

**2005
FI\$CAL FACT\$**



**VERMONT LEGISLATIVE
JOINT FISCAL OFFICE**



Joint Fiscal Committee

2005 - 2006 Legislative Session*

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PART I – OVERVIEW OF STATE FINANCES

OVERVIEW OF STATE FINANCES

There are three major components to any government's finances. The first is **revenue** – funds coming into government coffers. The second is **debt**; most governments, local, state, and federal, borrow to finance some of their activities, such as major capital expenditures like construction projects. The third is **expenditures** – what government spends money on. States spend both the revenue they raise and money from other sources, such as the federal government. The table below shows major state funding sources and appropriations. The remainder of this section discusses revenue, debt, and expenditures in detail.

Total State Budget: Fiscal Year 2005 (prior to budget adjustment)

<u>Sources of Funds</u>	<u>Amount</u>	<u>% of Total</u>
General	956,266,918	23.94%
Transportation	222,153,741	5.56%
Education	1,143,951,880	28.63%
Fish & Wildlife	12,753,058	0.32%
Special	376,433,097	9.42%
Federal	1,097,997,092	27.48%
Other	185,693,037	4.65%
Total	\$3,995,248,823	100.00%

<u>Appropriation</u>	<u>Amount</u>	<u>% of Total</u>
General Government	117,366,399	2.94%
Protection	202,475,576	5.07%
Human Services	1,420,619,486	35.56%
Employment	25,623,969	0.64%
Education	1,656,745,894	41.47%
Natural Resources	74,479,204	1.86%
Commerce/Development	55,523,040	1.39%
Transportation	367,715,225	9.20%
Debt Service	65,481,831	1.64%
Miscellaneous/Other	9,218,199	0.23%
Total	\$3,995,248,823	100.00%

Source: Joint Fiscal Office Analysis of Act #122 of the 2004 Session
(Fiscal year 2005 Appropriations)

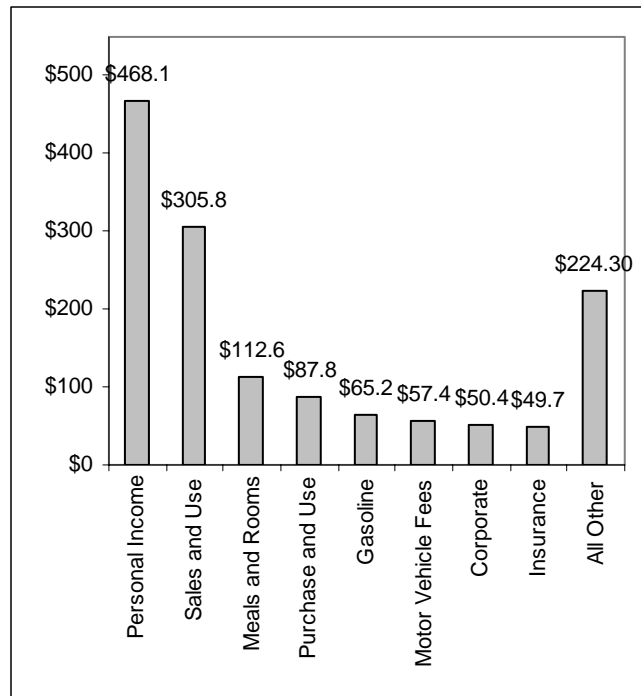
REVENUE

Over 90% of Vermont state revenue comes from taxes. The personal income tax is the largest single source, accounting for about one-third of General, Transportation and Education Fund revenue. The sales and use tax accounts for one-fifth. Other sources of revenue include licenses, fees, interest, and lottery sales.

In addition to money it raises through taxes, fees, and other operations, the state also receives funds from other sources. The major source is the federal government. About one-third of state spending is federal funds. Another significant source is the recent tobacco settlement.

Sources of General, Transportation and Education Fund Revenue, FY 2005

(January 2005 forecast, \$ in millions; does not include property taxes)



The first step in the creation of the annual state budget is the development of a revenue forecast. The next page contains some history and the forecast that will be used for development of the 2006 budget.

Available General Fund Forecast*
(\$ in millions)

<i>REVENUE SOURCE</i>	FY 2004 <i>(Actual)</i>	FY 2005 <i>(Forecast)</i>	FY 2006 <i>(Forecast)</i>	FY 2007 <i>(Forecast)</i>
Personal Income	\$429.8	\$468.1	\$491.2	\$510.3
Sales and Use [1]	\$272.2	\$203.9	\$211.1	\$217.8
Corporate	\$45.2	\$50.4	\$45.6	\$48.0
Meals, Rooms & Alcohol	\$88.4	\$112.6	\$117.1	\$121.4
Cigarette	\$0.0	\$0.0	\$0.0	\$0.0
Liquor	\$11.7	\$12.5	\$13.0	\$13.5
Insurance	\$47.0	\$49.7	\$51.3	\$52.7
Telephone	\$10.4	\$10.8	\$11.0	\$11.2
Beverage	\$5.2	\$5.3	\$5.4	\$5.5
Electric Generating	\$2.8	\$2.6	\$2.6	\$2.5
Estate	\$14.7	\$13.4	\$13.9	\$12.6
Property Transfer	\$11.1	\$14.3	\$12.7	\$10.8
Bank Franchise	\$2.7	\$8.4	\$9.9	\$10.1
Other Tax	\$4.4	\$6.1	\$5.5	\$3.9
Total Tax Revenue	\$945.5	\$958.1	\$990.3	\$1,020.3
Business Licenses	\$2.7	\$2.7	\$2.8	\$2.9
Fees	\$8.9	\$12.8	\$13.1	\$13.4
Services	\$1.6	\$1.7	\$1.8	\$1.8
Fines	\$7.4	\$4.1	\$3.9	\$4.0
Interest	\$0.4	\$1.2	\$1.8	\$2.6
Special Assessments	\$0.0	\$0.1	\$0.1	\$0.1
All Other	\$0.5	\$0.7	\$0.7	\$0.8
Total Other Revenue	\$21.5	\$23.3	\$24.1	\$25.5
TOTAL GF REVENUE	\$967.0	\$981.3	\$1,014.4	\$1,045.8

Source: January 2005 Forecast

*Source GF - Excludes all Education Fund allocations and other out-transfers.

[1] Includes Telecommunications Tax revenue, which is no longer reported separately.

Note: The allocation of Sales, Meals and Rooms, Corporate and other taxes between the General and the Education Fund changed in 2005.

For more detailed information and history on the major revenue sources, see pp 24-34.

**Available Transportation Fund Forecast
(\$ in millions)**

<i>REVENUE SOURCE</i>	FY 2004 <i>(Actual)</i>	FY 2005 <i>(Forecast)</i>	FY 2006 <i>(Forecast)</i>	FY 2007 <i>(Forecast)</i>
Gasoline	\$54.3	\$65.2	\$66.7	\$68.1
Diesel	\$18.0	\$16.8	\$18.1	\$18.6
Purchase and Use [1]	\$71.9	\$58.5	\$60.7	\$62.7
Motor Vehicle Fees	\$55.2	\$57.4	\$59.1	\$58.8
Other Revenue	\$15.2	\$15.8	\$16.2	\$16.8
TOTAL TF	\$214.6	\$213.7	\$220.8	\$225.0

[1] Includes Motor Vehicle Rental Tax revenue

*Excludes all Education Fund allocation and other out-transfers.

