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**FY 2013  
Executive Budget  
Recommendations  
January 12, 2012**

# I AM VERMONT STRONG

**Peter Shumlin  
Governor  
of Vermont**



bottom photos: Vermont Agency of Transportation





January 12, 2012

Dear Members of the General Assembly  
and Fellow Vermonters:

In the year since I presented my first budget proposal for Vermont, our State has been battered by a blizzard, flooding and the worst tropical storm in our history. During Tropical Storm Irene, we lost 500 miles of state roads, suffered damage to 200 bridges, faced power outages to 70,000 homes and businesses, lost well over 1,000 homes to flood waters, and saw thriving communities isolated. I am proud to say our roads and bridges are open, access to all communities is restored, and we are working with our federal partners to ensure all Vermonters impacted by Irene have a place to call home.

One year ago, Vermont and the nation were just beginning to pull out of the worst recession since the Great Depression. My focus in that first year was on building and keeping good jobs in Vermont, and I am proud to say that with your help our unemployment rate has fallen significantly since its peak and our employers are putting Vermonters back to work.

This budget reflects the focus and hard work that my Administration – and each of you – devoted to this State in the past year. It also reflects the focus and hard work that I anticipate for 2012. The budget is balanced, does not require broad-based tax increases, and moves Vermont forward in a way that leaves our State better than Irene found us. The budget is designed to ensure our roads and bridges are not only repaired, but ready

to withstand future storms. It will support the recovery and growth of small businesses, and provide the tools to strengthen the creative, tourism, manufacturing and recreational economies. This budget will improve mental health services for Vermonters across the State, continue our push to control escalating health care costs now and into the future, and much more.

My budget is sustainable and built on economic reality. It places Irene recovery as the top priority. It supports my priorities in health care and ensuring Vermonters have access to high speed internet and mobile services. It preserves safety nets for our most vulnerable citizens and strengthens education for ourselves and our children. It makes strategic investments to expand our economy and jobs. It focuses on our environment, working landscape, and quality of life. It ensures Vermont will continue to be recognized nationally and by rating agencies for prudent and disciplined financial management.

I am proud of the historic progress we made together in 2011, and look forward to working with you in 2012 to continue getting tough, but important, things done. Tropical Storm Irene changed everything, offering Vermont an opportunity to rebuild a better, stronger, healthier Vermont. The future is strong, Vermont Strong.

Sincerely,

A handwritten signature in dark ink, consisting of a stylized 'P' followed by a long horizontal line.

Peter Shumlin  
Governor



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## TROPICAL STORM IRENE RECOVERY OVERVIEW

On August 28, 2011 Vermont citizens, communities and State government operations were devastated by Tropical Storm Irene which inflicted damage unlike anything ever experienced in Vermont. Transportation infrastructure, including State and local roads and bridges, was rendered impassable or literally washed away. Communities and towns were cut off from the outside; citizens across the State were evacuated from their homes, many of which were damaged beyond repair; farmers lost entire fields of harvest-ready crops and watched helplessly as livestock were swept away. State government itself experienced the loss of the Waterbury Office Complex, including the Vermont State Hospital.

Vermont and Vermonters responded while the flood waters were still rising. Rescue and recovery efforts were directed by the Vermont Emergency Management office with local police departments, sheriffs, first responders statewide and Agency of Transportation staff and crews providing around the clock service. The Vermont National Guard provided emergency road and bridge repairs as well as delivering food, water and supplies to isolated towns and communities. As a member of the Emergency Management Assistance Compact (EMAC), Vermont received assistance from other states' National Guard units, as well as the loan of vehicles and heavy equipment. Cadres of Vermonters volunteered in the aftermath to muck out basements, remove damaged goods from flooded homes and businesses, recover items from the rubble and many Vermonters donated money to help their fellow citizens. Ultimately and despite this massive rescue and recovery effort, Vermont lost and mourned eight citizens who died as a result of Irene.

The disaster declaration qualified the State, our communities and citizens for federal assistance from the Federal Highway Administration (FHWA), the Federal Emergency Management Agency (FEMA), and the National Resources Conservation Service (NRCS). In addition, the State's insurance coverage was activated by the devastation to and subsequent closure of the State Waterbury Office Complex. New office space needed to be secured while computers, office furniture, and supplies had to be replaced. Roughly 1,500 State employees and the patients from the Vermont State Hospital, previously located in the Waterbury Complex, needed to be relocated. Tracking repair and replacement costs and estimates became a priority for the fiscal staff in the Agency of Administration and agencies and departments which incurred damages from Irene. Cost estimates were segregated into categories with different qualifying criteria, federal matching rates and coverage.

Governor Shumlin appointed an Irene Recovery Officer on September 8, 2011, to "spearhead efforts to assist families and businesses, restore communities, and rebuild infrastructure damaged by Tropical Storm Irene's record flooding and high winds." The progress made in the four months after Irene is remarkable, but the recovery effort is ongoing. On January 6, 2012, Irene Recovery Officer Neale Lunderville and Deputy Secretary of Transportation Sue Minter joined Governor Shumlin in the release of the *Irene Recovery Report*, a comprehensive 120-day "baseline of our Irene efforts to date and a blueprint for on-going recovery actions, policy considerations and opportunities to rebuild Vermont Strong."

Electronic versions of the "Best" and "Worst" case scenarios and the full *Irene Recovery Report* are available at:

<http://finance.vermont.gov/news/irene>

### Tropical Storm Irene Costs by Category - Best Case Scenario

Category	Funding Source	Current Estimate	Insurance Policy	Federal Share	State Share & Fund Source	Local Share	Notes and Impact
					TF		
State and Town Federal-Aid roads and bridges - Permanent	FHWA - Emergency Relief (ER)	70,000,000		56,000,000	12,700,000	1,300,000	AOT and towns will provide 20% non-federal match for permanent work to restore impacted roads and bridges. The impact on the State's transportation infrastructure will be minimal -- allowing most projects to be built as planned.
State and Town Federal-Aid roads and bridges - Emergency	FHWA - Emergency Relief	105,000,000		105,000,000		-	We assume all emergency work is 100% federal ER.
AOT costs ineligible for FHWA reimbursement	State	5,000,000		-	5,000,000	-	Includes expenses assumed ineligible for ER by FHWA; FHWA has indicated approval of an administrative cost allocation plan.
State rail damage ineligible for FHWA reimbursement	FEMA - Public Assistance	21,537,500		19,383,750	2,153,750	-	AOT cost estimates to design and construct Irene damage to rail system.
<b>Sub-Total</b>		<b>\$201,537,500</b>	<b>\$0</b>	<b>\$180,383,750</b>	<b>19,853,750</b>	<b>\$1,300,000</b>	
					GF		
Non-Federal Aid Highway System work: Personnel, equipment, and commodities via Emergency Management Assistance Compact (EMAC).	FEMA	4,636,495		4,172,846	463,650		Includes costs associated with supporting the State Emergency Operation Plan. FEMA eligible.
					GF		
Federal Aid Highway System work: National Guard personnel, equipment, and commodities via EMAC.	State	2,597,615		-	2,597,615	-	Assumes National Guard assistance work is not FEMA or FHWA eligible. Any work completed on Federal-Aid highways are not eligible for either funding source.
					TF		
Federal Aid work: Personnel, equipment, and commodities via EMAC, including assistance from other State DOTs.	FHWA - Emergency Relief	7,119,542		7,119,542	-	-	FHWA determines costs are 100% ER Federal-Aid eligible. Assumes work is not FEMA eligible due to costs associated with ER Federal-Aid highway work.
<b>Sub-Total</b>		<b>\$14,353,652</b>	<b>\$0</b>	<b>\$11,292,388</b>	<b>\$3,061,265</b>	<b>\$0</b>	
					GF/TF		
Natural Resources Conservation Service (NRCS) Emergency Watershed Program (EWP) to assist towns in need of stream bank stabilization, and debris and sediment removal along rivers and streams.	NRCS	5,000,000		4,500,000	-	\$500,000	For river work not eligible under FEMA Public Assistance. Includes both exigent and non-exigent projects.
<b>Sub-Total</b>		<b>\$5,000,000</b>	<b>\$0</b>	<b>\$4,500,000</b>	<b>\$0</b>	<b>\$500,000</b>	
					CAP		
Upgrades to Waterbury Complex and State Hospital	State	50,000,000			50,000,000	-	We assume all State funds to provide an upgraded facility for approximately 1,500 state employees and Vermont State Hospital.
<b>Sub-Total</b>		<b>\$50,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,000,000</b>	<b>\$0</b>	

## Tropical Storm Irene Costs by Category - Best Case Scenario

Category	Funding Source	Current Estimate	Insurance Policy	Federal Share	State Share & Fund Source	Local Share	Notes and Impact
					GF		
Town roads, bridges, public facilities	FEMA - Public Assistance	150,000,000		135,000,000	7,500,000	7,500,000	FEMA assistance to town roads and public facilities not on the Federal-Aid system.
VT National Guard Military Costs: Supplies, contracts, payroll and services	FEMA - Public Assistance	1,569,951		1,412,956	156,995	-	Assumes FEMA will reimburse for VT National Guard emergency relief efforts.
Stabilizing Waterbury Complex	Insurance Policy and FEMA	20,000,000	19,750,000		250,000	-	\$250,000 deductible, FEMA will not assist, all State funds.
Other State real and personal property, rebuild, relocation and business interruption	Insurance Policy and State	30,000,000	30,000,000	-	-	-	We assume insurance will reimburse and/or FEMA will reimburse.
Individual Assistance (Housing)	FEMA - Individual Assistance	19,840,315		19,840,315	-	-	No state funds required.
Individual Assistance (Other Needs)	FEMA - Individual Assistance	1,555,165		1,166,374	388,791	-	State match required, using current 25%.
State impacts with FEMA assistance	State	4,577,472		4,119,725	457,747	-	Includes commodities requested by VEM; Forest & Parks roads, bridges and culverts; Fish and Wildlife boat access and Wildlife Management Areas; Historic site damage to roads. This estimate continues to change as we collect all cost across State government.
State impacts without FEMA assistance	State	4,020,000		-	4,020,000	-	FEMA has determined Petroleum Clean-Up expenditures are not eligible for the spring floods, ANR assumes this will be the case for Irene. CCTA to provide transportation service for employees displaced at Waterbury Complex. Community Action Program assistance for Irene survivors; VEDA, Statewide Audit and other costs. This estimate continues to change as we collect all costs across State government.
<b>Sub-Total</b>		<b>231,562,904</b>	<b>\$49,750,000</b>	<b>\$161,539,369</b>	<b>12,773,534</b>	<b>\$7,500,000</b>	
					EF		
Education Tax Abatement Assistance	State	4,000,000		-	4,000,000	-	The State estimates up to \$4M to assist municipalities that need help with extraordinary abatement bills.
<b>Sub-Total</b>		<b>\$4,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$0</b>	
<b>GRAND TOTAL</b>		<b>\$ 506,454,056</b>	<b>\$ 49,750,000</b>	<b>\$ 357,715,507</b>	<b>\$ 89,688,548</b>	<b>\$ 9,300,000</b>	

State Share by Fund:	
GF - General Fund	\$ 15,834,798
TF - Transportation Fund	\$ 19,853,750
EF - Education Fund	\$ 4,000,000
CAP - Capital Funds	\$ 50,000,000
<b>Total</b>	<b>\$ 89,688,548</b>

Note: Best case assumes \$175 million damage to Federal-Aid Highway System (the low end of the range). State meets threshold for FEMA reimbursement rate of 90%. FHWA waiver of \$100M cap and 180 day extension.

Update as of: 1/6/2012

## Fifth Annual Budget Gap Closed Recession Eases as Revenue Grows

Although the General Fund (GF) budget gap of \$51 million addressed in the FY 2013 Governor's Recommended Budget was less than the gap previously estimated (October 2011) - FY 2013 is the fifth consecutive fiscal year requiring the resolution of a GF budget gap.

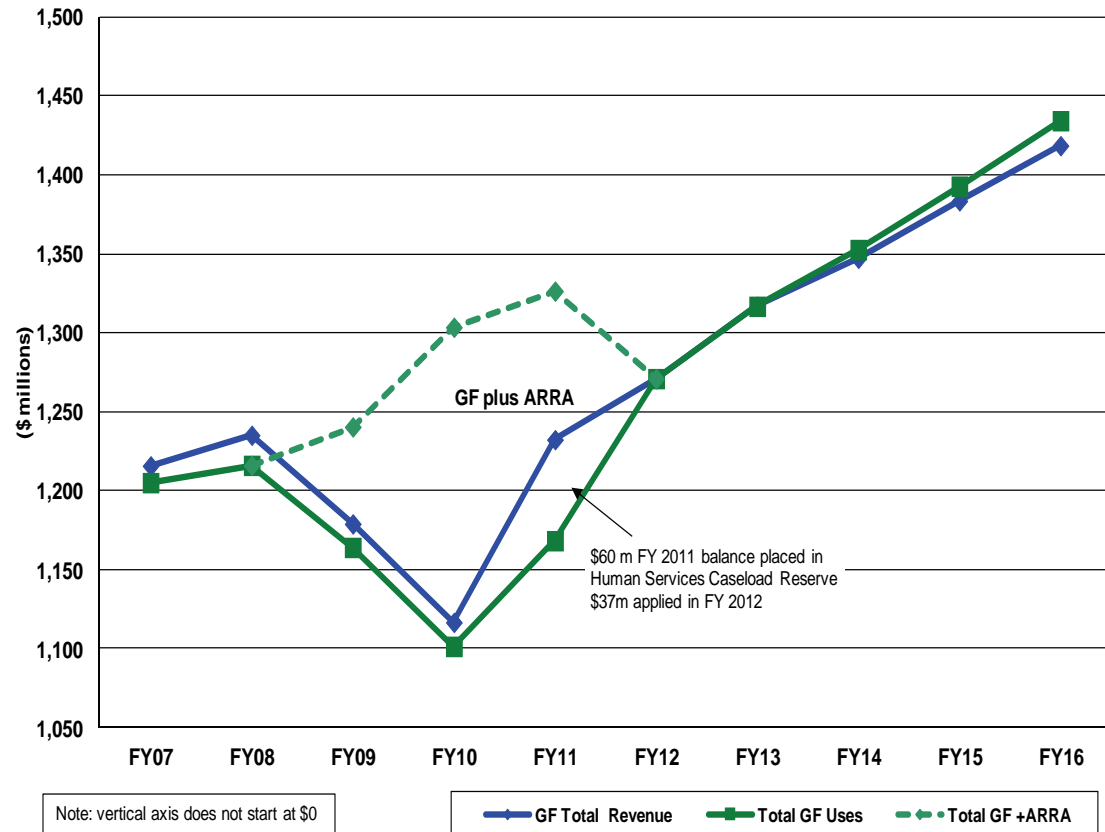
The federal stimulus program (American Recovery & Reinvestment Act or ARRA), which was used to cover the base GF operating budget gaps for fiscal years 2009, 2010 and 2011, has essentially ended - requiring the State to close the projected FY 2013 GF budget gap.

The Governor's FY 2013 Budget Recommendations have closed this gap responsibly, presenting the General Assembly with a balanced budget that maintains services, continues advancement in important programs for the future and deals with the added challenge of recovering from the devastating damages caused by Tropical Storm Irene.

While the analysis shows small GF gaps for FY 2014 through FY 2016, the Consensus Revenue Forecast due to be revised and adopted by the Vermont Emergency Board at its January 18, 2012 meeting will likely at least partially close or eliminate the gap for the out years.

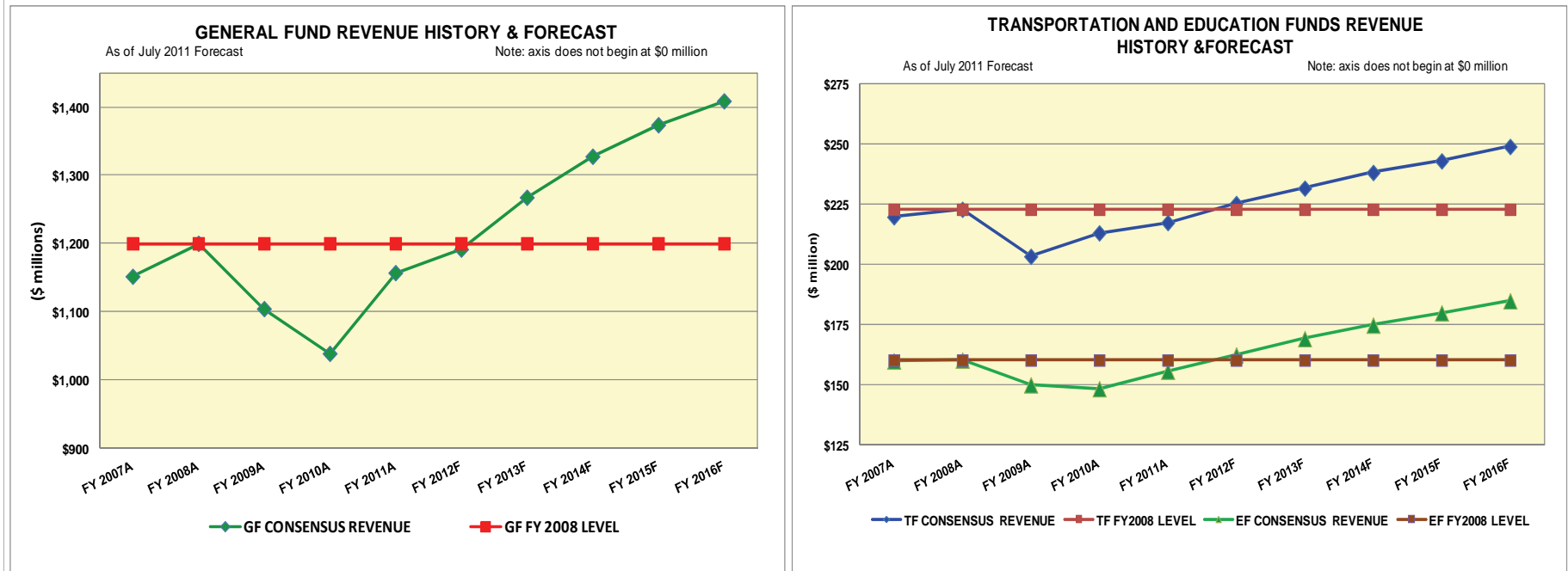
### General Fund Budget Analysis

Based on FY 2013 Governor's Budget Recommendations  
FY 2014 - 2016 assumes 3% spending growth



## CONSENSUS REVENUE HISTORY AND FORECAST

### General Fund Revenue Forecast Recovers to Pre-Recession Levels



On July 22, 2011 the Vermont Emergency Board adopted revised General (GF), Transportation (TF) and Education (EF) Funds Consensus Revenue Forecasts for the remainder of FY 2012 and for FY 2013. The General Fund for FY 2012 was projected to be within 1% of meeting the FY 2008 pre-recession level, while FY 2013 was projected to exceed FY 2008 by 5.6%. The Transportation Fund and Education Fund forecasts for the remainder of FY 2012 were projected to exceed the FY 2008 levels by just over 1% each, with FY 2013 projected to grow by 2.8% and 4.2% respectively.

