

FY 2024 Executive Budget Summary



Fiscal Year 2024 Executive Budget Recommendations

Philip B. Scott
Governor of Vermont
January 20, 2023





January 20, 2023

Dear Members of the General Assembly and Fellow Vermonters:

In my Inaugural Address, I asked that we focus on the fundamentals to seize upon the once-in-a-lifetime opportunity we have before us.

I asked you to consider the outcomes and costs of every decision we make on the families and places that need our help most. And to prioritize communities – your communities - that have been left behind for far too long. We have seen incredible revenue growth over the last two years because the economy has been supercharged by federal recovery and stimulus dollars. But we know this is only temporary so we must act now to close the gap between the regions and the families we all serve.

We can give every community the chance to catch up and act on their vision. We can help them follow through to create new and better jobs, put more kids in their schools, restore their downtowns, reclaim their character, and renew their identity.

Because of the extraordinary moment we are in, this is undoubtedly the most significant budget I have presented in my time as Governor. It is also the biggest and most complex. Across all funds, we propose to spend \$8.4 billion, with \$2.3 billion in the

General Fund, \$2.1 billion in the Education Fund and \$335 million in the Transportation Fund. We should also include the Capital Bill which will fund capital projects over the next two years totaling \$122 million.

My budget proposes \$77 million in new, ongoing initiatives, which includes a massive increase in the state's investment in childcare. Over \$230 million of surplus money is invested in one-time projects for everything from bolstering our cell phone infrastructure, to trades scholarships, to building and rehabilitating our housing stock. And over \$150 million is set aside to meet anticipated state obligations required by federal funding streams over the next several years.

The numbers are big, but we know with certainty these windfalls won't last, which is exactly why we must be thoughtful, deliberate and very disciplined. The budget I present today reflects a firm commitment to use surplus funds for one-time initiatives which do not create ongoing costs. In fact, for the second year in a row, my budget invests a portion of base revenue in one-time expenses. This allows us to test new ideas while protecting future leaders from obligations they may not be able to sustain.

Every budgetary decision we make is one Vermonters will live with long after all surplus money is gone. We have taken a lot of time to ensure we are investing, rather than just spending, in areas that will put Vermont in a much stronger economic and fiscal position to address our needs as well as our wants. Spending money is easy but investing it to get the best return is much more difficult.

And there is no one big idea and no quick fix to the challenges we face. It is really about focusing on the fundamentals and following through on what we started. A comprehensive approach will be more progressive and far more impactful than any shiny new initiative that gets headlines. That is why I am asking each of you, but especially those not on the money committees, to take the time

to understand the core principles of this budget and ask questions about what it does for the cities and towns you represent.

If we do this right, we will lift your communities up and give them a brighter future where families are not struggling to make ends meet and schools are once again full of healthy kids. Where employers are creating – and filling - good jobs. And there are plenty of good, affordable homes using cleaner and less expensive energy and each region of our state has affordable, local healthcare systems.

This is what we can achieve, and it is why we must not squander this opportunity. It is too important to let slip through our fingers.

Sincerely,

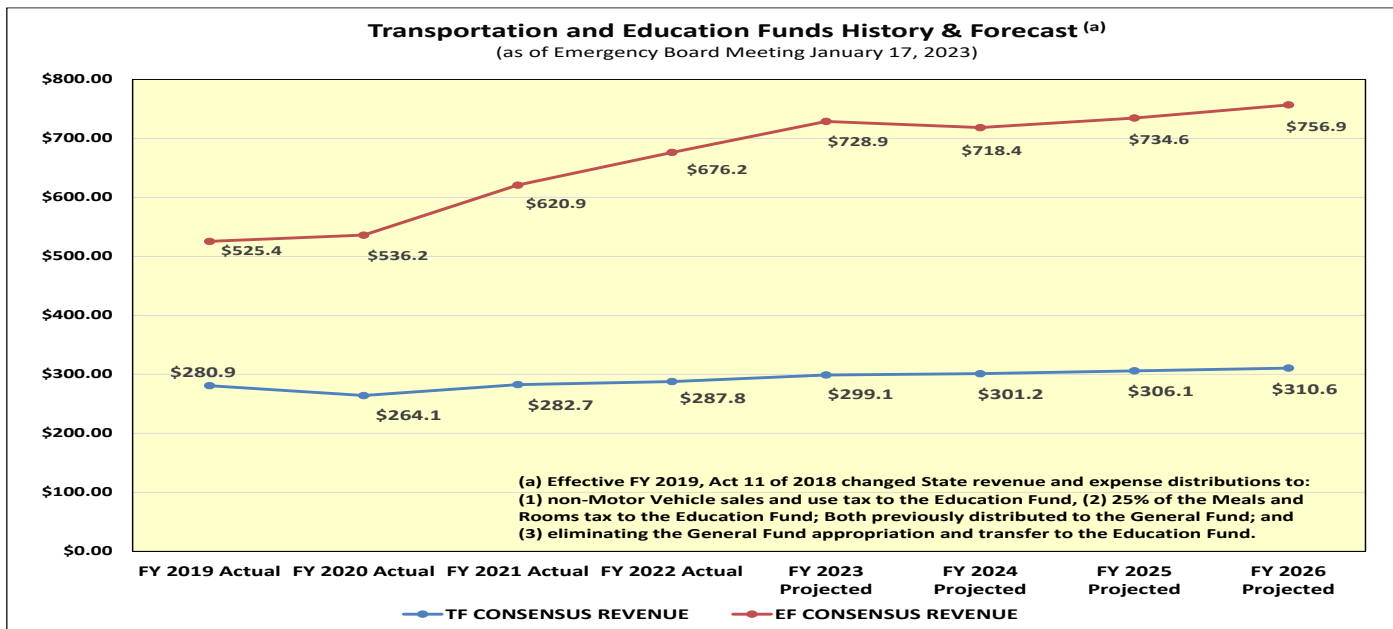
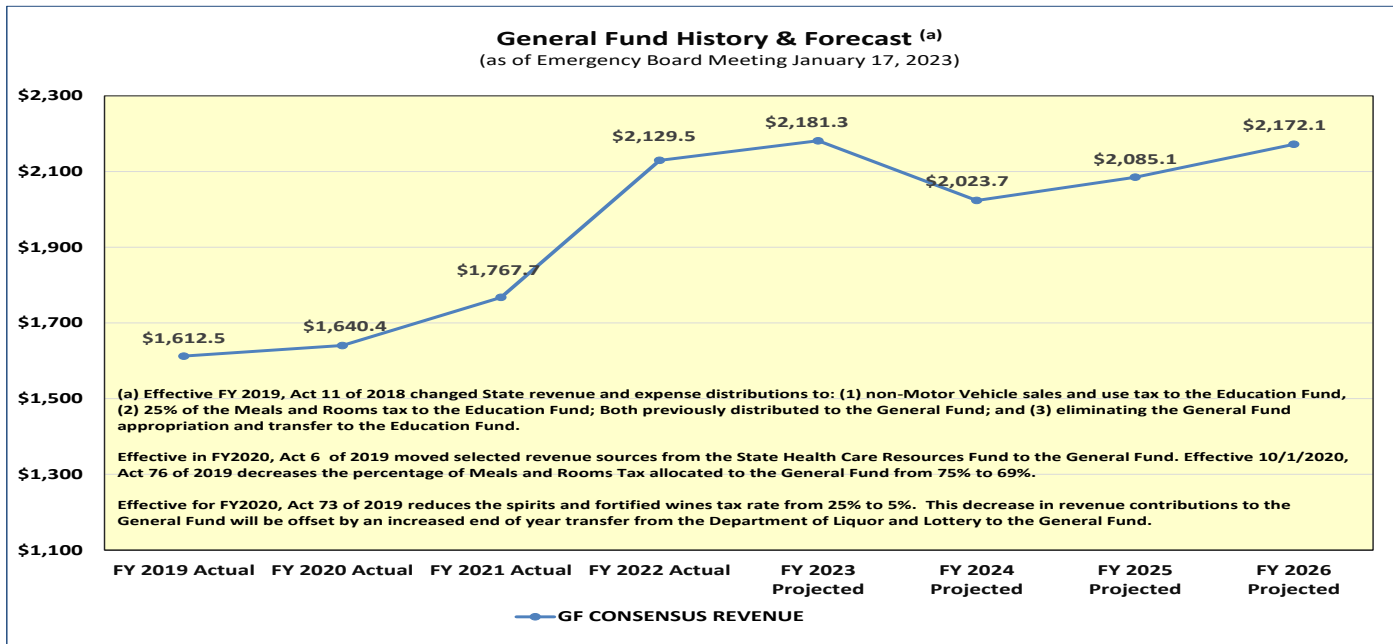
A handwritten signature in black ink, appearing to read "Philip B. Scott", with a long horizontal line extending to the right from the end of the signature.

Philip B. Scott
Governor

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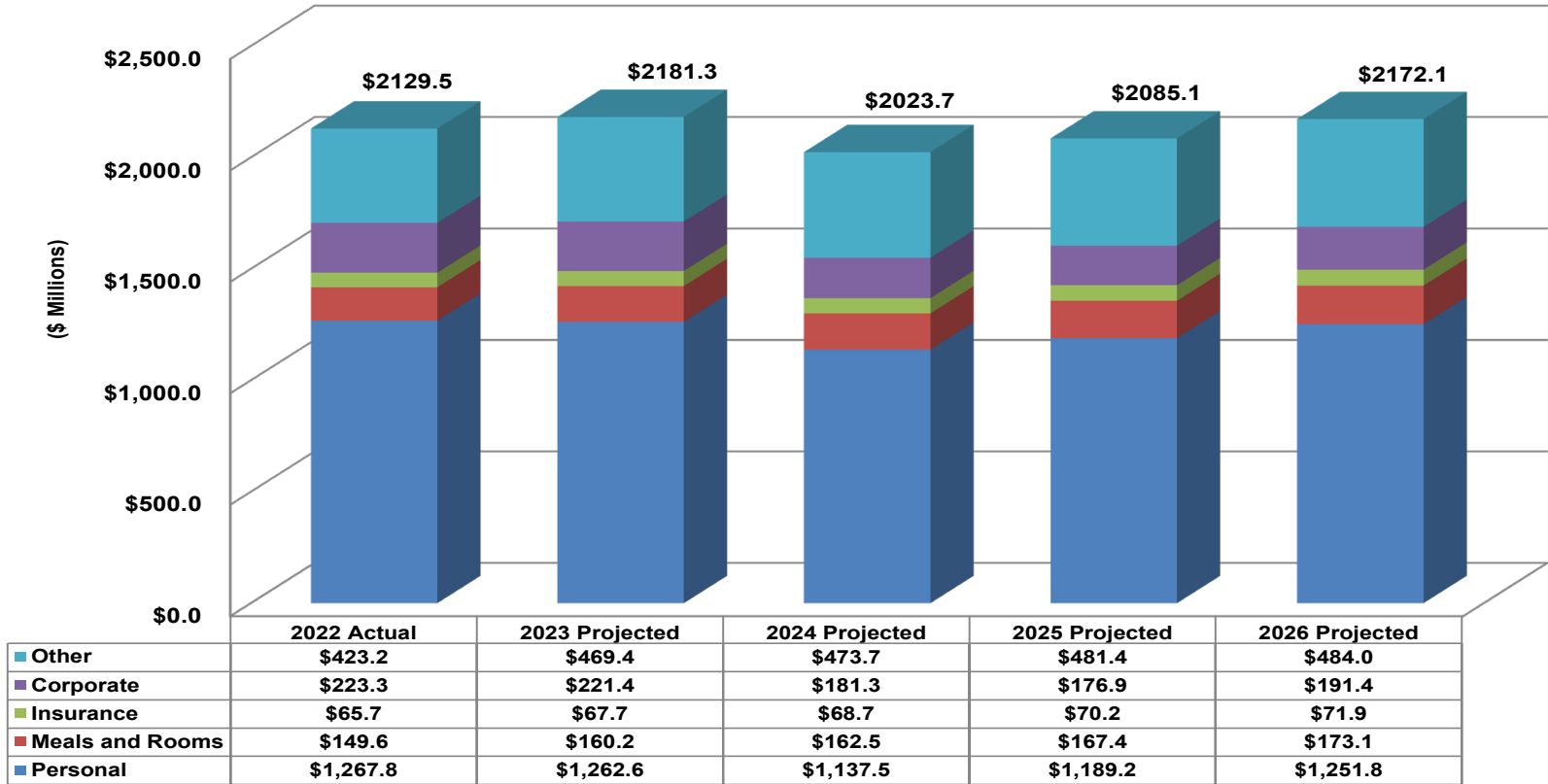
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CONSENSUS REVENUE HISTORY & FORECAST



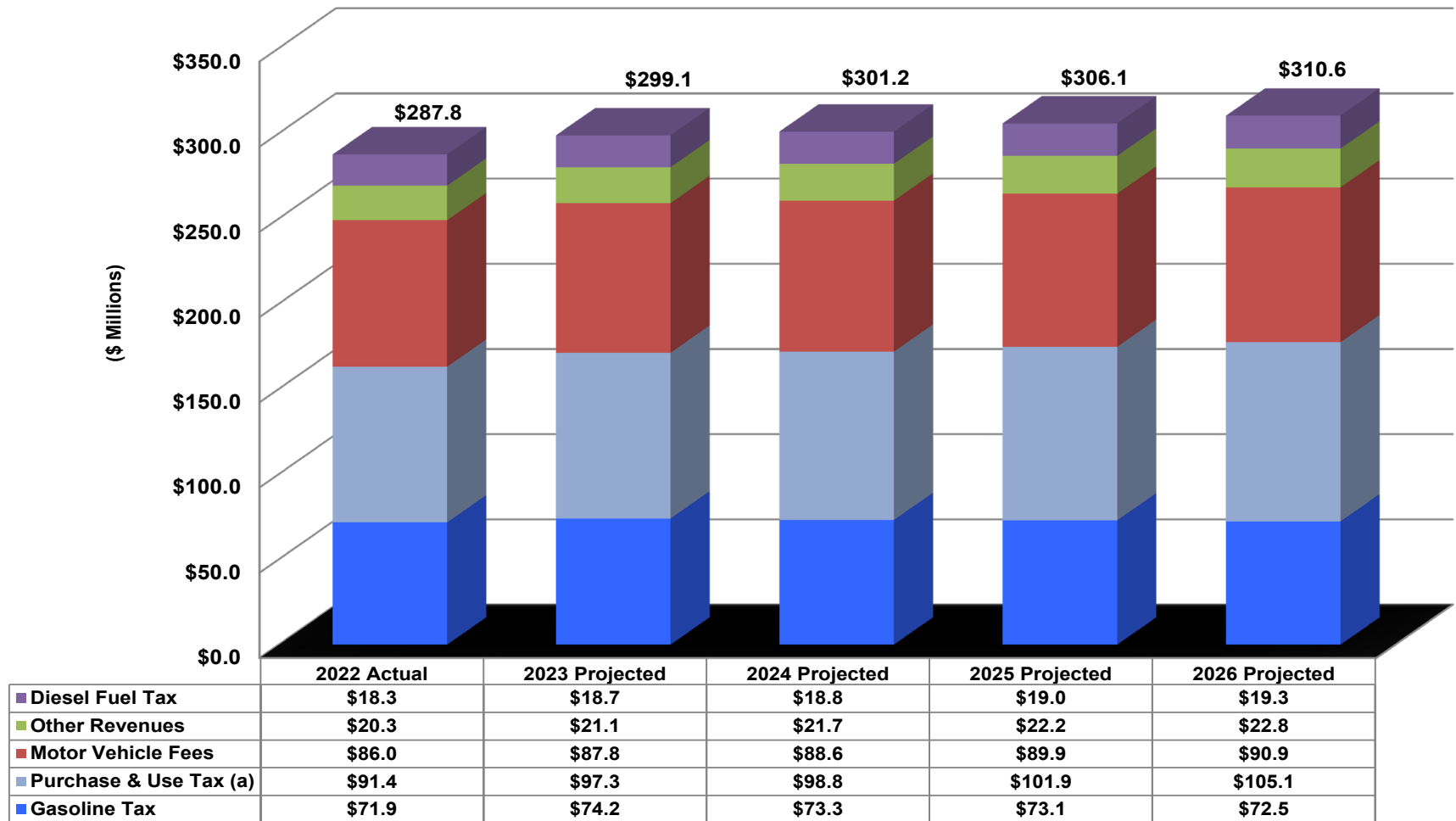
General Fund Revenue by Component FY 2022 – FY 2026