The allocation of Purchase and Use, and other taxes between the Transportation and the Education Fund changed in 2005.

For more detailed information and history on the major revenue sources, see p. 35.

**Non-Property Tax Education Fund Forecast
(\$ in millions)**

<i>REVENUE SOURCE</i>	FY 2004 <i>(Actual)</i>	FY 2005 <i>(Forecast)</i>	FY 2006 <i>(Forecast)</i>	FY 2007 <i>(Forecast)</i>
Meals and Rooms	\$20.1	\$0.0	\$0.0	\$0.0
Sales & Use [1]	\$16.4	\$101.9	\$105.6	\$108.9
Bank Franchise	\$3.8	\$0.0	\$0.0	\$0.0
Corporate	\$10.5	\$0.0	\$0.0	\$0.0
Security Registration	\$2.5	\$0.0	\$0.0	\$0.0
Interest	(\$0.2)	(\$0.3)	(\$0.1)	\$0.1
Lottery	\$20.3	\$19.4	\$19.1	\$18.8
Gasoline	\$10.8	\$0.0	\$0.0	\$0.0
Purchase and Use [2]	\$14.3	\$29.3	\$30.3	\$31.3
Ed Fund	\$98.5	\$150.3	\$154.9	\$159.1

Source: January 2005 Forecast

[1] Includes Telecommunications Tax revenue, which is no longer reported separately.

[2] \$1.56m transfer to Tourism; Includes Motor Vehicle Rental Tax revenue.

The allocation of various taxes between the General, Transportation and the Education Fund changed in 2005.

For more detailed information and history on the major revenue sources, see p. 37.

Potential Revenue Sources/Options:

There are three main ways to increase revenue coming into state coffers: 1) increase existing taxes, 2) expand existing tax bases, or 3) create new taxes. The options below are examples of each of these methods to raise new state revenue. In reverse, reducing rates, creating tax exemptions, and eliminating taxes all reduce state revenue.

Potential Revenue Options
PRELIMINARY ESTIMATES ONLY - Subject to Revision

Tax Source	FY 2006	Tax Rate	Increase	New Revenue
<i>Increase Existing Taxes</i>				
Sales & Use	\$316.7	6.0%	1% increase	\$52.8
Meals, Rooms & Alcohol	\$117.1	9% & 10%	1% increase	\$13.0
Cigarette	\$44.6	\$1.19	0.01 increase	\$0.4 [*]
Tobacco Products	\$2.4	41%	10% increase	\$0.5
Liquor	\$13.0	25%	1% increase	\$0.5
Bank Franchise	\$9.9	0.0096%	.0001% increase	\$0.1
Insurance Premiums	\$51.3	various	various	N/A
Gasoline	\$66.7	0.19	0.01 increase	\$3.5
Diesel	\$18.1	0.25	0.01 increase	\$0.7
Purchase & Use	\$91.0	6.0%	1% increase	\$15.2
Personal Income Tax	\$491.2	various	1% surcharge	\$4.9
Corporate Income Tax	\$45.6	various	1% surcharge	\$0.5
Property Transfer Tax	\$38.9	various	1% surcharge	\$0.4
Provider Taxes	\$44.8	various	various	\$1.0 - \$10.0

Potential Revenue Options
PRELIMINARY ESTIMATES ONLY - Subject to Revision

Tax Source	Change	New Revenue
<i>Expand Income Tax Base</i>		
Eliminate Capital Gains Exemption	Personal Income Tax ordinary rates	\$15.0
Eliminate Deductability of State & Local Taxes	Personal Income Tax eliminate deduction	\$17.0
Eliminate Charitable Contributions Deduction	Personal Income Tax eliminate deduction	N/A
Eliminate Mortgage Interest Deduction	Personal Income Tax eliminate deduction	N/A
Apply Corporate Income Tax to Banks	Corporate Income Tax	\$5.0
<i>Expand Sales Tax Base</i>		
Beer	Include in Sales Tax - in SSTA	\$7.0
Clothing & Shoes	Eliminate Threshold and Exemption	\$15.0
Food	Include in Sales Tax	N/A
Gasoline	Include in Sales Tax	\$38.0
Lottery and Break-open Tickets	Include in Sales Tax	N/A
<i>Include Services (partial list only)</i>		
Legal Services	Include in Sales Tax	\$12.0
Accounting, Tax Prep, Bookkeeping & Payroll	Include in Sales Tax	\$4.0
Architectural, Engineering & Related	Include in Sales Tax	\$9.0
Computer Systems Services	Include in Sales Tax	\$13.0
Management & Consulting	Include in Sales Tax	\$5.0
Physician Offices	Include in Sales Tax	\$20.0
Dentist Offices	Include in Sales Tax	\$8.0
Nursing Care Facilities	Include in Sales Tax	\$7.0
Automotive Repair and Maintenance	Include in Sales Tax	\$11.0
Electronic Equipment Repair & Maint.	Include in Sales Tax	\$2.0
Personal & Household Repair & Maint.	Include in Sales Tax	\$2.0
Personal Care Services	Include in Sales Tax	\$3.0
Dry Cleaning & Laundry Services	Include in Sales Tax	\$2.0
Cosmetic Medical Procedures	Include in Sales Tax	\$2.0
<i>New Tax Sources</i>		
Tax on Punitive Damage Awards	New	N/A
Payroll Taxes	New	N/A

STATE INDEBTEDNESS
Capital Debt Affordability Advisory Committee

The Capital Debt Affordability Advisory Committee was created by the 1990 Vermont Legislature to estimate annually the maximum amount of new long-term general obligation debt that prudently may be authorized by the state for the next fiscal year. The Committee's estimate is required by law to be based on a number of considerations, historic and projected, including debt service requirements, debt service as a percent of General and Transportation Fund revenues, outstanding debt as a percent of personal income, and per capita debt ratios. The Committee is comprised of five members, four of whom are ex-officio state officials and one of whom is appointed by the Governor from the private sector for a two-year term. The Committee is directed by law to issue a report by September 30 of each calendar year.

In September 2004 the Committee recommended, and the Legislature authorized a total of \$41 million in new debt issuance for 2005.

The Committee recommended a maximum of \$45 million in new debt for 2006.

Summary of Outstanding Debt
(as of 6/30/2004)

<u>Type of Debt</u>	<u>Total</u> <u>Outstanding Debt</u>	<u>Debt Service</u> <u>FY 06</u>
General Fund	\$414,993,000	\$59,419,000
Transportation Fund	14,349,000	2,008,000
General Fund Supported (SF)	<u>15,340,000</u>	<u>2,382,000</u>
Total	\$444,682,000	\$63,809,000

Source: Government Finance Associates, Inc., September, 2004 Report.