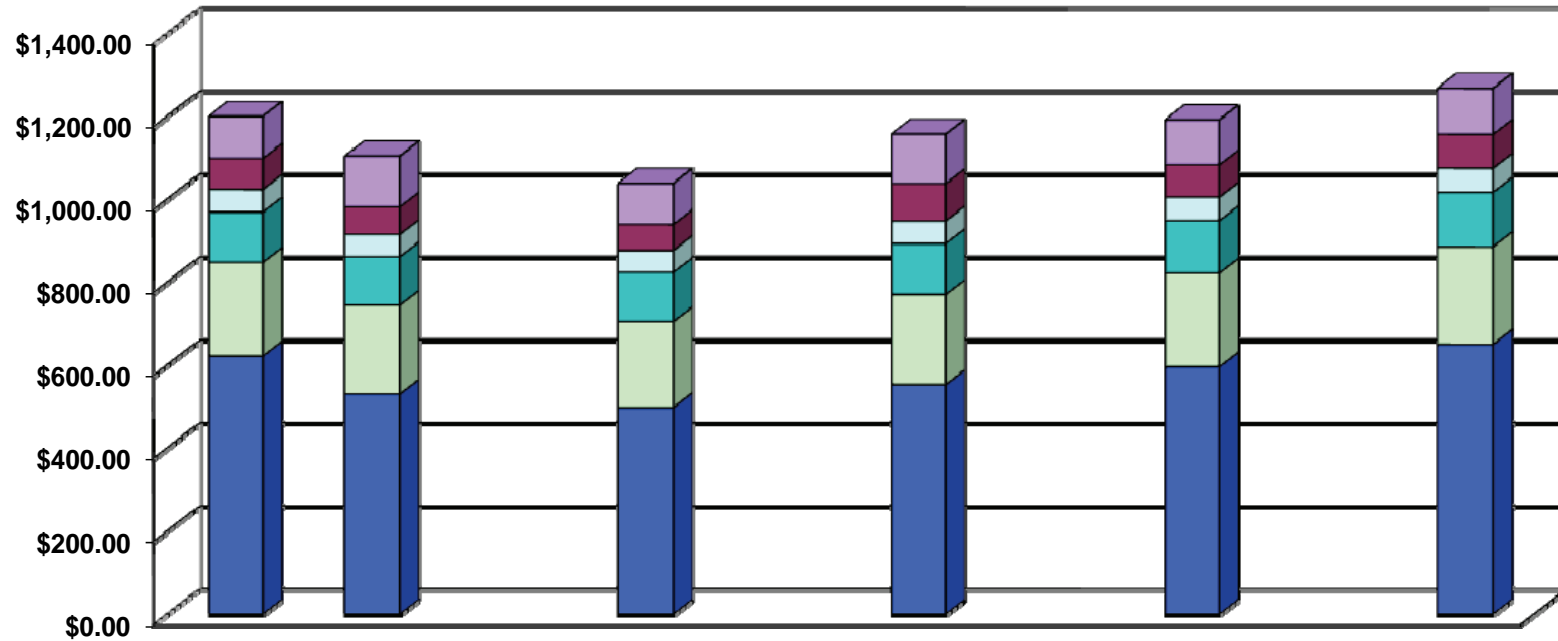
It has taken four fiscal years to see revenue levels return to the pre-recession high points. However, these revenue increases have not yet been enough to close the FY 2013 General Fund budget gap.

This year, the Governor's FY 2012 Budget Adjustment and FY 2013 Budget Recommendations have been submitted in advance of the January 18, 2012 Emergency Board meeting. This means that the Consensus Revenue Forecasts used herein are those presented to and adopted by the Board at the July 22, 2011 meeting.

The Charts above show the Forecast history. Charts detailing the Consensus Revenue for General, Transportation and Education Funds by components are on the following pages.

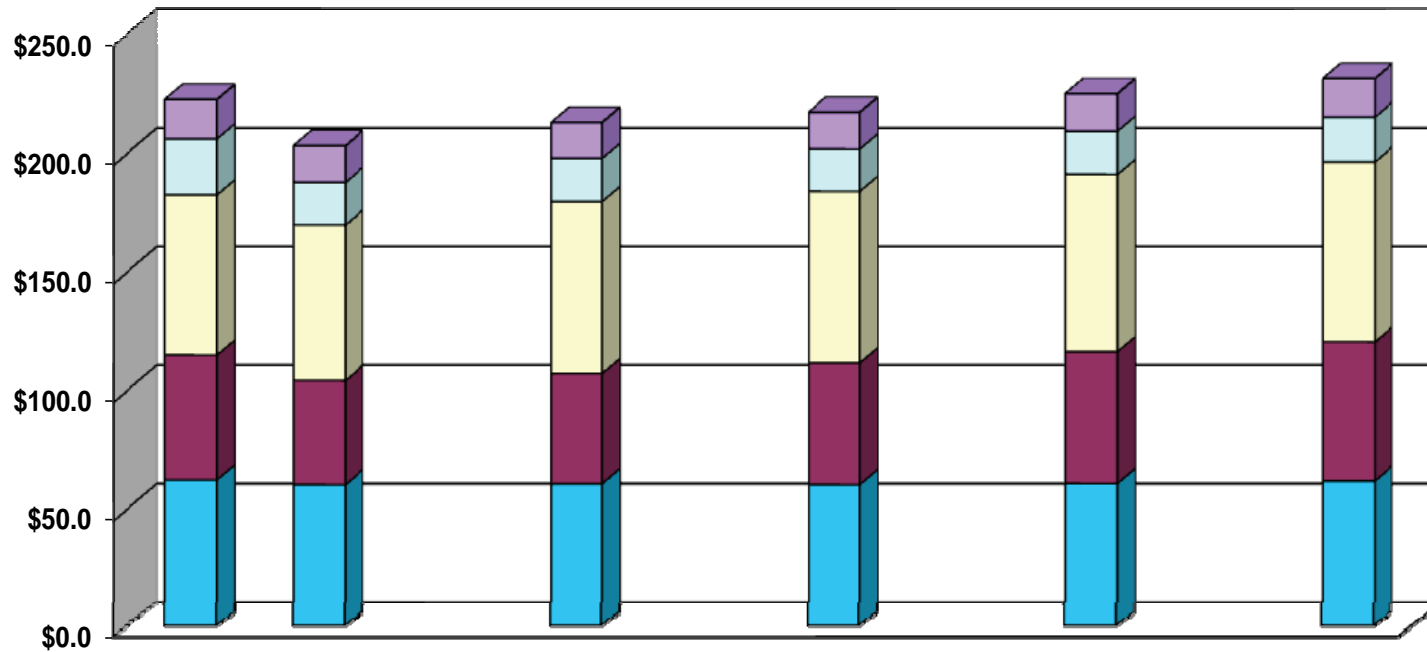


## General Fund Revenue by Component FY 2008 to FY 2013



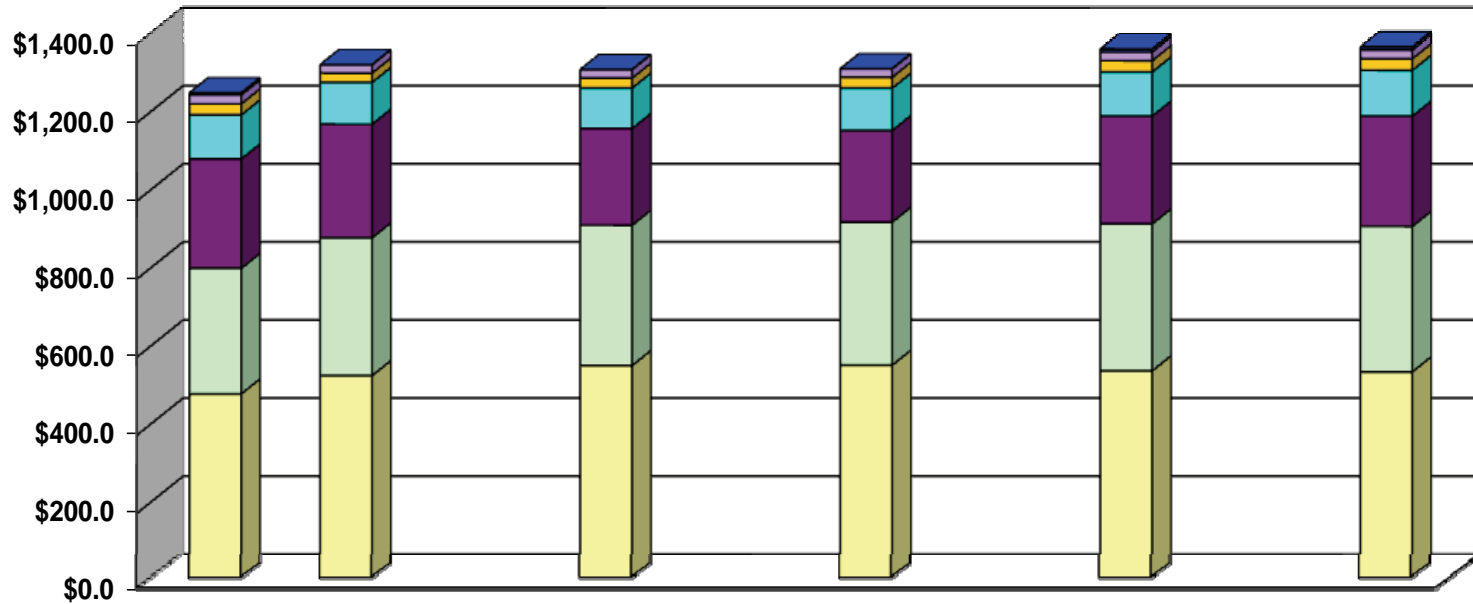
(\$ in Millions)	FY 2008 Actual	FY 2009 Actual	% Change 2009-2008	FY 2010 Actual	% Change 2010 - 2009	FY 2011 Actual	% Change 2011 - 2010	FY 2012 Projected	% Change 2012-2011	FY 2013 Projected	% Change 2013 - 2012
Other	101.2	122.6	21.1%	98.8	-19.4%	119.1	20.5%	108.2	-9.2%	110.8	2.4%
Corporate	74.6	66.2	-11.3%	62.8	-5.1%	89.7	42.8%	77.9	-13.1%	81.7	4.9%
Insurance	54.9	53.7	-2.1%	53.3	-0.8%	55.0	3.2%	56.5	2.7%	57.8	2.3%
Meals and Rooms	121.1	117.1	-3.3%	118.0	0.8%	122.6	3.9%	126.9	3.5%	131.5	3.6%
Sales and Use Taxes	225.6	214.1	-5.1%	207.4	-3.1%	217.1	4.7%	225.7	4.0%	235.2	4.2%
Personal Income Tax	622.3	530.3	-14.8%	498.0	-6.1%	553.3	11.1%	596.0	7.7%	650.2	9.1%
<b>Total</b>	<b>1,199.7</b>	<b>1,104.0</b>	<b>-8.0%</b>	<b>1,038.3</b>	<b>-5.9%</b>	<b>1,156.7</b>	<b>11.4%</b>	<b>1,191.2</b>	<b>3.0%</b>	<b>1,267.2</b>	<b>6.4%</b>

## Transportation Fund Revenue by Component FY 2008 to FY 2013



(\$ in Millions)	FY 2008 Actual	FY 2009 Actual	% Change 2009-2008	FY 2010 Actual	% Change 2009 - 2010	FY 2011 Actual	% Change 2010 - 2011	FY 2012 Projected	% Change 2011-2012	FY 2013 Projected	% Change 2012 - 2013
Diesel Fuel Tax	\$ 16.6	\$ 15.5	-6.6%	\$ 15.1	-2.6%	\$ 15.4	2.0%	\$ 15.8	2.6%	\$ 16.3	3.2%
Other Revenues	\$ 23.7	\$ 18.0	-24.0%	\$ 18.2	1.1%	\$ 17.9	-1.6%	\$ 18.3	2.2%	\$ 18.9	3.3%
Motor Vehicle Fees	\$ 67.5	\$ 65.5	-3.0%	\$ 72.5	10.7%	\$ 72.3	-0.3%	\$ 74.7	3.3%	\$ 75.9	1.6%
Purchase & Use Tax	\$ 52.7	\$ 44.0	-16.5%	\$ 46.5	5.7%	\$ 51.4	10.5%	\$ 55.6	8.2%	\$ 58.6	5.4%
Gasoline Tax	\$ 62.6	\$ 60.6	-3.2%	\$ 61.0	0.7%	\$ 60.6	-0.7%	\$ 61.1	0.8%	\$ 62.2	1.8%
Total	\$ 223.1	\$ 203.6	-8.7%	\$ 213.3	4.8%	\$ 217.6	2.0%	\$ 225.5	3.6%	\$ 231.9	2.8%

## Education Fund Revenue by Component FY 2008 to FY 2013



(\$ in Millions)	FY 2008 Actual	FY 2009 Actual	% Change 2009-2008	FY 2010 Actual	% Change 2009 - 2010	FY 2011 Actual	% Change 2010 - 2011	FY 2012 Projected	% Change 2011-2012	FY 2013 Projected	% Change 2012 - 2013
Other	\$ 5.2	\$ 0.3	-95.0%	\$ 0.1	-61.5%	\$ 0.1	0.0%	\$ 7.6	7500.0%	\$ 7.6	0.0%
Lottery Revenue	\$ 22.7	\$ 21.0	-7.7%	\$ 21.6	3.0%	\$ 21.4	-0.8%	\$ 21.9	2.3%	\$ 22.4	2.3%
Current Law Revenue	\$ 28.3	\$ 24.0	-15.2%	\$ 25.3	5.4%	\$ 27.8	9.9%	\$ 28.9	4.0%	\$ 29.4	1.7%
Sales & Use Tax	\$ 112.8	\$ 107.1	-5.1%	\$ 103.7	-3.1%	\$ 108.5	4.6%	\$ 112.9	4.1%	\$ 117.6	4.2%
General Fund Approp.	\$ 280.2	\$ 291.1	3.9%	\$ 247.7	-14.9%	\$ 234.7	-5.2%	\$ 276.2	17.7%	\$ 282.3	2.2%
Homestead Tax	\$ 321.4	\$ 352.7	9.7%	\$ 359.3	1.9%	\$ 366.2	1.9%	\$ 376.2	2.7%	\$ 372.4	-1.0%
Non-Residential Tax	\$ 477.5	\$ 524.1	9.8%	\$ 550.1	5.0%	\$ 551.0	0.2%	\$ 536.6	-2.6%	\$ 533.9	-0.5%
<b>Total</b>	<b>\$ 1,248.1</b>	<b>\$ 1,320.2</b>	<b>5.8%</b>	<b>\$ 1,307.7</b>	<b>-0.9%</b>	<b>\$ 1,309.8</b>	<b>0.2%</b>	<b>\$ 1,360.3</b>	<b>3.9%</b>	<b>\$ 1,365.6</b>	<b>0.4%</b>

# **FY 2013 BUDGET RECOMMENDATIONS**



## FY 2013 General Fund Budget - Deficit Mitigation

Category (\$ millions)	Revenue	Appropriations & Net Transfers	(Shortfall)/ Surplus
<b>Projected Revenue</b>			
Current Law Revenue (July 2011 - Emergency Board)	\$ 1,267.20		
Direct Applications & Reversions, and Other Revenue	39.65		
VEDA write-off (estimated)	(0.12)		
<b>Total Available Revenue FY 2013</b>	<b>1,306.73</b>		
<b>Upward Pressures</b>			
<b>Base Appropriations + Fund Transfers</b>		<b>1,237.60</b>	
<b>Base Pressures</b>			
Human Services - Caseload & Utilization		7.90	
Replace AHS FY 2012 one-time funds		32.10	
All Other Human Services		17.69	
FY 2013 Pay Act (GF)		10.20	
VSERS and VSTRS		14.06	
Public Safety & other Protection Services		4.27	
Education - GF to EF increase		6.08	
Annualization of FY 2012 labor savings not realized		3.84	
Unemployment Insurance - interest payment		1.89	
Fish & Wildlife		1.48	
ANR (excluding F&W) and ACCD		0.45	
Labor		0.40	
Administration, Fee for Space, Insurance & other Internal Service Funds		(2.53)	
Debt Service		(4.63)	
<b>Subtotal: Base Pressures</b>		<b>93.20</b>	
<b>Loss of Federal and Special Funds</b>			
Human Services - loss of federal funding of base Medicaid match		19.91	
Reduction in other federal grants		0.57	
Tobacco Fund base spending replacement		6.00	
<b>Subtotal: Loss of Federal and Special Funds</b>		<b>26.48</b>	
<b>Total (Shortfall)/Surplus</b>	<b>\$ 1,306.73</b>	<b>\$ 1,357.28</b>	<b>\$ (50.55)</b>
<b>Base Adjustments</b>			
Human Services		(30.36)	
Human Services - one-time funds		(19.98)	
<b>Subtotal: Base Adjustments</b>		<b>(50.34)</b>	
<b>One-Time Adjustments</b>			
Transfer to cover lost Fee for Space - Waterbury		3.02	
Budget Stabilization Reserve Increase to meet 5%		3.67	
Budget Stabilization Reserve Increase - additional 0.25%		3.09	
Transfer from Caseload Reserve		(10.00)	
<b>Subtotal: One-Time Adjustments</b>		<b>(0.22)</b>	
<b>Subtotal: All Adjustments</b>	<b>0.00</b>	<b>(50.55)</b>	<b>\$ (50.55)</b>
<b>Grand Total Net of Adjustments</b>	<b>\$ 1,306.73</b>	<b>\$ 1,306.73</b>	<b>\$ -</b>

## FY 2013 General Fund Overview

A combination of base and one-time adjustments, and the use of reserve funds, were employed to bring the GF budget appropriations into line with available GF revenue.