Emergency Board January 17, 2023



Transportation Fund Revenue by Component FY 2022 – FY 2026

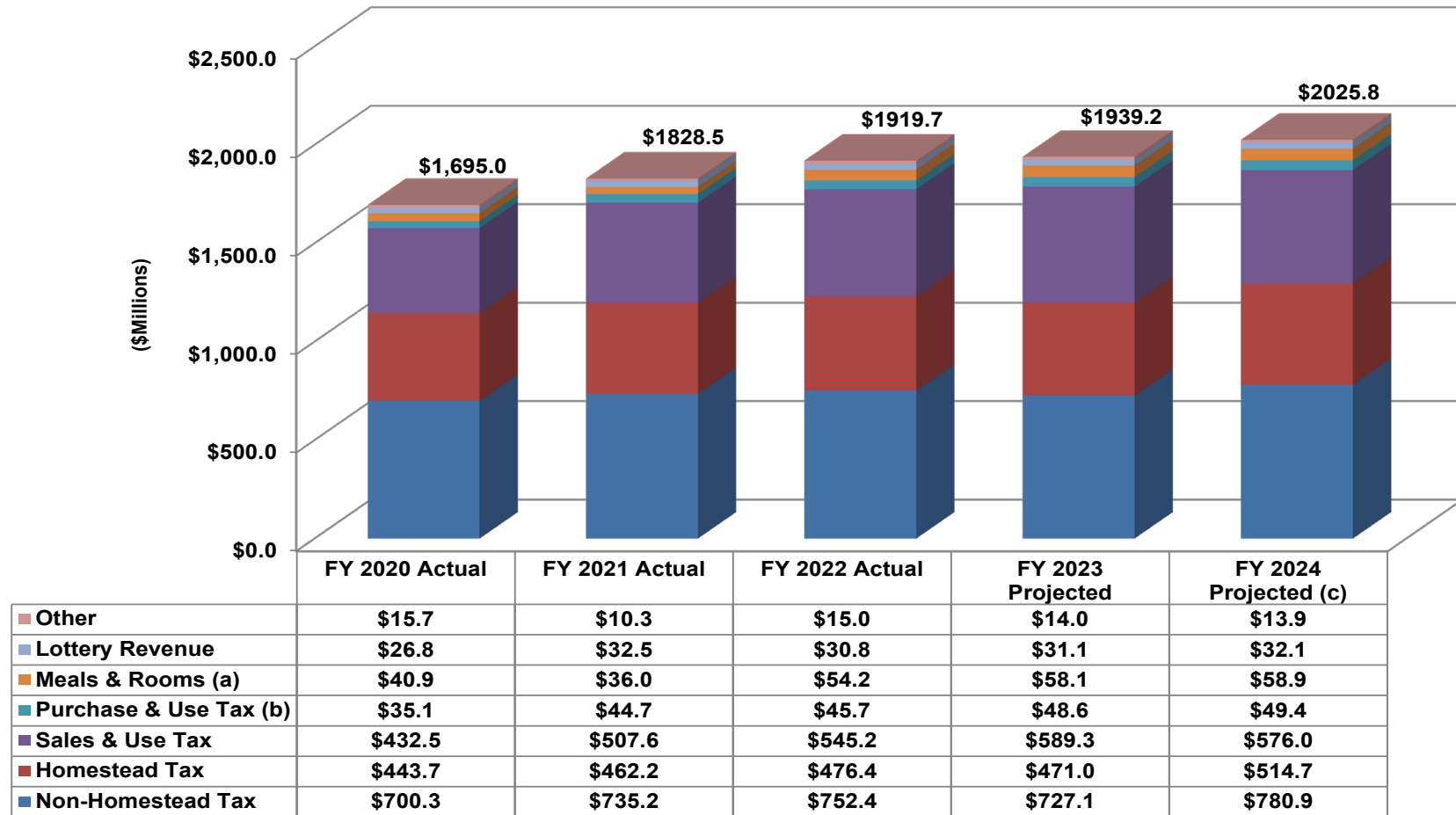
Emergency Board January 17, 2023



(a) The Transportation Fund's Purchase & Use revenue represents two-thirds of total Purchase & Use Tax revenue

Education Fund Revenue by Component FY 2020 – FY 2024

Emergency Board January 17, 2023



- (a) The Education Fund's Meals & Rooms revenue represents one-fourth of total Meals & Rooms revenue
- (b) The Education Fund's Purchase & Use revenue represents one-third of total Purchase & Use Tax revenue
- (c) The FY 2024 "Other" projection reflects a proposed \$1.1M reduction in revenue related to the Tax Computer Modernization Fund

Current Services Budget

Per 32 V.S.A. § 306 (a)(1)

A current services budget measures the cost to the state in an upcoming budget period to deliver the same quantity and quality of services delivered in the current budget period. A current services budget incorporates the impact of factors such as: inflation and other changes in the per-person cost of providing the programs and services; any expected changes in the number of people utilizing those services and benefits due to population growth or other factors; any previously enacted changes that have not been phased in, ongoing formula-based adjustments, and other factors that would require statutory changes to undo; and collective bargaining agreements.

A current services budget does not reflect the impact of factors such as: proposed new policy changes not yet enacted; new programmatic initiatives; and proposed new revenue or tax receipts.

See General Fund Overview on page 14 for further detail.

Section #(s)	Dept Name	FY2023 As Passed	Any Base Adjustments	FY24 Base Appropriations	FY2024 Current Services Budget
B.100	Administration - secretary's office	1,092,614		1,092,614	1,259,270
B.105	Agency of Digital Services	179,572		179,572	186,726
B.106	Finance and management	1,287,210		1,287,210	1,143,286
B.108	Human resources	1,645,579		1,645,579	1,777,169
B.110	Libraries	2,004,119		2,004,119	2,088,614
B.111	Tax	21,409,826		21,409,826	22,406,475
B.113-116	Buildings and general services	5,980,033		5,980,033	6,244,127
	Sub-total Agency of Administration	33,598,953		33,598,953	35,105,667
B.124	Executive office - governor's office	1,716,379		1,716,379	1,801,831
B.125-128	Legislative Branch - all appropriations	19,558,459		19,558,459	20,429,643
B.129	Lieutenant governor	249,252		249,252	302,484
B.130	Auditor of accounts	357,074		357,074	372,808
B.131	Treasurer	1,809,658		1,809,658	1,541,568
B.135	State labor relations board	285,511		285,511	300,531
B.136	VOSHA review board	47,961		47,961	51,004
B.137	Homeowner rebate	16,500,000		16,500,000	16,250,000
B.138	Renier rebate	9,500,000		9,500,000	9,500,000
B.139	Reappraisal & Listing Pmts	3,388,000		3,388,000	3,394,500
B.140	Municipal Current Use	17,800,000		17,800,000	18,600,000
	Sub-total Property Tax Assistance	47,188,000		47,188,000	47,744,500
	Sub-total General Government	104,811,247		104,811,247	107,650,136
B.200	Attorney general	6,533,053		6,533,053	6,974,796
B.201	Vermont court diversion	2,749,732		2,749,732	2,832,224
B.202-203	Defender General	20,501,676		20,501,676	22,276,122
B.204	Judiciary	52,997,805		52,997,805	57,246,863
B.205	State's attorneys	14,358,352		14,358,352	15,079,997
B.206	Special investigative units	2,163,717		2,163,717	2,228,629
B.206.1	Crime Victims Advocates	2,562,572		2,562,572	2,571,497
B.207	Sheriffs	4,856,230		4,856,230	5,089,314
B.208-213	Public safety	58,619,365		58,619,365	66,194,026
B.215, B.216, B.218, B.219	Military	6,044,332		6,044,332	6,276,384
B.220	Center for crime victims services	1,382,712		1,382,712	1,424,194
B.221	Criminal justice training council	3,130,282		3,130,282	3,333,510
B.222-225.2	Agriculture, food and markets	10,558,273		10,558,273	11,054,844
B.236	Human rights commission	700,290		700,290	770,110
	Sub-total Protection	187,158,391		187,158,391	203,352,510
B.300, B.304	AHS - secretary's office (incl HSB)	9,547,441		9,547,441	9,820,202
B.301	Global Commitment	608,430,925		608,430,925	615,509,260
B.306, B.309, B.310	Department of Vermont Health Access	91,936,732		91,936,732	100,802,612
B.311-313	Health	20,044,151		20,044,151	20,504,960
B.314	Mental health	12,966,387		12,966,387	23,740,824
B.316-321, B.323, B.325, B.327, B.328	Department for children and families	173,661,780		173,661,780	182,377,905
B.329-333, B.334.1	Disabilities, aging and independent living	29,994,838		29,994,838	28,943,810
B.335-339	Corrections	163,758,586		163,758,586	179,046,655
	Sub-total Agency of Human Services	1,110,340,840		1,110,340,840	1,160,746,228
B.342	Vermont Veterans Home	4,068,733		4,068,733	4,199,478
B.343	Commission on women	430,793		430,793	467,572
B.344	Retired senior volunteer program	150,961		150,961	155,490
B.345	Green Mountain Care Board	3,261,362		3,261,362	3,392,339
B.346	Office of the Child, Youth, and Family Advocate	-		-	250,000
	Sub-total Human Services	1,118,252,689		1,118,252,689	1,169,211,107
B.400	Labor	10,449,258		10,449,258	10,600,636
	Sub-Total Labor	10,449,258		10,449,258	10,600,636

Section #(s)	Dept Name	FY2023 As Passed	Any Base Adjustments	FY24 Base Appropriations	FY2024 Current Services Budget
B.500, B.501, B.504, B.504.1, B.511.1	Education - finance/admin'd services - plus adult ed & literacy	15,413,456		15,413,456	16,334,983
B.514	State teachers' retirement system	154,345,678		154,345,678	151,682,914
B.515	Retired teachers health care	35,106,128		35,106,128	38,318,167
	Sub-Total General Education	204,865,262		204,865,262	206,336,064
B.600	University of Vermont	52,509,093		52,509,093	54,084,368
B.602	Vermont state colleges	30,500,484		30,500,484	30,500,484
B.602.2	YSC - Transformation funding	15,000,000		15,000,000	15,000,000
B.603	Vermont state colleges - allied health	748,314		748,314	748,314
B.605	Vermont student assistance corporation	20,978,588		20,978,588	20,978,588
B.605.1	VSAC - Flexible Pathways Stipend	41,225		41,225	41,225
B.606	New England higher education compact	84,000		84,000	86,520
B.607	University of VT - Morgan Horse Farm	1		1	-
	Sub-Total Higher Education	119,861,685		119,861,685	121,439,477
B.700	Agency of natural resources - admin	4,188,563		4,188,563	4,593,987
B.701	ANR Local property tax assessment	2,240,118		2,240,118	2,283,017
B.702	Fish and wildlife	6,883,540		6,883,540	7,173,206
B.703, B.706, B.708	Forests, parks and recreation	9,989,720		9,989,720	10,563,121
B.709 - 711	Environmental conservation	10,979,230		10,979,230	11,443,848
	Sub-Total Agency of Natural Resources	34,281,171		34,281,171	36,027,179
B.713	Natural resources board	673,554		673,554	713,735
	Sub-Total Natural Resources	34,954,725		34,954,725	36,740,914
B.800	ACCD-admin	3,406,417		3,406,417	3,591,121
B.801	Economic Development	5,065,846		5,065,846	5,264,396
B.802	Housing & Community Development	4,065,708		4,065,708	4,209,832
B.806	Tourism and marketing	3,490,357		3,490,357	3,618,921
	Sub-Total Agency of Commerce	16,028,328		16,028,328	16,684,230
B.808	Vermont council on the arts	859,445		859,445	887,981
B.809	Vermont symphony orchestra	141,087		141,087	145,320
B.810	Vermont historical society	1,015,470		1,015,470	1,060,699
B.812	Vermont humanities council	234,829		234,829	246,570
	Sub-Total Commerce	18,279,159		18,279,159	19,028,860
B.1000	Debt service	76,375,109		76,375,109	75,377,983
	Sub-Total Debt Service	76,375,109		76,375,109	75,377,983
	Total Base Appropriations	1,875,007,525		1,875,007,525	1,949,733,697
					Variance to FY 2023 As Passed
					3.99%
	One-time and NEW Appropriations				
2022 Act 185 F. 109	FY2023 Pay Act (now base pressure)				
	Executive Branch	23,614,294	(23,614,294)		
	Judicial Branch	3,217,628	(3,217,628)		
	Legislative Branch	985,111	(985,111)		
2022 Act 185 F. 109	FY24 CBA components				
	Executive Branch			19,029,823	19,029,823
	Judicial Branch			1,803,013	1,803,013
	Legislative Branch			776,000	776,000
2022 Act 185 B. 1100(a)(6)(A)	SOS Election Support	450,000	(450,000)		
2022 Act 185 B. 1100(a)(12)(A)	VDH ADAP for Substance Misuse	3,000,000			1,500,000
2022 Act 185 B. 1100(c)	AoA for FY2023 Transitional Employer Contribution (now base pressure)	10,000,000	(10,000,000)		
2022 Act 185 C. 1020(b)(4)	AHS-CO Global Commitment one-time pressure	10,000,000	(10,000,000)		10,534,603
2022 Act 114 Sec. 11 (3 VSA 473)	VSERS - FY24 Additional Contribution				9,000,000
2022 Act 114 Sec. 19 (16 VSA 1944)	VT Teachers Retirement Fund - FY24 Additional Contribution				9,000,000
	Sub-total "Other Items"	51,267,033	(48,267,033)	21,608,836	51,733,439
	Grand Total General Fund	1,926,274,558	(48,267,033)	1,898,007,525	2,001,467,136
					Variance to FY 2023 As Passed
					3.90%

FY 2024 Performance Accountability (PIVOT)

CONTINUOUS IMPROVEMENT PROGRAM (ORIGINALLY PIVOT)

In FY2023, the Continuous Improvement Program, under the direction of the Chief Performance Office (CPO), offered 16 different training courses to State of Vermont employees, spanning a variety of topics related to problem solving, performance measurement, data analytics, program and process management, and facilitation. At the end of FY2022, over 4,880 state employees had received some form of training in continuous improvement while nearly 1,700 received at least a day or more of content. From the individuals who have made it through the highest levels of training, 710 activity reports have been submitted detailing various applications of knowledge and skill used to better understand problems and improve government programs and processes. As a means of providing additional support to employees, the Continuous Improvement Program also manages three professional learning communities related to continuous improvement and technical software. These communities have been instrumental in increasing the knowledge, skills, and abilities of state employees outside of formal training opportunities.

