FY 2022
State Budget Overview

Susanne Young, Secretary of Administration
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Governor Scott’s Vision

- **Strengthen the economy**
  Vermont’s economy grows faster than the cost-of-living

- **Make Vermont more affordable**
  Vermont is *measurably* more affordable for families and businesses

- **Protect the vulnerable**
  We are meeting our commitment to the most vulnerable

- **Modernize state government**
  State government leverages technology and optimizes existing employee resources.
Key Indicators

How the Scott Administration will Measure Progress

- Growing the Economy
  - Size of the workforce--as a percent of the population (statewide and by county)
  - Employer growth rate--total size and by employee count
  - Wage growth--by region

- Making Vermont More Affordable
  - Average percent of household income spent on healthcare, housing (includes utility and heating costs, etc.), and taxes & fees
Key Indicators

How the Scott Administration will Measure Progress

- **Protecting the Vulnerable**
  - Percent of the population living below 200% of the Federal Poverty Level (FPL)
  - Rate of homelessness/housing stability
  - Kindergarten readiness
  - Percent of the population with access to comprehensive healthcare

- **Modernizing State Government**
  - Percent of workforce trained in continuous improvement
  - Number of successful continuous improvement projects
  - Number of online transactions
General Fund Pressures

- **Known Liabilities**
  - Pension and Debt Service Costs
  - State Employee Contractual Obligations
  - Education Financing
  - Maintaining Statutory Reserves

- **Other Pressures**
  - Medicaid and other safety net programs
  - Revenue Impact of COVID-19 Public Health Emergency
  - Clean Water and Other Environmental Costs
  - Infrastructure Maintenance
  - Technology and Cybersecurity
COVID-19 Challenges

- Since March 2020, the State of Vermont has been in an extended state of emergency due to the COVID-19 public health emergency.
- Unemployment in the state reached a peak of more than 16% in April 2020, and has declined to around 4% in September 2020.
- The State has implemented many grant and assistance programs for residents and businesses.
- The near term impact on the State’s economy and population is uncertain.
Demographic Challenges

- Vermont has a shrinking workforce, exacerbated by COVID-19
- A strong economy is key to creating greater opportunity for all Vermonters. By restoring Vermont’s economic and fiscal fundamentals, we can work toward ensuring vibrant communities and a thriving economy in all 251 Vermont towns.

Data from: http://www.vtlmi.info/laus.cfm
Governor’s Budget Instructions

- Agencies and Departments were asked to submit budget proposals that:
  - Work within existing financial resources;
  - Make choices to promote the Governor’s strategic priorities of economic growth, affordability, and helping our most vulnerable Vermonters; and
  - Target outcomes to ensure we are investing public money wisely and equitably.

- The Administration is working to prepare the following for presentation in January 2021:
  - FY 2021 Budget Adjustment
  - FY 2022 Budget
  - FY 2021 and FY 2022 revenue forecast updates
FY 2021 Budget

All Funds – Total: $7.225 Billion

- General Fund, $1,669,497,660, 23%
- Transportation Fund, $288,194,570, 4%
- Special Funds, $337,290,677, 5%
- Education Fund, $1,800,256,714, 25%
- Federal Funds (excluding CRF), $2,145,141,387, 30%
- Coronavirus Relief Fund, $889,628,804, 12%
- All Other, $95,260,113, 1%
FY 2021 General Fund Appropriations
By Government Function – Total: $1.67 Billion

- Medicaid, $606,017,295
- Education, $165,324,647
- Human Services - Not Medicaid or Corrections, $227,385,677
- Corrections, $152,960,000
- Protection, $152,022,889
- General Government, $48,095,855
- Property Tax Assistance, $46,895,000
- Natural Resources, $31,157,460
- Debt Service, $75,828,995
- Higher Education, $93,152,209
- One-Times & Other Appropriations, $70,657,633
Public Process

- Public Comments can be submitted through the Finance & Management Website:
  Public Comment Page

- People can provide feedback on priorities by completing the following survey:
  Link to Survey