State Indebtedness (continued)
Vermont Debt Burden Comparison
(Moody's Investor Service)

Debt as a percent of total state personal income

	2001	2002	2003	2004
Moody's VT Ratio	3.3%	3.0%	2.9%	2.5%
Moody's Median	2.1%	2.3%	2.2%	2.4%
Vermont Rank	14	14	17	25

Debt per capita

	2001	2002	2003	2004
Moody's VT per capita	\$828	\$813	\$861	\$724
Moody's median	\$541	\$573	\$606	\$701
Vermont Rank	15	18	16	24

State Bond Rating

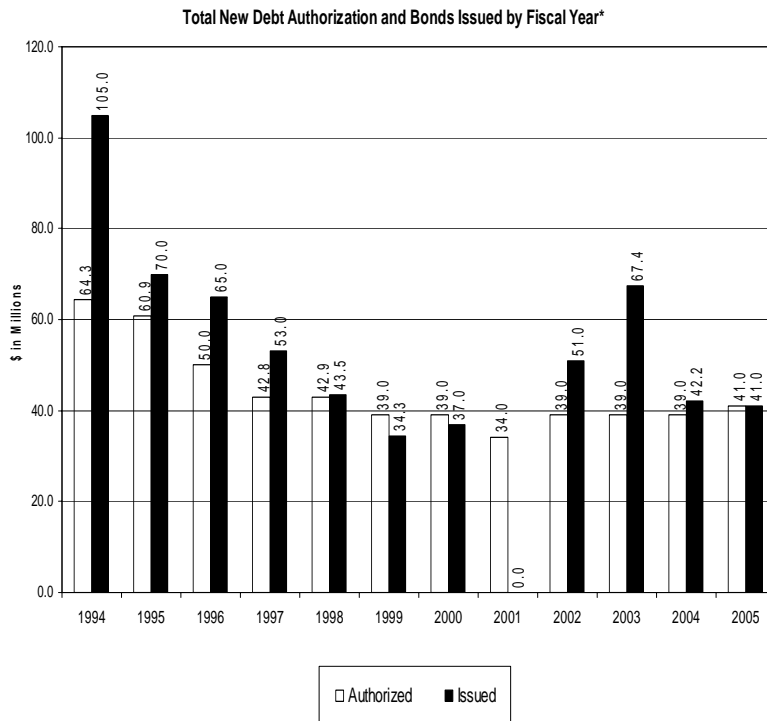
Fitch Investors Service, Inc.	AA+	(upgraded in 1999 from AA)
Moody's Investors Service	Aa1	(upgraded in 1999 from Aa2)
Standard and Poor's	AA+	(upgraded in 2000 from AA)

Source: Government Finance Associates report of September 2004.

State Indebtedness (continued)

Recent Debt Authorizations

During fiscal year 2002, a total of \$51 million of debt was sold, representing the sum of that year's authorization of \$39 million, plus \$12 million carried forward from fiscal year 2001. During fiscal year 2003, \$67.4 million of debt was sold, representing the sum of \$35.8 million from that year's authorization of \$39 million, plus \$31.6 million to advance refund a portion of the Series 1993B Bonds. During fiscal year 2004, \$42.2 million of debt was sold, representing the full amount of that year's authorization (\$39 million) plus the carry forward of the authorized but unissued amount from fiscal year 2003 (\$3.2 million). We believe this trend in which the State has extinguished all or nearly all of the authorized amount of debt has enhanced the State's credit position with favorable responses from the rating agencies. The following chart presents the amounts of General Obligation debt that have been authorized and issued by the State of Vermont since 1994.



* Authorized but un-issued debt has been carried forward and employed in subsequent years' bond issuances.
 FY05 anticipated to be issued.

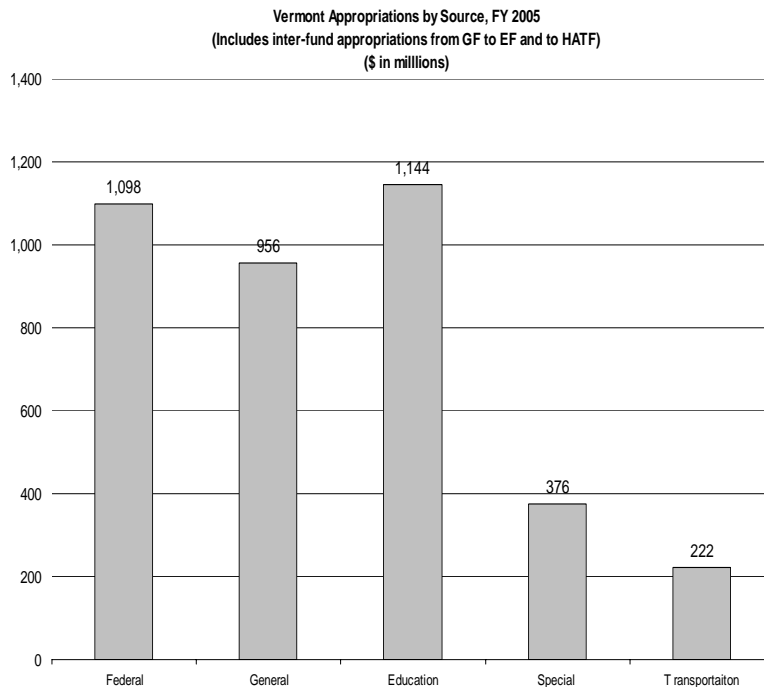
Source: Government Finance Associates report of September 2004

EXPENDITURES

It is important to understand that the legislature only has the power to “appropriate” money that the state raises. However, in addition to appropriations, the legislature asserts control over all other funding sources by giving departments and agencies the authority to spend money from other sources, such as grants or federal funds. Without this authority, money cannot be spent.

The state’s expenditures are primarily governed by the annual appropriations act. This act includes both appropriations and spending authority, and allocates funds from 12 different sources to 11 major categories of expense. The major sources include the state’s general fund (24%), federal funds (27%), the education fund (29%) and the transportation fund (6%).

Note: Money that is appropriated from one fund into another, and then appropriated again out of the destination fund is included twice in this graph.



The three largest expense categories are education, including property tax support (39%), human services (36%), and transportation (9%).

FY 2005 Appropriations by Category and Source
(Prior to budget adjustment - \$ millions)

Category	Federal	General Fund	Transportation Fund	Education Fund	Special funds	Tobacco Funds	TOTAL
General & Higher Education	110	367	4	1,143	2	1	1,626
Human Services	711	379	2	0	275	25	1,392
Transportation	178	0	174	0	0	0	353
Protection	42	72	28	0	50	1	192
General Government	3	37	9	0	5	0	53
Debt Service	0	61	3	0	2	0	66
Natural Resources	13	19	1	0	24	0	58
Commerce & Community Dev.	21	14	0	0	19	0	54
Employment & Training	21	1	0	0	0	0	22
Miscellaneous	0	6	2	0	0	0	7
TOTAL - FY 2005	1,098	955	222	1,143	377	27	3,822

This table reflects sources and allocations in the FY 2005 Appropriations bill excluding "Other" funds which are primarily internal service funds. While this bill establishes nearly all of the state's spending, there are two other types of legislative action that influence spending. The first is appropriations language in other acts. This mechanism is typically used in the first year of a new program for some capital expenditures. The second mechanism is the budget adjustment act. Each year, as one of its first actions, the legislature passes an act that makes adjustments to the budget based on the first six months of actual expenditures. Pay Act figures are included in the above funds. *Excludes departmental transfers and internal services funds. Includes inter-fund appropriations from the GF (\$249.3 million to EF and \$69.1 million to Health Access Trust Fund (HATF), and \$17.5 million tobacco funds to the HATF.