In addition to staff support and development, the Continuous Improvement Program provides support on numerous improvement projects across state government. In recent years, the program has shifted from large-scale intensive projects to small-scale engagements having impact at a specific programmatic or process level. Projects can range from spreadsheet improvements to strategic planning sessions to automated workflow development. In the first half FY2024, CPO staff have already been involved in over 20 different improvement projects across 7 different agencies.

The CPO is also involved in several reporting efforts. The CPO prepares the annual Programmatic and Performance Measure Budget (PPMB) Report, which reports on the programmatic performance measures used to demonstrate the outputs and results of the Governor's budget. The CPO also prepares the Annual Outcomes Report demonstrating the State's progress in reaching the desired population-level outcomes. Both reports incorporate data from across all agencies in state government. It should be noted that the CPO is also currently dedicating a sizeable portion of its resources to assisting with required federal reporting for the Coronavirus Relief Fund, Emergency Rental Assistance Program, Local Fiscal Recovery Fund, and Coronavirus State Fiscal Recovery Fund.

GOVERNOR SCOTT'S FY 2024 BUDGET ITEMS

Key Budget Items:

- Supports Fiscal Year 2024 total General Fund uses of \$2.32 billion.
- Sets aside over \$150 million to meet future, anticipated state match obligations due to enhanced federal funding streams.
- Triples the state's financial commitment to childcare, allowing thousands more children access to high quality, local childcare providers.
- Provides additional funding to help stabilize our health care provider network and supports a major increase in Medicaid reimbursement rates for dental providers.
- Invests an additional \$45 million in housing development and rehabilitation, and another \$30 million in emergency housing.
- Makes major investments in workforce training and expansion through education, internships, and outreach.
- Fully funds all state retirement and debt service obligations and maintains statutory reserve requirements.

Community Recovery and Revitalization

The need to build workforce participation in Vermont continues to be a top priority. We also need to invest in our communities to promote balanced growth across all 14 counties.

- \$3 million in budget adjustment to create the Rural Infrastructure Assistance Program to support rural communities in accessing, and managing, competitive grant funds available for infrastructure investment in their regions.
- A total of \$12.5 million - \$2.5 million for assessment and another \$10 million for redevelopment – to turn Brownfields into valuable assets like housing and commercial offices. A win for the environment, a win for the economy and a win for our state coffers in the future.
- \$10 million to create the Regional Investment and Growth Fund that will be used to create favorable conditions, prioritized in rural communities and regions, to improve industry readiness, capital investment and job creation.
- An additional \$5 million to continue the Vermont Training Program to meet the increased demand for training from companies across the state and bring more federal “CHIPS and Science Act” dollars to Vermont.
- \$3 million to UVM's Upskill Vermont, which provides free educational opportunities for professional development to Vermonters who want to keep learning and progressing in their careers. Another \$1 million to VSAC for trade scholarships to help build Vermont's workforce in the trades. And \$1 million to the Vermont Department of Labor to provide work-based internships and boost the labor force participation rate.

- A total of \$4 million for refugee resettlement assistance, language access for New Americans, and community support for new arrivals to Vermont.

Education

We all agree investing in our kids to give them a strong foundation is a priority. Over the past 6 years we have nearly doubled our state investment in childcare subsidies and sustained the system throughout the pandemic. But we need to make even greater investments in our youth, and in our educational institutions that educate them.

- \$48 million to expand our childcare subsidy to cover families at 400% of the “federal poverty level”, giving thousands more kids the early care and learning they need, and allowing parents greater flexibility to join the labor force.
- \$400,000 to increase equity for families in regions with fewer childcare providers available. Under current law, regardless of income, a family gets less money if there is not a specific type of childcare center in their area.
- \$7 million to expand access to afterschool programs by making more programs eligible for subsidy.
- \$3.4 million to VSAC’s 802 Opportunity program, which provides free tuition to the Community College of Vermont (CCV) for students with family income of \$75,000 or less.
- Another \$10 million to provide a 50% tuition reduction to CCV for students pursuing studies in critical workforce priorities.
- An additional \$2.5 million in base funding to Vermont State University (VSU) to bring their annual base appropriation up to the New England average.
- \$9 million in bridge funding to help VSU continue its transition into a statewide institution that serves Vermonters of all ages and interests.
- Another \$10 million to VSU for various infrastructure projects on its campuses.

Climate and Energy

The fact is, 70% of Vermonters rely on fossil fuels to heat their homes. To change this, we need to help people through the transition. Doing this work strategically, with the understanding we cannot hurt the very people we are trying to help, will ultimately get us where we all want to go, faster and with much less division and conflict.

- \$5 million to the Clean Heat Homes initiative that tackles energy efficiency improvements from all angles by combining the work to weatherize homes, install clean heat systems, and make electrical upgrades. This whole home approach will be easier for low- and moderate-income Vermonters to access, and faster and less expensive than a patch work system.
- \$900,000 to the Climate Office in the Agency of Natural Resources (ANR) to do the real planning and analysis we need to reach emissions targets accurately and realistically.
- \$1 million for additional electric vehicle charging stations in state-owned parking lots.

- \$700,000 for a Refrigerant Management initiative with VEIC which will work with entities to change out older equipment and support installation of newer systems that are less likely to leak and can support newer, less impactful refrigerants.

Health and Safety

Strong communities and the health and safety of Vermonters are fundamentally linked. We are investing to keep Vermont the healthiest and safest state in the country.

- \$13.2 million of state and federal funds to increase access to dental care for Vermonters enrolled in Medicaid. Regular dental service, for both adults and children, has positive impacts on physical and mental health, and it reduces the risk of developing expensive, chronic disease.
- \$41.2 million of state and federal funds to create a two-year pilot to help primary care practices better address substance abuse and mental health in a way that supports kids and families across the state.
- \$10 million to replenish a Provider Stabilization Fund which provides financial support to our critical healthcare partners as they confront the lingering effects of the pandemic and the challenges of a tight workforce.
- \$2.3 million of state and federal funds for the first mental health crisis center in the Northeast Kingdom.
- \$2 million for law enforcement and victims' services, to provide support for victims of violent crime, more training for those who work with domestic violence survivors and more training for officers on fair and impartial policing.
- \$10 million to stand up a violence prevention grant program which will work with communities to discover and mitigate the key drivers of increases in drug and gang activity.

Housing

We have dedicated substantial resources to emergency housing, and we will continue to do so in this budget. But these programs are meant to be transitional, a bridge to housing security. It's time to step up our efforts to provide permanent homes for families and others across the spectrum.

- \$26 million for emergency housing, including General Assistance and Adverse Weather Conditions, to ensure every Vermonter has a place to go for the night.
- \$3.8 million of ongoing funding for emergency shelter maintenance and expansion.
- \$5 million in budget adjustment and another \$15 million in this budget for the Vermont Housing Improvement Program (VHIP), a successful program that improves existing buildings, revitalizes neighborhoods, and has been an effective way to increase the number of units at about one-tenth the cost compared to other investments in this area.
- \$10 million to the Healthy Homes initiative, another tool for improving the quality of older housing stock and the health of Vermonters. Ensures families, primarily in mobile home parks, have clean drinking water and working wastewater systems.
- \$20 million of additional funds for rental housing development for middle income families (the "missing middle") struggling to find a home they can afford.

- \$500,000 to the Municipal and Regional Planning Fund to help communities contemplate and initiate changes to antiquated zoning laws that stand in the way of much-needed housing development.

Tax Relief for Working Families and Seniors

We must continue to invest in recruitment tools that help attract more people to Vermont. We also must do all we can to make it more affordable for young families and retirees to live here.

- \$3.2 million to eliminate the tax on military pensions, a major barrier to our veterans remaining in Vermont. Military veterans are some of the best trained and motivated workers available. It is long past time we do what nearly every other state in the nation has done and make it possible for them start second careers here.
- \$5.2 million to expand the earned income tax credit to 45% of the federal credit to cover more hard-working families and allow low-income Vermonters to keep more of what they earn.
- \$8 million to increase by \$15,000 the income thresholds for the Vermont social security income tax exemption. Thirty-nine states don't tax Social Security at all and most of the remaining states have more generous exemptions.

Good Government

Perhaps the most important thing we could do with this year's surplus is to put some of it in reserve to meet obligations we know we will face in coming years.

- \$79 million reserved to meet Infrastructure Investment and Jobs Act (IIJA) state match requirements in our transportation sector.
- \$27 million to ANR to meet Clean Water and Drinking Water State Revolving Fund IIJA state match requirements.
- \$10 million to ANR for municipal pollution control facilities state match requirements.
- \$4.5 million to ANR to meet state match requirements for repairs to the Waterbury dam.
- \$30 million to the Public Service Department in budget adjustment to meet state match requirements for the NTIA (broadband) grant application or other broadband initiatives.
- \$9 million to the Environmental Contingency Fund and \$1 million to the Department of Environmental Conservation for PFAS testing and remediation.

FY 2024 GENERAL FUND (GF) BUDGET OVERVIEW - SOURCES

Sources:	General Fund Impact
Base revenue:	
Official E-Board forecast January 2023	2,023,700,000
"Notwithstanding" Property Transfer Tax statutory distribution	23,459,492
Direct applications, reversions, and other:	
AHS Certified matching funds for Medicaid	4,641,960
Loan repayments (Caledonia Fair, North Country Hospital, Springfield Hospital)	150,459
Department of Financial Regulation	60,044,000
Attorney General settlements	1,000,000
Liquor Control	21,200,000
Unclaimed Property	1,743,425
Secretary of State	-
Subtotal - Direct Applications, Reversions, and Transfers	88,779,844
Total Base GF Sources before policy changes	2,135,939,336
Governor's Initiatives (Sources)	
Sports betting revenue	2,600,000
Military Pension income tax exemption	(3,210,000)
EITC 45% of Federal; SocSec tax exemption + \$15k	(13,250,000)
Home Health Agency provider tax sunset	(6,100,000)
Dedicate entirety of \$47 surcharge on traffic tax/criminal convictions to victim special funds	(400,000)
Computer Modernization Fund - adjust statutory formula	(2,700,000)
Apply \$25 motor fuel dispenser fee to commercial EV chargers	31,650
Subtotal Revenue policy changes	(23,028,350)
Base revenue after policy changes	2,112,910,986
One-time revenue:	
Carry forward from SFY2023 (including "C section" transfers in FY24 Gov. Rec. Budget)	375,322,781
Reversion of SF24 one-time GF savings due to PHE enhanced FMAP	15,103,683
One-Time revenue:	390,426,464
Total General Fund sources:	2,503,337,450

FY 2024 General Fund Overview

The budget process began with the submission of FY 2024 budget requests from agencies and departments, as well as input via the Public Budget Forum process. Regular meetings with the Secretary of Administration and the Governor yielded a budget balanced to the projected available revenues while incorporating the Governor's priorities. The Governor's budget recommendations were finalized based on the Consensus Revenue Forecast adopted by the Emergency Board on January 17, 2023, just prior to the Governor's budget address to the General Assembly on January 20, 2023. The individual items reflected on the worksheet are discussed in more detail elsewhere in this document and in departmental budget materials.

A detailed breakdown of the Governor's one-time appropriations for policy initiatives can be found on page 16.