After agencies and departments submitted their FY 2013 budget requests, the full impact of the upward budget pressures was known. The upward pressures and the loss of federal and special funds resulted in a FY 2013 budget gap of \$51 million.

In prior years, the Governor's Budget Recommendations were calculated based on the Consensus Revenue Forecast adopted by the Emergency Board just prior to the Governor's budget address to the General Assembly - normally mid to late January. This year, however, the Governor's Budget Recommendations are being submitted in advance of the January Emergency Board meeting and are therefore based on the July 2011 Consensus Revenue Forecast.

The Governor's budget recommendation includes language to appropriate up to \$15 million GF to Public Safety, if it becomes available from a January 2012 Consensus Revenue Forecast increase. The same amount of TF would be moved from Public Safety to Transportation for additional infrastructure improvements and Irene recovery projects. Any GF Revenue increase in excess of \$15 million will be reserved in the Human Service Caseload Reserve to offset future Human Services needs.

### TOTAL APPROPRIATIONS HISTORY FY 2009 - FY 2013 (All Funds)

	FY 2009 Final Appropriation	FY 2010 Final Appropriation	FY 2011 Final Appropriation	FY 2012 Governor's Recommend Adjustment <sup>(a)</sup>	FY 2013 Governor's Recommend Budget <sup>(b)</sup>	% Growth FY 2013 vs. FY 2012
<b>Funding Sources</b>						
General Fund (GF)	1,146,278,770	1,087,451,951	1,162,280,682	1,235,629,893	1,301,257,502	5.31%
Transportation Fund	212,845,156	208,771,086	215,321,728	219,525,399	236,116,568	7.56%
Education Fund (EF)	1,321,957,273	1,313,476,522	1,314,490,077	1,352,114,573	1,380,784,713	2.12%
Fish & Wildlife	15,426,252	16,355,474	17,113,525	16,477,144	16,877,322	2.43%
Special Funds & Other Funds <sup>(c)</sup>	436,307,790	446,941,136	480,916,316	551,244,929	562,794,635	2.10%
Sub-Total	3,132,815,241	3,072,996,169	3,190,122,328	3,374,991,938	3,497,830,740	3.64%
Adjust for inter-fund appropriation: GF Transfer to EF	(291,127,800)	(240,803,944)	(234,737,570)	(276,240,000)	(282,317,280)	2.20%
<b>Total State Funds after EF Transfer</b>	<b>2,841,687,441</b>	<b>2,832,192,225</b>	<b>2,955,384,758</b>	<b>3,098,751,938</b>	<b>3,215,513,460</b>	<b>3.77%</b>
percent of total	63.99%	59.61%	59.73%	63.77%	62.96%	
<b>Federal Funds</b>	1,354,779,066	1,448,238,552	1,570,672,098	1,600,936,202	1,772,992,241	10.75%
<b>Federal ARRA Funds <sup>(d)</sup></b>	178,344,712	400,459,056	344,556,339	77,748,656	12,937,704	-83.36%
<b>Total Funds Before Dedicated Dollars</b>	<b>4,374,811,219</b>	<b>4,680,889,833</b>	<b>4,870,613,195</b>	<b>4,777,436,796</b>	<b>5,001,443,405</b>	<b>4.69%</b>
percent of total	98.51%	98.52%	98.44%	98.31%	97.93%	
<b>Dedicated Sources</b>						
Local Match	2,553,311	2,993,800	2,450,885	3,465,052	2,919,356	-15.75%
TIB Bond Proceeds	-	-	-	-	10,000,000	n/d
Enterprise Funds	8,254,019	8,669,664	8,674,074	8,720,796	10,317,798	18.31%
Debt Service Obligation Funds	-	-	-	2,379,684	8,351,063	250.93%
Pension & Private Purpose Trust Funds	55,251,374	58,577,831	65,916,620	67,369,027	74,263,304	10.23%
Sub-Total	66,058,704	70,241,295	77,041,579	81,934,559	105,851,521	29.19%
<b>Total Funds and Dedicated Sources</b>	<b>4,440,869,923</b>	<b>4,751,131,128</b>	<b>4,947,654,774</b>	<b>4,859,371,355</b>	<b>5,107,294,926</b>	<b>5.10%</b>
percent of total	100.00%	100.00%	100.00%	100.00%	100.00%	
<b>Fund Sources that are duplicated in the above appropriations:</b>						
Internal Service Funds	66,118,435	70,921,911	70,589,729	77,543,698	77,516,712	-0.03%
Interdepartmental Transfer	32,670,160	45,286,838	42,525,354	43,093,636	45,581,219	5.77%
Interdepartmental Transfer - ARRA	-	53,790,036	38,575,036	500,000	-	-100.00%
Global Commitment Fund	900,965,265	965,882,917	1,051,307,529	1,130,014,818	1,178,932,437	4.33%
Total	999,753,860	1,135,881,702	1,202,997,648	1,251,152,152	1,302,030,368	4.07%
<b>Memo: Total All Appropriations</b>	<b>5,731,751,583</b>	<b>6,127,816,774</b>	<b>6,385,389,992</b>	<b>6,386,763,507</b>	<b>6,691,642,574</b>	<b>4.77%</b>

**NOTES:**

(a) Governor's Budget Adjustment Recommendations, presented on December 12, 2011 to the House Committee on Appropriations.

(b) Governor's Recommended Budget for FY 2013 presented to the General Assembly on January 12, 2012.

(c) "Special Funds" also include: Next Generation, Tobacco, Catamount, State Health Care Resources, and Transportation Infrastructure Bond Funds.

(d) American Recovery & Reinvestment Act of 2009 (federal stimulus bill).

**STATE OF VERMONT - FY 2013 GOVERNOR'S RECOMMENDED BUDGET**

Funding Sources	FY 2012 BUDGET ADJUSTMENT RECOMMEND <sup>(a)</sup>	FY 2013 GOVERNOR RECOMMEND BUDGET <sup>(b)</sup>	% Change Prior Year	All General Government			Total Human Services		
				General Government	Property Tax Assistance <sup>(c)</sup>	Protection to Persons & Property	Corrections	Non-Medicaid	Medicaid/LTC Federal & State Only
General Fund (GF)	1,235,629,893	1,301,257,502	5.31%	36,574,632	30,072,708	108,428,837	131,028,668	136,406,235	313,234,802
Transportation Fund	219,525,399	236,116,568	7.56%	3,638,110	-	25,238,498	-	-	-
Education Fund (EF)	1,352,114,573	1,380,784,713	2.12%	-	9,979,296	-	4,337,051	-	-
Fish & Wildlife	16,477,144	16,877,322	2.43%	-	-	-	-	-	-
Special Funds <sup>(d)</sup>	551,244,929	562,794,635	2.10%	10,147,099	-	68,895,175	1,276,702	59,906,296	317,170,680
Sub-Total	3,374,991,938	3,497,830,740	3.64%	50,359,841	40,052,004	202,562,510	136,642,421	196,312,531	630,405,482
Adjust for inter-fund appropriation: GF Transfer to EF	(276,240,000)	(282,317,280)	2.20%	-	-	-	-	-	-
<b>Total State Funds after EF Transfer</b>	<b>3,098,751,938</b>	<b>3,215,513,460</b>	<b>3.77%</b>	<b>50,359,841</b>	<b>40,052,004</b>	<b>202,562,510</b>	<b>136,642,421</b>	<b>196,312,531</b>	<b>630,405,482</b>
percent of total	63.77%	62.96%		1.57%	1.25%	6.30%	4.25%	6.11%	19.61%
Federal Funds	1,600,936,202	1,772,992,241	10.75%	815,264	-	58,191,789	470,962	306,848,714	811,476,533
Federal ARRA Funds <sup>(e)</sup>	77,748,656	12,937,704	-83.36%	-	-	5,160,681	-	221,790	-
<b>Total Funds Before Dedicated Dollars</b>	<b>4,777,436,796</b>	<b>5,001,443,405</b>	<b>4.69%</b>	<b>51,175,105</b>	<b>40,052,004</b>	<b>265,914,980</b>	<b>137,113,383</b>	<b>503,383,035</b>	<b>1,441,882,015</b>
percent of total	98.31%	97.93%		1.02%	0.80%	5.32%	2.74%	10.06%	28.83%
<b>Dedicated Sources</b>									
Local Match	3,465,052	2,919,356	-15.75%	-	-	-	-	-	-
TIB Bond Proceeds	-	10,000,000	0.00%	-	-	-	-	-	-
Enterprise Funds	8,720,796	10,317,798	18.31%	3,129,401	-	6,415,344	-	-	-
Debt Service Obligation Funds	2,379,684	8,351,063	250.93%	-	-	-	-	-	-
Pension Trust & Private Purpose Trust Funds	67,369,027	74,263,304	10.23%	41,140,675	-	-	-	10,000	-
Sub-Total	81,934,559	105,851,521	29.19%	44,270,076	-	6,415,344	-	10,000	-
<b>Total Funds and Dedicated Sources</b>	<b>4,859,371,355</b>	<b>5,107,294,926</b>	<b>5.10%</b>	<b>95,445,181</b>	<b>40,052,004</b>	<b>272,330,324</b>	<b>137,113,383</b>	<b>503,393,035</b>	<b>1,441,882,015</b>
	100.00%	100.00%		1.87%	0.78%	5.33%	2.68%	9.86%	28.23%
<b>Funds Sources that are duplicated in the above appropriations:</b>									
Internal Service Funds	77,543,698	77,516,712	-0.03%	57,402,851	-	-	1,460,617	-	-
Interdepartmental Transfer	43,093,636	45,581,219	5.77%	6,303,947	-	8,965,826	772,374	20,376,868	688,135
Interdepartmental Transfer - ARRA	500,000	-	-100.00%	-	-	-	-	-	-
Global Commitment Fund	1,130,014,818	1,178,932,437	4.33%	-	-	1,138,944	4,133,739	1,168,188,917	-
Total	1,251,152,152	1,302,030,368	4.07%	63,706,798	-	10,104,770	6,366,730	1,188,565,785	688,135
Memo: Total All Appropriations	6,386,763,507	6,691,642,574	4.77%	159,151,979	40,052,004	282,435,094	143,480,113	1,691,958,820	1,442,570,150

**NOTES** (both pages):

(a) FY 2012 Governor's Budget Adjustment Recommendations, presented on December 12, 2011 to the House Committee on Appropriations.

(b) FY 2013 Governor's Budget Recommendations presented to the General Assembly on January 12, 2012.

(c) Includes Homeowner rebate; Renter rebate; reappraisal and listing payments; and municipal current use.

(d) "Special Funds" also include: Next Generation, Tobacco, Catamount, State Health Care Resources, and Transportation Infrastructure Bond Funds.

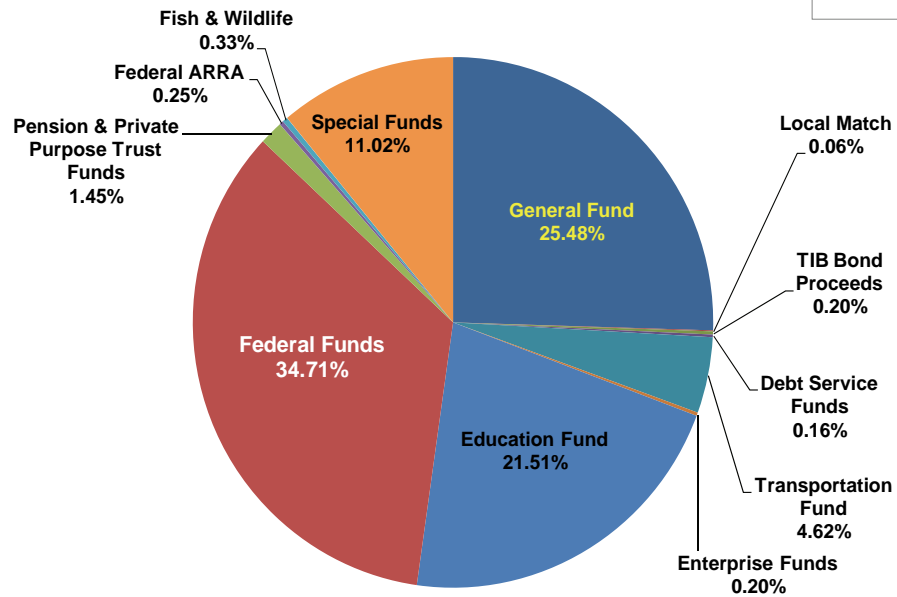
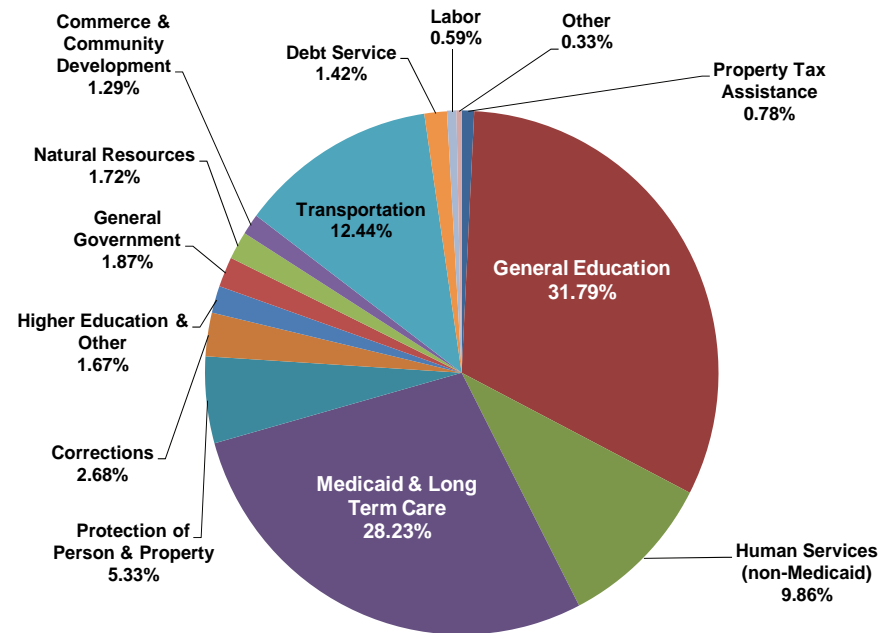
(e) American Recovery & Reinvestment Act of 2009 (federal stimulus bill).

