled (ABD); Low income children; Low income adults; Pharmacy programs; and Catamount Health. ABD primarily includes individuals who have qualified for Medicaid as a result of having a serious illness or other health condition. Low income children, including Dr. Dynasaur and the State Children's Health Insurance Program, are children whose eligibility is a function of their family income. Low income adults, including the Vermont Health Access Plan (VHAP), are adults who qualify on the basis of income. Pharmacy programs include individuals who qualify for limited benefits. This category includes such programs as VPharm and the Healthy Vermonters Plan. Finally, Catamount Health includes uninsured adults who do not otherwise qualify for Medicaid. The benefits are administered through private insurers, and premiums are based on income.

The second way of looking at Medicaid spending in Vermont is by department. Several different departments are involved in the Medicaid program, including the Office of Vermont Health Access (OVHA); the Department of Disabilities, Aging, and Independent Living (DAIL); the Department for Children and Families (DCF), the Department of Health (VDH), the Department of Mental Health (DMH), and the Department of Education (DOE).

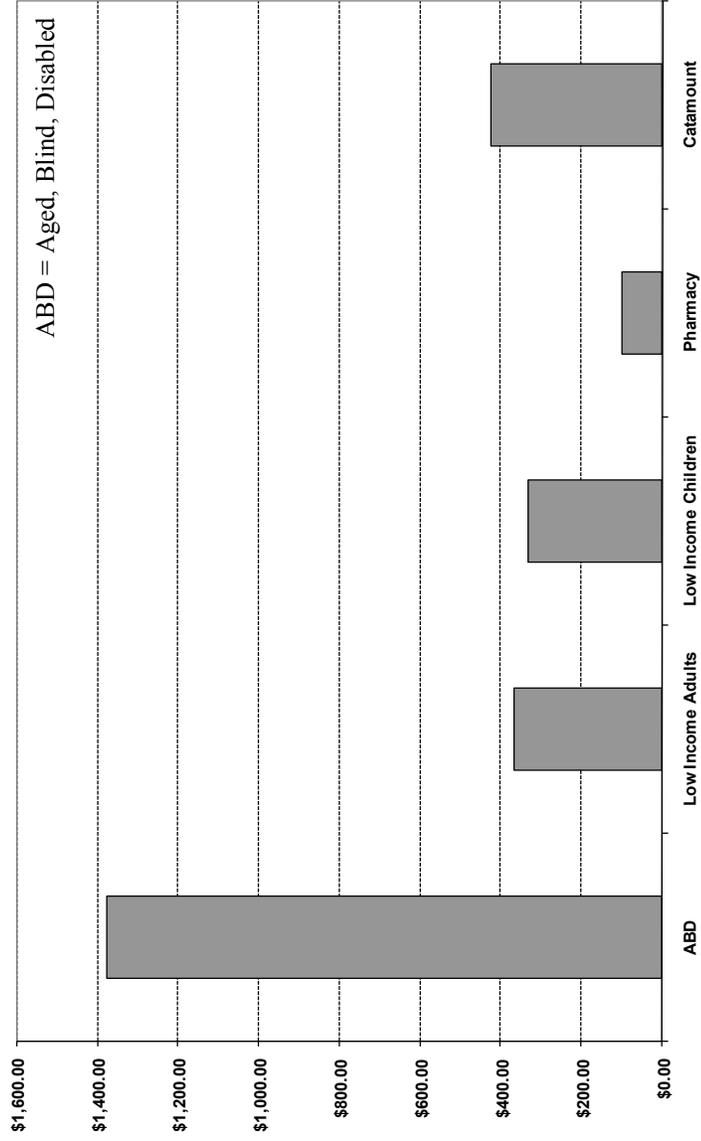
Estimated Enrollment by Eligibility Type, Vermont Medicaid, 2010



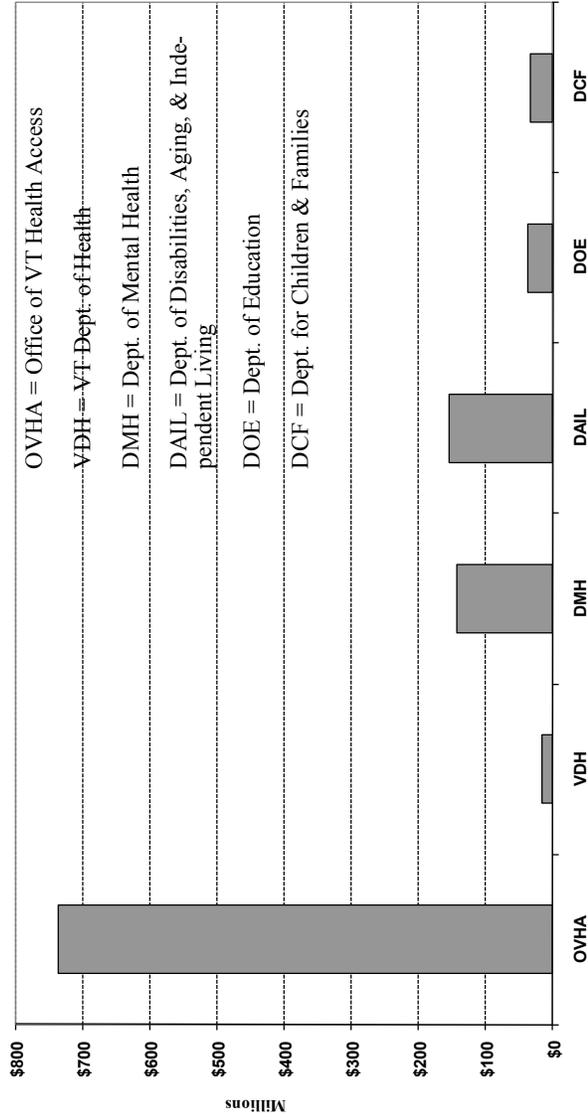
Estimated Total Spending by Eligibility Type, Vermont Medicaid, 2010



Estimated Per Member Per Month Spending by Eligibility Category, Vermont Medicaid, 2010



Estimated Spending by Department, Vermont Medicaid, 2010



Excludes DSH, Buy-in, Clawback, Administration

## **A Guide to Vermont State Government Appropriations**

Vermont state government is organized into nine functions of government. These are:

- General Government
- Protection to Persons and Property
- Human Services
- Labor
- General Education and Higher Education
- Natural Resources
- Commerce and Community Development
- Transportation
- Debt Service

These definitions are not unique to Vermont. All of the states use similar definitions. This makes it possible to compare apples to apples between state appropriations. Briefly, the functions of government listed above include the following activities:

### **General Government:**

This function of government contains the Executive Branch of government, including the Secretary of Administration, Finance and Management, Personnel, Tax Department, Buildings and General Services, and the Executive Office. These departments provide centralized services to state government.

This function of government also includes the State Auditor, State Treasurer, Lieutenant Governor, Sergeant at Arms, Joint Fiscal Committee, Legislative Council, and the Legislature.

### **Protection to Persons and Property:**

This function of government contains the appropriations relating to regulation and law enforcement. This includes the Attorney General, Department of Public Safety, the Defender General, the State's Attorneys and Sheriffs, the Agency of Agriculture, Food and Markets, Labor and Industry, Liquor Control, Secretary of State, and the Judiciary, among others.

### **Human Services:**

This function of government contains the appropriations which provide social services. Included are the Office of Health Access, the Department of Health, the Department for Children and Families, the Department of Corrections, and the Department of Disabilities, Aging, and Independent Living.

**Labor:**

This function of government is primarily federally funded and is concerned with job placement for the unemployed. Also, the Department of Labor gathers vital statistics concerning employment/unemployment, average hourly wages, gross state product, etc.