Summary of Revenue, Expenditures, and Operating Results
 General Fund Revenues and Appropriations Summary

	Fiscal Year 1993 –2005 est., \$ millions												
	1993	1994	1995	1996	1997	1998/1	1999	2000	2001/2	2002 /3	2003	2004 /4	2005 /5
Total Revenue	661.61	681.73	672.57	715.12	770.82	875.66	840.48	894.17	909.80	852.97	882.11	970.69	1007.40
Total Appropriations	642.66	655.96	689.60	702.42	720.91	793.28	824.82	853.95	869.09	872.14	887.97	915.41	956.27
Operating Surplus/Deficit	18.95	25.77	(17.03)	12.71	49.91	82.38	15.66	40.22	40.71	(19.17)	(5.86)	55.28	51.10
Net Transfers	0.00	20.41	2.50	1.82	(49.91)	(82.38)	(15.66)	(40.22)	(32.31)	10.77	5.86	(39.65)	(1.28)
Carryforward Balance	(65.13)	(46.18)	0.00	(14.53)	0.00	0.00	0.00	0.00	0.00	8.40	0.00	0.00	15.63
Ending Balance	(46.18)	0.00	(14.53)	0.00	0.00	0.00	0.00	0.00	8.40	0.00	0.00	15.63	65.45

Note: for all years reflects caseload reserve transfer

Note 1: FY98 Act 60 transition year.

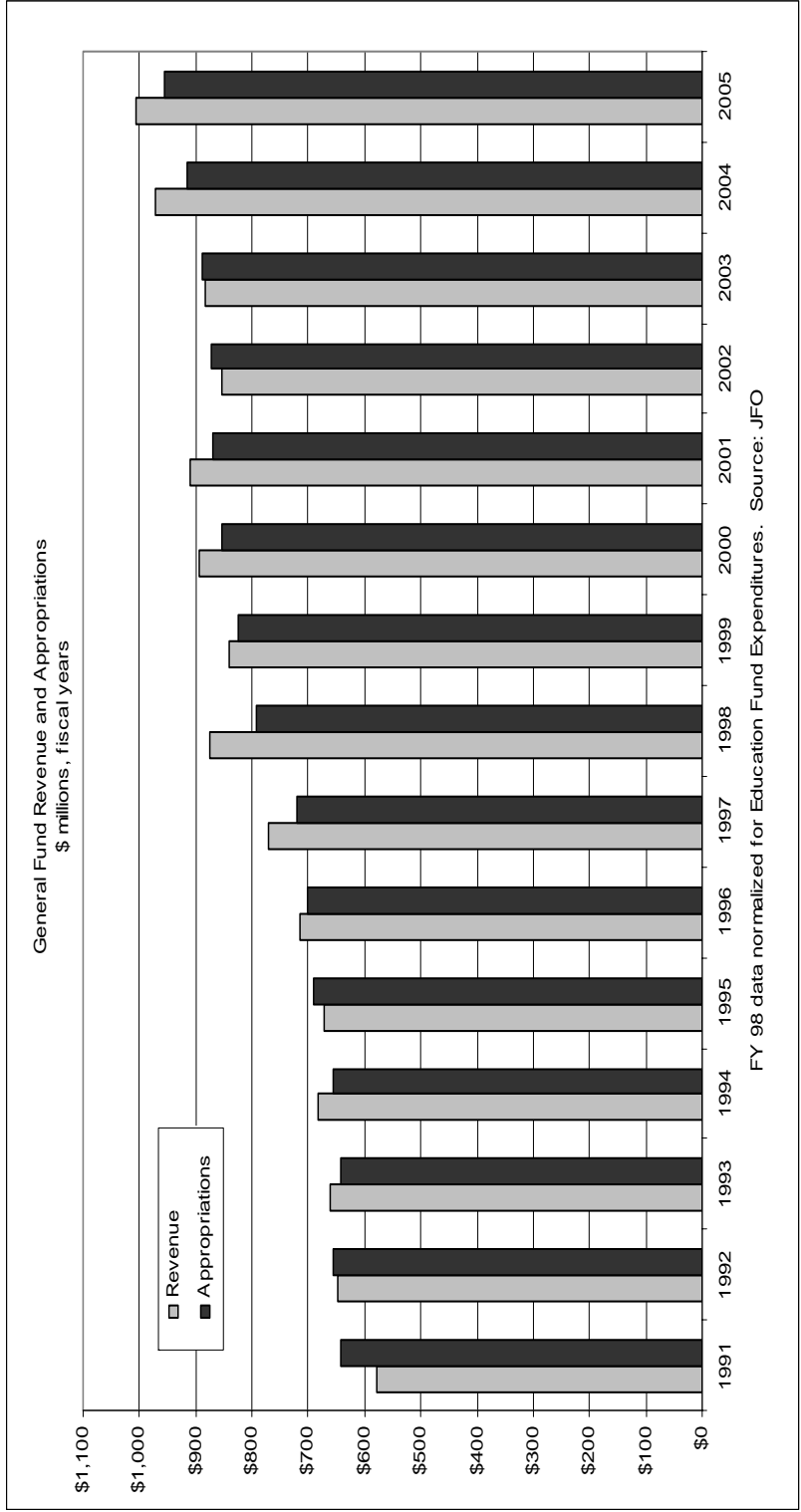
Note 2: FY01 \$12 million of debt reduction handled as a transfer instead of as an appropriation.

Note 3: FY02 utilized \$30.2 million from stabilization reserve.

Note 4: FY04 includes federal funds relief and Act 68 passed revenues.

Note 5: FY05 is projected prior to budget adjustment.

Source: JFO



TRANSPORTATION FUND FACTS
Summary of Revenues, Appropriations, Transfers & Fund Balance from July 1, 1975

Fiscal Year	Opening Balance July 1	+ Revenue	+ Misc. Adjustments	+ Transfer From the General Fund	- Transfer to the General Fund	- Approps.	+ Reversions	+ Transfer (to)/from TF Reserve	= Fund Balance June 30	Reserve Balance June 30
1976	1,197,251	47,064,098	0	0	0	43,857,463	449,175	0	4,603,061	0
1977	4,603,061	51,127,179	20,061	0	0	52,687,560	704,962	0	3,767,703	0
1978	3,767,703	53,926,481	14	0	0	55,134,886	617,939	0	3,177,251	0
1979	3,177,251	58,151,899	994	0	0	59,092,069	678,431	0	2,916,506	0
1980	2,916,506	54,400,717	99,822	1,500,000	0	62,323,641	1,371,850	0	(2,034,746)	0
1981	(2,034,746)	57,011,051	74,052	6,781,641	0	61,769,086	892,786	0	955,698	0
1982	955,698	69,903,828	210,336	0	0	69,234,162	1,316,607	0	3,152,307	0
1983	3,152,307	72,189,848	57,083	0	0	74,270,668	793,547	0	1,922,117	0
1984	1,922,117	87,190,356	78,258	869,000	0	85,304,397	1,125,986	0	5,881,320	0
1985	5,881,320	92,411,756	39,216	0	869,000	89,213,396	1,217,063	0	9,466,959	0
1986	9,466,959	98,062,408	(555,989)	2,000,000	2,000,000	94,184,846	845,148	0	13,633,680	0
1987	13,633,680	100,704,523	(482,961)	1,307,324	0	111,675,001	1,092,944	0	4,580,509	0
1988	4,580,509	106,218,300	(108,198)	0	0	112,519,440	152,599	0	(1,676,230)	0
1989	(1,676,230)	109,108,800	(121,996)	0	0	113,272,082	118,216	0	(5,843,292)	0
1990	(5,843,292)	126,359,400	127,031	1,650,000	0	126,757,253	420,867	0	(4,043,247)	0
1991	(4,043,247)	121,742,045	83,520	1,350,000	0	123,987,766	763,418	0	(4,092,029)	0
1992	(4,092,029)	133,446,574	364,837	0	0	124,719,685	63,177	0	5,062,874	0