FY 2024 GENERAL FUND (GF) BUDGET OVERVIEW - USES

Uses (including transfers):		
FY 2024 base appropriations (FY 2023 As Passed \$1.875M + FY 2024 Pay Act \$21.6M)		1,896,616,361
Current services changes:		
Increase in employee benefits	7,129,497	
Total State-wide Allocations associated with internal service charges	3,082,749	
Decrease in debt service	(997,116)	
Increase in property tax assistance	556,500	
FY2024 Annualization of FY 2023 Pay Act	23,624,387	
Agency of Human Services - caseload, utilization, & other non-S&B/ISF pressures	36,838,428	
Other non-AHS - net upward and downward current services pressures	4,491,727	
VDH ADAP Substance Misuse (pending Cannabis Excise Tax-2022 Act 185 B.1100(a)(12)(A)(i))	1,590,000	
AHS-CO Global Commitment one-time pressure (Public Health Emergency tail)	10,534,603	
VRSERS (\$9M) and VSTRS (\$9M) FY 2024 additional contributions per Act 114	18,000,000	
Total current services:	104,850,775	2,001,467,136
Governor's Initiatives (Uses)		
Base Uses - Policy Changes		
ACCD-ED: RDC Funding \$200k; ACCD-HCD: Commun. & Downtwns \$800k; ACCD-TM \$1M base	2,034,972	
AHS-CO: NEK Psych facility \$690k; Mobile Crisis \$352k; Medicaid dental => 75% NEDD \$5.7M	6,742,743	
AoA Office of Racial Equity - Language Access Plan base budget component	700,000	
DPS: Fire Acad. fund 4 pos. w/ GF \$351k; Victims Svc fund 1 pos. GF \$130k; Act 181 positions	838,894	
CJC DV Trainer funding; Records mgmt sys.; Fair & Impartial Policing positions (2)	386,525	
DAIL: OPG 3 Public Guardian positions	318,126	
DCF: Child Care Proposal \$56M; Expand Emergency Shelter \$3.75M	59,747,342	
DMH: Mobile Crisis \$798k; Peer Supports & Credentialing \$187.5k	985,874	
DOC: Move Community High School of VT from General Fund to Ed Fund	(3,600,789)	
AHS: Other policy initiatives DMH, DAIL, DCF (PNMI and other rate increases/inflation factors)	5,555,431	
Misc other dept. initiatives: (AAFM \$186k, AOE \$60k, FPR \$178k, MIL \$172k)	595,336	
VSAC: Trade Scholarships base funding	1,000,000	
VSC: Transformation base increase	2,500,000	
Subtotal Base Uses - Policy Changes		77,804,454
One-time Uses - Policy Changes		
One-time General Fund Appropriations for Policy Initiatives - Sec. B.1100	237,190,110	
Transfer to Capital Expenditure Cash Fund for Capital Bill projects (incl. \$41.5M IJA match)	62,000,000	
Transfer to Transportation Fund for FY2024 IJA State Match	10,925,980	
Transfer to Technology Modernization Special Fund for IT Modernization and Network Upgrades	15,000,000	
Transfer to Environmental Contingency Fund for PFAS remediation	9,000,000	
Reserve in General Fund for FY2025-FY2027 IJA State Match	68,221,668	
One-time Uses - Other		
Transfer to offset fund deficit Fire Prevention Special Fund	1,500,000	
Transfer to offset fund deficit E-911 Special Fund	1,300,000	
(Proposed) statutory transfer to Cap Ex Cash Fund - formula based on prior year approps	17,957,082	
Transfer to 27/53 Reserve	5,350,000	
Subtotal One-time Uses		428,444,840
Total General Fund Uses Before Stabilization Reserve Contribution		2,507,716,430
Transfer to/(from) the GF Stabilization Reserve	(4,378,980)	
Total General Fund Uses		2,503,337,450

One-time General Fund Appropriations for Policy Initiatives – Section B.1100

B.1100(a)(1)(A)	AOA-ORE-Language Access Plan	\$ 2,300,000	B.1100(a)(25)(A)	NRB-Digitization of NRB Records	\$ 1,000,000
B.1100(a)(1)(B)	AOA-Sears Violence Prevention Grant Program	\$ 10,000,000	B.1100(a)(25)(B)	NRB-Contract for Act 250 Study	\$ 200,000
B.1100(a)(1)(C)	AOA-High-Risk FEMA Denial Reserve	\$ 15,000,000	B.1100(a)(26)	ACCD-Vermont 250th Commission	\$ 117,000
B.1100(a)(2)	UVM-Upskill Vermont Scholarship	\$ 3,000,000	B.1100(a)(27)(A)	HCD-Land Value Tax Feasibility Study	\$ 150,000
B.1100(a)(3)(A)	VSC-FY24 Bridge Funding	\$ 9,000,000	B.1100(a)(27)(B)	HCD-Rental Housing Development Proposal ("Missing Middle")	\$ 20,000,000
B.1100(a)(3)(B)	VSC-CCV 50% Tuition Reduction Workforce Priorities (2 years)	\$ 10,000,000	B.1100(a)(27)(C)	HCD-VHIP Program Changes	\$ 15,000,000
B.1100(a)(4)	VSAC-Continue 802 Opportunity Program	\$ 3,400,000	B.1100(a)(27)(D)	HCD-Municipal Bylaw Modernization Grants	\$ 500,000
B.1100(a)(5)(A)	DHR-7 New Positions in DHR Operations	\$ 725,000	B.1100(a)(28)(A)	DED-Vermont Training Program	\$ 5,000,000
B.1100(a)(5)(B)	DHR-1 New Position in VTHR Operations	\$ 75,000	B.1100(a)(28)(B)	DED-Brownfields Redevelopment Funding	\$ 10,000,000
B.1100(a)(5)(C)	DHR-Paid Family and Medical Leave Insurance	\$ 1,900,000	B.1100(a)(28)(C)	DED-New & Relocated Worker Grants	\$ 4,000,000
B.1100(a)(6)	LIB-FiberConnect	\$ 200,000	B.1100(a)(28)(D)	DED-Regional Investment & Growth Fund	\$ 10,000,000
B.1100(a)(8)(A)	DPS-External Carriers (Vests)	\$ 190,000	B.1100(a)(28)(E)	DED-VT Council on Rural Dev. - match for \$10M HUD grant	\$ 18,000
B.1100(a)(8)(B)	DPS-Hiring Incentives and Loan Repayment	\$ 500,000	B.1100(a)(28)(F)	DED-Innovate NEK Build to Scale	\$ 350,000
B.1100(a)(9)(A)	MIL-USS-VT Support Group	\$ 10,000	B.1100(a)(29)	AOT-Rail Trail Community Connection Grants	\$ 3,000,000
B.1100(a)(9)(B)	MIL-North Country Honor Flight - 10 VT Veterans	\$ 10,000	B.1100(a)(30)	VHCB-One-time to fund at FY23 base level	\$ 10,000,000
B.1100(a)(10)(A)	CJC-Accreditation Process (3 years)	\$ 1,200,000			
B.1100(a)(10)(B)	CJC-Records Management System	\$ 20,000			
B.1100(a)(10)(C)	CJC-One-Time RFPs and Contracts	\$ 200,000			
B.1100(a)(11)(A)	AAFMEV Charger Inspection	\$ 110,000			
B.1100(a)(11)(B)	AAFME-Commission on the Future of Ag. Economic Development	\$ 10,000,000			
B.1100(a)(11)(C)	AAFME-Food Safety Inspection Database Replacement	\$ 1,070,000			
B.1100(a)(11)(D)	AAFME-Working Lands Enterprise Fund	\$ 3,000,000			
B.1100(a)(12)	PSD-Cell Service Proposal 2.0	\$ 10,000,000			
B.1100(a)(13)	DLL-Legalize Sports Betting	\$ 545,000			
B.1100(a)(14)	DMH-S.3 / Forensic Law Backlog	\$ 105,000			
B.1100(a)(15)(A)	GMCB-VHCURES Database Implementation	\$ 620,000			
B.1100(a)(15)(B)	GMCB-Health Finance Database Implementation	\$ 120,500			
B.1100(a)(15)(C)	GMCB-Health Resources Allocation Plan Tool Development	\$ 50,000			
B.1100(a)(16)(A)	AHS-CO-Refugee Resettlement Assistance	\$ 1,000,000			
B.1100(a)(16)(B)	AHS-CO-Health Care Workforce LTS Position Funding (1 year)	\$ 170,000			
B.1100(a)(16)(C)	AHS-CO-Blueprint/Hub & Spoke expansion (GF match) - 2 year Pilot	\$ 8,833,934			
B.1100(a)(16)(D)	AHS-CO-COVID Contingency Fund backfill	\$ 10,000,000			
B.1100(a)(17)	DHVA-Blueprint/Hub & Spoke expansion - 2 year Pilot	\$ 366,066			
B.1100(a)(19)(A)	DCF-Reach Ahead 2 Year Pilot	\$ 2,000,000			
B.1100(a)(19)(B)	DCF-Continue Youth Development independent living stipends program - 2 yrs	\$ 1,000,000			
B.1100(a)(19)(C)	DCF-Emergency Housing - GA Program + Adverse Weather "Hybrid"	\$ 26,384,610			
B.1100(a)(20)(A)	DOL-New American Labor Force	\$ 200,000			
B.1100(a)(20)(B)	DOL-Workforce Dev Work-based Learning & Training Funds	\$ 1,000,000			
B.1100(a)(21)(A)	ANR-Refrigerant Management	\$ 700,000			
B.1100(a)(21)(B)	ANR-Climate Office Technical Analyses, Tools and Training	\$ 900,000			
B.1100(a)(21)(C)	ANR-Clean Heat Homes	\$ 5,000,000			
B.1100(a)(21)(D)	ANR-Environmental Justice Positions	\$ 300,000			
B.1100(a)(22)	DFW-Wildlife Crop Damage Payment	\$ 150,000			
B.1100(a)(23)(A)	FPR-Parks Staff Housing	\$ 500,000			
B.1100(a)(23)(B)	FPR-Outdoor Recreation Grant Match for Small Communities	\$ 1,000,000			
B.1100(a)(23)(C)	FPR-EAB Mitigation / Low Income Heating Assistance	\$ 500,000			
B.1100(a)(24)(A)	DEC-Healthy Homes Initiative	\$ 10,000,000			
B.1100(a)(24)(B)	DEC-BRELLA / Brownfields One-Time	\$ 2,500,000			
B.1100(a)(24)(C)	DEC-PFAS Technical Assistance	\$ 1,000,000			
B.1100(a)(24)(D)	DEC-Emmissions Repair Program (FY24-FY27)	\$ 1,000,000			
				Grand Total	\$ 237,190,110

Total Appropriations History FY 2020 – FY 2024 (all funds)

Funding Sources	2020 Final Appropriations	2021 Final Appropriations	2022 Final Appropriations	2023 Gov's Rec Budget Adjustment (a)	FY 2024 Governor's Recommended Budget (b)
General Fund (GF)	1,607,307,455	1,742,394,948	2,333,376,886	2,045,897,293	2,316,461,700
Transportation Fund	283,331,886	279,869,013	311,123,868	322,173,640	335,066,110
Education Fund	1,726,769,204	1,791,356,714	1,863,469,652	1,961,209,411	2,079,364,195
Special Funds & Other Funds ^(c)	402,158,392	403,141,479	424,544,880	511,877,256	508,102,012
Sub-Total	<u>4,019,566,937</u>	<u>4,216,762,154</u>	<u>4,932,515,286</u>	<u>4,841,157,600</u>	<u>5,238,994,017</u>
Adjust for inter-fund appropriations: GF Transfer to EF	-	-	-	-	-
Total State Funds after EF Transfer	<u>4,019,566,937</u>	<u>4,216,762,154</u>	<u>4,932,515,286</u>	<u>4,841,157,600</u>	<u>5,238,994,017</u>
percent of total	63.49%		61.54%	56.18%	62.56%
Federal Funds	2,090,563,907	2,169,172,831	2,450,935,367	3,184,707,961	3,103,982,400
Federal ARRA Funds ^(d)	1,990,771	1,104,738	520,000	510,535	-
COVID Funds	185,379,500	942,293,643	601,014,176	566,696,781	-
Total Funds Before Dedicated Dollars	<u>6,297,501,115</u>	<u>7,329,333,366</u>	<u>7,984,984,829</u>	<u>8,593,072,877</u>	<u>8,342,976,417</u>
percent of total	99.48%	99.57%	99.62%	99.72%	99.62%
Dedicated Sources					
Local Match	1,142,096	913,177	1,833,316	4,585,799	11,175,979
Enterprise Funds	11,495,452	12,803,991	12,792,458	13,626,186	13,820,611
Debt Service Obligation Funds	2,497,663	2,502,613	2,505,863	-	-
Pension & Private Purpose Trust Funds ^(e)	17,893,927	15,361,174	13,450,072	5,696,710	6,775,227
Sub-Total	<u>33,029,138</u>	<u>31,580,955</u>	<u>30,581,709</u>	<u>23,908,695</u>	<u>31,771,817</u>
Total Funds and Dedicated Sources	<u>6,330,530,253</u>	<u>7,360,914,321</u>	<u>8,015,566,538</u>	<u>8,616,981,572</u>	<u>8,374,748,234</u>
percent of total	100.00%	100.00%	100.00%	100.00%	100.00%
Fund Sources that are duplicated in the above appropriations:					
Internal Service Funds	148,001,883	157,226,934	162,465,540	202,486,578	229,234,960
Interdepartmental Transfer	82,516,057	86,557,405	66,295,845	66,930,449	69,093,018
Global Commitment Fund	1,589,313,894	1,600,155,147	1,789,162,244	1,975,055,433	1,904,262,155
Total	<u>1,819,831,834</u>	<u>1,843,939,486</u>	<u>2,017,923,629</u>	<u>2,244,472,460</u>	<u>2,202,590,133</u>
Total All Appropriations	<u>8,150,362,087</u>	<u>9,204,853,807</u>	<u>10,033,490,167</u>	<u>10,861,454,032</u>	<u>10,577,338,367</u>

NOTES:

- (a) Governor's FY 2023 budget adjustment recommendations presented on January 6, 2023.
- (b) Governor's budget recommendations presented to the General Assembly on January 20, 2023.
- (c) "Special Funds" also include: Fish & Wildlife, Next Generation, Tobacco, State Health Care Resources, Transportation Infrastructure Bond Funds.
- (d) American Recovery & Reinvestment Act of 2009 (federal stimulus bill).
- (e) Includes Permanent Trust Funds, Pension Funds, Retired Teachers' Health Fund and Private Purpose Trust Funds.

FY 2024 Governor's Recommended Budget – All Funds by Function

Funding Sources	2023 Gov's Rec Budget Adjustment (a)	FY 2024 Governor's Recommended Budget (b)	% Change from BAA	All General Government			Total Human Services		
				General Government	Property Tax Assistance ^(c)	Protection to Persons & Property	Corrections	Non-GC/Medicaid	GC/Medicaid/ LTC Federal & State Only
General Fund (GF)	2,045,897,293	2,316,461,700	13.22%	60,605,636	47,744,500	204,935,596	175,445,866	339,960,775	723,553,194
Transportation Fund	322,173,640	335,066,110	4.00%	4,235,134	-	20,250,000	-	-	-
Education Fund	1,961,209,411	2,079,364,195	6.02%	-	-	-	3,744,668	-	-
Special Funds ^(d)	511,877,256	508,102,012	-0.74%	15,636,096	10,904,750	109,466,450	1,989,913	86,838,872	84,062,080
Total Funds Before Federal Dollars	4,841,157,600	5,238,994,017	8.22%	80,476,866	58,649,250	334,652,046	181,180,447	426,799,647	807,615,274
percent of total	56.18%	62.56%		1.54%	1.12%	6.39%	3.46%	8.15%	15.42%
Federal Funds	3,184,707,961	3,103,982,400	-2.53%	1,251,244	-	133,917,248	505,343	365,483,960	1,383,925,513
Federal ARRA Funds ^(e)	510,535	-	-100.00%	-	-	-	-	-	-
COVID Funds	566,696,781	-		-	-	-	-	-	-
Total Funds Before Dedicated Dollars	8,593,072,877	8,342,976,417	-2.91%	81,728,110	58,649,250	468,569,294	181,685,790	792,283,607	2,191,540,787
percent of total	99.72%	99.62%		0.98%	0.70%	5.62%	2.18%	9.50%	26.27%
Dedicated Sources									
Local Match	4,585,799	11,175,979	143.71%	-	-	-	-	-	-
Enterprise Funds	13,626,186	13,820,611	1.43%	4,298	-	13,816,313	-	-	-
Debt Service Obligation Funds	-	-	0.00%	-	-	-	-	-	-
Pension Trust & Private Purpose Trust Funds	5,696,710	6,775,227	18.93%	4,440,767	-	-	-	25,000	-
Sub-Total	23,908,695	31,771,817	32.89%	4,445,065	-	13,816,313	-	25,000	-
Total Funds and Dedicated Sources	8,616,981,572	8,374,748,234	-2.81%	86,173,175	58,649,250	482,385,607	181,685,790	792,308,607	2,191,540,787
	100.00%	100.00%		1.03%	0.70%	5.76%	2.17%	9.46%	26.17%
Fund Sources that are duplicated in the above appropriations:									
Internal Service Funds	202,486,578	229,234,960	13.21%	203,532,178	-	-	1,746,397	-	-
Interdepartmental Transfer	66,930,449	69,093,018	3.23%	5,154,114	-	13,729,981	545,099	19,340,264	8,706,562
Global Commitment Fund	1,975,055,433	1,904,262,155	-3.58%	-	-	-	5,310,796	705,651,449	1,172,451,649
Total	2,244,472,460	2,202,590,133	-1.87%	208,686,292	-	13,729,981	7,602,292	724,991,713	1,181,158,211
Total All Appropriations	10,861,454,032	10,577,338,367	-2.62%	294,859,467	58,649,250	496,115,588	189,288,082	1,517,300,320	3,372,698,998

NOTES (both pages):
(a) Governor's FY 2023 budget adjustment recommendations presented on January 6, 2023.
(b) Governor's budget recommendations presented to the General Assembly on January 20, 2023.
(c) Includes Homeowner Rebate; Renter Rebate; reappraisal and listing payments; and municipal current use.
(d) "Special Funds" also include: Fish & Wildlife, Next Generation, Tobacco, State Health Care Resources, Transportation Infrastructure Bond Funds.
(f) American Recovery & Reinvestment Act of 2009 (federal stimulus bill).