**General Education and Higher Education:**

This function of government contains the appropriations for K-12 education, and the operation of the Department of Education. Higher Education appropriations are for the Vermont Student Assistance Corp. (VSAC), and UVM and the Vermont State Colleges.

**Natural Resources:**

This function of government is concerned with natural resources and includes the Department of Fish and Wildlife, the Department of Forest, Parks and Recreation, the Department of Environmental Conservation, the Environmental Board and District Commissions, and the Water Resources Board.

**Commerce and Community Development:**

This function of government contains appropriations relating to the promotion of economic development and the creation of affordable housing. Included in this function of government is the Department of Economic Development, the Vermont Training Program, Community Development Block Grants, Tourism and Marketing, Vermont Life, Vermont Symphony Orchestra, Vermont Historical Society, and the Vermont Housing and Conservation Board, among others.

**Transportation:**

This function of government contains appropriations which support the state's highway and local road infrastructure, including the Agency of Transportation with the Department of Motor Vehicles, Maintenance, Policy and Planning, rail and surface transportation activities and Town Highway grants. This includes the engineering and construction of roads and bridges.

**Debt Service:**

This function of government contains the appropriations necessary to make the required, annual principal and interest payments on the state's bonded indebtedness.

A function of government will contain all the appropriations for an **agency** of the executive branch, e.g., General Government contains the appropriations for the Agency of Administration. Three functions of government have no agency super structure; these are Protection, Education, and Debt Service. All other functions of government contain appropriations for an agency and miscellaneous related organizations.

Within a function/agency, appropriations are organized into **departments**. Commissioners of departments of state government, also known as the "appointing authority," have duties and powers described in Vermont Statutes. A small department of government may have a single appropriation; however, departments generally have multiple missions and responsibilities. Therefore, a department will typically have several discrete appropriations specific to each **division** of the department.

A division may operate several **programs**. The general assembly does not appropriate to the program level of government. Details of intended program expenditures are given in the Governor's budget submission to the general assembly. This submission numbers in the hundreds of pages and contains a description of each program's basis in statute, the past year's accomplishments, the upcoming year's goals, staffing levels, and expenditure targets. [A more in-depth treatment of the Governor's budget submission is beyond the scope of this discussion. The Joint Fiscal Office provides a complete set of budget documents for use by the members.] Suffice it to say that, while the Legislature does not appropriate to this level of government, it expects and requires the Executive Branch to fulfill the objectives set forth in the detailed submission.

The expenditure categories are as follows:

**Personal Services:**

If an appropriation supports employees who are paid through state government's payroll system, there will be a personal services expenditure category. This category will provide funding for wages and the employer's share of benefits. Also, if the department or division intends to contract for non-employee personal services, the funding will be included in this expenditure category.

**Operating Expenses:**

This contains funding for two basic types of expenditures: consumables such as paper, electricity, subscriptions, telephone, etc.; and durables such as computers and copy machines. The operating expense budget for each unit of government is unique to that department or division. Items included in the budget will vary greatly depending upon whether the division occupies rented quarters or a state-owned building and the condition (age) of the equipment.

**Grants:**

This expenditure category contains the funds that will be disbursed in pursuit of a department or division's program mission. Grants may be made to individuals, e.g., Medicaid, and general assistance, to municipalities, e.g., town highway grants and special education formula grants, or non-profit organizations.

**Other:**

This is an unrestricted expenditure category. As the name implies, funds contained in this category are not otherwise classifiable. Generally, the other category is used for disbursements that support a program, but which do not quite fit the grants definition. An example is the Municipal Current Use Program. Another example is the Legislature's own budget.

The sources of funds which support appropriations are:

**General:** Unrestricted general state revenue.

**Transportation:** Earmarked state revenue from specific sources.

**Education:** Earmarked state revenue from specific sources.

**Fish and Wildlife:** Earmarked state revenue from specific sources.

**Federal:** Federal revenue, typically distributed according to a formula and usually earmarked for specific programs.

**Global Commitment:** This is a specific internal service fund used to pay Medicaid expenditures of the public Managed Care Organization (MCO) under the Global Commitment Waiver in Medicaid. The revenue for the fund is provided by the Global Commitment appropriation in the Agency of Human Services.

**State Health Care Resources:** This is a special fund that supports the Vermont's Medicaid program. Revenues dedicated to this fund are health-care-related providers taxes, state shares of program beneficiary premiums, and most of the cigarette and tobacco products taxes.

**Catamount Fund:** This special fund supports the Vermont's health insurance subsidy program named the Catamount program, immunization activities and health care quality improvement through the Blueprint for Health program. Revenues dedicated to this fund include a portion of the state cigarette tax, Catamount program beneficiary premiums, and the employer assessment.

**Special:** State revenue, typically derived from fees and often earmarked.

**Bond:** State revenue derived from the issuance of general obligation bonds and restricted as to use.

**Trust:** Highly restricted state revenue from sources such as the state employees retirement trust fund.

**Internal service:** These are bookkeeping entities created to track certain kinds of costs. An example would be an internal service fund for the photocopy center of an agency. Funds are appropriated to different departments of the agency which then “purchase” photocopy services from the center as needed. The internal service fund provides an accounting mechanism for estimating for budget purposes and for keeping track of the actual costs of operating the photocopy center. Internal service funds, however, do involve a double counting of funds. In the example, the agency department spends \$1 of appropriated funds buying photocopy services which the center books as \$1 of internal service fund revenue. When the center buys supplies, the same \$1 is booked as an internal service fund expenditure.

**Revolving:** Funds which are not new revenue from any source. These "funds" represent an expenditure authority which may or may not be adequately financed in any given fiscal year. If successful, payments into the revolving fund will equal disbursements from the fund. In any event, expenditures in support of this unit of government may be made, up to the limit of the appropriation, even if it results in a deficit or surplus in the fund.

**Enterprise:** Funds that provide money for services to the general public through programs that are expected to recover their full costs, primarily through user charges. Examples include the Lottery Fund, the Liquor Control Fund, and Vermont Life Magazine.

**Tobacco Litigation Settlement Fund:** This is a special fund established by section 435a of Title 32. All receipts received by the state under the Master Tobacco Settlement Agreement. Funds are appropriated by the legislature for the purposes of chapter 225 of Title 18 of the Vermont Statutes Annotated.

**Transfer:** Funds which are not new revenue from any source. These "funds" represent a transfer from one unit of government to another. The original source may be general, transportation, federal, etc. An example is the Fire Service Training Council which receives transfer funds from the Department of Public Safety.

**Direct Applications:** Unanticipated funds and expenditure recoveries from other funds that are deposited to the general fund with Legislative authorization.