Transportation Fund Facts 1976-2004 (continued)

Fiscal Year	Opening Balance July 1	+ Revenue	+ Misc. Adjustments	+ Transfer From the General Fund	- Transfer to the General Fund	- Approps.	+ Reversions	+ Transfer (to)/from TF Reserve	= Fund Balance June 30	= Fund Balance June 30
1993	5,062,874	138,462,397	1,166,189	0	0	121,862,851	0	(21,635,984)	1,192,625	21,635,984
1994	1,192,625	144,664,007	24,010	0	21,409,195	130,590,891	1,100,000	5,019,444	0	16,616,540
1995	0	149,853,902	(241,890)	0	1,500,000	148,848,924	288,586	448,326	0	15,825,962
1996	0	155,568,442	(207,688)	0	6,650,000	157,417,030	590,980	8,115,296	0	7,710,667
1997	0	152,626,563	209,425	4,900,000	0	158,672,224	233,312	5,602,924	0	7,007,743
1998	0	160,780,230	(141,762)	1,939,836	0	161,313,539	36,656	638,415	0	8,309,164
1999	0	181,356,945	(742,678)	0	143,000	176,058,274	0	0	4,412,993	8,309,164
2000	4,412,993	193,794,708	(1,614,062)	0	0	187,517,434	0	(493,750)	8,582,455	8,802,914
2001	9,751,197	194,169,325	(6,788,741)	6,150,000	0	203,317,934	115,689	(79,536)	0	8,882,450
2002	0	206,353,600	(3,789,338)	15,750,000	0	212,914,930	1,263,311	(1,007,947)	5,654,696	9,890,397
2003	5,654,696	213,933,232	(2,426,448)	0	6,449,528	210,756,212	44,260	0	0	9,156,196
2004	0	218,483,080	(5,145,562)	3,408,000	0	221,004,197	5,640,294	(1,381,615)	0	10,537,811
Total Transfer Between Funds 1984 - 2004:				39,324,160	39,020,723					
Total Transfers Between Funds 1976 - 2004:				47,605,801	39,270,723					

Source: State of Vermont Comprehensive Annual Financial Reports

Education Fund Outlook

Assumptions	Act 60		Act 68	
	FY2003	FY2004	FY2005	FY2006
	Actual	Actual	After Proposed BA	Projected
a Base Homestead Tax Rate	\$1.10	\$1.10	\$1.05	\$1.02
b Base or Uniform Nonresidential Tax Rate	\$1.10	\$1.10	\$1.54	\$1.51
c Education Payment Per Pupil	\$5,566	\$5,810	\$6,800	\$6,975
d Equalized Pupil Count	102,275	101,022	99,994	98,466
e Education Grand List Growth Rate	6.6%	8.1%	9.1%	11.3%
f Education Spending Growth Rate	4.0%	4.0%	6.2%	5.5%

Sources

1 Total Education Tax ¹	487.8	525.9	733.4	802.5
2 Income Sensitivity	(77.6)	(88.6)	(81.2)	(94.3)
3 Act 68 Taxes / Lottery	85.2	98.8	150.6	155.0
4 General Fund Transfer	245.7	268.4	249.3	259.3
5 Medicaid Reimbursement	8.3	8.6	8.2	8.2
6 Other Sources	5.5	1.6	3.2	1.8
7 Total Sources	755.0	814.6	1,063.5	1,132.4

Uses

8 Education Payment ¹	612.1	629.9	910.8	960.0
10 Special Education Aid	96.9	102.3	105.3	111.9
11 Transportation Aid	12.7	12.9	13.2	13.5
12 State-Placed Students	9.9	10.7	11.6	12.2
13 Technical Education Aid	7.9	8.4	9.7	9.8
14 Homeowner / Renter Rebates	9.1	9.4	8.8	10.2
15 Other Uses	15.1	14.6	13.5	14.0
16 Total Uses	763.7	788.2	1,072.9	1,131.6

Fund Balance

17 Operating Result	(8.7)	26.5	(9.4)	0.8
18 Prior Year Fund Balance	19.9	11.2	37.7	28.2
19 Total Fund Balance	11.2	37.7	28.2	29.0
20 Stabilization Reserve	11.2	22.8	23.3	26.3
21 Reserve Percent	2.5%	5.0%	5.0%	5.0%
22 Undesignated Reserve	-	14.9	5.0	2.7
Maximum Reserve @ 5.0%	22.2	22.8	23.3	26.3
Minimum Reserve @ 3.5%	15.5	15.9	16.3	18.4

¹ In FY2003 and FY2004 (when Act 60 was in effect) education taxes and education payments are net amounts only.

Comparisons

How Does Vermont Compare?

Based on population, Vermont is the second smallest state in the union, so comparisons like total income tax collected or size of General Fund are meaningless. In order to be able to compare Vermont to other states, statistics are calculated on a per capita (per person) basis. For example, we can't compare total income taxes collected in California (about \$40.5 billion in 2003) to total income taxes in Vermont (about \$492 million in 2003). However, we can directly compare income taxes collected on a per-person basis (In 2003, California: \$1,140, Vermont: \$796).

The table below shows Vermont's per capita value and rank among the 50 states for several revenue and expenditure statistics. The 2003 expenditure data and tax data are from the Bureau of the Census at <http://census.gov/govs/www/statetax.html>.

Statistic	Per Capita Value	VT Rank (1 is highest)
Total State Taxes, 2003*	1846.52	23
Sales and Gross Receipts Tax, 2003	884.43	30
Individual Income Tax, 2003	664.53	21
Corporate Income Tax, 2003	67.27	27
Total State and Local Government Expenditures, 2000**	6,174	17
State and Local Government K-12 Education Expenditures, 2000**	1,445	9
State and Local Government Public Welfare Expenditures, 2000**	1,149	5
Federal Highway Expenditures, 2004	200	6

*Does not include Vermont statewide property tax.