FY 2024 Governor's Recommended Budget

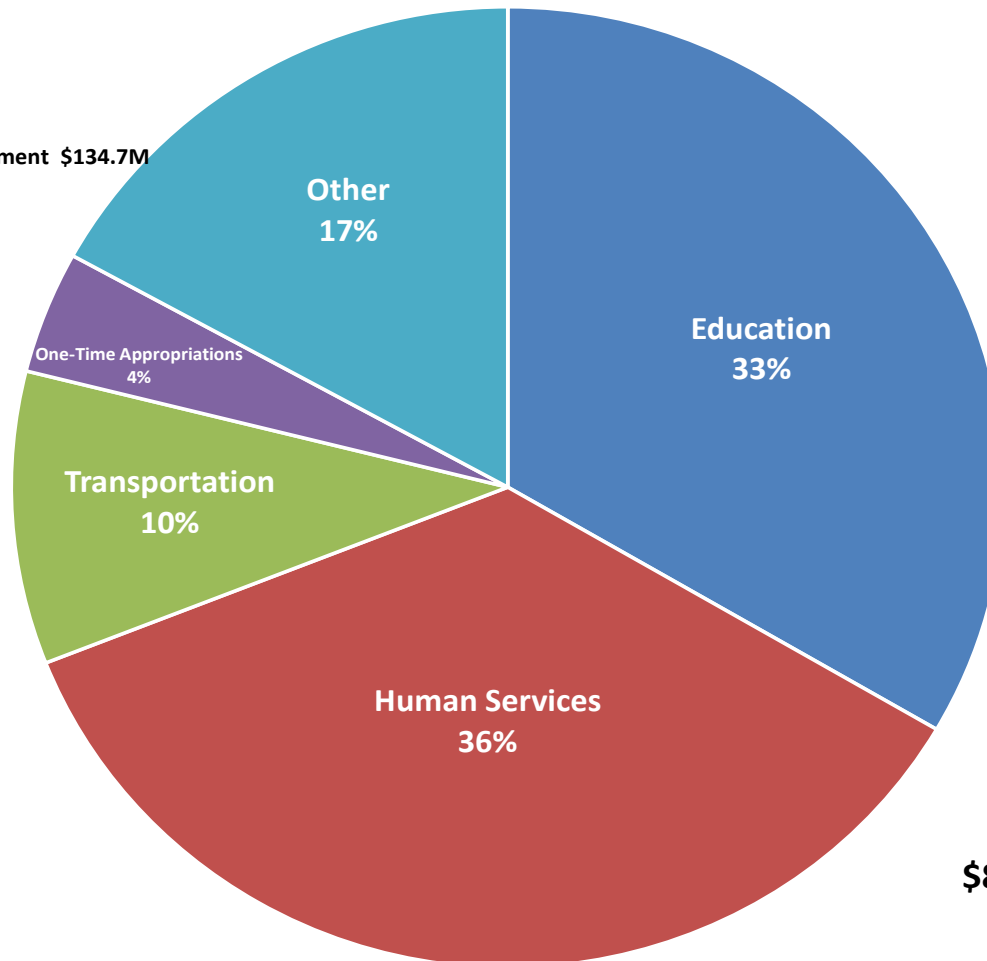
Funding Sources	Labor	General Education	Higher Education & Other	Natural Resources	Commerce & Community Development	Transportation	Debt Service	One-Time and Other
General Fund (GF)	10,600,636	206,396,064	124,939,477	36,918,582	21,059,832	-	75,377,993	288,923,549
Transportation Fund	-	-	-	-	-	307,753,571	327,405	2,500,000
Education Fund ^(d)	-	2,075,578,302	41,225	-	-	-	-	-
Special Funds ^(e)	10,806,858	20,350,874	-	90,799,463	20,606,330	29,596,713	-	27,043,613
Total State Funds after EF Transfer	21,407,494	2,302,325,240	124,980,702	127,718,045	41,666,162	337,350,284	75,705,398	318,467,162
percent of total	0.00%	0.41%	43.95%	2.39%	2.44%	0.80%	6.44%	1.45%
Federal Funds	37,373,681	493,305,099	-	92,674,777	93,013,297	476,659,376	-	25,872,862
Federal ARRA Funds ^(f)	-	-	-	-	-	-	-	-
Total Funds Before Dedicated Dollars	58,781,175	2,795,630,339	124,980,702	220,392,822	134,679,459	814,009,660	75,705,398	344,340,024
percent of total	0.70%	33.51%	1.50%	2.64%	1.61%	9.76%	0.91%	4.13%
Dedicated Sources								
Local Match	-	-	-	-	-	11,175,979	-	-
Enterprise Funds	-	-	-	-	-	-	-	-
Debt Service Obligation Funds	-	-	-	-	-	-	-	-
Pension Trust & Private Purpose Trust	-	2,309,460	-	-	-	-	-	-
Sub-Total	-	2,309,460	-	-	-	11,175,979	-	-
Total Funds and Dedicated Sources	58,781,175	2,797,939,799	124,980,702	220,392,822	134,679,459	825,185,639	75,705,398	344,340,024
percent of total	0.70%	33.41%	1.49%	2.63%	1.61%	9.85%	0.90%	4.11%
Fund Sources that are duplicated in the above appropriations:								
Internal Service Funds	-	-	-	-	-	23,956,385	-	-
Interdepartmental Transfer	250,000	382,357	-	13,215,308	5,062,973	2,706,360	-	-
Global Commitment Fund	-	260,000	409,461	-	-	-	-	20,178,800
Total	250,000	642,357	409,461	13,215,308	5,062,973	26,662,745	-	20,178,800
Total All Appropriations	59,031,175	2,798,582,156	125,390,163	233,608,130	139,742,432	851,848,384	75,705,398	364,518,824

FY 2024 Governor's Recommended Budget by Function

Expenditures by Function (FY24 Governor's Budget)

OTHER:

- Property Tax Assistance \$58.6M
- Protection \$482.4M
- Corrections \$181.7 M
- Higher Education \$125.0M
- General Government \$86.2M
- Natural Resources \$220.4M
- Commerce & Community Development \$134.7M
- Debt Service \$75.7M
- Labor \$58.8M



FY 2024 Governor's Recommended Budget by Fund

Expenditures by Fund (FY24 Governor's Budget)

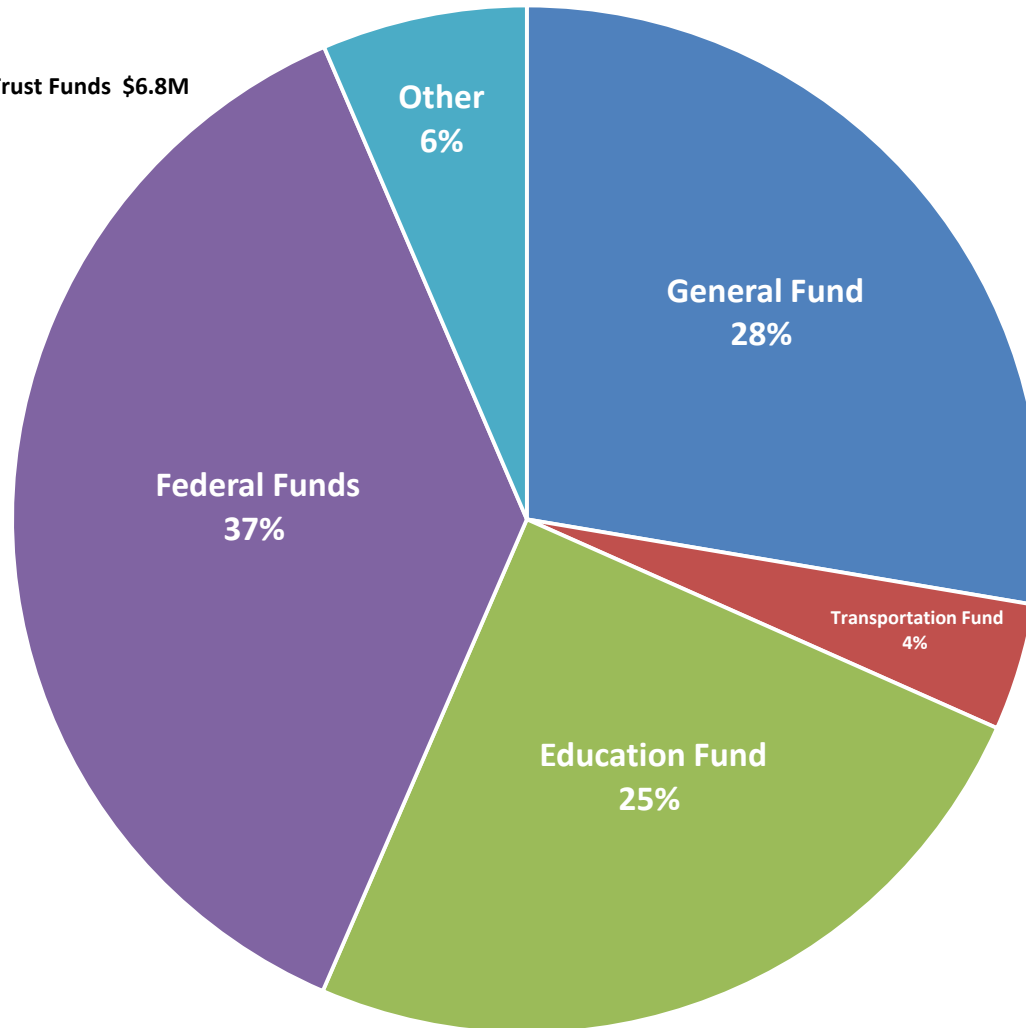
OTHER:

Local Match \$11.2M

Enterprise Funds \$13.8M

Pension & Private Purpose Trust Funds \$6.8M

Special Funds \$508.1M



\$8.37 Billion

FY 2024 Governor's Recommended Budget by Department and Funding Source

Agency/Department/Program	General Fund	Transportation Fund	Special Funds (a)	Education Fund	Subtotal State Funds, Net	Federal Funds	Subtotal Before Dedicated Sources	Dedicated Sources (b)	Total Funds and Dedicated Sources	Duplicate Appropriations (c)		FY 2024 Governor's Recommended Total Appropriations
										Global Commitment	ISF, IDT, and ARRA IDT	
GENERAL GOVERNMENT												
Agency of Administration:												
Secretary of Administration	1,959,270	-	100,000	-	2,059,270	-	2,059,270	-	2,059,270	-	2,157,432	4,216,702
Secretary of Administration - Insurance	-	-	-	-	-	-	-	-	-	-	1,846,973	1,846,973
Finance & Management	1,143,286	-	-	-	1,143,286	-	1,143,286	-	1,143,286	-	3,986,555	5,129,841
Human Resources	1,777,169	-	263,589	-	2,040,758	-	2,040,758	-	2,040,758	-	14,016,941	16,057,699
Libraries	2,088,614	-	73,614	-	2,162,228	1,251,244	3,413,472	-	3,413,472	-	127,879	3,541,351
Tax	22,406,475	-	8,359,270	-	30,765,745	-	30,765,745	-	30,765,745	-	45,000	30,810,745
Buildings and General Services	6,244,127	4,235,134	544,720	-	11,023,981	-	11,023,981	4,298	11,028,279	-	43,965,432	54,993,711
Total Agency of Administration	35,618,941	4,235,134	9,341,193	-	49,195,268	1,251,244	50,446,512	4,298	50,450,810	-	66,146,212	116,597,022
Executive Office	1,801,931	-	-	-	1,801,931	-	1,801,931	-	1,801,931	-	249,812	2,051,743
Legislative Counsel	3,924,777	-	-	-	3,924,777	-	3,924,777	-	3,924,777	-	-	3,924,777
Legislature	10,547,718	-	-	-	10,547,718	-	10,547,718	-	10,547,718	-	-	10,547,718
Legislative Information Technology	1,943,447	-	-	-	1,943,447	-	1,943,447	-	1,943,447	-	-	1,943,447
Joint Fiscal Office	2,708,940	-	-	-	2,708,940	-	2,708,940	-	2,708,940	-	-	2,708,940
Sergeant at Arms	1,304,761	-	-	-	1,304,761	-	1,304,761	-	1,304,761	-	-	1,304,761
Lieutenant Governor	302,484	-	-	-	302,484	-	302,484	-	302,484	-	-	302,484
Auditor of Accounts	372,808	-	53,145	-	425,953	-	425,953	-	425,953	-	3,918,960	4,344,913
Treasurer	1,541,568	-	3,512,161	-	5,053,729	-	5,053,729	1,192,970	6,246,699	-	157,974	6,404,673
State Employees/Municipal Retirement Systems	-	-	2,251,198	-	2,251,198	-	2,251,198	3,247,797	5,498,995	-	-	5,498,995
Agency of Digital Services	186,726	-	471,611	-	658,337	-	658,337	-	658,337	-	137,970,115	138,628,452
Labor Relations Board	300,531	-	6,788	-	307,319	-	307,319	-	307,319	-	2,788	310,107
VOSHA Review Board	51,004	-	-	-	51,004	-	51,004	-	51,004	-	51,004	102,008
Homeowner Rebate	16,250,000	-	-	-	16,250,000	-	16,250,000	-	16,250,000	-	-	16,250,000
Renter rebate	9,500,000	-	-	-	9,500,000	-	9,500,000	-	9,500,000	-	-	9,500,000
Reappraisal and Listing Payments	3,394,500	-	-	-	3,394,500	-	3,394,500	-	3,394,500	-	-	3,394,500
Use Tax Reimbursement - Municipal Current Use	18,600,000	-	-	-	18,600,000	-	18,600,000	-	18,600,000	-	-	18,600,000
Ethics Commission	-	-	-	-	-	-	-	-	-	-	189,427	189,427
PILOT	-	-	10,680,750	-	10,680,750	-	10,680,750	-	10,680,750	-	-	10,680,750
PILOT - Montpelier	-	-	184,000	-	184,000	-	184,000	-	184,000	-	-	184,000
PILOT - Corrections	-	-	40,000	-	40,000	-	40,000	-	40,000	-	-	40,000
TOTAL GENERAL GOVERNMENT	108,350,136	4,235,134	26,540,846	-	139,126,116	1,251,244	140,377,360	4,445,065	144,822,425	-	208,686,292	353,508,717
percent of total	4.68%	1.26%	5.22%	0.00%	2.66%	0.04%	1.68%	13.99%	1.73%	0.00%	69.95%	3.34%
PROTECTION TO PERSONS AND PROPERTY												
Attorney General	6,974,796	-	2,564,678	-	9,539,474	1,583,958	11,123,432	-	11,123,432	-	3,550,138	14,673,570
Court Diversion	2,832,224	-	257,997	-	3,090,221	-	3,090,221	-	3,090,221	-	-	3,090,221
Defender General	22,276,122	-	589,653	-	22,865,775	-	22,865,775	-	22,865,775	-	150,000	23,015,775
Judiciary	57,246,863	-	2,888,542	-	60,135,405	953,928	61,089,333	-	61,089,333	-	2,167,482	63,256,815
State's Attorneys and SIUs	19,880,123	-	109,778	-	19,989,901	233,490	20,223,391	-	20,223,391	-	538,975	20,762,366
Sheriffs	5,089,314	-	-	-	5,089,314	-	5,089,314	-	5,089,314	-	-	5,089,314
Public Safety	67,032,920	20,250,000	18,485,207	-	105,768,127	36,234,735	142,002,862	-	142,002,862	-	6,122,317	148,125,179
Military	6,447,994	-	304,442	-	6,752,436	58,968,369	65,720,805	-	65,720,805	-	-	65,720,805
Center for Crime Victims Services	1,424,193	-	3,461,972	-	4,886,165	6,606,021	11,492,186	-	11,492,186	-	-	11,492,186
Criminal Justice Council	3,720,035	-	-	-	3,720,035	-	3,720,035	-	3,720,035	-	352,348	4,072,383
Agriculture, Food & Markets	11,240,902	-	18,073,356	-	29,314,258	21,436,862	50,751,120	-	50,751,120	-	778,721	51,529,841
Financial Regulation	-	-	18,764,229	-	18,764,229	-	18,764,229	-	18,764,229	-	-	18,764,229
Secretary of State	-	-	16,241,811	-	16,241,811	5,515,991	21,757,802	-	21,757,802	-	-	21,757,802
Public Service Department	-	-	13,421,042	-	13,421,042	2,298,085	15,719,127	20,712	15,739,839	-	-	15,739,839
Public Service Board	-	-	4,463,875	-	4,463,875	-	4,463,875	-	4,463,875	-	-	4,463,875
E-911 Board	-	-	4,795,333	-	4,795,333	-	4,795,333	-	4,795,333	-	-	4,795,333
Human Rights Commission	770,110	-	-	-	770,110	85,809	855,919	-	855,919	-	-	855,919
Liquor and Lottery	-	-	213,843	-	213,843	-	213,843	13,795,601	14,009,444	-	70,000	14,079,444
Cannabis Control Board	-	-	4,830,692	-	4,830,692	-	4,830,692	-	4,830,692	-	-	4,830,692
TOTAL PROTECTION	204,935,696	20,250,000	109,466,450	-	334,652,046	133,917,248	468,569,294	13,816,313	482,385,607	-	13,729,981	496,115,588
percent of total	8.85%	6.04%	21.54%	0.00%	6.39%	4.31%	5.62%	43.49%	5.76%	0.00%	4.60%	4.69%

FY 2024 Governor's Recommended Budget by Department and Funding Source

Agency/Department/Program	General Fund	Transportation Fund	Special Funds (a)	Education Fund	Subtotal State Funds, Net	Federal Funds	Subtotal Before Dedicated Sources	Dedicated Sources (b)	Total Funds and Dedicated Sources	Duplicate Appropriations (c)		FY 2024 Governor's Recommended Total Appropriations
										Global Commitment	ISF, IDT, and ARRA IDT	
HUMAN SERVICES												
Human Services Agency:												
AHS - Secretary's Office	9,367,206	-	147,517	-	9,514,723	11,829,600	21,344,323	-	21,344,323	-	14,299,142	35,643,465
AHS - Secretary's Office - Global Commitment	622,252,003	-	79,309,069	-	701,561,072	1,224,866,867	1,926,427,939	-	1,926,427,939	-	4,034,170	1,930,462,109
Human Services Board	452,996	-	-	-	452,996	284,553	737,549	-	737,549	-	-	737,549
Department of Vermont Health Access	100,802,612	-	4,753,011	-	105,555,623	156,608,646	262,164,269	-	262,164,269	908,206,501	4,672,392	1,175,043,162
Health	20,504,960	-	30,651,679	-	51,156,639	108,467,759	159,624,398	25,000	159,649,398	55,174,082	1,779,498	216,602,978
Mental Health	24,978,296	-	1,708,155	-	26,686,451	10,944,099	37,630,550	-	37,630,550	272,969,203	14,140	310,613,893
Children and Families	244,883,171	-	35,895,612	-	280,778,783	185,042,501	465,821,284	-	465,821,284	72,084,680	881,200	538,787,164
Disabilities, Aging and Independent Living	31,807,846	-	1,629,370	-	33,437,216	43,054,219	76,491,435	-	76,491,435	569,668,632	2,366,284	648,526,351
Corrections	175,445,866	-	1,989,913	3,744,668	181,180,447	505,343	181,685,790	-	181,685,790	5,310,796	2,291,496	189,288,082
TOTAL HUMAN SERVICES AGENCY	1,230,494,956	-	156,084,326	3,744,668	1,390,323,950	1,741,603,587	3,131,927,537	25,000	3,131,952,537	1,883,413,894	30,338,322	5,045,704,753
Veterans' Home												
Veterans' Home	4,199,478	-	11,655,797	-	15,855,275	8,311,229	24,166,504	-	24,166,504	-	-	24,166,504
Commission on Women	467,572	-	3,848	-	471,420	-	471,420	-	471,420	-	-	471,420
Retired Senior Volunteer Program	155,490	-	-	-	155,490	-	155,490	-	155,490	-	-	155,490
Green Mountain Care Board	3,392,339	-	5,146,894	-	8,539,233	-	8,539,233	-	8,539,233	-	-	8,539,233
Office of the Child, Youth, and Family Advocate	250,000	-	-	-	250,000	-	250,000	-	250,000	-	-	250,000
TOTAL HUMAN SERVICES	1,238,959,835	-	172,890,865	3,744,668	1,415,595,368	1,749,914,816	3,165,510,184	25,000	3,165,535,184	1,883,413,894	30,338,322	5,079,287,400
percent of total	53.49%	0.00%	34.03%	0.18%	27.02%	56.38%	37.94%	0.08%	37.80%	98.91%	10.17%	48.02%
Labor												
Labor	10600636	0	10806858	0	21,407,494	37373681	58,781,175	-	58,781,175	-	250,000	59,031,175
TOTAL LABOR	10,600,636	-	10,806,858	-	21,407,494	37,373,681	58,781,175	-	58,781,175	-	250,000	59,031,175
percent of total	0.46%	0.00%	2.13%	0.00%	0.41%	1.20%	0.70%	0.00%	0.70%	0.00%	0.08%	0.56%
GENERAL EDUCATION												
Agency of Education	16,394,983	-	20,350,874	2,027,027,804	2,063,773,661	493,305,099	2,557,078,760	-	2,557,078,760	260,000	382,357	2,557,721,117
Teachers' Retirement	190,001,081	-	-	48,550,498	238,551,579	-	238,551,579	2,309,460	240,861,039	-	-	240,861,039
TOTAL GENERAL EDUCATION	206,396,064	-	20,350,874	2,075,578,302	2,302,325,240	493,305,099	2,795,630,339	2,309,460	2,797,939,799	260,000	382,357	2,798,582,156
percent of total	8.91%	0.00%	4.01%	99.82%	43.95%	15.89%	33.51%	7.27%	33.41%	0.01%	0.13%	26.46%
HIGHER EDUCATION AND OTHER												
University of Vermont	54,084,366	-	-	-	54,084,366	-	54,084,366	-	54,084,366	-	-	54,084,366
Vermont State Colleges	48,748,778	-	-	-	48,748,778	-	48,748,778	-	48,748,778	409,461	-	49,158,239
Vermont Student Assistance Corp.	22,019,813	-	-	41,225	22,061,038	-	22,061,038	-	22,061,038	-	-	22,061,038
N.E. Higher Education Compact	86,520	-	-	-	86,520	-	86,520	-	86,520	-	-	86,520
TOTAL HIGHER EDUCATION AND OTHER	124,939,477	-	-	41,225	124,980,702	-	124,980,702	-	124,980,702	409,461	-	125,390,163
percent of total	5.39%	0.00%	0.00%	0.00%	2.39%	0.00%	1.50%	0.00%	1.49%	0.02%	0.00%	1.19%
NATURAL RESOURCES												
Agency of Natural Resources:												
ANR - Central Office	6,847,004	-	775,079	-	7,622,083	-	7,622,083	-	7,622,083	-	2,028,145	9,650,228
Fish & Wildlife	7,173,206	-	11,291,734	-	18,464,940	9,793,589	28,258,529	-	28,258,529	-	1,385,460	29,643,989
Forests, Parks & Recreation	10,740,789	-	18,278,247	-	29,019,036	4,921,810	33,940,846	-	33,940,846	-	462,693	34,403,539
Environmental Conservation	11,443,848	-	57,688,164	-	69,132,012	77,959,378	147,091,390	-	147,091,390	-	9,339,010	156,430,400
Total Agency of Natural Resources	36,204,847	-	88,033,224	-	124,238,071	92,674,777	216,912,848	-	216,912,848	-	13,215,308	230,128,156
Natural Resources Board	713,735	-	2,766,239	-	3,479,974	-	3,479,974	-	3,479,974	-	-	3,479,974
TOTAL NATURAL RESOURCES	36,918,582	-	90,799,463	-	127,718,045	92,674,777	220,392,822	-	220,392,822	-	13,215,308	233,608,130
percent of total	1.59%	0.00%	17.87%	0.00%	2.44%	2.99%	2.64%	0.00%	2.63%	0.00%	4.43%	2.21%

FY 2024 Governor's Recommended Budget by Department and Funding Source

Agency/Department/Program	General Fund	Transportation Fund	Special Funds (a)	Education Fund	Subtotal State Funds, Net	Federal Funds	Subtotal Before Dedicated Sources	Dedicated Sources (b)	Total Funds and Dedicated Sources	Duplicate Appropriations (c)		FY 2024 Governor's Recommended Total Appropriations
										Global Commitment	ISF, IDT, and ARRA IDT	
COMMERCE & COMMUNITY DEVELOPMENT												
Agency of Commerce & Comm Development												
ACCD - Administration	3,566,442	-	-	-	3,566,442	351,000	3,917,442	-	3,917,442	-	114,989	4,032,431
Economic Development	5,489,902	-	616,421	-	6,106,323	4,358,416	10,464,739	-	10,464,739	-	1,823,673	12,288,412
Housing & Community Development	5,031,943	-	5,437,054	-	10,468,997	15,854,615	26,323,612	-	26,323,612	-	3,049,311	29,372,923
Tourism & Marketing	4,630,975	-	-	-	4,630,975	10,483,053	15,114,028	-	15,114,028	-	75,000	15,189,028
Total Agency of Commerce & Comm Development	18,719,262	-	6,053,475	-	24,772,737	31,047,084	55,819,821	-	55,819,821	-	5,062,973	60,882,794
Council on the Arts	887,981	-	-	-	887,981	-	887,981	-	887,981	-	-	887,981
Vermont Symphony Orchestra	145,320	-	-	-	145,320	-	145,320	-	145,320	-	-	145,320
Vermont Historical Society	1,060,699	-	-	-	1,060,699	-	1,060,699	-	1,060,699	-	-	1,060,699
Housing & Conservation Trust	-	-	14,552,855	-	14,552,855	61,966,213	76,519,068	-	76,519,068	-	-	76,519,068
Vermont Humanities Council	246,570	-	-	-	246,570	-	246,570	-	246,570	-	-	246,570
TOTAL COMMERCE & COMMUNITY DEV.	21,059,832	-	20,606,330	-	41,666,162	93,013,297	134,679,459	-	134,679,459	-	5,062,973	139,742,432
percent of total	0.91%	0.00%	4.06%	0.00%	0.80%	3.00%	1.61%	0.00%	1.61%	0.00%	1.70%	1.32%
TRANSPORTATION												
Agency of Transportation												
AOT Division Appropriations and Programs	-	218,389,765	22,129,870	-	240,519,635	438,115,780	678,635,415	9,982,064	688,617,479	-	26,341,049	714,958,528
AOT Dept. of Motor Vehicles	-	42,101,908	-	-	42,101,908	2,687,081	44,788,989	-	44,788,989	-	121,696	44,910,685
AOT Town Highway, Bridges & Municipal	-	47,068,418	7,466,843	-	54,535,261	35,856,515	90,391,776	1,193,915	91,585,691	-	200,000	91,785,691
Total Agency of Transportation	-	307,560,091	29,596,713	-	337,156,804	476,659,376	813,816,180	11,175,979	824,992,159	-	26,662,745	851,654,904
Transportation Board	-	193,480	-	-	193,480	-	193,480	-	193,480	-	-	193,480
TOTAL TRANSPORTATION	-	307,753,571	29,596,713	-	337,350,284	476,659,376	814,009,660	11,175,979	825,185,639	-	26,662,745	851,848,384
percent of total	0.00%	91.85%	5.82%	0.00%	6.44%	15.36%	9.76%	35.18%	9.85%	0.00%	8.94%	8.05%
Debt Service	75,377,993	327,405	-	-	75,705,398	-	75,705,398	-	75,705,398	-	-	75,705,398
DEBT SERVICE	75,377,993	327,405	-	-	75,705,398	-	75,705,398	-	75,705,398	-	-	75,705,398
percent of total	3.25%	0.10%	0.00%	0.00%	1.45%	0.00%	0.91%	-	0.90%	0.00%	0.00%	0.72%
One-Time	288,923,549	2,500,000	27,043,613	-	318,467,162	25,872,862	344,340,024	-	344,340,024	20,178,800	-	364,518,824
ONE TIME APPROPRIATIONS	288,923,549	2,500,000	27,043,613	-	318,467,162	25,872,862	344,340,024	-	344,340,024	20,178,800	-	364,518,824
percent of total	12.47%	0.75%	5.32%	0.00%	6.08%	0.83%	4.13%	0.00%	4.11%	1.06%	0.00%	3.45%
APPROPRIATION TOTAL	2,316,461,700	335,066,110	508,102,012	2,079,364,195	5,238,994,017	3,103,982,400	8,342,976,417	31,771,817	8,374,748,234	1,904,262,155	298,327,978	10,577,338,367
percent of total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(a) Special Funds also includes: Fish & Wildlife, Next Generation, Tobacco, State Health Care Resources, and Transportation Infrastructure Bond Funds.
 (b) 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.
 (c) Global Commitment, 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 FY2021-FY2024 (\$ millions)