**General Fund Appropriations: Five-Year Detailed History**  
**FY 2010 Appropriations from Act 1 of the Special Session 2009 (Prior to Budget Adjustment, No Rescissions)**

AGENCY/DEPARTMENT/PROGRAM	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Secretary's Office	856,821	984,985	920,232	747,540	676,776
General Fund Reduction	0	0	-155,814	0	0
Exempt Position Reduction & Vacancy Savings	0	0	-235,982	0	0
Information & Innovation - Communications & Information Technology	0	0	114,873	99,720	97,094
VT Information Technology Leaders (VITL)	0	0	395,000	255,730	0
Emergency Relief & Assistance Fund	100,000	0	0	0	0
In-State Travel Reduction (Executive Branch)	(300,000)	0	0	0	0
Finance & Management	816,881	1,100,479	977,919	889,480	841,780
Human Resources	2,068,561	2,887,442	2,460,080	2,006,125	1,888,503
Buildings & General Services	3,984,617	9,047,542	9,331,336	7,738,598	5,531,306
Tax Department	13,192,874	13,814,744	14,078,687	13,144,978	14,260,386
Municipal Tax Homeowner Rebate	0	0	11,206,140	0	0
Libraries	2,328,186	2,535,514	2,543,581	2,440,136	2,616,539
Auditor of Accounts	468,742	519,905	524,025	488,511	437,938
State Treasurer	837,580	1,028,043	1,143,904	1,048,372	1,086,815
State Labor Relations Board	187,100	198,492	205,272	186,233	198,260
Executive Office	1,206,200	1,426,328	1,477,957	1,340,215	1,410,315
National & Community Service	56,528	56,180	56,353	39,461	0
VOSHA Review Board	20,097	19,998	23,327	22,806	23,905
Payment in Lieu of Taxes - Montpelier	184,000	184,000	184,000	0	0
Payment in Lieu of Taxes - Correctional Facilities	40,000	40,000	40,000	0	0
Payment in Lieu of Taxes (PILOT)	600,000	400,000	50,000	0	0
Use Tax Reimbursement - Municipal Current Use	4,569,542	8,113,944	8,861,267	9,850,000	10,807,403
Renter Rebate	0	0	0	2,386,756	2,543,008
Homeowner Rebate	0	0	0	12,921,868	13,725,647
Lt Governor	117,089	146,747	155,032	155,113	163,634
Legislature	5,059,316	7,199,906	6,886,840	7,243,021	7,061,391
Legislative Council	1,588,701	2,005,212	2,125,647	2,264,917	2,342,977
Legislative Information Technology	563,413	585,415	623,590	880,407	885,958
Sergeant-at-Arms	461,044	600,801	617,701	609,445	609,517
Joint Fiscal Office	982,901	1,256,470	1,270,579	1,272,602	1,509,197
<b>Function Total - General Government</b>	<b>39,990,193</b>	<b>54,152,147</b>	<b>66,273,342</b>	<b>68,032,034</b>	<b>68,718,349</b>

**General Fund Appropriations: Five-Year Detailed History**  
(Continued)

AGENCY/DEPARTMENT/PROGRAM	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Attorney General	2,826,355	3,248,360	4,883,914	3,900,863	3,894,689
Court Diversion	981,093	1,204,534	1,204,534	1,158,740	1,204,784
State's Attorneys	6,856,903	7,876,042	8,382,752	8,900,755	8,754,383
Sheriffs	2,489,576	3,093,503	3,353,439	3,419,208	3,662,987
Defender General	7,649,359	8,941,336	9,451,883	10,521,579	10,964,288
Military	3,082,446	3,270,409	3,381,936	3,319,130	3,340,462
Labor & Industry	836,000	0	0	0	0
Criminal Justice Training Council	902,574	1,339,615	1,404,264	1,364,956	1,453,753
Racing Commission	5,000	1,000	1,000	0	0
Secretary of State	583,525	672,907	1,038,479	1,507,142	1,710,918
Banking & Insurance	3,666	708,753	315,444	269,193	0
Public Safety	20,191,722	11,968,242	12,955,720	18,131,415	20,068,605
Agriculture	5,206,093	5,763,707	5,670,894	5,094,630	5,259,375
State Stipend	175,000	175,000	175,000	175,000	175,000
Judiciary	24,818,705	29,556,690	31,227,564	30,631,046	30,995,922
Center for Crime Victims' Services	1,043,644	1,125,253	1,314,809	47,165	1,119,233
Human Rights Commission	278,014	285,925	311,382	266,426	273,219
<b>Function Total - Protection to Persons &amp; Property</b>	<b>77,929,675</b>	<b>79,231,276</b>	<b>85,073,014</b>	<b>88,707,248</b>	<b>92,877,618</b>
<b>Human Services</b>					
Secretary's Office	3,826,168	3,699,368	4,015,872	4,272,481	5,333,921
Global Commitment	107,493,758	124,205,456	119,908,716	75,994,547	56,946,630
Appropriation and Transfer to HATF	78,104,989	0	0	0	0
Human Services Board	32,423	49,283	50,977	49,178	51,912
Office of Vermont Health Access - Administration	0	386,295	47,333	228,241	429,107
Medicaid Program - Long-Term Care Waiver	0	69,092,869	77,796,413	69,199,716	61,072,899
Medicaid Matched Nonwaiver Expenses	0	24,496,854	21,516,111	15,970,521	16,976,310
Medicaid Program - State Only	0	27,249,932	32,771,132	28,509,473	28,195,859
Corrections Department	108,665,313	109,415,075	115,967,691	124,494,810	127,040,243
Health Department	28,098,134	30,118,505	29,380,281	30,223,285	33,930,586
Department for Children & Families	86,257,727	76,033,469	82,778,635	90,071,333	91,061,227
Disabilities, Aging, & Independent Living	25,101,482	18,494,612	18,505,693	18,648,538	19,254,325
Commission on Women	250,421	255,201	262,552	272,177	286,905
RSVP	131,096	131,096	131,096	131,096	131,096
Veterans Home	165,495	0	0	0	0
<b>Function Total - Human Services</b>	<b>438,127,006</b>	<b>483,628,015</b>	<b>503,132,502</b>	<b>458,065,396</b>	<b>440,711,020</b>

**General Fund Appropriations: Five-Year Detailed History**  
(Continued)

AGENCY/DEPARTMENT/PROGRAM	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>Labor</b>					
Administration	0	190,408	221,806	176,803	531,937
Programs	1,395,248	2,113,276	2,131,170	1,872,302	2,058,632
<b>Function Total - Labor</b>	<b>1,395,248</b>	<b>2,303,684</b>	<b>2,352,976</b>	<b>2,049,105</b>	<b>2,590,569</b>
Education Department	13,021,004	14,244,278	13,858,936	12,290,895	11,407,559
Fund Appropriations & Transfers	259,300,000	268,720,000	280,200,000	291,127,800	240,803,944
Teachers Retirement	24,446,282	24,446,729	39,549,097	33,549,097	40,228,002
Renter Rebate	0	0	2,277,149	0	0
Property Tax Assistance	7,988,056	2,250,000	0	0	0
<b>Function Total - General Education &amp; Property Taxes</b>	<b>304,755,342</b>	<b>309,661,007</b>	<b>335,885,182</b>	<b>336,967,792</b>	<b>292,439,505</b>
University of Vermont	36,473,096	36,971,519	38,265,688	36,740,473	36,740,473
Morgan Horse Farm	5,000	5,200	5,500	0	1
Vermont Public Television	573,832	596,785	605,737	564,620	564,620
Vermont State Colleges	22,532,878	23,330,193	24,146,750	23,155,213	23,155,213
Allied Health	710,372	641,570	664,025	663,130	663,130
Vermont Interactive Television	815,331	847,944	858,163	769,119	785,679
Vermont Student Assistance Corporation	17,771,050	18,481,892	19,128,758	18,363,607	18,363,607
New England Higher Education Compact	80,000	80,000	84,000	84,000	84,000
<b>Function Total - Higher Education</b>	<b>78,961,559</b>	<b>80,955,103</b>	<b>83,758,621</b>	<b>80,340,162</b>	<b>80,356,723</b>
<b>Total Education &amp; Higher Education</b>	<b>383,716,901</b>	<b>390,616,110</b>	<b>419,643,803</b>	<b>417,307,954</b>	<b>372,796,228</b>
<b>Natural Resources</b>					
Administration	4,574,943	4,729,582	4,910,434	4,670,104	4,794,914
Connecticut River Watershed Advisory Comm.	22,500	38,000	60,000	38,000	38,000
State Land Local Property Tax Assessment	1,067,548	1,312,500	1,312,500	1,707,233	1,707,233
Citizens' Advisory Comm on Lake Champlain's Future	7,500	7,500	7,409	7,500	7,500
Forests, Parks & Recreation	5,640,064	6,738,787	7,020,629	6,347,952	6,219,185
Environmental Conservation	8,072,188	9,248,831	9,155,319	7,725,687	8,022,542
Fish & Wildlife	1,726,853	2,096,314	2,128,649	1,134,531	1,227,419
Natural Resources Board	1,065,127	1,052,712	1,053,106	835,230	816,942
Green - Up	6,646	6,948	5,057	5,550	0
<b>Function Total - Natural Resources</b>	<b>22,183,369</b>	<b>25,231,174</b>	<b>25,653,103</b>	<b>22,471,787</b>	<b>22,833,735</b>