STATE OF VERMONT - FY 2013 GOVERNOR'S RECOMMENDED BUDGET (continued)

<b>Funding Sources</b>	<b>Labor</b>	<b>General Education</b>	<b>Higher Education &amp; Other</b>	<b>Natural Resources</b>	<b>Commerce &amp; Community Development</b>	<b>Transportation</b>	<b>Debt Service</b>	<b>Other</b>
General Fund (GF)	2,894,425	355,446,999	80,339,790	20,305,654	13,453,486	-	59,941,850	13,129,416
Transportation Fund	-	-	-	-	-	201,357,518	2,482,442	3,400,000
Education Fund (EF)	-	1,366,468,366	-	-	-	-	-	-
Fish & Wildlife	-	-	-	16,877,322	-	-	-	-
Special Funds <sup>(d)</sup>	3,363,869	18,044,102	4,793,000	35,526,165	18,361,760	24,306,637	628,150	375,000
Sub-Total	6,258,294	1,739,959,467	85,132,790	72,709,141	31,815,246	225,664,155	63,052,442	16,904,416
Adjust for inter-fund appropriation: GF Transfer to EF	-	(282,317,280)	-	-	-	-	-	-
<b>Total State Funds after EF Transfer</b>	<b>6,258,294</b>	<b>1,457,642,187</b>	<b>85,132,790</b>	<b>72,709,141</b>	<b>31,815,246</b>	<b>225,664,155</b>	<b>63,052,442</b>	<b>16,904,416</b>
percent of total	0.19%	45.33%	2.65%	2.26%	0.99%	7.02%	1.96%	0.53%
Federal Funds	23,751,533	132,744,116	-	15,010,161	33,146,530	390,536,639	-	-
Federal ARRA Funds <sup>(e)</sup>	-	-	-	-	-	6,301,953	1,253,280	-
<b>Total Funds Before Dedicated Dollars</b>	<b>30,009,827</b>	<b>1,590,386,303</b>	<b>85,132,790</b>	<b>87,719,302</b>	<b>64,961,776</b>	<b>622,502,747</b>	<b>64,305,722</b>	<b>16,904,416</b>
percent of total	0.60%	31.80%	1.70%	1.75%	1.30%	12.45%	1.29%	0.34%
<b>Dedicated Sources</b>								
Local Match	-	-	-	-	-	2,919,356	-	-
TIB Bond Proceeds	-	-	-	-	-	10,000,000	-	-
Enterprise Funds	-	-	-	-	773,053	-	-	-
Debt Service Obligation Funds	-	-	-	-	-	-	8,351,063	-
Pension Trust & Private Purpose Trust Funds	-	33,112,629	-	-	-	-	-	-
Sub-Total	-	33,112,629	-	-	773,053	12,919,356	8,351,063	-
<b>Total Funds and Dedicated Sources</b>	<b>30,009,827</b>	<b>1,623,498,932</b>	<b>85,132,790</b>	<b>87,719,302</b>	<b>65,734,829</b>	<b>635,422,103</b>	<b>72,656,785</b>	<b>16,904,416</b>
	0.59%	31.79%	1.67%	1.72%	1.29%	12.44%	1.42%	0.33%
<b>Funds Sources that are duplicated in the above appropriations:</b>								
Internal Service Funds	-	-	-	-	-	18,653,244	-	-
Interdepartmental Transfer	1,458,426	33,003	-	2,610,443	55,000	4,317,197	-	-
Interdepartmental Transfer - ARRA	-	-	-	-	-	-	-	-
Global Commitment Fund	-	1,059,274	4,411,563	-	-	-	-	-
Total	1,458,426	1,092,277	4,411,563	2,610,443	55,000	22,970,441	-	-
Memo: Total All Appropriations	31,468,253	1,906,908,489	89,544,353	90,329,745	65,789,829	658,392,544	72,656,785	16,904,416



**FY 2013 Governor's Budget  
Recommendations, by Government Function**



**FY 2013 Governor's Budget  
Recommendations, by Fund**

**FISCAL YEAR 2013 GOVERNOR'S RECOMMENDED BUDGET**  
**All Funds by Department**

											Duplicate Appropriations (d)		
	General Fund	Transportation Fund	Special Funds (a)	Education Fund (b)	Subtotal State Funds, Net (b)	Federal Funds	ARRA Funds	Subtotal Before Dedicated Sources	Dedicated Sources (c)	Total Funds and Dedicated Sources	Global Commitment	ISF, IDT, and ARRA IDT	FY 2013 Governor's Recommend Total Appropriations
GENERAL GOVERNMENT													
Agency of Administration:													
Secretary of Administration	879,068	-	-	-	879,068	-	-	879,068	-	879,068	-	-	879,068
Information and Innovation	-	-	-	-	-	-	-	-	-	-	-	14,319,963	14,319,963
Finance & Management	1,055,204	-	-	-	1,055,204	-	-	1,055,204	-	1,055,204	-	3,056,014	4,111,218
Human Resources	1,520,545	-	213,814	-	1,734,359	-	-	1,734,359	-	1,734,359	-	6,205,407	7,939,766
Libraries	2,401,244	-	126,425	-	2,527,669	815,264	-	3,342,933	-	3,342,933	-	103,395	3,446,328
Tax	13,973,154	-	1,448,600	-	15,421,754	-	-	15,421,754	-	15,421,754	-	112,722	15,534,476
Buildings and General Services	1,523,323	3,638,110	25,000	-	5,186,433	-	-	5,186,433	91,792	5,278,225	-	36,445,649	41,723,874
Total Agency of Administration	21,352,538	3,638,110	1,813,839	-	26,804,487	815,264	-	27,619,751	91,792	27,711,543	-	60,243,150	87,954,693
GIS	-	-	378,700	-	378,700	-	-	378,700	-	378,700	-	-	378,700
Executive Office	1,416,314	-	-	-	1,416,314	-	-	1,416,314	-	1,416,314	-	193,500	1,609,814
Governor's Transition	-	-	-	-	-	-	-	-	-	-	-	-	-
Legislative Council	2,276,036	-	-	-	2,276,036	-	-	2,276,036	-	2,276,036	-	-	2,276,036
Legislature	6,875,152	-	-	-	6,875,152	-	-	6,875,152	-	6,875,152	-	-	6,875,152
Legislative Information Technology	945,272	-	-	-	945,272	-	-	945,272	-	945,272	-	-	945,272
Joint Fiscal Office	1,408,769	-	-	-	1,408,769	-	-	1,408,769	-	1,408,769	-	-	1,408,769
Sergeant at Arms	537,533	-	-	-	537,533	-	-	537,533	-	537,533	-	-	537,533
Lt. Governor	173,072	-	-	-	173,072	-	-	173,072	-	173,072	-	-	173,072
Auditor of Accounts	379,580	-	53,099	-	432,679	-	-	432,679	-	432,679	-	3,145,247	3,577,926
State Treasurer	988,481	-	1,874,673	-	2,863,154	-	-	2,863,154	1,031,721	3,894,875	-	89,080	3,983,955
State Employees/Municipal Retirement Systems	-	-	-	-	-	-	-	-	40,108,954	40,108,954	-	-	40,108,954
Labor Relations Board	198,620	-	2,788	-	201,408	-	-	201,408	-	201,408	-	12,556	213,964
VOSHA Review Board	23,265	-	-	-	23,265	-	-	23,265	-	23,265	-	23,265	46,530
Homeowner rebate	14,545,808	-	-	-	14,545,808	-	-	14,545,808	-	14,545,808	-	-	14,545,808
Renter rebate	2,886,900	-	-	6,736,100	9,623,000	-	-	9,623,000	-	9,623,000	-	-	9,623,000
Reappraisal and listing payments	-	-	-	3,243,196	3,243,196	-	-	3,243,196	-	3,243,196	-	-	3,243,196
Use Tax Reimbursement - municipal current use	12,640,000	-	-	-	12,640,000	-	-	12,640,000	-	12,640,000	-	-	12,640,000
Lottery	-	-	-	-	-	-	-	-	3,037,609	3,037,609	-	-	3,037,609
PILOT/Montpelier Services	-	-	5,984,000	-	5,984,000	-	-	5,984,000	-	5,984,000	-	-	5,984,000
Corrections PILOT	-	-	40,000	-	40,000	-	-	40,000	-	40,000	-	-	40,000
TOTAL GENERAL GOVERNMENT	66,647,340	3,638,110	10,147,099	9,979,296	90,411,845	815,264	-	91,227,109	44,270,076	135,497,185	-	63,706,798	199,203,983
percent of total	5.12%	1.54%	1.75%	0.91%	2.81%	0.05%	0.00%	1.82%	41.82%	2.65%	0.00%	51.75%	3.11%
PROTECTION TO PERSONS AND PROPERTY													
Attorney General	3,951,997	-	1,737,455	-	5,689,452	745,364	-	6,434,816	-	6,434,816	-	2,211,450	8,646,266
Court Diversion	1,310,869	-	519,997	-	1,830,866	-	-	1,830,866	-	1,830,866	-	-	1,830,866
Defender General	12,301,671	-	638,552	-	12,940,223	-	-	12,940,223	-	12,940,223	-	-	12,940,223
Judiciary	30,980,271	-	3,007,378	-	33,987,649	888,205	-	34,875,854	-	34,875,854	-	2,144,462	37,020,316
State's Attorneys/SIU	9,509,319	-	16,884	-	9,526,203	131,000	-	9,657,203	-	9,657,203	-	2,348,856	12,006,059
Sheriffs	3,614,635	-	-	-	3,614,635	-	-	3,614,635	-	3,614,635	-	-	3,614,635
Public Safety	32,061,932	25,238,498	12,330,719	-	69,631,149	26,869,023	-	96,500,172	-	96,500,172	-	1,134,465	97,634,637
Military	3,619,390	-	71,041	-	3,690,431	18,854,095	-	22,544,526	-	22,544,526	-	-	22,544,526
Center for Crime Victim Services	1,164,892	-	5,996,342	-	7,161,234	4,040,428	-	11,201,662	-	11,201,662	-	-	11,201,662
Criminal Justice Training Council	2,221,393	-	-	-	2,221,393	-	-	2,221,393	-	2,221,393	-	251,478	2,472,871
Agriculture, Food and Markets	5,782,823	-	6,553,595	-	12,336,418	2,234,425	-	14,570,843	-	14,570,843	90,278	347,915	15,009,036
BISHCA	-	-	14,334,872	-	14,334,872	1,504,283	-	15,839,155	-	15,839,155	1,048,666	225,000	17,112,821
Secretary of State	1,518,552	-	5,239,283	-	6,757,835	2,000,000	-	8,757,835	-	8,757,835	-	75,000	8,832,835
Public Service Department	-	-	10,345,714	-	10,345,714	843,755	4,909,080	16,098,549	37,696	16,136,245	-	27,200	16,163,445
Public Service Board	-	-	2,823,980	-	2,823,980	-	251,601	3,075,581	-	3,075,581	-	-	3,075,581
Enhanced 911 Board	-	-	4,987,418	-	4,987,418	-	-	4,987,418	-	4,987,418	-	-	4,987,418
Human Rights Commission	391,093	-	-	-	391,093	81,211	-	472,304	-	472,304	-	-	472,304
Liquor Control	-	-	291,945	-	291,945	-	-	291,945	6,377,648	6,669,593	-	200,000	6,869,593
TOTAL PROTECTION	108,428,837	25,238,498	68,895,175	-	202,562,510	58,191,789	5,160,681	265,914,980	6,415,344	272,330,324	1,138,944	8,965,826	282,435,094
percent of total	8.33%	10.69%	11.89%	0.00%	6.30%	3.28%	39.89%	5.32%	6.06%	5.33%	0.10%	7.28%	4.41%

**FISCAL YEAR 2013 GOVERNOR'S RECOMMENDED BUDGET**
**All Funds by Department**

											Duplicate Appropriations (d)			
Agency/Department/Program	General Fund	Transportation Fund	Special Funds (a)	Education Fund (b)	Subtotal State Funds, Net (b)	Federal Funds	ARRA Funds	Subtotal Before Dedicated Sources	Dedicated Sources (c)	Total Funds and Dedicated Sources	Global Commitment	ISF, IDT, and ARRA IDT	FY 2013 Governor's Recommend Total Appropriations	
HUMAN SERVICES														
Human Services Agency:														
AHS - Secretary's Office	4,998,148	-	298,847	-	5,296,995	9,800,535	-	15,097,530	-	15,097,530	1,316,538	7,350,508	23,764,576	
AHS - Secretary's Office - Global Commitment	179,201,405	-	317,170,680	-	496,372,085	672,052,218	-	1,168,424,303	-	1,168,424,303	-	688,135	1,169,112,438	
Human Services Board	113,997	-	-	-	113,997	149,715	-	263,712	-	263,712	-	85,326	349,038	
Department of VT Health Access	134,974,456	-	1,552,963	-	136,527,419	219,212,143	76,790	355,816,352	-	355,816,352	715,178,517	4,077,117	1,075,071,986	
Health	11,137,058	-	14,268,894	-	25,405,952	45,580,640	145,000	71,131,592	10,000	71,141,592	39,594,611	1,454,240	112,190,443	
Mental Health	1,577,732	-	6,836	-	1,584,568	6,713,296	-	8,297,864	-	8,297,864	165,583,447	20,000	173,901,311	
Department for Children and Families	99,503,682	-	31,184,774	-	130,688,456	133,284,516	-	263,972,972	-	263,972,972	71,629,545	1,007,052	336,609,569	
Disabilities, Aging and Independent Living	17,224,854	-	1,590,559	-	18,815,413	24,447,198	-	43,262,611	-	43,262,611	171,997,563	6,243,739	221,503,913	
Corrections	131,028,668	-	1,276,702	4,337,051	136,642,421	470,962	-	137,113,383	-	137,113,383	4,133,739	2,232,991	143,480,113	
TOTAL HUMAN SERVICES AGENCY	579,760,000	-	367,350,255	4,337,051	951,447,306	1,111,711,223	221,790	2,063,380,319	10,000	2,063,390,319	1,169,433,960	23,159,108	3,255,983,387	
Veterans' Home	-	-	10,606,072	-	10,606,072	7,084,986	-	17,691,058	-	17,691,058	1,410,956	-	19,102,014	
Commission on Women	311,571	-	5,000	-	316,571	-	-	316,571	-	316,571	-	-	316,571	
RSVP	131,096	-	-	-	131,096	-	-	131,096	-	131,096	-	-	131,096	
Green Mountain Care Board	467,038	-	392,351	-	859,389	-	-	859,389	-	859,389	1,477,740	138,886	2,476,015	
TOTAL HUMAN SERVICES	580,669,705	-	378,353,678	4,337,051	963,360,434	1,118,796,209	221,790	2,082,378,433	10,000	2,082,388,433	1,172,322,656	23,297,994	3,278,009,083	
percent of total	44.62%	0.00%	65.27%	0.39%	29.96%	63.10%	1.71%	41.64%	0.01%	40.77%	99.44%	18.93%	51.14%	
Labor	2,894,425	-	3,363,869	-	6,258,294	23,751,533	-	30,009,827	-	30,009,827	-	1,458,426	31,468,253	
TOTAL LABOR	2,894,425	-	3,363,869	-	6,258,294	23,751,533	-	30,009,827	-	30,009,827	-	1,458,426	31,468,253	
percent of total	0.22%	0.00%	0.58%	0.00%	0.19%	1.34%	0.00%	0.60%	0.00%	0.59%	0.00%	1.18%	0.49%	
GENERAL EDUCATION														
Department of Education	9,516,589	-	18,044,102	1,366,468,366	1,394,029,057	132,744,116	-	1,526,773,173	-	1,526,773,173	1,059,274	33,003	1,527,865,450	
GF Appropriation to Education Fund	282,317,280	-	-	(282,317,280)	-	-	-	-	-	-	-	-	-	
Teachers' Retirement	63,613,130	-	-	-	63,613,130	-	-	63,613,130	33,112,629	96,725,759	-	-	96,725,759	
TOTAL GENERAL EDUCATION	355,446,999	-	18,044,102	1,084,151,086	1,457,642,187	132,744,116	-	1,590,386,303	33,112,629	1,623,498,932	1,059,274	33,003	1,624,591,209	
percent of total	27.32%	0.00%	3.11%	98.70%	45.33%	7.49%	0.00%	31.80%	31.28%	31.79%	0.09%	0.03%	25.35%	
HIGHER EDUCATION AND OTHER														
University of Vermont	36,740,478	-	-	-	36,740,478	-	-	36,740,478	-	36,740,478	4,006,156	-	40,746,634	
Vermont Public Television	547,683	-	-	-	547,683	-	-	547,683	-	547,683	-	-	547,683	
Vermont State Colleges	23,818,343	-	-	-	23,818,343	-	-	23,818,343	-	23,818,343	405,407	-	24,223,750	
Vermont Interactive TV	785,679	-	-	-	785,679	-	-	785,679	-	785,679	-	-	785,679	
Vermont Student Assistance Corp.	18,363,607	-	-	-	18,363,607	-	-	18,363,607	-	18,363,607	-	-	18,363,607	
N.E. Higher Education Compact	84,000	-	-	-	84,000	-	-	84,000	-	84,000	-	-	84,000	
TOTAL HIGHER EDUCATION AND OTHER	80,339,790	-	-	-	80,339,790	-	-	80,339,790	-	80,339,790	4,411,563	-	84,751,353	
percent of total	6.17%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%	1.61%	0.00%	1.57%	0.37%	0.00%	1.32%	
NATURAL RESOURCES														
Agency of Natural Resources:														
ANR - Central Office	5,131,215	-	54,484	-	5,185,699	25,000	-	5,210,699	-	5,210,699	-	547,946	5,758,645	
Fish & Wildlife	2,341,129	-	16,897,322	-	19,238,451	-	-	19,238,451	-	19,238,451	-	182,491	19,420,942	
Forests, Parks & Recreation	5,125,418	-	10,263,830	-	15,389,248	3,519,454	-	18,908,702	-	18,908,702	-	425,000	19,333,702	
Environmental Conservation	6,956,147	-	23,221,965	-	30,178,112	11,465,707	-	41,643,819	-	41,643,819	-	1,455,006	43,098,825	
Total Agency of Natural Resources	19,553,909	-	50,437,601	-	69,991,510	15,010,161	-	85,001,671	-	85,001,671	-	2,610,443	87,612,114	
Natural Resources Board	751,745	-	1,965,886	-	2,717,631	-	-	2,717,631	-	2,717,631	-	-	2,717,631	
TOTAL NATURAL RESOURCES	20,305,654	-	52,403,487	-	72,709,141	15,010,161	-	87,719,302	-	87,719,302	-	2,610,443	90,329,745	
percent of total	1.56%	0.00%	9.04%	0.00%	2.26%	0.85%	0.00%	1.75%	0.00%	1.72%	0.00%	2.12%	1.41%	