	Actual FY 2021	Actual FY 2022	Governor's Recommended BAA FY 2023**	Governor's Recommended Budget FY 2024
Sources				
General Revenue	1,952.33	2,123.23	2,181.30	2,023.70
Technical Adjustments	-	-	-	-
Direct Applications	95.76	96.83	75.83	88.78
Reversions	74.17	98.91	15.17	15.10
Revenue Changes	-	-	-	(23.03)
Additional Property Transfer Tax	34.45	36.77	18.15	23.46
Other Revenue	-	-	-	-
Carried Forward	-	103.61	177.44	375.32
Total Sources	2,156.70	2,459.34	2,467.89	2,503.34
Uses				
Base Appropriations	1,606.02	1,720.92	1,875.01	2,027.54
Budget Adjustment Act	-	34.66	(43.31)	-
<i>Net Base Appropriations</i>	1,606.02	1,755.58	1,831.70	2,027.54
Supplemental Budget Adjustment Act	-	-	-	-
One-time Appropriations	30.90	185.26	-	267.31
Other Bills	100.31	310.53	156.39	-
Pay Act	5.17	11.41	29.90	21.61
Contingent Appropriations	-	70.60	27.82	-
Total Uses	1,742.40	2,333.38	2,045.80	2,316.46
Subtotal operating surplus (deficit)	414.30	125.96	422.09	186.88
Allocation of surplus - transfers (to)/from other funds				
Transfers (to)/from other funds	(6.55)	(112.86)	(24.20)	(37.73)
Transfers (to)/from Tobacco Litigation SF	1.66	-	-	-
Transfers (to)/from Coronavirus Relief Fund	(51.18)	-	-	-
Transfers (to)/from Ret. And OPEB	(52.42)	-	-	-
Transfers (to)/from Capital Expenditure Cash Fund	-	-	-	(79.96)
Transfers from GF reserves	-	-	-	-
Total Transfers (to) from other funds	(108.50)	(112.86)	(24.20)	(117.68)
Budget Stabilization Reserve	(2.04)	(5.25)	(19.55)	4.38
Human Services Caseload Reserve	0.51	-	-	-
27/53 Reserve	(1.85)	20.29	(3.02)	(5.35)
Balance Reserve (Rainy Day Fund)	(48.81)	-	-	-
Other reserves / Carryforward	(150.00)	149.30	-	(68.22)
Total reserved in GF (designated)	(202.20)	164.34	(22.57)	(69.19)
Total Allocated	(310.70)	51.48	(46.77)	(186.88)
Unallocated operating surplus/(deficit)	103.61	177.44	375.32	-
Stabilization Reserve at statutory level	81.87	87.12	106.67	102.29
GF reserves (cumulative)				
Budget Stabilization Reserve	81.87	87.12	106.67	102.29
Human Services Management Reserve	97.73	97.73	97.73	97.73
27/53 Reserve	20.30	0.01	3.03	8.38
GF Balance Reserve	80.37	80.37	80.37	80.37
Other Reserves	150.00	0.70	0.70	68.92
Total GF reserve balance	430.26	265.93	288.49	357.69

* Results may not add due to rounding.

**Includes Jan E-Board Revenue Update.

Transportation Fund Summary FY2021-FY2024 (\$ millions)

	Actual FY 2021	Actual FY 2022	Governor's Recommended BAA FY 2023**	Governor's Recommended Budget FY 2024**
Sources				
Current law revenues	282.71	287.85	299.10	301.20
New revenue	-	-	-	-
Direct applications, reversions & 1-time revenue	1.39	0.53	32.74	-
Federal Reimbursements		18.08	3.40	-
For appropriation from TF	24.16	28.59	15.34	24.79
Total sources	308.27	335.05	350.59	325.99
Uses				
Base appropriations	288.19	311.12	322.17	335.07
Budget adjustment, rescissions & excess receipts	(8.33)	(3.93)	-	-
Total uses	279.87	307.19	322.17	335.07
Subtotal operating surplus (deficit)	28.40	27.86	28.41	(9.08)
Allocation of surplus				
Transfers (to) / from other funds				
Downtown Fund	(0.52)	(4.02)	(0.52)	(0.52)
Central Garage Fund	(1.01)	(1.43)	(1.43)	(1.56)
VT Recreational Trail Fund	(0.37)	(0.37)	(0.37)	(0.37)
Other Funds	(0.05)	(4.71)	0.14	11.07
Total transfers (to) / from other funds	(1.95)	(10.53)	(2.19)	8.62
Reserved in the TF (designated)				
Budget Stabilization Reserve	2.15	(1.99)	(1.43)	0.46
Bond Reserve	-	-	-	-
Total reserved in the TF (designated)	2.15	(1.99)	(1.43)	0.46
Total allocated	0.20	(12.52)	(3.62)	9.08
Unallocated operating surplus (deficit)	28.60	15.34	24.79	0.00
Stabilization Reserve at statutory level of 5%	11.94	13.93	15.36	14.90
TF Reserves (cumulative)				
Bond Reserve	-	-	-	-
Budget Stabilization Reserve	11.94	13.93	15.36	14.90
Total TF Reserve Balance	11.94	13.93	15.36	14.90

*Results may not add due to rounding.

**Revenue as adopted by the Vermont Emergency Board on Jan 17, 2023.

Education Fund Summary FY2021-FY2024 (\$ millions)

	Actual FY 2021	Actual FY 2022	Governor's Recommended BAA FY 2023	Governor's Recommended Budget FY 2024
Sources**				
Meals & Rooms Tax - <i>one-quarter of total</i>	35.95	54.21	58.05	58.88
Purchase & Use Tax - <i>one-third of total</i>	44.69	45.69	48.63	49.40
Sales & Use Tax - <i>100% of total</i>	507.60	545.18	589.30	576.00
Lottery Revenue - <i>100% of total</i>	32.50	30.80	31.10	32.10
Non-Homestead Property Tax	735.21	752.42	727.10	780.86
Net Homestead Property Tax	462.19	476.38	471.00	514.72
Medicaid Reimbursement	7.41	11.45	10.20	10.80
Other Sources (Wind, Solar, Fund Interest, Other)	2.89	3.58	3.84	4.16
Tax Computer Modernization Fund Withholding	-	-	-	(1.10)
Total sources	1,828.44	1,919.71	1,939.22	2,025.82
Uses				
Base Appropriations	1,759.08	1,823.30	1,961.21	2,079.36
Appropriations Savings	-	-	(45.51)	-
Total uses	1,759.08	1,823.30	1,915.70	2,079.36
Subtotal operating surplus/(deficit)	69.36	96.41	23.53	(53.55)
Allocation of surplus/(deficit)				
Transfer (to)/from the stabilization reserve	(5.24)	(1.07)	(2.54)	(4.89)
Transfer (to)/from continuing appropriations	(21.44)	(28.43)	-	-
Transfer (to)/from Pension/OPEB Prefunding Reserve	(14.00)	14.00	-	-
Transfer (to)/from PCB Reserve	-	(32.00)	-	-
Transfer (to)/from unallocated	(28.68)	(48.90)	(20.99)	58.44
Total allocated	(69.36)	(96.41)	(23.53)	53.55
Education fund reserves				
Budget stabilization reserve***	38.22	39.29	41.83	46.72
Statutory reserve at 5%	38.22	39.29	41.83	46.72

*Results may not add due to rounding.

** Lottery, Meals and Room Tax, Sales and Use Tax, Purchase and Use Tax, and Fund Interest revenues are reflected as adopted by the Vermont Emergency Board in January 2023.

Also note:

The sources section includes one Governor's initiative - a \$1.1M reduction to fund the Tax Computer Modernization Fund.

The spending plan includes one Governor's initiative - \$3.7M for Community High School of Vermont.

***Only the Budget stabilization reserve component of the Education Fund balance is reflected in this statement.

OTHER REQUIRED REPORTS

Tax Expenditure Report

Tax expenditures are statutory provisions that reduce the amount of revenue collected to encourage certain activities or to limit the tax burden on certain types of individuals. By reducing the amount of tax revenues collected by the government, tax expenditures can have the same fiscal impact as direct government expenditures, even though they appear as reductions in taxes.

Tax expenditures, however, differ from direct spending programs in one important respect. Direct appropriations for government programs are evaluated annually during the budget process, and the Legislature must take affirmative action to continue funding. Additionally, direct spending programs are itemized in the budget and are therefore more transparent to the public. Tax expenditures usually represent permanently foregone revenue and are not evident in the state budget or subject to the same annual review process.

Annual Tax Expenditure Budget reporting is codified under 32 V.S.A. § 306. The schedule for reporting is segregated into the following categories:

- (1) A budget covering tax expenditures related to non-profits and charitable organizations and covering miscellaneous expenditures shall be made by the third Tuesday of the legislative session beginning in January 2012 and every three years thereafter.
- (2) A budget covering tax expenditures related to economic development, including business, investment, and energy, shall be made by the third Tuesday of the legislative session beginning in January 2013 and every three years thereafter.
- (3) A budget covering tax expenditures made in furtherance of Vermont's human services, including tax expenditures affecting veterans, shall be made by the third Tuesday of the legislative session beginning in January 2014 and every three years thereafter.

This year's Tax Expenditure Budget Report covers tax expenditures related to human services and veterans. The budget is shown on the following two charts first sorted by related department and second sorted by tax category.

Human Services Tax Expenditure Budget Report by Nexus Agency/Department				
Tax Type	Tax Expenditures and Categories	2022 Estimate	2023 Estimate	2024 Proposed
Individual Income	Child and Dependent Care Credit	5,489,000	5,010,000	5,010,000
Individual Income	Credit for Elderly or Disabled	4,000	4,000	5,000
Individual Income	Child Tax Credit	31,800,000	31,800,000	31,800,000
Sales and Use	Energy Purchases for a Residence	44,105,000	46,753,000	49,400,000
Sales and Use	Clothing and Footwear	36,550,000	37,425,000	38,300,000
Meals and Rooms	Grocery-type items furnished for takeout	7,150,000	7,275,000	7,400,000
Meals and Rooms	Served in hospitals, convalescent, and nursing homes	880,000	880,000	880,000
Property	Public, Pious, and Charitable Property - Charitable	7,066,000	7,133,000	7,200,000
Property	Public, Pious, and Charitable Property - College	16,583,000	16,792,000	17,000,000
Property	Public, Pious, and Charitable Property - Pious	14,010,000	14,005,000	14,000,000
Property	Public, Pious, and Charitable Property - School	7,035,000	7,117,000	7,200,000
Property	Public, Pious, and Charitable Property - Hospital	17,900,000	17,950,000	18,000,000
Property	YMCA and YWCAs	317,000	368,000	420,000
Property	Cemeteries	663,000	631,000	600,000
Property	Humane Societies	194,000	197,000	200,000
Motor Vehicle	Handicap	31,000	33,000	33,000
Sales and Use	Medical Products	60,100,000	61,250,000	62,400,000
Sales and Use	Sales of Food	116,255,000	118,493,000	120,730,000
Sales and Use	Rentals of Coin-Operated Washing Facilities	1,150,000	1,175,000	1,200,000
	AHS Expenditures Total	367,282,000	374,291,000	381,778,000
Individual Income	Charitable Housing Credit	62,000	66,000	70,000
Individual Income	Affordable Housing Credit	*	*	*
Individual Income	Qualified Sale of Mobile Home Park Credit	0	*	*
Corporate Income	Affordable Housing Credit	0	0	0
Corporate Income	Qualified Sale of Mobile Home Park Credit	0	0	0
Property	Housing Authorities	2,084,000	2,092,000	2,100,000
Property	Qualified Housing	1,078,000	1,089,000	1,100,000
Insurance Premiums	Affordable Housing Tax Credit	*	*	*
	AHS/ACCD Expenditures Total	3,224,000	3,247,000	3,270,000
Bank Franchise	Affordable housing Tax Credit	2,143,000	2,215,000	2,288,000
	AHS/ACCD/TAX Expenditures Total	2,143,000	2,215,000	2,288,000
Individual Income	Student Loan Interest Deduction	2,200,000	2,200,000	2,200,000
Meals and Rooms	Served on the premises of a school	1,800,000	1,800,000	1,800,000
Meals and Rooms	Summer camp for children	Under 100,000	Under 100,000	Under 100,000
	AHS/AOE Expenditures Total	4,000,000	4,000,000	4,000,000
Individual Income	Military Pay Exemption	1,877,000	1,894,000	1,910,000
Individual Income	Military Retirement & Civil Service Retirement System Threshold Expansion	710,000	710,000	710,000
Property	\$10,000 for Veterans	511,000	513,000	515,000
Motor Vehicle	Veterans	4,000	4,000	4,000
	AHS/MIL Expenditures Total	3,102,000	3,121,000	3,139,000
Individual Income	Earned Income Tax Credit	29,211,000	28,625,000	28,040,000
Corporate Income	Charitable Housing Credit	*	*	*
Bank Franchise	Charitable Housing Credit	0	0	0
	AHS/TAX Expenditures Total	29,211,000	28,625,000	28,040,000
Motor Vehicle	Religious, charitable	82,000	87,000	88,000
	TAX Expenditures Total	82,000	87,000	88,000
	GRAND TOTAL	\$ 409,044,000	\$ 415,586,000	\$ 422,603,000

In accordance with 32 V.S.A. § 306, the FY 2024 Tax Expenditure Budget covers "tax expenditures made in furtherance of Vermont's human services, including tax expenditures affecting veterans." The budget is comprised of those tax expenditures included in the biennial tax expenditure reports. Tax expenditures related to economic development and to non-profits and charitable organizations will be reported in subsequent Executive Budgets, per statute. Information pertaining to fewer than 10 returns has been suppressed by "**".