**General Fund Appropriations: Five-Year Detailed History  
(Continued)**

AGENCY/DEPARTMENT/PROGRAM	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>Commerce and Community Development</b>					
Administration	1,922,819	2,184,996	2,894,771	2,521,630	2,793,051
Historic Sites Operations	479,352	512,236	540,560	536,652	545,528
Housing & Community Affairs	1,531,188	1,702,396	1,439,925	1,226,344	1,153,070
Economic Development	3,467,184	3,568,076	4,069,781	3,014,485	2,926,585
Tourism & Marketing (Travel)	4,209,458	4,338,938	4,108,213	3,759,688	3,622,252
Vermont Training Program	1,607,700	1,606,509	1,607,543	1,599,431	1,668,155
Vermont Council on the Arts	494,618	529,618	545,618	507,607	507,607
Vermont Symphony Orchestra	101,960	118,780	122,343	113,821	113,821
VT Historical Society	630,653	733,393	828,342	770,635	795,669
VT Housing & Conservation Board	0	0	700,000	0	0
VT Council on the Humanities	160,599	180,599	185,599	172,670	172,670
<b>Function Total - CCD</b>	<b>14,605,531</b>	<b>15,475,541</b>	<b>17,042,695</b>	<b>14,222,963</b>	<b>14,298,408</b>
Transportation - Public Transit	0	69,000	0	0	0
<b>Function Total - Transportation</b>	<b>0</b>	<b>69,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Principal	62,723,384	64,547,179	64,205,317	67,048,726	64,743,920
Short-Term Borrowing	0	0	0	0	1,176,792
<b>Function Total - Debt Service</b>	<b>62,723,384</b>	<b>64,547,179</b>	<b>64,205,317</b>	<b>67,048,726</b>	<b>65,920,712</b>
AHS, Grant Reductions	0	0	0	0	(740,000)
Position Reduction	0	0	0	0	(14,716,560)
FY2008 Contingent Appropriations	0	0	5,000,000	0	0
One-Time Appropriations	0	0	1,695,000	1,025,000	13,280,962
FY2009 GF Appropriations Reductions	0	0	0	(60,000)	0
Settlement Contingent Approp (Teachers' Retirement Fd)	0	0	0	2,300,000	0
FY2007 Funds Reserved for FY2008	0	0	2,672,000	0	0
FY2007 GF Balance	0	8,244,685	0	0	0
Contractual Agreement; Exempt Pay Plans	4,019,782	0	0	0	0
FY07 Contingent Approp, State Teachers' Retirement System	0	5,000,000	0	0	0
Corrections, Reestablish Appropriation	0	8,900,000	0	0	0
Bennington Office Building	0	820,717	0	0	0
Pay Act, Up to This Amount	3,415,000	0	0	0	0
Transfer to Health Access Trust Fund	17,000,000	0	0	0	0
Tax Dept., Property Tax Assistance, Income Sensitivity	3,400,000	0	0	0	0
Medical Plan Premium Savings	(3,327,304)	0	0	0	0
<b>Total - Miscellaneous</b>	<b>24,507,478</b>	<b>22,965,402</b>	<b>9,367,000</b>	<b>3,265,000</b>	<b>(2,175,598)</b>

**General Fund Appropriations: Five-Year Detailed History**  
(Continued)

AGENCY/DEPARTMENT/PROGRAM	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Higher Ed Incentives - UVM, VSC, VSAC	0	0	0	0	1,500,000
Miscellaneous Provisions, Act 2, H.442 Spec. Sess	0	0	0	0	4,060,000
Improving Vt's Sexual Abuse Response System (S.13)	0	0	0	0	1,650,000
FY 2009 One-Time Appropriations (H.232, Sec. 65a)	0	0	0	1,100,000	0
Pay Act	0	3,800,000	0	2,128,557	7,147,978
Health Care Reform (UVM & Health Dept.)	0	0	0	140,000	0
Miscellaneous Tax Amendments (Tax Dept)	0	0	0	150,000	0
VT Neighborhoods (Public Safety)	0	0	0	30,000	0
Health Care Reform Health Dept.	0	0	100,000	0	0
Attorney General Legal Costs	0	0	900,000	0	0
Reestablish Corrections Services	0	0	6,477,655	0	0
VT Housing Finance Agency - Credit Counseling	0	0	50,000	0	0
Education Finance Simplification	0	14,742,000	0	0	0
Precursor Drugs of Methamphetamine	0	20,000	0	0	0
Dairy Industry Interim Assistance	0	3,200,000	0	0	0
FY2006 Designated GF Balance (Waterfall)	23,721,008	0	0	0	0
FY2006 GF Approp & Transfer	9,906,000	0	0	0	0
Orphan Program, Agency of Natural Resources	50,000	0	0	0	0
VT Film Production Incentive Fund	1,000,000	0	0	0	0
ANR, Restructured Agency, Consultant	50,000	0	0	0	0
Blueprint for Health	1,872,623	0	0	0	0
Prescription Drugs, Medicare Part D	7,000,000	0	0	0	0
Prescription Drugs, Extension of above	4,000,000	0	0	0	0
Family Counseling Services, VT National Guard	250,000	0	0	0	0
Legislature	400,000	0	0	0	0
<b>Total - Other Bills</b>	<b>48,249,631</b>	<b>21,762,000</b>	<b>7,527,655</b>	<b>3,548,557</b>	<b>14,357,978</b>
<b>GRAND TOTAL - GENERAL FUNDS</b>	<b>1,113,428,416</b>	<b>1,159,912,528</b>	<b>1,200,271,407</b>	<b>1,144,718,770</b>	<b>1,092,929,019</b>

**Transportation Fund Appropriations: Five-Year Detailed History**  
**FY 2010 Appropriations from Act 1 of the Special Session 2009 (Prior to Budget Adjustment, No Rescissions)**