**Includes federal funds

Source U.S. Census Bureau and
State Rankings 2004

2003 State Tax Revenue Per Capita

Does not Include Property Tax

State	Revenue	Rank	State	Revenue	Rank
Alabama	1,380.10	47	Montana	1,416.69	46
Alaska	1,572.54	38	Nebraska	1,923.81	16
Arizona	1,502.56	44	Nevada	1,793.38	27
Arkansas	1,715.55	33	New Hampshire	1,129.14	50
California	2,178.13	8	New Jersey	2,307.61	6
Colorado	1,458.18	45	New Mexico	1,899.90	18
Connecticut	2,730.02	2	New York	2,113.51	10
Delaware	2,601.60	4	North Carolina	1,885.17	19
Florida	1,560.56	39	North Dakota	1,855.35	22
Georgia	1,537.44	40	Ohio	1,802.45	26
Hawaii	2,837.70	1	Oklahoma	1,681.63	34
Idaho	1,716.21	32	Oregon	1,594.24	37
Illinois	1,745.82	29	Pennsylvania	1,869.43	20
Indiana	1,809.54	25	Rhode Island	2,095.70	11
Iowa	1,718.56	30	South Carolina	1,530.50	41
Kansas	1,818.79	24	South Dakota	1,321.84	48
Kentucky	1,914.32	17	Tennessee	1,508.32	43
Louisiana	1,647.86	36	Texas	1,315.55	49
Maine	2,029.41	12	Utah	1,680.44	35
Maryland	1,940.72	15	Vermont	1,846.52	23
Massachusetts	2,426.23	5	Virginia	1,753.20	28
Michigan	2,015.94	13	Washington	1,869.30	21
Minnesota	2,647.93	3	West Virginia	1,981.13	14
Mississippi	1,716.79	31	Wisconsin	2,212.89	7
Missouri	1,508.75	42	Wyoming	2,137.13	9

U.S. Average = \$1849.47

Source U.S. Census Bureau

<http://census.gov/govs/www/statetax.html>

2003 State Sales & Gross Receipts Tax Revenue Per Capita

<u>State</u>	<u>Revenue</u>	<u>Rank</u>	<u>State</u>	<u>Revenue</u>	<u>Rank</u>
Alabama	744.33	39	Montana	420.31	47
Alaska	234.41	49	Nebraska	1,084.95	10
Arizona	987.54	21	Nevada	1,562.68	3
Arkansas	975.01	24	New Hampshire	491.27	46
California	899.39	28	New Jersey	1,044.39	14
Colorado	613.91	45	New Mexico	999.16	19
Connecticut	1,375.50	4	New York	700.91	41
Delaware	409.94	48	North Carolina	803.15	38
Florida	1,203.79	5	North Dakota	1,024.62	16
Georgia	694.00	42	Ohio	882.40	32
Hawaii	1,867.72	1	Oklahoma	637.48	44
Idaho	854.67	34	Oregon	209.63	50
Illinois	887.87	29	Pennsylvania	968.22	26
Indiana	1,004.62	18	Rhode Island	1,146.73	8
Iowa	851.22	35	South Carolina	827.35	37
Kansas	978.11	23	South Dakota	1,061.75	12
Kentucky	943.83	27	Tennessee	1,174.38	7
Louisiana	973.03	25	Texas	1,056.15	13
Maine	981.20	22	Utah	856.38	33
Maryland	883.00	31	Vermont	884.43	30
Massachusetts	841.12	36	Virginia	644.86	43
Michigan	1,011.33	17	Washington	1,647.92	2
Minnesota	1,199.00	6	West Virginia	1,076.62	11
Mississippi	1,129.17	9	Wisconsin	996.14	20
Missouri	740.95	40	Wyoming	1,031.24	15

U.S. Average = \$937.02 Per Capita

2002 Vermont Rank = 33

2001 Vermont Rank = 28

2000 Vermont Rank = 28

1999 Vermont Rank = 36

1998 Vermont Rank = 37

Source: U.S. Census Bureau

Note: Data includes selective sales taxes if applicable:

Vermont includes Rooms & Meals and Purchase & Use taxes.

2003 Personal Income Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	452.24	37	Montana	583.69	30
Alaska	NA		Nebraska	645.71	24
Arizona	376.70	39	Nevada	NA	
Arkansas	560.61	34	New Hampshire	42.79	42
California	921.82	7	New Jersey	779.73	14
Colorado	711.01	17	New Mexico	492.33	36
Connecticut	1,044.89	5	New York	1,180.22	2
Delaware	870.96	9	North Carolina	843.24	11
Florida	NA		North Dakota	314.50	41
Georgia	722.09	16	Ohio	692.24	18
Hawaii	825.00	12	Oklahoma	601.92	28
Idaho	617.70	25	Oregon	1,130.22	3
Illinois	580.13	32	Pennsylvania	538.76	35
Indiana	588.15	29	Rhode Island	766.61	15
Iowa	608.40	27	South Carolina	562.83	33
Kansas	652.31	22	South Dakota	NA	
Kentucky	683.83	19	Tennessee	19.79	43
Louisiana	415.29	38	Texas	NA	
Maine	822.99	13	Utah	667.74	20
Maryland	849.86	10	Vermont	664.53	21
Massachusetts	1,247.65	1	Virginia	917.38	8
Michigan	646.79	23	Washington	NA	
Minnesota	1,062.37	4	West Virginia	583.16	31
Mississippi	354.05	40	Wisconsin	959.89	6
Missouri	617.08	26	Wyoming	NA	

U.S. Average = \$626.82

2002 Vermont Rank = 26

2001 Vermont Rank = 20

2000 Vermont Rank = 22

1999 Vermont Rank = 22

1998 Vermont Rank = 26

Source: U.S. Census Bureau

<http://www.census.gov/govs/www/statetax.html>

2003 Corporate Income Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	53.86	36	Montana	48.08	37
Alaska	319.07	1	Nebraska	64.17	29
Arizona	69.77	23	Nevada	NA	
Arkansas	64.88	28	New Hampshire	307.58	2
California	191.74	5	New Jersey	277.50	3
Colorado	43.91	42	New Mexico	54.16	35
Connecticut	98.96	16	New York	108.86	11
Delaware	254.94	4	North Carolina	106.86	12
Florida	72.09	21	North Dakota	88.31	20
Georgia	55.74	34	Ohio	69.49	24
Hawaii	24.33	46	Oklahoma	29.74	45
Idaho	68.44	26	Oregon	63.34	30
Illinois	109.05	10	Pennsylvania	96.18	18
Indiana	117.68	9	Rhode Island	62.38	32
Iowa	47.56	38	South Carolina	41.93	43
Kansas	45.71	39	South Dakota	57.56	33
Kentucky	89.81	19	Tennessee	104.92	13
Louisiana	44.20	41	Texas	NA	
Maine	69.82	22	Utah	63.04	31
Maryland	68.80	25	Vermont	67.27	27
Massachusetts	184.15	6	Virginia	44.47	40
Michigan	182.84	7	Washington	NA	
Minnesota	117.93	8	West Virginia	100.75	14
Mississippi	100.24	15	Wisconsin	96.22	17
Missouri	36.07	44	Wyoming	NA	

U.S. Average = \$98.09 Per Capita

2002 Vermont Rank = 26

2001 Vermont Rank = 31

2000 Vermont Rank = 34

1999 Vermont Rank = 28

1998 Vermont Rank = 34

Source: U.S. Census Bureau

<http://www.census.gov/govs/www/statetax.html>

PART II - GENERAL REFERENCE

PRINCIPAL GENERAL FUND REVENUE SOURCES

Vermont Personal Income Tax

General Description:

Between 1968 and 2000 the state income tax was based on a percentage of federal tax liability. Starting with tax year 2001, the state income tax was restructured with the Vermont income tax liability linked to federal taxable income as opposed to federal tax liability. Vermont established state specific tax tables with five brackets. Enacted as a one year measure for 2001, permanent tax rates were adopted in 2002. See the following tables for both federal and Vermont income tax rates.

