

Vermont Legislative Joint Fiscal Office

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ISSUE BRIEF- Draft

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FUNDING TRENDS

The multi-year budget summary at www.leg.state.vt.us/jfo/appropriations/fy_2013/FY09-FY13_Funding_Summary.pdf has been updated for FY12 BAA and the recommended FY13 budget proposal. Below is a comment on the one year and four year average growth rates by function of government highlighting key trends and some line item specific changes.

General Government

All Funds

One year growth	2.5%
Four year average growth	1.4%

General Fund

One year growth	-3.3%
Four year average growth	-.05%

Comments:

- Most of the internal service fund average increase of 3.1% is driven by DII.
- State employees pension fund expenditure have increased 8.3% on average
- Homeowner and renter rebate have increased 3.1% on average.

Protection

All Funds

One year growth	.1%
Four year average growth	2.1%

General Fund

One year growth	3%
Four year average growth	5.1%

Comments

- GF has increased 5.1% on average in part to offset reductions in TF of -6.3%.
- Modest growth in AG, Judiciary, State Att'y, Sheriffs, Agriculture - less than 2%.
- There as been larger growth in State Police of 5% and Public Defense of 4%.

Human Services

All Funds

One year growth	4.8%
Four year average growth	4.6%

General Fund

One year growth	8.8%
Four year average growth	6.1%

Comments:

- Making up for \$75 million of ARRA monies in FY 2009 contributed to GF growth. Aside from caseload and utilization GF funding rates in all areas of Medicaid are also driven by declines in Federal Medicaid Match.
- Public Health, ADAP, DCF Family Service and both Choice for Care and Independent Living have small negative average four year growth rates.
- Child Development, General Assistance, Reach-up, AABD and Corrections have modest average rates of growth of less than 3%.
- The big growers are DVHA Global Commitment at an adjusted 5.9% average, Developmental Services 3.9%, TBI 3.7% and Voc Rehab 10.7%. These programs serve Medicaid eligible folks of which the adult caseload increased 31% between FY09 and FY13, while kid caseload went up 6%.
- Mental health is up only due to the ability to match federal funds for acute because of VSH closure otherwise it would be flat.

K-12 Education

All Funds

One year growth	1.8%
Four year average growth	1.2%

General Fund

One year growth	5.4%
Four year average growth	1.3%

Comments

- The total EF expenditures have averaged a 1% increase across the four years. The GF transfer is below the FY09 level by \$8.8m or -3%.
- The GF needed for teachers' retirement has average over 17% growth to meet funding obligations. This is an ongoing issue.

Higher education

All Funds/General Fund Flat

Comments

- Base funding is entirely flat across the four years, however ARRA requirements in FY 2009 resulted in one-time funding, from the institutions' point of view they are actually below FY09 levels of funding.
- Next generation is down 10% a year from 2009, dropping from \$7.3million in FY 2009 to \$4.8 million in FY 2013

Natural Resources

All Funds

One year growth	1.1%
Four year average growth	1.8%

General Fund

One year growth	2.6%
Four year average growth	-2.5%

Commerce

All Funds

One year growth	8.4%
Four year average growth	4.3%

General Fund

One year growth	1.7%
Four year average growth	-1.4%

Comments

- Four year growth is driven primarily by CDBG federal funds.
- One year growth is in special funds in VHCB – replaces capital bill funding
- Tourism and marketing is down 4.9% on average

Transportation

All Funds –exclude TIB bond proceeds

One year growth	18.5%
Four year average growth	9.1%

Transportation Fund

One year growth	5.6%
Four year average growth	3.2%

Comments

- Transportation + TIB + TIB bond combination results in 7% four year average.
- Federal fund growth rate is inflated by Irene related costs of \$63 million in FY 2013 “public assistance.”

Debt Service – This is flat across four years

Pay Act – The GF funding represents almost 1% of the available GF and roles out in future years.