AGENCY/DEPARTMENT/PROGRAM	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Administration - Secretary	50,102	0	0	0	0
Finance & Management	111,313	0	0	0	0
Human Resources	556,705	0	0	0	0
Buildings & General Services	5,331,748	0	0	0	0
Tax - Administration/Collection	213,601	0	0	0	0
Use Tax Reimbursement Fund	2,328,913	0	0	0	0
Auditor of Accounts	59,317	0	0	0	0
State Treasurer	104,035	0	0	0	0
State Labor Relations Board	4,597	0	0	0	0
Executive - Governor's Office	157,483	0	0	0	0
Lieutenant Governor	19,283	0	0	0	0
Legislature	702,605	0	0	0	0
Legislative Council	233,783	0	0	0	0
Sergeant at Arms	40,735	0	0	0	0
Joint Fiscal Office	135,472	0	0	0	0
<b>Function Total - General Government</b>	<b>10,049,692</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Attorney General	69,615	0	0	0	0
Public Safety	22,801,328	34,944,709	34,879,736	32,725,324	28,352,807
VT Court Diversion	143,978	0	0	0	0
State's Attorneys	369,310	0	0	0	0
Sheriffs	570,239	0	0	0	0
Agriculture	38,862	0	0	0	0
Judiciary	3,028,595	0	0	0	0
Criminal Justice Training Council	281,919	0	0	0	0
Defender General	734,468	0	0	0	0
<b>Function Total - Protection to Persons &amp; Property</b>	<b>28,038,314</b>	<b>34,944,709</b>	<b>34,879,736</b>	<b>32,725,324</b>	<b>28,352,807</b>
Aging & Disabilities - Advocacy	422,692	0	0	0	0
Corrections - Correctional Services	1,153,658	0	0	0	0
Dept. for Children and Families (was SRS)	60,732	0	0	0	0
<b>Function Total - Human Services</b>	<b>1,637,082</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Education Department	524,846	127,483	127,483	0	0
Property Tax Assistance	2,728,220	0	0	0	0
<b>Function Total - Education</b>	<b>3,253,066</b>	<b>127,483</b>	<b>127,483</b>	<b>0</b>	<b>0</b>

**Transportation Fund Appropriations: Five-Year Detailed History**  
(Continued)

AGENCY/DEPARTMENT/PROGRAM	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Forests, Parks & Recreation	508,558	0	0	0	0
State Land Local Property Tax Assessment	212,816	0	0	0	0
Environmental Conservation	185,182	0	0	0	0
Fish & Wildlife	367,926	0	0	0	0
<b>Function Total - Natural Resources</b>	<b>1,274,482</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Principal	2,146,286	2,087,951	1,996,862	1,914,650	3,560,515
<b>Function Total - Debt Services</b>	<b>2,146,286</b>	<b>2,087,951</b>	<b>1,996,862</b>	<b>1,914,650</b>	<b>3,560,515</b>
Transportation Fund Pay Act Repeal	0	0	0	0	(2,180,510)
Pay Act	1,248,449	0	0	0	0
Motor Vehicles, Reestablish Appropriation	0	1,500,000	0	0	0
Medical Plan Premium Savings	(1,382,304)	0	0	0	0
<b>Total - Miscellaneous</b>	<b>(133,855)</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>(2,180,510)</b>
Transportation and Arbitration Board	83,400	84,600	87,106	89,802	86,891
Finance & Administration	9,671,292	10,477,965	10,824,152	10,836,148	12,009,399
Interstate Rest Areas	25,000	83,117	91,760	367,300	379,740
Policy & Planning	1,806,692	2,584,458	2,054,198	1,857,610	2,295,512
Maintenance-State System	54,104,586	56,223,459	59,515,691	59,161,213	63,335,237
Buildings	1,297,548	637,000	1,449,000	1,246,000	1,311,500
Rail Program	8,196,929	8,599,050	8,252,309	8,518,646	10,042,149
Public Transit	5,796,599	6,055,523	6,639,462	6,618,063	6,328,234
Aviation Program	2,222,416	1,988,721	1,918,841	2,009,615	2,226,575
Program Development	26,420,110	34,781,780	35,241,175	25,738,268	20,940,808
Motor Vehicles - Customer Service	20,586,370	19,315,280	24,588,202	22,196,373	23,597,821
Town Highways - Aid Program	24,982,744	24,982,744	24,982,744	24,982,744	24,982,744
Town Highways - Structures	3,494,500	3,494,500	3,494,500	3,494,500	3,833,500
Town Highways - Bridges	3,892,314	3,493,170	3,461,667	2,148,868	500,000
Town Highways - Emergency Fund	57,129	2,461,220	60,000	880,000	750,000
Town Highways - Class 1 Supplemental	128,750	128,750	128,750	128,750	128,750
Class 2 Resurfacing Program (2 for 1 Match)	4,748,750	5,748,750	5,748,750	5,748,750	5,748,750
Vermont Local Roads Program	333,867	235,000	235,000	235,000	235,000
Bridge Maintenance Program	959,622	1,748,959	1,734,495	858,456	4,011,751
Municipal Mitigation Grant Program	0	196,707	247,998	247,998	247,998
<b>Function Total - Transportation</b>	<b>168,808,618</b>	<b>183,320,753</b>	<b>190,755,800</b>	<b>177,364,104</b>	<b>182,992,359</b>
MV Franchise Laws - to Transportation Board	0	0	0	0	50,000
Pay Act	0	2,005,219	1,192,197	841,078	2,180,510
Contingency GF Transfer, TF	5,000,000	0	0	0	0
<b>Total - Other Bills</b>	<b>5,000,000</b>	<b>2,005,219</b>	<b>1,192,197</b>	<b>841,078</b>	<b>2,230,510</b>
<b>GRAND TOTAL - TRANSPORTATION FUND</b>	<b>220,073,685</b>	<b>223,986,115</b>	<b>228,952,078</b>	<b>212,845,156</b>	<b>214,955,681</b>

**Education Fund Appropriations: Five-Year Detailed History**  
**FY 2010 Appropriations from Act 1 of the Special Session 2009 (Prior to Budget Adjustment, No Rescissions)**

AGENCY/DEPARTMENT/PROGRAM	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010 *
Education Services	0	0	0	0	1,131,751
Tax Department - Property Tax Assistance	108,800,000	116,200,000	0	0	0
Tax Department - Renter Rebate	0	0	5,347,674	5,569,096	5,933,687
Tax Department - Reappraisal & Listing Payments	3,210,000	3,213,378	3,228,945	3,250,112	3,470,000
Education Programs	9,836,396	10,598,329	11,633,000	0	0
Special Education Formula Grants	115,996,845	125,050,000	133,564,159	142,457,975	142,457,975
Technical Education	0	0	0	12,466,259	12,800,000
State Placed Students	14,400,000	14,416,000	14,750,000	16,367,500	18,900,000
Adjusted Education Payment	966,000,000	1,018,388,625	1,058,295,808	1,112,291,525	1,097,524,964
Transportation	13,496,399	13,978,220	14,453,479	15,002,711	15,542,809
Small School Grants	5,250,000	5,360,000	6,093,552	6,565,714	6,977,336
Capital Debt Service Aid	450,355	380,000	224,407	218,540	188,000
Adult Education Literacy	250,000	0	0	0	0
Essential Early Education Grant	4,379,337	4,838,045	5,199,124	5,517,841	5,700,000
Council on Education Governance	75,000	0	0	0	0
Adult Education & Literacy Services	0	1,000,000	1,750,000	2,250,000	3,000,000
<b>GRAND TOTAL - EDUCATION FUND</b>	<b>1,242,144,332</b>	<b>1,313,422,597</b>	<b>1,254,540,148</b>	<b>1,321,957,273</b>	<b>1,313,626,522</b>

\* FY 2010 numbers do not reflect \$38.6 million of ARRA funding.