**2004 FEDERAL
Personal Income Tax Rates & Brackets**

Married Filing Jointly				
Taxable Income		Tax Liability		
Over	But not over	Pay	Plus % on excess	Of amount over
0	14,300	0.00	10.0%	0
14,300	58,100	1,430.00	15.0%	14,300
58,100	117,250	8,000.00	25.0%	58,100
117,250	178,650	22,787.50	28.0%	117,250
178,650	319,100	39,979.50	33.0%	178,650
319,100	and over	86,328.00	35.0%	319,100
Standard Deduction:				9,700
Personal Exemption:				3,100

Single Individuals				
Taxable Income		Tax Liability		
Over	But not over	Pay	Plus % on excess	Of amount over
0	7,150	0.00	10.0%	0
7,150	29,050	715.00	15.0%	7,150
29,050	70,350	4,000.00	25.0%	29,050
70,350	146,750	14,325.00	28.0%	70,350
146,750	319,100	35,717.00	33.0%	146,750
319,100	and over	92,592.50	35.0%	319,100
Standard Deduction:				4,850
Personal Exemption:				3,100

Head of Household				
Taxable Income		Tax Liability		
Over	But not over	Pay	Plus % on excess	Of amount over
0	10,200	0.00	10.00%	0
10,200	38,900	1,020.00	15.00%	10,200
38,900	100,500	5,325.00	25.00%	38,900
100,500	162,700	20,725.00	28.00%	100,500
162,700	319,100	38,141.00	33.00%	162,700
319,100	and over	89,753.00	35.00%	319,100
Standard Deduction:				7,150
Personal Exemption:				3,100

**2004 VERMONT
Personal Income Tax Rates & Brackets**

Married Filing Jointly				
Taxable Income		Tax Liability		
Over	But not over	Pay	Plus % on excess	Of amount over
0	47,450	0	3.60%	0
47,450	114,650	\$ 1,708	7.20%	47,450
114,650	174,700	\$ 6,546	8.50%	114,650
174,700	311,950	\$ 11,650	9.00%	174,700
311,950	and over	\$ 24,003	9.50%	311,950

Single Individuals				
Taxable Income		Tax Liability		
Over	But not over	Pay	Plus % on excess	Of amount over
0	28,400	0	3.60%	0
28,400	68,800	\$ 1,022	7.20%	28,400
68,800	143,500	\$ 3,931	8.50%	68,800
143,500	311,950	\$ 10,281	9.00%	143,500
311,950	and over	\$ 25,442	9.50%	311,950

Head of Household				
Taxable Income		Tax Liability		
Over	But not over	Pay	Plus % on excess	Of amount over
0	38,050	0	3.60%	0
38,050	98,250	\$ 1,370	7.20%	38,050
98,250	159,100	\$ 5,704	8.50%	98,250
159,100	311,950	\$ 10,876	9.00%	159,100
311,950	and over	\$ 24,633	9.50%	311,950

2003 Vermont Personal Income Tax Statistics

Vermont Taxable Income Class	# of Returns	Federal Taxable		Vermont		Average VT		Net Vermont Tax	Average Net VT Tax	Earned Income Credit
		Income	Income	Taxable Income	Taxable Income	Taxable Income	Tax			
None/Missing	59,207	6,326,961						54,857	1	10,276,365
0.01 4,999	34,283	82,857,932		78,205,719		2,281	2,715,890		79	3,909,300
5,000 9,999	26,548	201,840,431		197,765,666		7,449	6,790,775		256	2,247,941
10,000 14,999	24,320	306,465,463		303,036,955		12,460	10,459,159		430	661,555
15,000 19,999	22,071	389,324,374		385,579,137		17,470	13,377,523		606	57,993
20,000 24,999	19,193	435,067,667		430,612,151		22,436	14,916,153		777	4,068
25,000 29,999	16,117	446,692,978		442,066,598		27,429	15,393,205		955	
30,000 34,999	13,904	455,214,844		451,097,492		32,444	16,344,462		1,176	
35,000 39,999	11,675	441,356,709		437,026,052		37,433	16,187,217		1,386	
40,000 44,999	10,134	434,075,557		430,060,401		42,437	16,093,653		1,588	
45,000 49,999	8,731	417,857,638		414,071,192		47,425	15,563,285		1,783	
50,000 59,999	13,794	762,375,265		755,312,263		54,757	30,910,284		2,241	
60,000 74,999	12,444	839,756,725		830,838,002		66,766	37,649,249		3,025	
75,000 99,999	8,844	769,961,062		756,745,662		85,566	38,148,674		4,314	
100,000 124,999	3,826	435,548,948		425,149,597		111,121	22,946,955		5,998	

Personal Income Tax Statistics - 2003 (Statistics)

Vermont Taxable Income Class	# of Returns	Federal Taxable Income	Vermont Taxable Income	Average VT		Net Vermont Tax	Average Net VT Tax	Earned Income Credit
				Taxable Income	Income			
125,000	149,999	2,011	281,966,351	274,034,155	136,268	15,872,393	7,893	
150,000	199,999	1,859	330,487,257	317,837,295	170,972	19,868,422	10,688	
200,000	299,999	1,353	342,727,598	326,756,908	241,505	22,171,678	16,387	
300,000	499,999	735	289,290,709	277,603,385	377,692	19,952,582	27,146	
500,000	999,999	329	240,983,210	221,232,647	672,440	16,696,849	50,750	
1,000,000 +		147	318,103,680	296,374,809	2,016,155	22,297,272	151,682	
In State Total	291,525	8,228,281,358	8,051,406,085	27,618	374,410,536	1,284	17,157,222	
Out of State	43,682	8,914,123,638	8,344,508,987	191,029	40,609,954	930	121,580	
All Returns	335,207	17,142,404,996	16,395,915,073	1,117,443,793	415,020,490	1,238	17,278,802	

History of Personal Income Tax

- 1931 New tax based on 2.0% of net income after exemptions; 4.0% of interest from stocks & bonds
- 1937 Increased to 4.0% of net income after exemptions
- 1949 1.5% - 5.5% of net taxable income
- 1951 Withholding & estimated payments implemented
- 1955 2.0% - 7.5% of net taxable income
- 1968 Restructured; 25.0% of federal tax liability
- 1969 Increased to 28.75% (25.0% + 15.0% surtax)
- 1973 Reduced to 28.0% (25.0% + 12.0% surtax)
- 1974 Reduced to 27.25% (25.0% + 9.0% surtax)
- 1977 Reduced to 25.0% of federal liability
- 1979 Reduced to 23.0% of federal liability
- 1982 Increased to 24.0% of federal liability
- 1983 Increased to 26.0%
- 1985 Increased to 26.5%
- 1986 Reduced to 24.0% effective 1/1/87
- 1987 25.8% effective 1/1/87; 25.0% effective 1/1/88
- 1988 23.0% effective 1/1/88; 25.0% effective 1/1/89; added earned income credit
- 1989 2.5% withholding on real estate sales by nonresidents
- 1990 28.0% effective 1/1/90; 25.0% effective 1/1/92; 6% withholding on nonqualified deferred compensation
- 1991 28.0% - 31.0% - 34.0% effective 1/1/91; 25.0% effective 1/1/94
- 1994 Repealed sales tax rebate
- 1996 Federal armed forces education loan repayments exempt; sunsets 1/1/99
- 1997 \$1,500 national guard exemption if AGI is less than \$47,000; federal loan repayment sunset repealed
- 1998 Nonresident motion picture income subject to the same tax rate in effect in state of residence; sunsets 2000
- 1999 24.0% effective 1/1/2000
- 2000 Sunset repealed for nonresident motion picture income subject to the same tax rate in effect in state of residence

- 2001 Restructured for tax years 2001 and 2002; re-coupled from federal tax liability to federal taxable income; new tax is equal to 24% of federal liability prior to the passage of EGTRRA; sunsets 1/1/2003.

