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Neale F. Lunderville, Secretary

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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Montpelier, VT - Secretary of Administration Neale F. Lunderville Announces Vermont’s Final¹ Fiscal Year Ending June 30, 2009 Revenue Figures – General, Transportation and Education Fund Above Target for the Year.

General Fund

Secretary of Administration Neale F. Lunderville released the final General Fund revenue results for the month and the Fiscal Year ending June 30, 2009. General Fund revenues exceeded the target for the month as compared to the consensus revenue target, last revised in April 2009. The General Fund revenues of \$100.23 million (+\$3.66 million, +3.79%) for the month of June 2009 were above target against the recently revised forecast of \$96.57 million. For FY 2009 end-of-year, General Fund revenues of \$1,104.01 million (+\$14.47 million, +1.33%) were slightly above the full year target.

“While the General Fund finished above target for fiscal 2009, it is important to remember two key factors that led to this result,” said Secretary Lunderville. “First, the revenue estimate for fiscal 2009 has been downgraded in each forecast since January 2008 because of a progressively worsening economy. That is six consecutive downgrades with the last downgrade coming three months ago in April. Second, the only reason for any excess revenue is a one-time estate tax settlement of nearly \$14 million.”

“Although the carry forward is welcome news – especially in the context of another downgrade for fiscal 2010 – it is in no way indicative of the economic circumstances facing Vermont,” said Lunderville.

Due to fiscal 2009 year-end statutory commitments, only \$7.47 million of this carry forward is estimated to be available for fiscal 2010. A breakdown of those close-out obligations is as follows:

FY 2009 Excess Revenue vs. Target (\$ million):	Amount
Ending Revenue Over Target	\$ 14.47
<u>Use of Contingent Funds:</u>	
Human Services Caseload Reserve	(2.80)
Special Fund Assessment	(3.20)
Transfer to Higher Education Trust Fund	(1.50)
Transfer to UVM, VSC and VSAC for Next Generation Scholarships	(1.50)
Additional Direct Applications (estimate as of 7/23/09)	2.00
FY 2009 Revenue Available for Use in FY 2010	\$ 7.47

¹ Pre-audit results

The June revenue targets are based on the most recent FY 2009 consensus revenue forecast that was agreed to by the Emergency Board on April 24, 2009. The state's consensus revenue forecast for FY 2010, which began July 1, 2009 and ends on June 30, 2010 was revised on July 15, 2009. Normally the consensus revenue forecast is updated two times per year in January and July. However, with the unstable economic situation, the Emergency Board has been scheduling interim revenue reviews. The next consensus forecast is scheduled to be reviewed by the Emergency Board in mid-November, 2009.

Personal Income Tax receipts are the largest single state revenue source, and are reported Net of Personal Income Tax refunds. Net Personal Income Tax Receipts for June of \$52.54 million were slightly above target for the month by +\$0.09 million or +0.18%. For FY2009 end-of-year, the net Personal Income Tax results of \$530.32 million fell short of the \$531.70 million target by -\$1.38 million or -0.26%.

Corporate Tax receipts are also reported net of refunds. Corporate Income Tax revenue results for the month of June were above target by \$3.37 million, pushing the end-of-year results to \$66.17 million or +\$4.97 million and +8.13% above the target established in April.

While receipts for the month in the consumption taxes (Sales & Use Tax and Meals & Rooms Tax) were mixed, end-of-year results fell short of target: Sales & Use Tax, \$214.11 million (-0.04%); Rooms & Meals Tax, \$117.06 million (-0.55%).

Estate Tax is always difficult to project accurately – under target for the first 10 months of the year, Estate Tax closed well above target due to significant receipts in May and June. End-of-year, Estate Tax receipts were \$23.40 million versus the target of \$9.30 million. The remaining year-to-date non-major tax component results for June all fell slightly below target: Insurance Premium, \$53.72 million (-\$0.13 million, -0.23%); Real Property Transfer Tax \$8.48 million (-\$0.25 million, -2.83%); and “Other”, \$90.76 million (-\$2.11 million, -2.27%).