**FISCAL YEAR 2010 APPROPRIATIONS**  
**By Object Code, All Funds, Prior to Budget Adjustment; Does Not Include Rescissions**

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
Secretary of administration - secretary's office	795,758	69,411	0	0	865,169
Information and innovation - communications and information technology	6,816,269	2,749,899	750,000	0	10,316,168
Information and innovation - health care information technology	90,000	0	2,865,674	0	2,955,674
Finance and management - budget and management	1,011,091	145,343	0	0	1,156,434
Finance and management - financial operations	2,666,280	205,538	0	0	2,871,818
Human resources - operations	2,460,443	625,941	0	0	3,086,384
Human resources - technical services	0	0	0	0	0
Human resources - employee benefits & wellness	1,655,935	395,438	0	0	2,051,373
Libraries	2,078,222	1,561,712	62,500	0	3,702,434
Tax - administration/collection	12,714,125	2,992,665	0	0	15,706,790
Buildings and general services - administration	1,371,967	98,823	0	0	1,470,790
Buildings and general services - engineering	1,989,475	418,865	0	0	2,408,340
Buildings and general services - information centers	2,981,451	1,183,949	45,000	0	4,210,400
Buildings and general services - purchasing	671,569	204,881	0	0	876,450
Buildings and general services - postal services	650,910	184,090	0	0	835,000
Buildings and general services - copy center	725,873	194,127	0	0	920,000
Buildings and general services - fleet management services	475,587	169,413	0	0	645,000
Buildings and general services - federal surplus property	83,564	62,936	0	0	146,500
Buildings and general services - state surplus property	80,720	86,060	0	0	166,780
Buildings and general services - property management	1,196,597	2,985,033	0	0	4,181,630
Buildings and general services - workers' compensation insurance	1,329,914	309,324	0	0	1,639,238
Buildings and general services - general liability insurance	295,114	125,386	0	0	420,500
Buildings and general services - all other insurance	33,028	51,972	0	0	85,000
Buildings and general services - fee for space	12,684,951	14,970,941	0	0	27,655,892
Geographic information system	0	0	408,700	0	408,700
Executive office - governor's office	1,217,326	386,489	0	0	1,603,815
Legislative council	2,164,007	178,970	0	0	2,342,977

FISCAL YEAR 2010 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
Legislature	3,672,884	3,388,507	0	0	7,061,391
Legislative information technology	393,601	492,357	0	0	885,958
Joint fiscal committee	1,414,565	94,632	0	0	1,509,197
Sergeant at arms	509,586	99,931	0	0	609,517
Lieutenant governor	146,651	16,983	0	0	163,634
Auditor of accounts	3,032,314	139,366	0	0	3,171,680
State treasurer	2,313,466	357,079	6,484	0	2,677,029
State treasurer - unclaimed property	687,596	237,795	0	0	925,391
Vermont state retirement system	27,115,165	773,415	0	0	27,888,580
Municipal employees' retirement system	1,841,374	346,814	0	0	2,188,188
State labor relations board	166,789	37,194	0	0	203,983
VOSHA review board	37,997	9,815	0	0	47,812
Homeowner rebate	0	0	13,725,647	0	13,725,647
Renter rebate	0	0	8,476,695	0	8,476,695
Tax department - reappraisal and listing payments	0	0	3,470,000	0	3,470,000
Use tax reimbursement fund - municipal current use	0	0	10,807,403	0	10,807,403
Lottery commission	1,555,943	1,113,662	0	0	2,669,605
Payments in lieu of taxes	0	0	4,900,000	0	4,900,000
Payments in lieu of taxes - Montpelier	0	0	184,000	0	184,000
Payments in lieu of taxes - correctional facilities	0	0	40,000	0	40,000
<b>Total - General Government</b>	<b>101,128,107</b>	<b>37,464,756</b>	<b>45,742,103</b>	<b>0</b>	<b>184,334,966</b>
Attorney general	6,518,250	1,055,051	0	0	7,573,301
Vermont court diversion	0	0	1,724,784	0	1,724,784
Defender general - public defense	7,273,704	919,387	0	0	8,193,091
Defender general - assigned counsel	3,319,857	77,909	0	0	3,397,766
Judiciary	27,238,182	10,084,796	70,000	0	37,392,978
State's attorneys	9,685,589	1,298,616	0	0	10,984,205
Special investigative unit	0	0	1	0	1
Sheriffs	3,306,718	356,269	0	0	3,662,987
Public safety - administration	1,696,711	194,781	0	0	1,891,492
Public safety - state police	42,024,804	11,413,936	582,087	0	54,020,827
Public safety - criminal justice services	6,078,888	2,976,224	2,909,394	0	11,964,506
Public safety - emergency management	1,778,662	1,246,992	819,400	0	3,845,054
Public safety - fire safety	4,396,900	1,590,660	55,000	0	6,042,560
Public safety - homeland security	1,252,863	4,999,729	1,050,000	0	7,302,592
Public safety - emergency management - radiological emergency response plan	695,571	273,382	743,518	0	1,712,471
Military - administration	595,055	185,755	100,000	0	880,810
Military - air service contract	4,682,496	1,576,241	0	0	6,258,737
Military - army service contract	3,645,443	9,174,120	0	0	12,819,563

FISCAL YEAR 2010 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
Military - building maintenance	1,024,137	386,580	0	0	1,410,717
Military - veterans' affairs	430,316	133,624	163,815	0	727,755
Center for crime victims' services	1,275,841	261,734	9,433,056	0	10,970,631
Criminal justice training council	1,225,444	1,135,975	0	0	2,361,419
Agriculture, food and markets - administration	707,514	390,128	338,351	0	1,435,993
Agriculture, food and markets - food safety and consumer protection	2,041,806	332,830	0	0	2,374,636
Agriculture, food and markets - agricultural development	688,162	504,063	302,500	0	1,494,725
Agriculture, food and markets - laboratories, agricultural resource management, and environmental stewardship	3,800,621	639,708	4,480,952	0	8,921,281
Agriculture, food and markets - state stipend	0	0	175,000	0	175,000
Agriculture, food and markets - mosquito control	20,000	60,000	0	0	80,000
Banking, insurance, securities, and health care administration - administration	1,982,977	88,470	0	0	2,071,447
Banking, insurance, securities, and health care administration - banking	1,240,658	248,960	0	0	1,489,618
Banking, insurance, securities, and health care administration - insurance	2,765,146	450,750	0	0	3,215,896
Banking, insurance, securities, and health care administration - captive	2,998,995	452,000	0	0	3,450,995
Banking, insurance, securities, and health care administration - securities	418,217	144,733	0	0	562,950
Banking, insurance, securities, and health care administration - health care administration	4,338,993	326,905	0	0	4,665,898
Secretary of state	5,440,700	2,086,742	1,000,000	0	8,527,442
Public service - regulation and energy	9,060,185	709,206	68,219,007	0	77,988,398
Public service - purchase and sale of power	18,484	1,516	0	0	20,000
Public service board	2,555,286	320,000	0	0	2,875,286
Enhanced 9-1-1 board	2,098,342	1,565,260	1,823,443	0	5,487,045
Human rights commission	375,041	68,917	0	0	443,958
Liquor control - administration	1,495,953	543,031	0	0	2,038,984
Liquor control - enforcement and licensing	1,963,476	344,075	0	0	2,307,551
Liquor control - warehousing and distribution	750,352	367,561	0	0	1,117,913
<b>Total - Protection To Persons &amp; Property</b>	<b>172,906,339</b>	<b>58,986,616</b>	<b>93,990,308</b>	<b>0</b>	<b>325,883,263</b>
Human services - agency of human services - secretary's office	10,016,218	2,998,915	5,099,439	0	18,114,572
Secretary's office - Global Commitment	0	0	1,009,425,249	0	1,009,425,249
Rate setting	853,246	81,982	0	0	935,228
Developmental disabilities council	240,797	48,251	220,000	0	509,048
Human services board	299,820	66,441	0	0	366,261
AHS - administrative fund	500,000	4,500,000	0	0	5,000,000
Office of Vermont health access - administration	32,311,860	2,330,388	1,018,000	0	35,660,248