**FISCAL YEAR 2013 GOVERNOR'S RECOMMENDED BUDGET**
**All Funds by Department**

											Duplicate Appropriations (d)						
Agency/Department/Program	General Fund	Transportation Fund	Special Funds (a)	Education Fund (b)	Subtotal State Funds, Net (b)	Federal Funds	ARRA Funds	Subtotal Before Dedicated Sources	Dedicated Sources (c)	Total Funds and Dedicated Sources	Global Commitment	ISF, IDT, and ARRA IDT	FY 2013 Governor's Recommend Total Appropriations				
COMMERCE & COMMUNITY DEVELOPMENT																	
Agency of Commerce & Comm Development																	
ACCD - Administration	2,746,483	-	-	-	2,746,483	1,100,000	-	3,846,483	-	3,846,483	-	25,000	3,871,483				
Economic, Housing & Community Development	6,021,558	-	4,368,172	-	10,389,730	17,632,885	-	28,022,615	-	28,022,615	-	30,000	28,052,615				
Tourism & Marketing	3,083,653	-	-	-	3,083,653	-	-	3,083,653	773,053	3,856,706	-	-	3,856,706				
Total Agency of Commerce & Comm Development	11,851,694	-	4,368,172	-	16,219,866	18,732,885	-	34,952,751	773,053	35,725,804	-	55,000	35,780,804				
Council on the Arts					507,607	-	-	507,607	-	507,607	-	-	507,607				
Vermont Symphony Orchestra					113,821	-	-	113,821	-	113,821	-	-	113,821				
VT Historical Society					807,694	-	-	807,694	-	807,694	-	-	807,694				
Housing & Conservation Trust					-	-	13,993,588	-	13,993,588	14,413,645	-	-	28,407,233				
VT Humanities Council					172,670	-	-	172,670	-	172,670	-	-	172,670				
TOTAL COMMERCE & COMMUNITY DEV.	13,453,486	-	18,361,760	-	31,815,246	33,146,530	-	64,961,776	773,053	65,734,829	-	55,000	65,789,829				
percent of total					1.03%	0.00%	3.17%	0.00%	0.99%	1.87%	0.00%	1.30%	0.73%	1.29%	0.00%	0.04%	1.03%
TRANSPORTATION																	
Agency of Transportation																	
AOT Division Appropriations and Programs	-	136,292,323	19,844,334	-	156,136,657	303,371,804	6,301,953	465,810,414	10,372,181	476,182,595	-	22,970,441	499,153,036				
AOT Dept. of Motor Vehicles	-	22,630,649	-	-	22,630,649	3,097,712	-	25,728,361	-	25,728,361	-	-	25,728,361				
AOT Town Highway, Bridges & Municipal	-	42,351,546	4,462,303	-	46,813,849	84,067,123	-	130,880,972	2,547,175	133,428,147	-	-	133,428,147				
Total Agency of Transportation	-	201,274,518	24,306,637	-	225,581,155	390,536,639	6,301,953	622,419,747	12,919,356	635,339,103	-	22,970,441	658,309,544				
Transportation Board					-	83,000	-	-	83,000	-	83,000	-	-	83,000			
TOTAL TRANSPORTATION	-	201,357,518	24,306,637	-	225,664,155	390,536,639	6,301,953	622,502,747	12,919,356	635,422,103	-	22,970,441	658,392,544				
percent of total					0.00%	85.28%	4.19%	0.00%	7.02%	22.03%	48.71%	12.45%	12.21%	12.44%	0.00%	18.66%	10.27%
Debt Service					59,941,850	2,482,442	628,150	-	63,052,442	-	1,253,280	64,305,722	8,351,063	72,656,785	-	-	72,656,785
DEBT SERVICE	59,941,850	2,482,442	628,150	-	63,052,442	-	1,253,280	64,305,722	8,351,063	72,656,785	-	-	72,656,785				
percent of total					4.61%	1.05%	0.11%	0.00%	1.96%	0.00%	9.69%	1.29%	7.89%	1.42%	0.00%	0.00%	1.13%
Pay Act					11,106,031	3,400,000	-	-	14,506,031	-	-	14,506,031	-	-	-	14,506,031	
Other Reductions					-	-	-	-	-	-	-	-	-	-	-	-	
One-Time Appropriations					2,023,385	-	375,000	-	2,398,385	-	-	2,398,385	-	-	-	2,398,385	
OTHER					-	-	4,793,000	-	4,793,000	-	-	4,793,000	-	-	-	4,793,000	
APPROPRIATION TOTAL	1,301,257,502	236,116,568	579,671,957	1,098,467,433	3,215,513,460	1,772,992,241	12,937,704	5,001,443,405	105,851,521	5,107,294,926	1,178,932,437	123,097,931	6,409,325,294				
percent of total					100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
												Add back GF to EF Transfer		282,317,280			
												Memo: Total Appropriation including GF to EF		6,691,642,574			

(a) Special Funds also includes: Fish & Wildlife, Next Generation, Tobacco, Catamount, State Health Care Resources, and Transportation Infrastructure Bond Funds

(b) Adjusted for inter-fund appropriation: GF to EF transfer.

(c) Dedicated sources include: Enterprise, General Obligation Debts Service, TIB Debt Service, Local Match, TIB Bond Proceeds, Pension Trust, Private Purpose Trust, and Permanent Trust Funds.

(d) Internal Service Funds (ISF), Interdepartmental Transfers (IDT) and ARRA Interdepartmental Transfers (ARRA IDT) are duplicate appropriations and do not represent additional funds.



**General Fund Summary**  
**Fiscal Years 2010 - 2014**  
(\$ in Millions)

	Actual FY 2010	Actual FY 2011	Governor's Recommend BAA FY 2012	Governor's Recommend Budget FY 2013	Forecast FY 2014
<b>Sources</b>					
Current law revenues	1,038.34	1,156.69	1,191.20	1,267.20	1,327.30
VEDA debt forgiveness	-	(0.38)	0.03	(0.12)	(0.09)
Direct applications, transfers in & reversions	20.47	40.74	29.66	36.76	18.00
Other bills and tax changes	9.81	8.12	2.33	0.77	1.90
Additional property transfer tax to GF	6.45	7.48	6.44	2.12	-
For appropriation from GF reserve	14.85	15.20	-	-	-
<b>Total sources</b>	<b>1,089.92</b>	<b>1,227.85</b>	<b>1,229.66</b>	<b>1,306.73</b>	<b>1,347.11</b>
<b>Uses</b>					
Base appropriations, including ARRA offset	1,265.33	1,251.18	1,234.49	1,301.26	1,334.72
Budget adjustment and rescission(s)	2.34	3.73	(0.32)	-	-
	1,267.67	1,254.91	1,234.17	1,301.26	1,334.72
Percent +increase+/-decrease-	0.70%	-1.01%	-1.65%	5.44%	2.57%
Less Base ARRA funding	(202.17)	(158.79)	-	-	-
Base Appropriation net of ARRA	1,065.50	1,096.12	1,234.17	1,301.26	1,334.72
Budget adjustment - one time	-	2.06	-	-	-
Other Bills	2.56	0.25	1.41	-	-
One-time appropriations	13.28	18.25	0.05	-	-
One-time waterfall and other adjustments	6.11	45.60	-	-	-
<b>Total uses</b>	<b>1,087.45</b>	<b>1,162.28</b>	<b>1,235.63</b>	<b>1,301.26</b>	<b>1,334.72</b>
<b>Subtotal operating surplus (deficit)</b>	<b>2.47</b>	<b>65.57</b>	<b>(5.97)</b>	<b>5.48</b>	<b>12.39</b>
<b>Allocation of surplus - transfers (to)/from other funds</b>					
Transportation fund	1.71	-	3.99	-	-
Education fund	(6.89)	-	-	-	-
Reserve for bond issuance premium	2.63	1.46	-	-	-
Emergency relief & assistance fund	-	-	(16.00)	-	-
Next generation fund	(3.29)	(4.79)	(4.79)	(4.79)	(4.79)
Human services caseload reserve	16.22	(60.10)	37.26	10.00	-
Internal service funds and assorted funds	1.10	(1.20)	(10.74)	(3.92)	(0.90)
Total transfers (to) / from other funds	11.48	(64.63)	9.71	1.28	(5.69)
Reserved in GF (designated)					
Budget Stabilization Reserve	2.70	2.94	(3.74)	(6.76)	(6.70)
Reserved in GF Surplus/Other Reserves	(16.65)	(3.88)	-	-	-
Total reserved in the GF (designated)	(13.95)	(0.94)	(3.74)	(6.76)	(6.70)
<b>Total allocated</b>	<b>(2.47)</b>	<b>(65.57)</b>	<b>5.97</b>	<b>(5.48)</b>	<b>(12.39)</b>
<b>Unallocated operating surplus/(deficit)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Stabilization Reserve at statutory level <sup>(a)</sup></b>	<b>57.31</b>	<b>54.37</b>	<b>58.11</b>	<b>64.87</b>	<b>71.57</b>
<b>GF Reserves (cumulative)</b>					
Budget Stabilization Reserve	57.31	54.37	58.11	64.87	71.57
Human Services Caseload Reserve	0.07	60.17	22.91	12.91	12.91
Bond Premium/Other Short Term Reserves	1.46	3.88	3.88	3.88	3.88
GF Surplus Reserve	15.20	-	-	-	-
<b>Total GF Reserve Balance</b>	<b>74.04</b>	<b>118.42</b>	<b>84.90</b>	<b>81.66</b>	<b>88.36</b>

\* Results may not add due to rounding.

(a) Governor's FY 2013 Budget Recommendations increase the Budget Stabilization Reserve by 0.25% from the current statutory level of 5%.

**Transportation Fund Summary**  
**Fiscal Years 2010 - 2014**  
(\$ in Millions)

	Actual FY 2010	Actual FY 2011	Governor's Recommend BAA FY 2012	Governor's Recommend Budget FY 2013	Forecast FY 2014
<b>Sources</b>					
Current law revenues	213.37	217.65	225.50	231.90	238.40
Proposed fee bill and new revenue	0.00	0.00	0.00	6.32	6.43
Direct applications & reversions	0.00	0.90	0.08	0.00	0.00
For appropriation from TF Carryforward	0.00	0.00	0.90	0.00	0.00
<b>Total sources</b>	<b>213.37</b>	<b>218.55</b>	<b>226.48</b>	<b>238.22</b>	<b>244.83</b>
<b>Uses</b>					
Base appropriations	210.21	215.78	219.53	236.12	242.11
Budget adjustments and rescissions	(1.47)	(0.46)	0.00	0.00	0.00
Post budget adjustment change	0.00	(0.00)	0.00	0.00	0.00
One-time appropriations	0.05	0.00	0.00	0.00	0.00
<b>Total uses</b>	<b>208.79</b>	<b>215.32</b>	<b>219.53</b>	<b>236.12</b>	<b>242.11</b>
<b>Subtotal operating surplus (deficit)</b>	<b>4.58</b>	<b>3.23</b>	<b>6.96</b>	<b>2.10</b>	<b>2.72</b>
<b>Allocation of surplus</b>					
Transfers (to) / from other funds					
General Fund	(1.71)	0.00	(4.74)	0.00	0.00
Downtown Fund	(0.40)	(0.40)	(0.40)	(0.40)	(0.40)
Central Garage Fund	(1.12)	(1.12)	(1.12)	(1.12)	(1.12)
VT Recreational Trail Fund	(0.37)	(0.37)	(0.37)	(0.37)	(0.37)
Other Funds	(2.65)	(0.28)	0.00	0.00	0.00
Total transfers (to) / from other funds	(6.26)	(2.17)	(6.63)	(1.89)	(1.89)
Reserved in the TF (designated)					
Budget Stabilization Reserve	1.01	(0.16)	(0.33)	(0.21)	(0.83)
Bond Reserve	0.67	0.00	0.00	0.00	0.00
Total reserved in the TF (designated)	1.68	(0.16)	(0.33)	(0.21)	(0.83)
<b>Total allocated</b>	<b>(4.58)</b>	<b>(2.32)</b>	<b>(6.96)</b>	<b>(2.10)</b>	<b>(2.72)</b>
<b>Unallocated operating surplus(deficit)</b>	<b>0.00</b>	<b>0.90</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Stabilization Reserve at statutory level of 5%</b>	<b>10.28</b>	<b>10.44</b>	<b>10.77</b>	<b>10.98</b>	<b>11.81</b>
<b>TF Reserves (cumulative)</b>					
Bond Reserve	0.00	0.00	0.00	0.00	0.00
Budget Stabilization Reserve	10.28	10.44	10.77	10.98	11.81
<b>Total TF Reserve Balance</b>	<b>10.28</b>	<b>10.44</b>	<b>10.77</b>	<b>10.98</b>	<b>11.81</b>

\*Results may not add due to rounding.

**Education Fund Summary**  
**Fiscal Years 2010 - 2013**  
(\$ in Millions)

	Actual FY 2010	Actual FY 2011	Governor's Recommend BAA FY 2012	Governor's Recommend Budget FY 2013
<b>Sources</b>				
Current law revenues	25.34	27.76	28.90	29.30
Sales & use tax	103.71	108.54	112.90	117.60
Lottery revenue	21.57	21.42	21.90	22.40
Non-residential property tax	550.05	551.03	536.56	533.90
Net Homestead property tax	359.30	366.20	376.23	372.40
General fund appropriations	247.69	234.74	276.24	282.32
Medicaid reimbursement	-	-	7.60	7.60
Interest on fund balance	0.10	0.10	-	0.10
<b>Total sources</b>	<b>1,307.76</b>	<b>1,309.79</b>	<b>1,360.33</b>	<b>1,365.62</b>
<b>Uses</b>				
Base appropriations	1,313.46	1,304.41	1,352.12	1,380.78
Appropriation savings	(6.99)	-	-	-
<b>Total uses</b>	<b>1,306.47</b>	<b>1,304.41</b>	<b>1,352.12</b>	<b>1,380.78</b>
<b>Subtotal operating surplus/(deficit)</b>	<b>1.29</b>	<b>5.38</b>	<b>8.21</b>	<b>(15.16)</b>
<b>Allocation of surplus/(deficit)</b>				
Transfer to/(from) the stabilization reserve	(1.23)	0.44	(0.89)	(1.92)
Transfer to/(from) continuing appropriations	3.50	10.62	(1.21)	-
Transfer to/(from) unallocated	(0.98)	(5.68)	10.31	(13.24)
<b>Total allocated</b>	<b>1.29</b>	<b>5.38</b>	<b>8.21</b>	<b>(15.16)</b>
<b>Education fund reserves</b>				
<b>Budget stabilization reserve</b>	<b>29.85</b>	<b>30.29</b>	<b>29.39</b>	<b>27.62</b>
<b>Minimum statutory reserve at 3.5%</b>	<b>20.89</b>	<b>19.82</b>	<b>20.57</b>	<b>20.60</b>
<b>Maximum statutory reserve at 5%</b>	<b>29.85</b>	<b>30.29</b>	<b>29.39</b>	<b>28.36</b>

\*Results may not add due to rounding.

## Highlights of Governor Shumlin's Fiscal Year 2013 Budget and 2011 Accomplishments

### Highlights of the Governor's FY 2013 Budget:

- Proposes a FY 2013 General Fund (GF) increase of 5.3%, 2% of which covers reductions in federal and special fund sources, and lives within available revenue.
- Continues, and in some cases expands, Irene aid to towns, businesses and individuals.
- Continues support for priorities such as Health Care Reform and access to high speed internet and mobile services.
- Provides for the GF transfer to the Education Fund at statutory level.
- Provides the funding to maintain the three Budget Stabilization Reserves for GF, TF and EF at their statutory level.
- Begins a phased increase in GF Budget Stabilization Reserve by 0.25%, or \$3.09 million for FY 2013.
- Fully funds State Employees' and State Teachers' retirement.
- Invests \$8 million in innovation at UVM and VSC.
- Increases by \$1.48 million, more than double FY 2012, GF support for Fish & Wildlife.
- Continues \$4.8 million GF support of the Next Generation initiative in accordance with the Workforce Development Council recommendations.
- Provides for the largest Transportation budget in VT history.
- Increases the Transportation paving program by 35.9% and the bridge program by 16.7% over FY 2012.
- Increases the Town Highway programs by 128.5%, including Irene related projects - up 15.1% excluding Irene.
- Provides \$200,000 of additional GF funding to the Office of the Attorney General for the fight against child pornography.
- Provides \$10.2 million to cover FY 2013 GF Pay Act.
- Provides \$20 million GF to restore lost federal funds for base Medicaid match.
- Provides \$6 million GF for Tobacco programs base spending.
- Proposes redirection or delay of approximately \$18 million in previously approved capital projects to pay for Irene re-

covery of the State Waterbury Office Complex and Vermont State Hospital.

### 2011 Accomplishments:

#### Agency of Agriculture:

- Created the VT Farm Disaster Relief Fund, in partnership with the Vermont Community Foundation, to raise over \$2.25 million for farms impacted by Irene.
- Distributed \$1.5 million of capital funds, leveraging over \$5.7 million in federal funds, for water quality improvement.
- Enabled 13 new dairy processing plants to come on line.
- Directed over \$1 million in federal grant funds to Farm-to-Plate efforts, leveraging over \$1.5 million in additional project investment.
- Launched online licensing to enable Vermont businesses to renew, and pay online, their retail products and weighing and measuring device licenses.

#### BISHCA:

- Spearheaded Vermont's first-in-the-nation effort to develop an affordable, administratively simple and high quality health care system.
- Supported the creation of the Green Mountain Care Board, charged with developing payment reform, delivery system integration and administrative simplification proposals.
- Licensed 41 new captive insurance companies.