General Fund By Major Element (In Millions)*

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Personal Income	52,448.2	52,542.2	94.0	0.18%	531,700.0	530,318.5	-1,381.5	-0.26%
Sales & Use	16,043.5	16,241.0	197.5	1.23%	214,200.8	214,108.7	-92.1	-0.04%
Corporate	9,395.9	12,762.4	3,366.5	35.83%	61,200.0	66,175.7	4,975.7	8.13%
Meals & Room	8,281.5	8,195.9	-85.5	-1.03%	117,700.0	117,056.5	-643.5	-0.55%
Insurance Premium	1,239.1	1,264.5	25.5	2.05%	53,843.4	53,717.0	-126.4	-0.23%
Inheritance & Estate	696.2	1,280.6	584.4	83.93%	9,300.0	23,396.9	14,096.9	151.58%
Real Property Transfer	638.2	569.3	-68.9	-10.80%	8,722.7	8,476.2	-246.5	-2.83%
Other	7,829.2	7,374.6	-454.6	-5.81%	92,872.3	90,763.0	-2,109.3	-2.27%
Total	96,571.8	100,230.5	3,658.7	3.79%	1,089,539.2	1,104,012.5	14,473.3	1.33%

*Differences due to rounding

Transportation Fund

Secretary Lunderville also released the monthly and 2009 Fiscal Year non-dedicated Transportation Fund revenue results today. Transportation Fund receipts for the month were \$22.59 million, exceeding the current forecast by +\$0.35 million or +1.59%. For FY 2009 end-of-year, the Transportation Fund revenues of \$203.60 million were +\$0.97 million or +0.48% above target.

The results for the individual Transportation Fund revenue components were mixed for the month and year. For the month of June results were: Gasoline Tax, \$5.08 million (-2.45%); Diesel Tax, \$2.42 million (+31.26%); Motor Vehicle Purchase & Use Tax, \$5.25 million (-1.30%); Motor Vehicle Fees, \$7.95 million (+0.75%); and “Other”, \$1.89 million (-4.33%). End-of-year, the Transportation Fund revenue components were: Gasoline Tax, \$60.64 million (+0.40%); Diesel Tax, \$15.50 million (+4.04%); Motor Vehicle

Purchase & Use Tax, \$43.95 million (-0.85%); Motor Vehicle Fees, \$65.51 million (+0.02%); and “Other”, \$18.00 million (+2.81%).

Transportation Fund By Major Element (In Millions)*

Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Gasoline	5,210.7	5,082.9	-127.8	-2.45%	60,400.0	60,638.6	238.6	0.40%
Diesel Fuel	1,843.3	2,419.6	576.3	31.26%	14,900.0	15,502.1	602.1	4.04%
MV Purchase & Use	5,324.0	5,254.7	-69.3	-1.30%	44,333.3	43,954.8	-378.6	-0.86%
Motor Vehicle Fees	7,889.5	7,948.5	59.0	0.75%	65,500.0	65,513.0	12.9	0.02%
Other	1,975.3	1,889.7	-85.6	-4.33%	17,500.0	17,991.4	491.4	2.81%
Total	22,242.8	22,595.5	352.7	1.59%	202,633.3	203,599.8	966.4	0.48%

*Differences due to rounding

Education Fund

“Non-Property Tax” Education Fund revenues constitute approximately 11.4% of the total Education Fund receipts. Non-Property Tax Education Fund revenue receipts for the final month and Fiscal Year FY 2009 of \$14.57 million were released by Secretary Lunderville today; these receipts are +\$1.37 million (+10.36%) above the monthly target for June of \$13.20 million. End-of-year, non-Property Tax Education Fund revenues were \$150.24 million or +\$0.97 million (+0.65%) above target.

The results for the components of the non-Property Tax Education revenue for June: Sales & Use Tax, \$8.12 million (+1.23%); Motor Vehicle Purchase & Use, \$2.63 million (-1.32%); Lottery Transfer, \$3.81 million (+57.19%); and Investment Income, \$0.006 (-93.34%). End-of-year results were: Sales & Use Tax, \$107.05 million (-0.04%); Motor Vehicle Purchase & Use, \$21.98 million (-0.85%); Lottery Transfer, \$20.95 million (+6.89%); and Investment Income, \$0.26 million (-36.10%).

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				FY 2009 YTD			
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change
Sales & Use	8,021.7	8,120.6	98.8	1.23%	107,099.2	107,052.8	-46.4	-0.04%
MV Purchase & Use	2,662.0	2,626.8	-35.2	-1.32%	22,166.7	21,977.4	-189.3	-0.85%
Lottery Transfer	2,426.9	3,814.8	1,388.0	57.19%	19,600.0	20,949.5	1,349.5	6.89%
Investment Income	89.7	6.0	-83.7	-93.34%	400.0	255.6	-144.4	-36.10%
Total	13,200.3	14,568.2	1,367.9	10.36%	149,265.8	150,235.3	969.4	0.65%

*Differences due to rounding

Conclusion

Secretary Lunderville concluded by saying that, “The recent fiscal 2010 revenue estimate was sobering. There is still no clear indication that Vermont has reached the bottom of this recession. The economists remain guarded and reminded the Emergency Board that they still believe that the risk is on the down side. Vermont’s recovery will be slow and we must take decisive action now to stabilize the state budget for years to come.”