FISCAL YEAR 2010 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
Office of Vermont health access - Medicaid program - Global Commitment	0	0	522,020,786	0	522,020,786
Office of Vermont health access - Medicaid program - long-term care waiver	0	0	203,305,257	0	203,305,257
Office of Vermont health access - Medicaid program - state only	0	0	33,024,951	0	33,024,951
Office of Vermont health access - Medicaid non-waiver matched	0	0	46,551,748	0	46,551,748
Health - administration and support	6,222,550	2,812,966	2,892,000	0	11,927,516
Health - public health	35,134,321	7,080,700	32,906,545	0	75,121,566
Health - alcohol and drug abuse programs	3,195,089	1,299,901	26,950,849	0	31,445,839
Mental health - mental health	4,492,095	562,604	129,023,870	0	134,078,569
Mental health - Vermont state hospital	20,480,654	2,752,971	82,335	0	23,315,960
Department for children and families - administration & support services	37,028,517	7,305,795	954,425	0	45,288,737
Department for children and families - family services	22,307,550	3,312,909	66,040,538	0	91,660,997
Department for children and families - child development	3,473,066	545,908	56,106,468	0	60,125,442
Department for children and families - office of child support	8,905,003	4,400,851	0	0	13,305,854
Department for children and families - aid to aged, blind and disabled	1,801,009	0	9,705,780	0	11,506,789
Department for children and families - general assistance	0	0	6,000,928	0	6,000,928
Department for children and families - food stamp cash out	0	0	19,031,133	0	19,031,133
Department for children and families - Reach Up	0	0	47,929,876	0	47,929,876
Department for children and families - home heating fuel assistance/LIHEAP	20,000	90,000	11,502,664	0	11,612,664
Department for children and families - office of economic opportunity	250,236	78,644	8,610,062	0	8,938,942
Department for children and families - OEO - weatherization assistance	174,293	130,499	14,959,936	0	15,264,728
Department for children and families - Woodside rehabilitation center	3,482,661	630,581	0	0	4,113,242
Department for children and families - disability determination services	3,508,357	624,291	0	0	4,132,648
Disabilities, aging, and independent living - administration & support	24,693,635	3,762,989	0	0	28,456,624
Disabilities, aging, and independent living - advocacy and independent living grants	0	0	22,371,437	0	22,371,437
Disabilities, aging, and independent living - blind and visually impaired	0	0	1,486,457	0	1,486,457
Disabilities, aging, and independent living - vocational rehabilitation	0	0	7,302,971	0	7,302,971

FISCAL YEAR 2010 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
Disabilities, aging, and independent living - developmental services	0	0	140,669,369	0	140,669,369
Disabilities, aging, and independent living -TBI home and community based waiver	0	0	4,127,448	0	4,127,448
Corrections - administration	2,348,301	302,104	0	0	2,650,405
Corrections - parole board	320,374	58,121	0	0	378,495
Corrections - correctional education	4,016,553	306,274	0	0	4,322,827
Corrections - correctional services	79,298,255	34,200,620	1,695,800	0	115,194,675
Correctional services - out-of-state beds	12,609,534	0	0	0	12,609,534
Corrections - correctional facilities - recreation	436,744	349,076	0	0	785,820
Corrections - Vermont offender work program	1,154,973	554,103	0	0	1,709,076
Vermont veterans' home - care and support services	14,896,756	3,362,067	0	0	18,258,823
Commission on women	224,632	67,273	0	0	291,905
Retired senior volunteer program	0	0	131,096	0	131,096
<b>Total - Human Services</b>	<b>334,697,099</b>	<b>84,617,224</b>	<b>2,431,147,417</b>	<b>0</b>	<b>2,850,461,740</b>
Labor - administration	4,900,419	577,547	0	0	5,477,966
Labor - programs	21,048,615	4,726,026	7,216,529	0	32,991,170
Labor - domestic and sexual violence survivors' transitional employment program	0	0	30,000	0	30,000
<b>Total - Labor</b>	<b>25,949,034</b>	<b>5,303,573</b>	<b>7,246,529</b>	<b>0</b>	<b>38,499,136</b>
Education - finance and administration	5,498,188	1,651,304	12,084,730	0	19,234,222
Education - education services	13,136,696	1,873,037	113,036,906	0	128,046,639
Education - special education: formula grants	0	0	142,687,975	0	142,687,975
Education - state-placed students	0	0	18,900,000	0	18,900,000
Education - adult education and literacy	0	0	6,463,656	0	6,463,656
Education - adjusted education payment	0	0	1,136,100,000	0	1,136,100,000
Education - transportation	0	0	15,542,809	0	15,542,809
Education - small school grants	0	0	6,977,336	0	6,977,336
Education - capital debt service aid	0	0	188,000	0	188,000
Education - tobacco litigation	131,153	57,584	800,180	0	988,917
Education - essential early education grant	0	0	5,700,000	0	5,700,000
Education - technical education	0	0	12,800,000	0	12,800,000
Education - Act 117 cost containment	1,070,398	121,307	91,000	0	1,282,705
Appropriation and transfer to education fund	0	0	239,303,944	0	239,303,944
State teachers' retirement system	26,629,115	942,527	40,228,002	0	67,799,644
<b>Total - General Education and Property Tax Support</b>	<b>46,465,550</b>	<b>4,645,759</b>	<b>1,750,904,538</b>	<b>0</b>	<b>1,802,015,847</b>
University of Vermont	0	0	40,746,629	0	40,746,629
Vermont Public Television	0	0	564,620	0	564,620
Vermont state colleges	0	0	23,155,213	0	23,155,213
Vermont state colleges - allied health	0	0	1,068,537	0	1,068,537
Vermont interactive television	0	0	785,679	0	785,679

FISCAL YEAR 2010 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
Vermont student assistance corporation	0	0	18,363,607	0	18,363,607
New England higher education compact	0	0	84,000	0	84,000
University of Vermont - Morgan Horse Farm	0	0	1	0	1
<b>Total - Higher Education and Other</b>	<b>0</b>	<b>0</b>	<b>84,768,286</b>	<b>0</b>	<b>84,768,286</b>
Natural resources - agency of natural resources - administration	3,830,378	1,506,066	25,000	0	5,361,444
Connecticut River watershed advisory commission	0	0	38,000	0	38,000
Citizens' advisory committee on Lake Champlain's future	3,600	3,900	0	0	7,500
Natural resources - state land local property tax assessment	0	2,128,733	0	0	2,128,733
Green up	0	7,594	10,550	0	18,144
Fish and wildlife - support and field services	12,437,985	4,482,575	774,333	0	17,694,893
Fish and wildlife - watershed improvement	0	0	125,000	0	125,000
Forests, parks and recreation - administration	1,020,309	555,710	1,858,450	0	3,434,469
Forests, parks and recreation - forestry	4,482,990	579,205	343,000	0	5,405,195
Forests, parks and recreation - state parks	5,381,818	1,989,011	0	0	7,370,829
Forests, parks and recreation - lands administration	443,601	1,209,081	0	0	1,652,682
Forests, parks and recreation - youth conservation corps	0	0	751,666	0	751,666
Forests, parks and recreation - forest highway maintenance	20,000	159,266	0	0	179,266
Environmental conservation - management and support services	4,043,142	806,015	103,913	0	4,953,070
Environmental conservation - air and waste management	7,183,059	6,483,565	1,386,000	0	15,052,624
Environmental conservation - office of water programs	13,507,863	1,964,999	2,165,402	0	17,638,264
Environmental conservation - tax-loss-Connecticut River flood control	0	40,000	0	0	40,000
Natural resources board	2,259,294	347,320	0	0	2,606,614
<b>Total - Natural Resources</b>	<b>54,614,039</b>	<b>22,263,040</b>	<b>7,581,314</b>	<b>0</b>	<b>84,458,393</b>
Commerce and community development - agency of commerce and community development - administration	1,914,002	642,659	1,136,390	0	3,693,051
Housing and community affairs	2,333,275	420,760	16,529,461	0	19,283,496
Historic sites - operations	593,585	338,745	2,850	0	935,180
Historic sites - special improvements	108,200	76,247	0	0	184,447
Community development block grants	0	0	9,428,530	0	9,428,530
Downtown transportation and capital improvement fund	72,978	0	327,022	0	400,000
Economic development	1,530,824	619,677	1,741,434	0	3,891,935
Vermont training program	197,200	22,334	1,483,621	0	1,703,155