#### Agency of Commerce and Community Development:

- Initiated a pilot program to attract recent college graduates to Vermont. More than 25 have already taken advantage of the STEM (Science, Technology, Engineering and Math) program.
- Brought new jobs to Vermont: WCW, Inc. is moving from New York to Vermont, creating 120 new jobs for Vermonters, and expansions at companies like Commonwealth Dairy in Brattleboro, SB Electronics in Barre, Revision Mili-



tary in Essex, Mack Molding in Arlington, Sonnex in Bellows Falls, Green Mountain Coffee Roasters in Waterbury and Essex Jct., just to name a few.

### **Agency of Human Services:**

#### **Department for Children and Families**

- Saw its 3SquaresVT caseload grow to 47,833, earning the State a USDA high performance bonus of nearly \$390,000 for having one of the top six program access rates in the nation.
- Created the Vermont Rental Subsidy program, allowing 75 to 80 families and/or disabled individuals to transition to permanent housing more quickly.
- Low-Income Weatherization Assistance program won a competitive grant from the US Department of Energy to bring sustainable energy resources to low-income Vermonters.
- Completed nearly 5,000 child abuse and neglect investigations and assessments, nearly double the number completed four years ago.
- Worked in collaboration with the Vermont Department of Education to gather and analyze input on simplifying and improving publically supported Pre-K (2007 Act 62) in Vermont.
- Worked with other groups to create a first of its kind housing subsidy intended to be a bridge for individuals and families who are in need of stable housing.

#### **Department of Corrections**

- Shifted prison populations to enable more Vermonters to be brought back from out-of-state prisons to serve their sentences in Vermont correctional facilities.
- Transitioned the women's prison population to the Chittenden Regional Correctional Facility, creating new opportunities for women to reenter our communities safely.

#### **Department of Health**

- Vermont was ranked the Healthiest State in the Nation – due in part to high rates of high school graduation, lower

rates of infectious disease, low violent crime rate, and high use of early prenatal care.

- Vermont received the first and only 'A' on the March of Dimes Premature Birth Report Card.
- Vermont was named third best state for children's access to health care.
- The department worked with the Vermont National Guard and other groups to deliver more than 30,000 respirators and 240,000 pairs of gloves for safe cleanup after Tropical Storm Irene.
- Distributed more than 1,200 free drinking water lab test kits to residents with private wells that may have been contaminated.

#### **Department of Disabilities, Aging and Independent Living**

- Secured an \$18 million, three-year federal grant to help move individuals from facility-based care to home-based care.
- Helped 1,622 Vermonters with disabilities find work.
- Reduced repeat applications for general assistance by over 150 people.

#### **Department of Vermont Health Access**

- Continued to serve 166,000 Vermonters with high quality affordable health care.
- Received approval of a federal Health Care Exchange implementation grant for \$18 million.
- Continued expansion of the Blueprint for Health across Vermont with primary care medical homes and community health teams.

### **CONNECTVT:**

- Worked with the Legislature to obtain approval for an expedited permitting process to manage the volume of project applications.
- Worked with private providers, who completed building more than 1,200 fiber miles.
- The Vermont Telecommunications Authority gave initial funding to two innovative strategies to build a rural roaming

carrier network to support the expansion of cell service to reach underserved “nooks and crannies” and low population density areas of the State.

- Established Vermont as the leader in the nation in Smart-Grid deployment.

#### **Agency of Natural Resources:**

- Launched a comprehensive, long-term plan to make real progress in cleaning up Lake Champlain.
- Created a program to replace old outdoor wood-fired boilers to reduce the unhealthy smoke they produce.
- Required manufacturers and sellers of computers, cell phones and other electronic devices to provide convenient ways for Vermonters to return used electronic devices for proper disposal.
- Established a Climate Cabinet to implement a new, ambitious energy plan, and to help prepare Vermont for the climate changes we already see coming.

#### **Public Service Department:**

- Issued the 2011 Vermont Energy Plan, which calls for 90 percent renewable power by 2050.

#### **Agency of Transportation:**

- Provided Irene emergency repairs on 531 miles of closed roads, 200 damaged bridges and 34 closed bridges - all completed by the end of 2011.
- Completed \$20 million in repairs following the spring floods, while keeping VT Routes 2 and 78, the only two roads connecting the Lake Champlain Islands to the Vermont mainland, open at the peak of the highest Lake Champlain water level in recorded history.
- Partnered with New York to complete the Lake Champlain Bridge between West Addison, VT and Crown Point, NY.
- Advanced the first project to go to construction under the U.S. Department of Transportation’s U.S. High-Speed Inter-city Rail Program.
- Organized a task force to advance projects to replace the long-stalled Circumferential Highway project, in conjunction

with the Chittenden County Regional Planning Commission.

#### **Education:**

- Served more children in high quality preschool programs – up 30 percent in the last 5 years – a key foundation for a child’s success in school and beyond.
- Vermont students continue to outperform their peers across the country in Reading and Math on the National Assessment of Educational Progress (NAEP), the SAT and AP exams. More students are taking these exams (despite decreasing enrollment), and Vermont’s scores continue to rise.
- Vermont’s high school graduation rate is one of the highest in the country. Nearly 90 percent of our students graduate from high school within four years.
- Applied for a waiver from the USDOE to the No Child Left Behind Act, which would refocus the work of the department in the coming months and may allow students to use a high school assessment such as the SAT or ACT to measure their college and career readiness.

#### **Public Safety Department**

- Vermont Emergency Management successfully managed the response to the extreme flooding and damages from Tropical Storm Irene, developed a donations plan that will become an annex in the State Emergency Operations Plan and coordinated with FEMA to help communities complete their requests for public assistance. To date \$16.5 million has been approved for mitigation and more than \$48 million has been paid for individual assistance and small business assistance.
- In 2011, Vermont’s 55 roadway deaths were the lowest since 1944, due to the collaborative enforcement and educational efforts by State, county and local law enforcement.
- Vermont has seen a 50 percent reduction in fire-related deaths in the past seven years. Changes addressing fire protection issues have contributed to this reduction, including increased inspections of existing residential buildings, public education, and legislative changes.

# **FY 2012 BUDGET ADJUSTMENT RECOMMENDATIONS**

## Fiscal Year 2012 Budget Adjustment Recommendation

The Governor's FY 2012 Budget Adjustment Recommendation (BAA) was submitted on December 12, 2011 to the House Committee on Appropriations. Therefore, it is based on the Consensus Revenue Forecast adopted by the Emergency Board in July 2011. Language was included to reserve any potential revenue increase for FY 2012 in the January 2012 Consensus Revenue Forecast in the Human Services Caseload Reserve for use to offset needs in FY 2013 and beyond. A Summary of Total General Fund BAA needs and the revenue sources used follows.

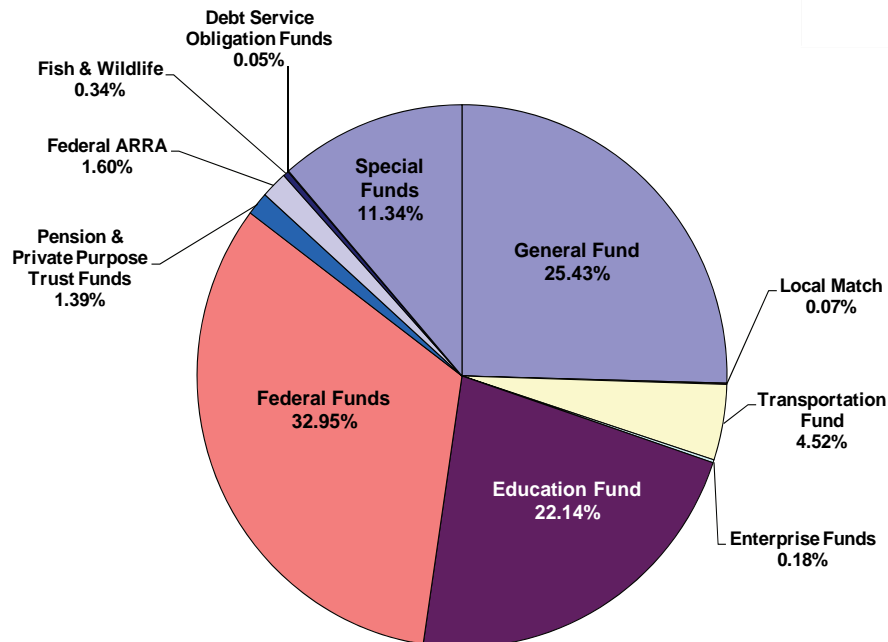
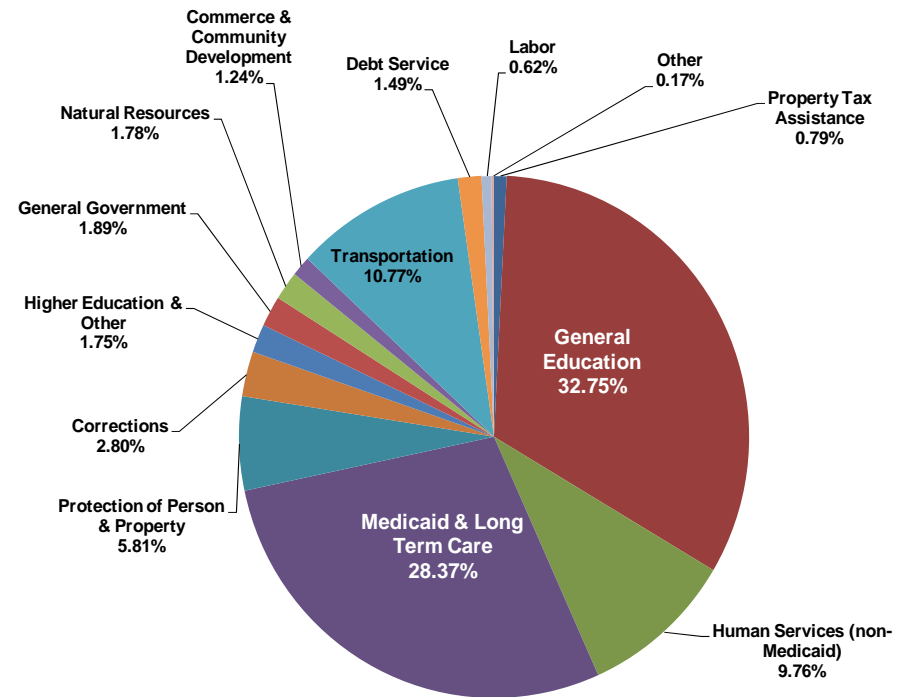
### FY 2012 Governor's General Fund Budget Adjustment Recommendation Summary

#### Recommended General Fund Changes To FY 2012 Budget As Passed

<b>FY 2012 General Fund (GF) Appropriation and Fund Transfer Needs</b>	<b>Non-Irene</b>	<b>Irene Related</b>	<b>Total Changes</b>
Homeowners' Rebate/Renters' Rebate	(697,175)	-	(697,175)
Public Safety	951,194	-	951,194
Military	50,000	691,257	741,257
Agency of Human Services (AHS) - Global Commitment	(656,809)	(252,479)	(909,288)
AHS - Dept. of VT Health Access	(3,787,211)	-	(3,787,211)
AHS - Vermont State Hospital	(10,549,608)	(502,482)	(11,052,090)
AHS - Dept. for Children & Families	1,340,329	289,211	1,629,540
AHS - Corrections - Out of State Beds	3,184,665	-	3,184,665
AHS - Other	(819,230)	(538,866)	(1,358,096)
Department of Fish & Wildlife	1,240,878	(98,045)	1,142,833
Unachieved Savings from \$12 million reduction (net)	3,836,448	-	3,836,448
Refund Correctional Services for borrowed \$\$ to ERAF and Vermont Economic Development Authority		5,800,000	5,800,000
Other departments, agencies, branches, etc.	435,746	(237,331)	198,415
<b>Net General Fund Appropriation Increase/(Decrease)</b>	<b>(5,470,773)</b>	<b>5,151,265</b>	<b>(319,508)</b>
Petroleum Cleanup Fund	-	1,750,000	1,750,000
Act 250 Permit Fund	1,139,849	-	1,139,849
State Liability Insurance Fund	3,000,000	-	3,000,000
Facilities Operations Fund	-	2,974,383	2,974,383
Emergency Relief and Assistance Fund (ERAF)	1,000,000	15,000,000	16,000,000
Other Funds	977,240	-	977,240
<b>Total Net Fund Transfers (To)/From GF</b>	<b>6,117,089</b>	<b>19,724,383</b>	<b>25,841,472</b>
<b>Total General Fund Budget Adjustment Needs</b>	<b>646,316</b>	<b>24,875,648</b>	<b>25,521,964</b>

<b>FY 2012 General Fund (GF) Net Sources Used</b>	<b>Total Changes</b>
Current Law Revenue (net of fee bill and other)	7,300,000
Direct Applications & Reversions	10,819,981
Other Revenue Changes	124,613
<b>Total Changes in Revenue</b>	<b>18,244,594</b>
Human Services Caseload Reserve	7,756,592
General Fund Surplus Reserve	50,778
Budget Stabilization Reserve	(530,000)
<b>Change in Prior Year GF Reserve Balances</b>	<b>7,277,370</b>
<b>Total FY 2012 General Fund Net Sources Used</b>	<b>25,521,964</b>

**FY 2012 Governor's Budget Adjustment  
Recommendations, by Government Function**



**FY 2012 Governor's Budget Adjustment  
Recommendations, by Fund**

FISCAL YEAR 2012 RECOMMENDED BUDGET ADJUSTMENT (APPROPRIATIONS - ALL FUNDS)														
Irene	FUNCTION / Department	Appropriation Title	2011 Act 63 Sec #	Transportation Fund		Education Fund	Special & Tobacco Funds	Global Commitment Fund	State Health Care Resources Fund	Catamount Fund	Federal Funds	ARRA Funds	Other <sup>(1)</sup> Funds	Combined Funds
		FY 2012 As Appropriated		1,235,949,401	220,275,399	1,352,128,014	271,703,820	1,104,196,818	221,579,040	23,948,700	1,594,722,570	77,748,656	241,358,949	6,343,611,367
	Labor savings from unfilled vacant positions, voluntary reduced workweeks, modified health insurance plans, etc.		B.1101	(750,000)			(179,000)						(325,000)	(1,254,000)
		FY 2012 Revised Appropriations		1,235,949,401	219,525,399	1,352,128,014	271,524,820	1,104,196,818	221,579,040	23,948,700	1,594,722,570	77,748,656	241,033,949	6,342,357,367
	FY 2012 RECOMMENDED BUDGET APPROPRIATION ADJUSTMENTS :													
	GENERAL GOVERNMENT													
	Secretary of Administration	Secretary's Office	B.100	75,000										75,000
X	Secretary of Administration	Secretary's Office	B.100	122,000										122,000
	Finance & Management	Budget and Management	B.102	46,000										46,000
X	Human Resources	Operations	B.104	(18,618)										(18,618)
	Homeowner Rebate	Homeowner Rebate	B.137	(1,000,000)										(1,000,000)
	Renter Rebate	Renter Rebate	B.138	302,825										302,825
	TOTAL GENERAL GOVERNMENT			(472,793)	0	0	0	0	0	0	0	0	0	(472,793)
	PROTECTION													
	Judiciary	Judiciary	B.204	25,000										25,000
	Judiciary	Judiciary	B.204	100,000										100,000
X	Judiciary	Judiciary	B.204	25,000										25,000
	State's Attorneys	State's Attorneys	B.205										7,000	7,000
	Public Safety	State Police	B.209	651,574										651,574
	Public Safety	Criminal Justice Services	B.210	209,620										209,620
	Public Safety	Criminal Justice Services	B.210	90,000										90,000
	Military	Administration	B.215	50,000										50,000
X	Military	Administration	B.215	691,257										691,257
	TOTAL PROTECTION			1,842,451	0	0	0	0	0	0	0	0	7,000	1,849,451
	HUMAN SERVICES													
	Secretary's Office	Secretary's Office	B.300	175,171			(2,333)				2,227,570		(968,804)	1,431,604
	Secretary's Office	Secretary - Global Commitment	B.301	(909,288)			421,400		11,216,484	278,279	15,812,428			26,819,303
	Secretary's Office	Rate-setting	B.302					(58,632)						(58,632)
	Department of Vermont Health Access	Administration	B.306	(456,000)				269,850			(4,105,321)			(4,291,471)
	Department of Vermont Health Access	Medicaid program - global commitment	B.307					(1,807,261)						(1,807,261)
	Department of Vermont Health Access	Medicaid program - long term care waiver	B.308	(2,807,742)							(366,612)			(3,174,354)
	Department of Vermont Health Access	Medicaid program - state only	B.309	(429,801)				66,584						(363,217)
	Department of Vermont Health Access	Medicaid non-waiver matched	B.310	(93,668)							1,404,194			1,310,526
	Vermont Department of Health	Administration and Support	B.311	(15,628)			350,000	(18,000)			(82,045)			234,327
	Vermont Department of Health	Public Health	B.312				(38,160)	(463,115)			(103,447)			(604,722)
	Vermont Department of Health	Alcohol and Drug Abuse	B.313					401,273			(3,613)			397,660
	Department of Mental Health	Mental Health	B.314	150,000				14,887,506			(3,817)			15,033,689
	Department of Mental Health	Vermont State Hospital	B.315	(11,052,090)			(835,486)	11,396,226			(120,447)		(300,000)	(911,797)
	Department for Children & Families	Admin & Support Services	B.316	(838,285)			1,150,000	(430,115)			(409,158)			(527,558)
	Department for Children & Families	Family Services	B.317	(214,316)				755,955			(116,956)			424,683
	Department for Children & Families	Child Development	B.318	1,522,532				(494,506)			(1,137,157)			(109,131)
	Department for Children & Families	Office of Child Support	B.319	371,038							(543,180)			(172,142)
	Department for Children & Families	Aid to Aged, Blind, and Disabled	B.320	210,853										210,853
	Department for Children & Families	General Assistance	B.321	1,139,039				435,052						1,574,091
	Department for Children & Families	3 Squares VT	B.322								1,103,512			1,103,512
	Department for Children & Families	Reach Up	B.323	(361,321)			125,000							(236,321)
	Department for Children & Families	LIHEAP	B.324				1,350,000				45,000			1,395,000
	Department for Children & Families	Office of Economic Opportunity	B.325					151,866			(56,440)			95,426
	Department for Children & Families	Woodside Rehabilitation Center	B.327	(200,000)				(15,846)						(215,846)
	Department for Children & Families	Disability Determination Services	B.328								(21,607)			(21,607)