Attachments: Detailed schedules of revenue results comparing the current fiscal year-to-date period with the same period from the last fiscal year follow:

**Comparative Statement of Revenues
General Fund
As of June 30, 2009**

General Fund Schedule 2 June

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Taxes			
Personal Income	622,331,699	530,318,539	-14.79%
Sales & Use	225,600,412	214,108,741	-5.09%
Corporate	74,619,511	66,175,694	-11.32%
Meals & Room	121,099,755	117,056,476	-3.34%
Liquor & Wine	14,191,807	15,043,711	6.00%
Insurance Premium	54,848,180	53,716,951	-2.06%
Telephone Gross Receipts	369,821	169,612	-54.14%
Telephone Property	9,131,531	8,969,044	-1.78%
Beverage	5,620,162	5,638,478	0.33%
Electric Generating	2,719,186	2,828,139	4.01%
Inheritance & Estate	15,688,288	23,396,871	49.14%
Real Property Transfer	10,745,671	8,476,192	-21.12%
Bank Franchise	10,162,956	20,583,338	102.53%
All Other Taxes	3,169,647	2,767,419	-12.69%
Total Taxes	<u>1,170,298,624</u>	<u>1,069,249,205</u>	<u>-8.63%</u>
Other Revenues			
Business Licenses	2,735,343	2,991,131	9.35%
Fees	14,721,589	19,058,394	29.46%
Services	1,737,372	1,546,292	-11.00%
Fines, Forfeits & Penalties	4,405,405	9,780,865	122.02%
Interest, Prem	5,250,111	1,166,738	-77.78%
Special Assessments	0	(51)	100.00%
All Other Revenues	623,016	219,966	-64.69%
Total Other Revenues	<u>29,472,835</u>	<u>34,763,334</u>	<u>17.95%</u>
Total General Fund	<u>1,199,771,460</u>	<u>1,104,012,539</u>	<u>-7.98%</u>

Prepared by Department of Finance & Management

Date: July 21, 2009

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**Comparative Statement of Revenues
Transportation Fund
As of June 30, 2009**

TF Detail Schedule 2 June

	Total to Date	Total to Date	
	Last Year	This Year	% of Change
Non-Dedicated			
Taxes			
Gasoline	62,589,140	60,638,612	-3.12%
Diesel Fuel	16,588,482	15,502,084	-6.55%
MV Purchase & Use	52,692,458	43,954,760	-16.58%
Total Taxes	131,870,080	120,095,456	-8.93%
Other Revenues			
Motor Vehicle Fees	67,541,443	65,512,950	-3.00%
Other	23,667,341	17,991,364	-23.98%
Total Other Revenues	91,208,784	83,504,314	-8.45%
Total Non-Dedicated	223,078,864	203,599,770	-8.73%
Dedicated			
Federal Aid	176,254,008	178,249,216	1.13%
Other	3,653,821	2,143,971	-41.32%
Total Dedicated	179,907,829	180,393,186	0.27%
Total Transportation Fund	402,986,693	383,992,956	-4.71%

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Date: July 21, 2009

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**State of Vermont
Comparative Statement of Revenues
Education Fund
As of June 30, 2009**

Education Fund Schedule 2 June

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use	112,798,514	107,052,765	-5.09%
Purchase & Use	26,346,229	21,977,380	-16.58%
Lottery Transfer	22,706,438	20,949,541	-7.74%
Investment Income	(1,305,755)	255,595	119.57%
Total estimated revenues	<u>160,545,426</u>	<u>150,235,281</u>	<u>-6.42%</u>
Other Revenues:			
Education Property Taxes	798,904,652	876,813,477	9.75%
Electric Energy Educ Prop Tax	1,945,534	2,027,286	4.20%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>800,850,186</u>	<u>878,840,763</u>	<u>9.74%</u>
Total Education Fund	<u><u>961,395,612</u></u>	<u><u>1,029,076,044</u></u>	<u><u>7.04%</u></u>

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