FISCAL YEAR 2010 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
Tourism and marketing	1,448,276	2,008,976	171,000	0	3,628,252
Vermont Life	740,669	110,309	0	0	850,978
Vermont council on the arts	0	0	507,607	0	507,607
Vermont symphony orchestra	0	0	113,821	0	113,821
Vermont historical society	0	0	795,669	0	795,669
Vermont housing and conservation board	0	0	19,933,436	0	19,933,436
Vermont humanities council	0	0	172,670	0	172,670
<b>Total - Commerce &amp; Community Development</b>	<b>8,939,009</b>	<b>4,239,707</b>	<b>52,343,511</b>	<b>0</b>	<b>65,522,227</b>
Transportation - finance and administration	10,071,137	2,438,262	0	0	12,509,399
Transportation - aviation	1,448,274	20,033,801	160,000	0	21,642,075
Transportation - buildings	0	1,311,500	0	0	1,311,500
Transportation - program development	36,275,422	203,632,747	25,834,622	0	265,742,791
Transportation - rest areas	100,000	2,850,000	0	0	2,950,000
Transportation - maintenance state system	34,028,928	32,011,361	278,020	0	66,318,309
Transportation - policy and planning	4,099,519	1,169,550	5,024,772	0	10,293,841
Transportation - rail	3,625,048	16,770,876	0	0	20,395,924
Transportation - bridge maintenance	0	34,051,340	0	0	34,051,340
Transportation - public transit	717,809	51,301	25,490,729	0	26,259,839
Transportation - central garage	3,454,724	13,393,351	0	0	16,848,075
Department of motor vehicles	16,913,642	8,116,673	50,000	0	25,080,315
Transportation - town highway structures	0	0	3,833,500	0	3,833,500
Transportation - town highway Vermont local roads	0	0	375,000	0	375,000
Transportation - town highway class 2 roadway	0	0	5,748,750	0	5,748,750
Transportation - town highway bridges	3,570,000	22,499,416	0	0	26,069,416
Transportation - town highway aid program	0	0	24,982,744	0	24,982,744
Transportation - town highway class 1 supplemental grants	0	0	128,750	0	128,750
Transportation - town highway emergency fund	0	0	750,000	0	750,000
Transportation - municipal mitigation grant program	0	0	2,112,998	0	2,112,998
Transportation - public assistance grant program	0	0	200,000	0	200,000
Transportation board	73,502	13,389	0	0	86,891
<b>Total - Transportation</b>	<b>114,378,005</b>	<b>358,343,567</b>	<b>94,969,885</b>	<b>0</b>	<b>567,691,457</b>
Debt service	0	0	0	70,804,150	70,804,150
Short-term borrowing	0	0	0	1,176,792	1,176,792
<b>Total - Debt Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71,980,942</b>	<b>71,980,942</b>

FISCAL YEAR 2010 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
<b>Miscellaneous</b>					
FY10 Next generation appropriation	0	0	3,293,000	0	3,293,000
FY2010 One time general fund appropriations and transfers	0	0	17,380,962	0	17,380,962
REPEAL	-2,180,510	0	0	0	-2,180,510
Appropriation reduction: expenditure reduction	-14,700,000	-16,560	0	0	-14,716,560
Grant Reduction - Agency of Human Services	0	0	-740,000	0	-740,000
<b>Total Miscellaneous Appropriations</b>	<b>-16,880,510</b>	<b>-16,560</b>	<b>19,933,962</b>	<b>0</b>	<b>3,036,892</b>
<b>Function Totals</b>					
General Government	101,128,107	37,464,756	45,742,103	0	184,334,966
Protection To Persons & Property	172,906,339	58,986,616	93,990,308	0	325,883,263
Human Services	334,697,099	84,617,224	2,431,147,417	0	2,850,461,740
Labor	25,949,034	5,303,573	7,246,529	0	38,499,136
General Education & Property Tax Support	46,465,550	4,645,759	1,750,904,538	0	1,802,015,847
Higher Education & Other	0	0	84,768,286	0	84,768,286
Natural Resources	54,614,039	22,263,040	7,581,314	0	84,458,393
Development & Community Affairs	8,939,009	4,239,707	52,343,511	0	65,522,227
Transportation	114,378,005	358,343,567	94,969,885	0	567,691,457
Debt Service	0	0	0	71,980,942	71,980,942
Miscellaneous	-16,880,510	-16,560	19,933,962	0	3,036,892
<b>TOTAL - All Functions FY 2010</b>	<b>842,196,672</b>	<b>575,847,682</b>	<b>4,588,627,853</b>	<b>71,980,942</b>	<b>6,078,653,149</b>
<b>Other Bills</b>					
H.12 - Adjustment to Section B.513 in H.441	0	0	1,500,000	0	1,500,000
H.442 Misc Tax Bill Appropriations	0	0	2,410,000	0	2,410,000
S.13	0	0	1,650,000	0	1,650,000
Pay Plan Adjustment	9,328,488	0	0	0	9,328,488
Rental Network Registration Fee - BISHCA H.441	0	0	0	3,000	3,000
Analyzing Marketing of Prescribed Products, AG Act 59, Sec. 10)	0	0	0	40,000	40,000
MV Franchise Laws - to Transportation Board	0	0	0	50,000	50,000
<b>Total Other Bills</b>	<b>9,328,488</b>	<b>0</b>	<b>5,560,000</b>	<b>93,000</b>	<b>14,981,488</b>
<b>GRAND TOTAL FY 2010</b>	<b>851,525,160</b>	<b>575,847,682</b>	<b>4,594,187,853</b>	<b>72,073,942</b>	<b>6,093,634,637</b>

## Useful Internet Sites

Bureau of Economic Analysis.....[www.bea.doc.gov/beahome.html](http://www.bea.doc.gov/beahome.html)  
Bureau of Labor Statistics.....<http://stats.bls.gov>  
Federal Reserve Bank of Boston.....<http://www.frb.org>  
Federation of Tax Administrators.....[http://sso.org/fta/tax\\_stru.html](http://sso.org/fta/tax_stru.html)  
IRS.....[www.irs.ustreas.gov/prod/cover.html](http://www.irs.ustreas.gov/prod/cover.html)  
National Conference of State Legislatures.....<http://www.ncsl.org>  
Social Security Administration.....<http://www.ssa.gov>  
State & Federal Government Pages.....<http://www.state.vt.us/govs.htm>  
State of Vermont.....<http://www.vermont.gov>  
TaxWeb.....<http://www.taxweb.com>  
Transportation Research Board.....[www.nas.edu/trb/index.html](http://www.nas.edu/trb/index.html)  
U.S. Legislative Information.....<http://thomas.loc.gov>  
U.S. Census Bureau.....<http://www.census.gov>  
U.S. House of Representatives.....<http://www.house.gov>  
U.S. Government Printing Office.....<http://www.access.gpo.gov>  
U.S. Senate.....<http://www.senate.gov>  
Vermont Department of Taxes.....<http://www.state.vt.us/tax>  
Joint Fiscal Office.....<http://www.leg.state.vt.us/jfo>  
Vermont State Legislature.....<http://www.leg.state.vt.us>