FISCAL YEAR 2012 RECOMMENDED BUDGET ADJUSTMENT (APPROPRIATIONS - ALL FUNDS) (continued)														
Irene	FUNCTION / Department	Appropriation Title	2011 Act 63 Sec #	General Fund	Transportation Fund	Education Fund	Special & Tobacco Funds	Global Commitment Fund	State Health Care Resources Fund	Catamount Fund	Federal Funds	ARRA Funds	Other <sup>(1)</sup> Funds	Combined Funds
	Disabilities, Aging and Independent Living	Administration and Support	B.329	(71,984)			0	(234,172)			(155,902)		(19,511)	(481,569)
	Disabilities, Aging and Independent Living	Advocacy and Independent Living	B.330	(325,823)				938,354						612,531
	Disabilities, Aging and Independent Living	Developmental Services	B.333					(750,000)						(750,000)
	Department of Corrections	Administration	B.335	(81,487)										(81,487)
	Department of Corrections	Parole Board	B.336	(11,303)										(11,303)
	Department of Corrections	Correctional Education	B.337			(13,441)								(13,441)
	Department of Corrections	Correctional Services	B.338	(1,177,042)				786,981						(390,061)
	Department of Corrections	Correctional Services - Out of State Beds	B.339	3,184,665										3,184,665
	TOTAL HUMAN SERVICES			(12,292,480)	0	(13,441)	2,520,421	25,818,000	11,216,484	278,279	13,367,002	0	(1,288,315)	39,605,950
X	Agency of Human Services - Irene related Multiple Appropriations (memo only)			(1,004,616)	0	(13,441)	(27,003)	(537,115)	0	0	(822,237)	0	(87,020)	(2,491,432)
	LABOR													
	Labor	Labor	B.400	401,993			(401,993)							-
	TOTAL LABOR			401,993	0	0	(401,993)	0	0	0	0	0	0	-
	NATURAL RESOURCES													-
X	ANR Administration	Administration	B.700	(140,109)										(140,109)
	Department of Fish & Wildlife	Support & Field Services	B.702	1,240,878									(1,024,878)	216,000
X	Department of Fish & Wildlife	Support & Field Services	B.702	29,822									(29,822)	-
X	Department of Fish & Wildlife	Support & Field Services	B.702	(127,867)										(127,867)
X	Department of Forests, Parks & Recreation	Administration	B.703	(88,458)										(88,458)
	Department of Forests, Parks & Recreation	Forestry	B.704	32,553										32,553
X	Department of Environmental Conservation	Management & Support Services	B.709	(59,681)			(41,313)				(41,107)		(85,106)	(227,207)
X	Department of Environmental Conservation	Air & Waste Management	B.710				1,750,000							1,750,000
X	Department of Environmental Conservation	Air & Waste Management	B.710	(17,052)			(83,892)				(68,511)		(3,958)	(173,413)
X	Department of Environmental Conservation	Office of Water Programs	B.711	(136,413)			(95,554)				(118,752)		(9,896)	(360,615)
	TOTAL NATURAL RESOURCES			733,673	0	0	1,529,241	0	0	0	(228,370)	0	(1,153,660)	880,884
	COMMERCE & COMMUNITY DEVELOPMENT													
	Department of Economic, Housing and Community Development	Economic, Housing, and Community Development	B.801	105,200										105,200
X	Department of Economic, Housing and Community Development	Economic, Housing, and Community Development	B.801	10,000										10,000
X	Department of Tourism and Marketing	Tourism and Marketing	B.805	66,000										66,000
	TOTAL COMMERCE & CD			181,200	0	0	0	0	0	0	0	0	0	181,200
	TRANSPORTATION													
	Transportation	Aviation	B.901		(125,000)						(1,125,000)			(1,250,000)
	Transportation	Program Development	B.903		(1,700,000)						(5,800,000)			(7,500,000)
X	Transportation	Maintenance State System	B.905		3,025,000									3,025,000
	Department of Motor Vehicles	Department of Motor Vehicles	B.910		(1,300,000)									(1,300,000)
	Transportation	Town Highway Emergency Fund	B.917		100,000									100,000
	TOTAL TRANSPORTATION			-	-	-	-	-	-	-	(6,925,000)	-	-	(6,925,000)
	TOTAL APPROPRIATION CHANGES (before "words")			(9,605,956)	0	(13,441)	3,647,669	25,818,000	11,216,484	278,279	6,213,632	0	(2,434,975)	35,119,692
	OTHER (with \$\$ appropriation changes)													
	Unachieved portions: Labor savings from unfilled vacant positions, voluntary reduced workweeks, modified health insurance plans, reduced state retirement plan costs, close management of personal services contracts		B.1101	3,836,448										3,836,448
	Fiscal Year 2012 Contract Implementation and Health Insurance Claims Assessment		B.1102	(350,000)										(350,000)
X	Refund Correctional Services for \$\$ borrowed for ERAF due to Irene			5,000,000										5,000,000
X	Refund Correctional Services for \$\$ borrowed for VEDA due to Irene			800,000										800,000
	TOTAL OTHER			9,286,448	0	0	0	0	0	0	0	0	0	9,286,448
	TOTAL APPROPRIATION CHANGE			(319,508)	0	(13,441)	3,647,669	25,818,000	11,216,484	278,279	6,213,632	0	(2,434,975)	44,406,140
	NET FY 2012 APPROPRIATION AFTER BAA (as submitted)			1,235,629,893	219,525,399	1,352,114,573	275,172,489	1,130,014,818	232,795,524	24,226,979	1,600,936,202	77,748,656	238,598,974	6,386,763,507
X	Tropical Storm Irene adjustments included in "Total Appropriation Change" above:			5,151,265	3,025,000	(13,441)	1,502,238	(537,115)	-	-	(1,050,607)	-	(215,802)	7,861,538
(1) Other Funds include: TIB, Fish & Wildlife, Local Match, Trust Funds, Enterprise Funds, Debt Service Funds, Internal Service Funds, Interdepartmental Transfers.														

**FISCAL YEAR 2012 GOVERNOR'S RECOMMENDED BUDGET ADJUSTMENT**
**All Funds by Department**

											Duplicate Appropriations (d)			
	General Fund	Transportation Fund	Special Funds (a)	Education Fund (b)	Subtotal State Funds, Net (b)	Federal Funds	ARRA Funds	Subtotal Before Dedicated Sources	Dedicated Sources (c)	Total Funds and Dedicated Sources	Global Commitment	ISF, IDT, and ARRA IDT	FY 2012 BAA Recommend Total Appropriations	
GENERAL GOVERNMENT														
Administration Agency:														
Secretary of Administration	903,160	-	-	-	903,160	-	-	903,160	-	903,160	-	-	903,160	
Information and Innovation	20,802	-	-	-	20,802	-	-	20,802	-	20,802	-	13,456,950	13,477,752	
Finance & Management	1,064,881	-	-	-	1,064,881	-	-	1,064,881	-	1,064,881	-	3,168,974	4,233,855	
Human Resources	1,690,588	-	280,835	-	1,971,423	-	-	1,971,423	-	1,971,423	-	5,858,990	7,830,413	
Libraries	2,246,905	-	99,156	-	2,346,061	878,355	-	3,224,416	-	3,224,416	-	101,776	3,326,192	
Tax	13,472,974	-	1,521,901	-	14,994,875	-	-	14,994,875	-	14,994,875	-	58,000	15,052,875	
Buildings and General Services	4,885,085	-	50,000	-	4,935,085	-	-	4,935,085	108,002	5,043,087	-	38,103,528	43,146,615	
Total Agency of Administration	24,284,395	-	1,951,892	-	26,236,287	878,355	-	27,114,642	108,002	27,222,644	-	60,748,218	87,970,862	
GIS	-	-	378,700	-	378,700	-	-	378,700	-	378,700	-	-	378,700	
Executive Office	1,407,763	-	-	-	1,407,763	-	-	1,407,763	-	1,407,763	-	193,500	1,601,263	
Governor's Transition	-	-	-	-	-	-	-	-	-	-	-	-	-	
Legislative Council	2,229,065	-	-	-	2,229,065	-	-	2,229,065	-	2,229,065	-	-	2,229,065	
Legislature	6,955,697	-	-	-	6,955,697	-	-	6,955,697	-	6,955,697	-	-	6,955,697	
Legislative Information Technology	934,664	-	-	-	934,664	-	-	934,664	-	934,664	-	-	934,664	
Joint Fiscal Office	1,439,248	-	-	-	1,439,248	-	-	1,439,248	-	1,439,248	-	-	1,439,248	
Sergeant at Arms	505,708	-	-	-	505,708	-	-	505,708	-	505,708	-	-	505,708	
Lt. Governor	169,516	-	-	-	169,516	-	-	169,516	-	169,516	-	-	169,516	
Auditor of Accounts	379,044	-	53,099	-	432,143	-	-	432,143	-	432,143	-	3,458,755	3,890,898	
State Treasurer	1,025,782	-	1,744,843	-	2,770,625	-	-	2,770,625	913,995	3,684,620	-	115,997	3,800,617	
State Employees/Municipal Retirement Systems	-	-	-	-	-	-	-	-	37,560,515	37,560,515	-	-	37,560,515	
Labor Relations Board	200,588	-	2,788	-	203,376	-	-	203,376	-	203,376	-	2,788	206,164	
VOSHA Review Board	25,607	-	-	-	25,607	-	-	25,607	-	25,607	-	25,614	51,221	
Homeowner rebate	14,190,000	-	-	-	14,190,000	-	-	14,190,000	-	14,190,000	-	-	14,190,000	
Renter rebate	2,802,825	-	-	5,800,000	8,602,825	-	-	8,602,825	-	8,602,825	-	-	8,602,825	
Reappraisal and listing payments	-	-	-	3,240,000	3,240,000	-	-	3,240,000	-	3,240,000	-	-	3,240,000	
Use Tax Reimbursement - municipal current use	12,400,000	-	-	-	12,400,000	-	-	12,400,000	-	12,400,000	-	-	12,400,000	
Lottery	-	-	-	-	-	-	-	-	2,892,961	2,892,961	-	-	2,892,961	
PILOT/Montpelier Services	-	-	5,984,000	-	5,984,000	-	-	5,984,000	-	5,984,000	-	-	5,984,000	
Corrections PILOT	-	-	40,000	-	40,000	-	-	40,000	-	40,000	-	-	40,000	
TOTAL GENERAL GOVERNMENT	68,949,902	-	10,155,322	9,040,000	88,145,224	878,355	-	89,023,579	41,475,473	130,499,052	-	64,544,872	195,043,924	
percent of total	5.58%	0.00%	1.79%	0.84%	2.84%	0.05%	0.00%	1.86%	50.62%	2.69%	0.00%	53.28%	3.19%	
PROTECTION TO PERSONS AND PROPERTY														
Attorney General	3,723,629	-	1,593,000	-	5,316,629	685,000	-	6,001,629	-	6,001,629	-	2,105,602	8,107,231	
Court Diversion	1,311,014	-	519,997	-	1,831,011	-	-	1,831,011	-	1,831,011	-	-	1,831,011	
Defender General	11,610,057	-	638,552	-	12,248,609	-	-	12,248,609	-	12,248,609	-	-	12,248,609	
Judiciary	31,109,702	-	4,215,413	-	35,325,115	1,129,259	-	36,454,374	-	36,454,374	-	2,673,035	39,127,409	
State's Attorneys/SIU	9,247,956	-	60,699	-	9,308,655	131,000	-	9,439,655	-	9,439,655	-	2,192,320	11,631,975	
Sheriffs	3,559,012	-	-	-	3,559,012	-	-	3,559,012	-	3,559,012	-	-	3,559,012	
Public Safety	29,953,049	25,238,498	10,176,366	-	65,367,913	28,109,587	702,727	94,180,227	-	94,180,227	-	1,097,117	95,277,344	
Military	4,178,000	-	84,049	-	4,262,049	18,769,454	-	23,031,503	-	23,031,503	-	-	23,031,503	
Center for Crime Victim Services	1,154,480	-	5,931,945	-	7,086,425	3,968,964	-	11,055,389	-	11,055,389	-	-	11,055,389	
Criminal Justice Training Council	2,314,206	-	-	-	2,314,206	-	-	2,314,206	-	2,314,206	-	252,672	2,566,878	
Agriculture, Food and Markets	5,305,861	-	6,825,848	-	12,131,709	2,006,057	-	14,137,766	-	14,137,766	90,278	551,328	14,779,372	
BISHCA	-	-	14,735,737	-	14,735,737	527,702	-	15,263,439	-	15,263,439	1,898,824	-	17,162,263	
Secretary of State	1,477,995	-	5,133,456	-	6,611,451	2,000,000	-	8,611,451	-	8,611,451	-	75,000	8,686,451	
Public Service Department	-	-	12,341,218	-	12,341,218	1,157,800	15,873,935	29,372,953	-	29,372,953	-	-	29,372,953	
Public Service Board	-	-	3,001,980	-	3,001,980	-	245,385	3,247,365	-	3,247,365	-	-	3,247,365	
Enhanced 911 Board	-	-	5,845,256	-	5,845,256	-	-	5,845,256	-	5,845,256	-	-	5,845,256	
Human Rights Commission	327,707	-	-	-	327,707	145,000	-	472,707	-	472,707	-	-	472,707	
Liquor Control	-	-	291,945	-	291,945	-	-	291,945	5,007,144	5,299,089	-	250,000	5,549,089	
TOTAL PROTECTION	105,272,668	25,238,498	71,395,461	-	201,906,627	58,629,823	16,822,047	277,358,497	5,007,144	282,365,641	1,989,102	9,197,074	293,551,817	
percent of total	8.52%	11.50%	12.58%	0.00%	6.52%	3.66%	21.64%	5.81%	6.11%	5.81%	0.18%	7.59%	4.80%	