Human Services Tax Expenditure Budget Report by Tax Type				
Agency/Dept.	Tax Expenditures and Categories	2022 Estimate	2023 Estimate	2024 Proposed
AHS	Child and Dependent Care Credit	5,489,000	5,010,000	5,010,000
AHS	Credit for Elderly or Disabled	4,000	4,000	5,000
AHS/MIL	Military Pay Exemption	1,877,000	1,894,000	1,910,000
AHS/ACCD	Charitable Housing Credit	62,000	66,000	70,000
AHS/ACCD	Affordable Housing Credit	*	*	*
AHS/ACCD	Qualified Sale of Mobile Home Park Credit	0	*	*
AHS/TAX	Earned Income Tax Credit	29,211,000	28,625,000	28,040,000
AHS	Child Tax Credit	31,800,000	31,800,000	31,800,000
AHS/AOE	Student Loan Interest Deduction	2,200,000	2,200,000	2,200,000
AHS/MIL	Military Retirement & Civil Service Retirement System Threshold Expansion	710,000	710,000	710,000
	Individual Income Tax Expenditures Total	71,353,000	70,309,000	69,745,000
AHS/TAX	Charitable Housing Credit	*	*	*
AHS/ACCD	Affordable Housing Credit	0	0	0
AHS/ACCD	Qualified Sale of Mobile Home Park Credit	0	0	0
	Corporate Income Tax Expenditures Total	*	*	*
AHS	Medical Products	60,100,000	61,250,000	62,400,000
AHS	Sales of Food	116,255,000	118,493,000	120,730,000
AHS	Rentals of Coin-Operated Washing Facilities	1,150,000	1,175,000	1,200,000
AHS	Energy Purchases for a Residence	44,105,000	46,753,000	49,400,000
AHS	Clothing and Footwear	36,550,000	37,425,000	38,300,000
	Sales and Use Tax Expenditures Total	258,160,000	265,096,000	272,030,000
AHS	Grocery-type items furnished for takeout	7,150,000	7,275,000	7,400,000
AHS/AOE	Served on the premises of a school	1,800,000	1,800,000	1,800,000
AHS	Served in hospitals, convalescent, and nursing homes	880,000	880,000	880,000
AHS/AOE	Summer camp for children	Under 100,000	Under 100,000	Under 100,000
	Meals and Rooms Tax Expenditures Total	9,830,000	9,955,000	10,080,000
AHS/ACCD	Housing Authorities	2,084,000	2,092,000	2,100,000
AHS	Public, Pious, and Charitable Property - Charitable	7,066,000	7,133,000	7,200,000
AHS	Public, Pious, and Charitable Property - College	16,583,000	16,792,000	17,000,000
AHS	Public, Pious, and Charitable Property - Pious	14,010,000	14,005,000	14,000,000
AHS	Public, Pious, and Charitable Property - School	7,035,000	7,117,000	7,200,000
AHS	Public, Pious, and Charitable Property - Hospital	17,900,000	17,950,000	18,000,000
AHS	YMCA and YWCAs	317,000	368,000	420,000
AHS	Cemeteries	663,000	631,000	600,000
AHS	Humane Societies	194,000	197,000	200,000
AHS/MIL	\$10,000 for Veterans	511,000	513,000	515,000
AHS/ACCD	Qualified Housing	1,078,000	1,089,000	1,100,000
	Property Tax Expenditures Total	67,441,000	67,887,000	68,335,000
AHS/ACCD/TAX	Affordable housing Tax Credit	2,143,000	2,215,000	2,288,000
AHS/TAX	Charitable Housing Credit	0	0	0
	Bank Franchise Tax Expenditures Total	2,143,000	2,215,000	2,288,000
AHS/ACCD	Affordable Housing Tax Credit	*	*	*
	Insurance Premiums Tax Expenditures Total	*	*	*
AHS/MIL	Veterans	4,000	4,000	4,000
TAX	Religious, charitable	82,000	87,000	88,000
AHS	Handicap	31,000	33,000	33,000
	Motor Vehicle Purchase & Use Expenditures Total	117,000	124,000	125,000
	GRAND TOTAL	\$ 409,044,000	\$ 415,586,000	\$ 422,603,000

In accordance with 32 V.S.A. § 306, the FY 2024 Tax Expenditure Budget covers "tax expenditures made in furtherance of Vermont's human services, including tax expenditures affecting veterans." The budget is comprised of those tax expenditures included in the biennial tax expenditure reports. Tax expenditures related to economic development and to non-profits and charitable organizations will be reported in subsequent Executive Budgets, per statute. Information pertaining to fewer than 10 returns has been suppressed by "*".

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, 2022 actuarial valuation, the actuary for the Vermont State Employees' Retirement System (VSERS) recommended a FY 2024 contribution of \$121,873,370 to the pension plan (VSERS pension) and \$67,146,946 to the Vermont State Employees' Other Post-Employment Benefits (VSERS OPEB) plan.

The State's VSERS pension contribution is offset by \$1,910,000, based on the Treasurer's estimate of FY 2024 contributions to VSERS by town participants, which reduces the state contribution to \$119,963,370. Per 2022 Act 114 Section 11, the State is further committed to an additional payment in FY 2024 of \$9,000,000 above the actuarial recommendation towards the system's unfunded liability, for an adjusted total of \$128,963,370.

The State's contribution to the VSERS OPEB during FY 2024 will be \$67,146,946, reflecting the full actuarial recommendation.

VSTRS

As a result of the June 30, 2022 actuarial valuation, the actuary for the Vermont State Teachers' Retirement System (VSTRS) recommended a FY 2024 contribution of \$194,281,051 to the pension fund (VSTRS pension) and \$61,290,528 to the Retired Teachers' Health and Medical Benefits (VSTRS OPEB) fund.

The actuarially recommended FY 2024 VSTRS contribution of \$194,281,051 will be funded by \$151,682,914 of State general funds, \$33,128,137 of State education funds and \$9,470,000 from local education agencies for teacher salaries supported by federal grants. Of the \$9,470,000, \$1,697,536 will be applied to the normal cost, and \$7,772,464 will be applied to the unfunded liability. Per 2022 Act 114 Section 19, the State is further committed to an additional payment in FY 2024 of \$9,000,000 above the actuarial recommendation towards the system's unfunded liability, which will be funded from State general funds.

The FY 2024 VSTRS OPEB contribution of \$61,290,528 will be funded by \$38,318,167 of State general funds, \$15,422,361 of State education funds, and \$7,550,000 from the employer annual charge for new teacher health care. Of the \$7,550,000, \$2,166,685 will be applied to the normal cost, and \$5,383,315 will be applied to the unfunded liability.

Funding Levels

State statutes define the method of funding the retirement systems, which is assessed and reported by an independent actuary. Based on the actuarial valuation, the funded ratios (and resulting unfunded liability) for the VSERS and VSTRS pension systems for the period ended June 30, 2022 are 66.95% (\$1,123,933,825 unfunded liability) and 54.81% (\$1,928,558,829 unfunded liability) respectively. The funded ratios (and resulting unfunded liability) for the VSERS OPEB and VSTRS OPEB plans for the period ended June 30, 2022 are 11.55% (\$802,517,251 unfunded liability) and 5.34% (\$717,851,240 unfunded liability), respectively. The pension system (VSERS and VSTRS) values are derived using the GASB 67 accounting standard actuarial valuations, and the OPEB system values are derived from the GASB 74 actuarial valuations, all of which are produced by the State's actuary.

APPENDIX A: PUBLIC COMMENTS

Public Participation—Public Budget Forums

In accordance with 32 V.S.A. § 306 (d), the development process for the Governor’s budget recommendations includes public participation and a current services budget.

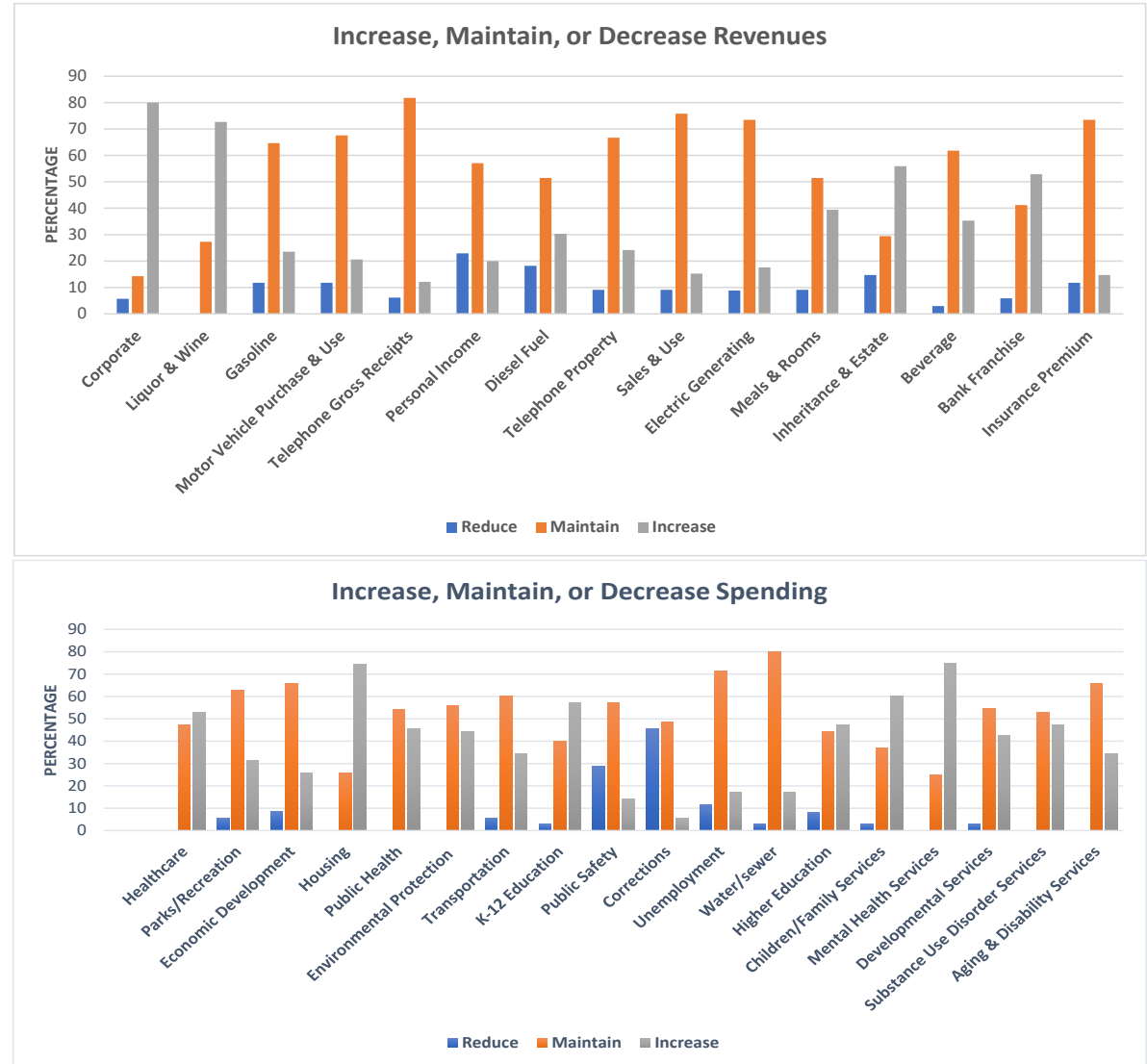
Public Participation ~ Public Budget Forums

Under this section, the Governor is required to develop a process for public participation in the development of goals and general prioritization of spending and revenue initiatives as part of the state’s budget. To meet this requirement the Secretary of Administration and the Department of Finance & Management posted an online survey and hosted an online feedback request form.

Using the Department of Finance & Management’s public website, the Administration posted an online presentation describing the overall budget and budgeting process, found online on their [website](#).

The Administration invited comments both via survey and via written submissions during an eight-week period in November, December, and January of 2022-2023.

During this time, Finance and Management received 36 responses (via Microsoft Forms) and 312 written comments, a few of which can be reviewed in detail on page 34 - Appendix A.



APPENDIX A: PUBLIC COMMENTS

Categories of responses

Add funding for the VT Foodbank – 36

Working Lands Grant Funding – 5

Tax Reform – 1

Fund Adult Education and Literacy Programs – 35

Conservation Districts Funding – 124

Vermont Access Network – 17

Farm to School & Early Childhood Program – 28

Increase funding for Parent-Child Centers – 28

Fund Public Higher Education – 38

Selected Quotes from Respondents:

“Please increase base funding for the Adult Education and Literacy Network's four community-based service providers by \$1.5 million. As a teacher and administrator with 30 years of experience in Vermont I know first-hand that many Vermonters will improve their lives and our communities by enhancing and/or completing their educations. Locally focused Adult Education provides needs-based programs at the individual level leading to better job skills and more productive lives.”

“Please recognize the ongoing needs of Vermonters facing food insecurity and the partnership with the Vermont Foodbank by establishing a base appropriation of \$3 million in the FY24 state budget.”

“Please support the Vermont Access Network - our state's 24 Community Media (PEG TV) Centers - with a one-time appropriation of \$1,000,000 in fiscal year 2024, as third-year bridge funding to a secure funding stream to replace declining cable revenues.”

“Please increase base funding for the Parent Child Centers by \$5.2 million for a total of \$10 million in the PCC line item to support families with young children. Research shows that the most important thing children need to thrive is to live in an environment of healthy adult relationships. Parent Child Centers deliver effective services that support whole families and contribute to positive outcomes for children.”

“Please increase funding for keeping the lakes clean!! We love Seymour Lake and are fighting hard to keep invasive species out of it, so please re-consider cutting the budget for this activity. We're so proud of our clean lakes and want to keep them that way!”

ACKNOWLEDGEMENTS AND CREDITS

This Executive Summary and the Governor's recommended budget were prepared by the Budget & Management Division of the Department of Finance & Management with the assistance of agency and department heads, business managers, and finance staff across the State.

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Fiscal Year 2024 Executive Budget Summary

is a publication of the Vermont Department of Finance & Management

Adam Greshin, Commissioner

The purpose of this publication is to inform members of the Vermont Legislature, state and local government officials, and Vermont residents of the Fiscal Year 2024 Budget Recommendations of Governor Philip B. Scott.

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