**FISCAL YEAR 2012 GOVERNOR'S RECOMMENDED BUDGET ADJUSTMENT**
**All Funds by Department**

											Duplicate Appropriations (d)			
Agency/Department/Program	General Fund	Transportation Fund	Special Funds (a)	Education Fund (b)	Subtotal State Funds, Net (b)	Federal Funds	ARRA Funds	Subtotal Before Dedicated Sources	Dedicated Sources (c)	Total Funds and Dedicated Sources	Global Commitment	ISF, IDT, and ARRA IDT	FY 2012 BAA Recommend Total Appropriations	
HUMAN SERVICES														
Human Services Agency:														
AHS - Secretary's Office	5,049,075	-	295,514	-	5,344,589	10,522,615	-	15,867,204	-	15,867,204	1,289,306	7,147,716	24,304,226	
AHS - Secretary's Office - Global Commitment	138,357,833	-	313,053,337	-	451,411,170	655,505,262	-	1,106,916,432	-	1,106,916,432	-	688,135	1,107,604,567	
Human Services Board	113,416	-	-	-	113,416	150,844	-	264,260	-	264,260	-	85,843	350,103	
Department of Vt Health Access	127,576,406	-	1,579,123	-	129,155,529	183,620,873	2,505,044	315,281,446	-	315,281,446	684,306,332	4,077,117	1,003,664,895	
Health	11,427,801	-	14,862,432	-	26,290,233	43,822,125	541,980	70,654,338	10,000	70,664,338	41,129,775	1,325,408	113,119,521	
Mental Health	4,679,033	-	6,836	-	4,685,869	6,645,271	-	11,331,140	-	11,331,140	154,115,921	20,000	165,467,061	
Department for Children and Families	100,511,078	-	33,842,201	-	134,353,279	134,364,742	3,545,625	272,263,646	-	272,263,646	70,125,043	894,499	343,283,188	
Disabilities, Aging and Independent Living	17,476,355	-	1,128,159	-	18,604,514	23,825,554	-	42,430,068	-	42,430,068	166,413,724	3,401,158	212,244,950	
Corrections	130,023,262	-	1,389,233	4,307,984	135,720,479	170,962	-	135,891,441	-	135,891,441	3,881,125	2,236,264	142,008,830	
TOTAL HUMAN SERVICES AGENCY	535,214,259	-	366,156,835	4,307,984	905,679,078	1,058,628,248	6,592,649	1,970,899,975	10,000	1,970,909,975	1,121,261,226	19,876,140	3,112,047,341	
Veterans' Home			10,635,885	-	10,635,885	6,881,635	-	17,517,520	-	17,517,520	1,410,956	-	18,928,476	
Commission on Women	294,902	-	5,000	-	299,902	-	-	299,902	-	299,902	-	-	299,902	
RSVP	131,096	-	-	-	131,096	-	-	131,096	-	131,096	-	-	131,096	
TOTAL HUMAN SERVICES	535,640,257	-	376,797,720	4,307,984	916,745,961	1,065,509,883	6,592,649	1,988,848,493	10,000	1,988,858,493	1,122,672,182	19,876,140	3,131,406,815	
percent of total	43.35%	0.00%	66.37%	0.40%	29.58%	66.56%	8.48%	41.63%	0.01%	40.93%	99.35%	16.41%	51.25%	
Labor	2,727,474	-	3,363,869	-	6,091,343	23,888,739	-	29,980,082	-	29,980,082	-	1,394,426	31,374,508	
TOTAL LABOR	2,727,474	-	3,363,869	-	6,091,343	23,888,739	-	29,980,082	-	29,980,082	-	1,394,426	31,374,508	
percent of total	0.22%	0.00%	0.59%	0.00%	0.20%	1.49%	0.00%	0.63%	0.00%	0.62%	0.00%	1.15%	0.51%	
GENERAL EDUCATION														
Department of Education	9,469,708	-	17,738,389	1,338,766,589	1,365,974,686	134,449,434	10,613,000	1,511,037,120	-	1,511,037,120	941,971	532,672	1,512,511,763	
GF Appropriation to Education Fund	276,240,000	-	-	(276,240,000)	-	-	-	-	-	-	-	-	-	
Teachers' Retirement	51,672,307	-	-	-	51,672,307	-	-	51,672,307	28,884,517	80,556,824	-	-	80,556,824	
TOTAL GENERAL EDUCATION	337,382,015	-	17,738,389	1,062,526,589	1,417,646,993	134,449,434	10,613,000	1,562,709,427	28,884,517	1,591,593,944	941,971	532,672	1,593,068,587	
percent of total	27.30%	0.00%	3.12%	98.76%	45.75%	8.40%	13.65%	32.71%	35.25%	32.75%	0.08%	0.44%	26.07%	
HIGHER EDUCATION AND OTHER														
University of Vermont	36,740,478	-	-	-	36,740,478	-	-	36,740,478	-	36,740,478	4,006,156	-	40,746,634	
Vermont Public Television	547,683	-	-	-	547,683	-	-	547,683	-	547,683	-	-	547,683	
Vermont State Colleges	23,818,343	-	-	-	23,818,343	-	-	23,818,343	-	23,818,343	405,407	-	24,223,750	
Vermont Interactive TV	785,679	-	-	-	785,679	-	-	785,679	-	785,679	-	-	785,679	
Vermont Student Assistance Corp.	18,363,607	-	-	-	18,363,607	-	-	18,363,607	-	18,363,607	-	-	18,363,607	
N.E. Higher Education Compact	84,000	-	-	-	84,000	-	-	84,000	-	84,000	-	-	84,000	
TOTAL HIGHER EDUCATION AND OTHER	80,339,790	-	-	-	80,339,790	-	-	80,339,790	-	80,339,790	4,411,563	-	84,751,353	
percent of total	6.50%	0.00%	0.00%	0.00%	2.59%	0.00%	0.00%	1.68%	0.00%	1.65%	0.39%	0.00%	1.39%	
NATURAL RESOURCES														
Agency of Natural Resources:														
ANR - Central Office	5,208,786	-	54,484	-	5,263,270	25,000	-	5,288,270	-	5,288,270	-	547,946	5,836,216	
Fish & Wildlife	2,062,113	-	16,497,144	-	18,559,257	-	-	18,559,257	-	18,559,257	-	340,146	18,899,403	
Forests, Parks & Recreation	4,903,015	-	10,186,467	-	15,089,482	3,366,906	-	18,456,388	-	18,456,388	-	425,000	18,881,388	
Environmental Conservation	6,807,307	-	21,911,779	-	28,719,086	12,176,107	698,686	41,593,879	-	41,593,879	-	1,352,067	42,945,946	
Total Agency of Natural Resources	18,981,221	-	48,649,874	-	67,631,095	15,568,013	698,686	83,897,794	-	83,897,794	-	2,665,159	86,562,953	
Natural Resources Board	720,918	-	1,965,886	-	2,686,804	-	-	2,686,804	-	2,686,804	-	-	2,686,804	
TOTAL NATURAL RESOURCES	19,702,139	-	50,615,760	-	70,317,899	15,568,013	698,686	86,584,598	-	86,584,598	-	2,665,159	89,249,757	
percent of total	1.59%	0.00%	8.92%	0.00%	2.27%	0.97%	0.90%	1.81%	0.00%	1.78%	0.00%	2.20%	1.46%	

**FISCAL YEAR 2012 GOVERNOR'S RECOMMENDED BUDGET ADJUSTMENT**
**All Funds by Department**

											Duplicate Appropriations (d)			
	General Fund	Transportation Fund	Special Funds (a)	Education Fund (b)	Subtotal State Funds, Net (b)	Federal Funds	ARRA Funds	Subtotal Before Dedicated Sources	Dedicated Sources (c)	Total Funds and Dedicated Sources	Global Commitment	ISF, IDT, and ARRA IDT	FY 2012 BAA Recommend Total Appropriations	
COMMERCE & COMMUNITY DEVELOPMENT														
Agency of Commerce & Comm Development														
ACCD - Administration	2,661,668	-	-	-	2,661,668	800,000	350,000	3,811,668	-	3,811,668	-	56,000	3,867,668	
Economic, Housing & Community Development	5,894,960		4,345,665		10,240,625	18,783,790	652,416	29,676,831	-	29,676,831	-	100,000	29,776,831	
Tourism & Marketing	3,068,842	-	-	-	3,068,842	-	-	3,068,842	712,689	3,781,531	-	50,000	3,831,531	
Total Agency of Commerce & Comm Development	11,625,470	-	4,345,665	-	15,971,135	19,583,790	1,002,416	36,557,341	712,689	37,270,030	-	206,000	37,476,030	
Council on the Arts					507,607	-	-	507,607	-	507,607	-	-	507,607	
Vermont Symphony Orchestra					113,821	-	-	113,821	-	113,821	-	-	113,821	
VT Historical Society					807,694	-	-	807,694	-	807,694	-	-	807,694	
Housing & Conservation Trust					-		8,772,500	-	-	21,612,916	-	-	21,612,916	
VT Humanities Council					172,670	-	-	172,670	-	172,670	-	-	172,670	
TOTAL COMMERCE & COMMUNITY DEV.	13,227,262	-	13,118,165	-	26,345,427	32,424,206	1,002,416	59,772,049	712,689	60,484,738	-	206,000	60,690,738	
percent of total	1.07%	0.00%	2.31%	0.00%	0.85%	2.03%	1.29%	1.25%	0.87%	1.24%	0.00%	0.17%	0.99%	
TRANSPORTATION														
Agency of Transportation														
AOT Division Appropriations and Programs	-	129,418,110	16,984,062	-	146,402,172	251,171,546	40,582,716	438,156,434	2,528,853	440,685,287	-	22,720,991	463,406,278	
AOT Dept. of Motor Vehicles	-	21,209,357	-	-	21,209,357	2,768,907	-	23,978,264	-	23,978,264	-	-	23,978,264	
AOT Town Highway, Bridges & Municipal	-	40,200,609	2,025,875	-	42,226,484	15,326,065	-	57,552,549	936,199	58,488,748	-	-	58,488,748	
Total Agency of Transportation	-	190,828,076	19,009,937	-	209,838,013	269,266,518	40,582,716	519,687,247	3,465,052	523,152,299	-	22,720,991	545,873,290	
Transportation Board					-		87,000	-	-	87,000	-	-	87,000	
TOTAL TRANSPORTATION	-	190,915,076	19,009,937	-	209,925,013	269,266,518	40,582,716	519,774,247	3,465,052	523,239,299	-	22,720,991	545,960,290	
percent of total	0.00%	86.97%	3.35%	0.00%	6.77%	16.82%	52.20%	10.88%	4.23%	10.77%	0.00%	18.76%	8.93%	
Debt Service					64,575,793	3,371,825	625,950	-	68,573,568	-	1,437,142	70,010,710	2,379,684	72,390,394
DEBT SERVICE	64,575,793	3,371,825	625,950	-	68,573,568	-	1,437,142	70,010,710	2,379,684	72,390,394	-	-	72,390,394	
percent of total	5.23%	1.54%	0.11%	0.00%	2.21%	0.00%	1.85%	1.47%	2.90%	1.49%	0.00%	0.00%	1.18%	
Pay Act					556,500	-	-	-	556,500	-	-	-	556,500	
Other Reductions					-	-	-	-	-	-	-	-	-	
One-Time Appropriations					5,850,000	-	-	-	5,850,000	-	-	-	5,850,000	
OTHER					1,406,093	-	4,901,500	-	6,307,593	321,231	-	-	6,628,824	
APPROPRIATION TOTAL	1,235,629,893	219,525,399	567,722,073	1,075,874,573	3,098,751,938	1,600,936,202	77,748,656	4,777,436,796	81,934,559	4,859,371,355	1,130,014,818	121,137,334	6,110,523,507	
percent of total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Add back GF to EF Transfer													276,240,000	
Memo: Total Appropriation including GF to EF													6,386,763,507	

(a) Special Funds also includes: Fish & Wildlife, Next Generation, Tobacco, Catamount, State Health Care Resources, and Transportation Infrastructure Bond Funds

(b) Adjusted for inter-fund appropriation: GF to EF transfer.

(c) Dedicated sources include: Enterprise, General Obligation Debts Service, TIB Debt Service, Local Match, TIB Bond Proceeds, Pension Trust, Private Purpose Trust, and Permanent Trust Funds.

(d) Internal Service Funds (ISF), Interdepartmental Transfers (IDT) and ARRA Interdepartmental Transfers (ARRA IDT) are duplicate appropriations and do not represent additional funds.

# OTHER REQUIRED REPORTS

<b>TAX EXPENDITURE REPORT by Major Object</b>	<b>FY 2011 Estimated</b>	<b>FY 2012 Estimated</b>	<b>FY 2013 Estimated</b>
Vermont Municipal Bond Income	3,560,000	3,650,000	3,740,000
Qualified Sale of Mobile Home Park Credit	0	1,000	1,000
Vermont Higher Education Investment Credit	1,265,000	1,400,000	1,540,000
<b>Individual Income Tax Expenditure - Sub-Total</b>	<b>4,825,000</b>	<b>5,051,000</b>	<b>5,281,000</b>
Veterinary supplies	1,100,000	1,100,000	1,200,000
Admissions to municipal, state and federal recreation facilities	300,000	300,000	300,000
Rentals of coin-operated washing facilities	1,200,000	1,300,000	1,400,000
Admission fees to nonprofit museums	1,300,000	1,400,000	1,500,000
<b>Sales &amp; Use Tax Expenditures - Sub-Total</b>	<b>3,900,000</b>	<b>4,100,000</b>	<b>4,400,000</b>
Fraternal Societies	80,000	80,000	80,000
Hospital and Medical Service Organizations	10,600,000	10,700,000	10,800,000
<b>Insurance Premiums Tax Expenditures - Sub-Total</b>	<b>10,680,000</b>	<b>10,780,000</b>	<b>10,880,000</b>
Religious, charitable	170,000	180,000	190,000
Gifts	3,260,000	3,450,000	3,730,000
IRC Sec. 351	15,000	20,000	20,000
Trade-In Allowance	23,500,000	24,700,000	26,000,000
<b>Motor Vehicle Purchase &amp; Use Expenditures - Sub-Total</b>	<b>26,945,000</b>	<b>28,350,000</b>	<b>29,940,000</b>
Non-Profit Medical Service Corporations	140,000	145,000	150,000
Vermont State Colleges	1,250,000	1,300,000	1,350,000
University of Vermont	10,070,000	10,325,000	10,500,000
Libraries	874,000	890,000	920,000
Federal and State Government Property	15,420,000	16,300,000	17,150,000
Congressionally Chartered Organizations	549,000	560,000	575,000
Public, pious and charitable property	34,642,000	36,500,000	38,300,000
College fraternities and societies	160,000	165,000	170,000
YMCA and YWCA	160,000	163,000	166,000
Cemeteries	525,000	550,000	575,000
Owned by agricultural societies	440,000	442,000	444,000
Humane societies	74,000	77,000	80,000
FQHC and RHC	195,000	215,000	230,000
Municipally owned	25,727,000	26,900,000	28,400,000
Municipalities hosting large power plants	796,000	860,000	910,000
Property Tax Adjustments	151,500,000	150,100,000	151,100,000
Holton Home	7,000	7,000	7,000
<b>Property Tax Expenditures - Sub-Total</b>	<b>242,529,000</b>	<b>245,499,000</b>	<b>251,027,000</b>
<b>GRAND TOTAL</b>	<b>288,879,000</b>	<b>293,780,000</b>	<b>301,528,000</b>

*Note: The FY 2013 Expenditure Budget "covers tax expenditures related to nonprofits and charitable organizations and covering miscellaneous expenditures," as prescribed by 2011 Act 45. The budget does not include tax expenditures included in the biennial report that are not estimated due to lack of data.*



## RETIREMENT SYSTEMS FINANCIAL INTEGRITY REPORT

As specified in 32 V.S.A. §311, the following is a report on the financial integrity of the State Employees' and State Teachers' Retirement Systems.

### Contribution Levels

#### VSERS

As a result of the June 30, 2011 actuarial valuation, the actuary for the Vermont State Employees' Retirement System (VSERS) recommended a contribution during FY 2013 of \$37,081,933 to the pension plan (VSERS pension) and \$73,355,822 to the Vermont State Employees' Other Post-Employment Benefits (VSERS OPEB) plan, based on current funding policy.

The actuary's recommended contribution to the VSERS pension incorporates the recommended normal contribution of \$16,628,726 (3.99% of estimated payroll) plus \$20,453,207 for the annual contribution towards the unfunded actuarial accrued liability (UAAL). To calculate the State's contribution, the actuarial recommendation has been reduced by \$653,628 for the Treasurer's estimate of FY 2013 contributions by town participants in VSERS, making the State's net contribution for the actuarial recommendation \$36,428,305. The State also contributes an amount to prepay the Treasurer's estimate of non-healthcare administrative expenses which for FY 2013 is \$8,073,426. This amount has been reduced for estimated FY 2013 investment manager fees of \$5,542,054, which is commonly not prepaid in other retirement plans. This adjustment results in a State contribution of \$2,531,372 in FY 2013 to cover anticipated non-healthcare administrative expenses. Added to the net contribution for the actuarial recommendation, the State's planned total contribution to the VSERS pension for FY 2013 will be \$38,959,677.

The actuary's recommended contribution to the VSERS OPEB of \$73,355,822 incorporates a recommended normal contribution of \$41,935,072 plus amortization of the unfunded actuarial liability of \$31,420,750.

The State's planned contribution to the VSERS OPEB during FY 2013 is \$29,200,000 which is the Treasurer's estimate of VSERS retiree health care costs. It is anticipated that VSERS coverage of retiree prescriptions will produce Medicare Part D reimbursements to the system of approximately \$1.4 million, which will be deposited into the VSERS OPEB during FY 2013.

#### VSTRS

As a result of the June 30, 2011 actuarial valuation, the actuary for the Vermont State Teachers' Retirement System (VSTRS) recommended a contribution during FY 2013 of \$60,182,755 to the pension plan (VSTRS pension) and \$45,312,092 to the Vermont State Teachers' Other Post-Employment Benefits (VSTRS OPEB) plan, estimated on a non-prefunding basis. The actuary's recommended contribution to the VSTRS pension incorporates the recommended normal contribution of \$10,303,147 plus \$49,879,608 for

the annual contribution towards the UAAL. The actuary's recommended contribution to the VSTRS OPEB incorporates the recommended normal contribution of \$21,898,611 plus amortization of the unfunded actuarial liability of \$23,413,481.

The State plans to fund the VSTRS pension for FY 2013 at \$64,932,755, \$4,750,000 above the actuarially recommended contribution, through a combination of \$63,613,130 in General Funds and an estimated \$1,319,625 of Medicare Part D reimbursement funds. The State does not plan to make a contribution to the VSTRS OPEB during FY 2013. The VSTRS OPEB has no pre-funding and no assets. Payments for retired teachers' health care costs, estimated to be \$24,000,000 in FY 2013, will continue to be paid by the VSTRS pension.

### **Funding Levels**

Based on Governmental Accounting Standards Board Reporting Requirement Number 25 (GASB 25), the funded ratios for the State Employees' and State Teachers' Retirement funds for the period ending June 30, 2011 are 79.6% and 63.8% respectively. The funded ratios for the State Employees' and Teachers' OPEB Funds for the period ending June 30, 2011 are 1.1% and 0.0% respectively. The Administration, Treasurer's Office, Legislature and other affected parties will need to work together to develop a multi-year plan to address funding pension plan and OPEB liabilities. A very productive bi-partisan retirement commission worked during the summer and fall of 2009 to develop some very significant recommendations for consideration and adoption during the 2010 legislative session.

## ***Acknowledgements and Credits***

This Executive Summary and the Governor's Recommended Budget was prepared by the dedicated staff in the Budget & Management Division of the Department of Finance and Management and with the assistance of agency and department heads, business managers and finance staff across the State. Questions may be addressed to: The Department of Finance & Management, Budget & Management Division at (802) 828-2376.

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*[\*A qualified vehicle in Vermont is a pleasure car or motor truck registered for less than 26,001 pounds.]*

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### **Fiscal Year 2013 Executive Budget Recommendations**

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James Reardon, Commissioner.

The purpose of this publication is to inform members of the Vermont Legislature, state and local government officials, and Vermont citizens of the Fiscal Year 2013 Budget Recommendations of Governor Peter Shumlin.

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