- 2002 Permanently linked to federal taxable income with five tax brackets: 3.6%, 7.2%, 8.5%, 9.0%, 9.5%. Forty percent of long term capital gains are excluded from taxable income; the balance is taxed at ordinary rates. The Alternative Minimum Tax is eliminated. Effective 1/1/2002

Members of the National Guard and US Reserve may exempt the first \$2,000 of military pay if AGI is less than \$50,000. Effective 1/1/2003
- 2003 Created new Higher Education Investment tax credit equal to 5% of the first \$2,000 of eligible contributions. Effective 1/1/2004
- 2004 Lottery prize exemption repealed. Effective 1/1/2005

Sales and Use Tax

Vermont has a general tax on retail sales which is primarily directed at commodity transactions. The rate of taxation is 6%.

Among the commodities exempt from the sales tax are food, medical equipment, prescriptions, manufacturing equipment, fuel used in manufacturing and residential fuel.

Starting in FY2005, 2/3 of these revenues are dedicated to the general fund and 1/3 are dedicated to the education fund.

History: General Sales & Use

- 1969 New tax based on 3.0% of retail sale
- 1982 Increased to 4.0%
- 1991 Increased to 5.0%; tax extended to wine and tobacco products; 4.0% effective 7/1/93
- 1993 5.0% rate extended to 6/30/95
- 1995 5.0% rate extended to 6/30/96
- 1996 5.0% rate extended to 6/30/97; tax on energy used in manufacturing reduced from 2.0% to 0.0% effective 7/1/96
- 1997 Sunset repealed; tax rate = 5.0%; 1.0% local option authorized; sale of fresh cut flowers by charitable organizations exempt
- 1998 Recycled construction materials exempt; railroad construction materials exempt
- 1999 Articles of clothing valued at less than \$110 each are exempt effective 12/1/99; footwear valued at less than \$110 exempt effective 7/1/2000
- 2002 Steel toed work boots are exempt regardless of value effective 1/1/2003. Building materials temporarily stored in Vermont are exempt from the Use Tax effective 7/1/2002. Repealed the exemption for fertilizer and pesticides unless used in agriculture effective 7/1/2002
- 2003 Rate increased from 5% to 6%. In addition, telecommunications tax rate increased from 4.36% to 6.0%. A Use Tax reporting table equal to 0.04% of adjusted gross income was included in tax year 2004. Several provisions will be effective the 1st day of the 2nd quarter following membership in the Streamlined Sales and Use Tax Agreement, but in no case before 1/1/2005. These are 1) repeal of the \$20 monthly exclusion from the telecommunications tax, 2) elimination of the tax on clothing greater than \$110, and 3) inclusion of malt beverages in the sales tax.
- 2004 Changed the earliest date of membership in the Streamlined Sales & Use Tax Agreement from 1/1/2005 to 4/1/2005. Passed additional technical amendments to comply with streamlined Tax.

Sources: Vermont Department of Taxes, Vermont Statutes A.

Rooms, Meals and Alcohol Taxes

Effective October 1, 1997 a tax of 9% is imposed on taxable meals and the rent of each occupancy less than thirty days in length. The alcohol portion of the meals tax is 10%. All revenues are dedicated to the general fund.

Rooms, Meals & Alcohol

1959 New tax based on 3.0% of gross receipts

1968 Increased to 4.0%

1969 Increased to 5.0%

1984 Increased to 6.0%

1989 Alcoholic beverage component increased to 10.0%

1990 Rooms and meals Increased to 7.0%

1991 Rooms and meals Increased to 8.0% - 8.0% - 10.0%; effective 7/1/93,
7.0% - 7.0% - 10.0%; effective 7/1/94, 6.0% - 6.0% - 10.0%

1993 Rooms and meals decreased to 6.0%

1994 Rooms and meals increased to 7.0%

1997 Rooms and meals Increased to 9.0% ; 1.0% local option authorized

Sources: Vermont Department of Taxes, Vermont Statutes Annotated

Corporate Income Tax

The net income of corporations is taxed at the greater of \$250.00 or the following rate schedule:

first	\$10,000	7.00%
next	\$15,000	8.10%
next	\$225,000	9.20%
excess over	\$250,000	9.75%

The corporate rates became effective January 1, 1997. The general fund receives all of the revenue from this source. Beginning in tax year 2006, the corporate income tax rates will be reduced in two phases:

Corporate Income Tax Rates

Income Bracket	Tax Rates		
	Current Law	2006	2007
\$3,751	7.00%	6.00%	6.00%
-			
10,000			
,000 – 25,000	8.10%	7.00%	7.00%
000 – 250,000	9.20%	8.75%	8.50%
\$250,00	9.75%	8.90%	8.50%
0 +			

History: Corporate

- 1931 New franchise tax based on 2.0% of net income
- 1947 Increased to 4.0%; \$25 minimum tax
- 1955 Increased to 5.0%
- 1965 Restructured from franchise tax to income tax
- 1969 6.0% corporate income tax
- 1974 Restructured to a range of 5.0% to 7.5%; \$50 minimum
- 1984 6.0% - 9.0%; \$75 minimum until 12/31/87; 5.5% - 8.25%; \$75 minimum effective 1/1/88
- 1991 Minimum tax increased to \$150; NOL refunds eliminated
- 1997 7.0 % - 9.75%; minimum \$250
- 1998 Small investment companies exempt from minimum tax
- 2002 The federal accelerated depreciation allowance is disallowed. Effective 1/1/2001
- 2004 Unitary combined reporting is required for all C-corporations with income attributable to Vermont beginning in tax year 2006.

Reduced corporate income tax rates in two phases beginning in tax year 2006 and continuing in 2007.

Changed the apportionment formula for determining corporate income that is allocable to VT from an equal weighted 3-factor formula (property, payroll and sales) to a formula in which the sales factor is double-weighted beginning in tax year 2006.

Sources: Vermont Department of Taxes, Vermont Statutes Annotated

Cigarette Tax

A tax is imposed on all cigarettes held for sale in the State of Vermont, by any person, at a rate of 46.5 mills per cigarette (93 cents per US pack) effective July 1, 2002 increasing to 59.5 mills (\$1.19 per US pack) effective 7/1/2003.

Cigarettes are also subject to the sales tax. A tax is imposed on tobacco products at a rate of 41% of the wholesale price. The tobacco products tax was 20% of wholesale price from July 1, 1992 to June 30, 1995. **Cigarette and tobacco taxes are dedicated to the Vermont Health Access Trust Fund.**

History: Cigarette

1937	New tax; 1.5 cents per pack of 20 cigarettes
1946	Increased to 2.0 cents per pack
1949	Increased to 3.0 cents per pack
1950	Increased to 4.0 cents per pack
1957	Increased to 5.0 cents per pack
1959	Increased to 7.0 cents per pack
1963	Increased to 9.0 cents per pack
1965	Increased to 10.0 cents per pack
1969	Increased to 12.0 cents per pack
1983	Increased to 17.0 cents per pack
1991	18.0 cents 7/1/91; 19.0 cents 1/1/92; 20.0 cents 7/1/92
1995	Increased to 44.0 cents per pack effective 7/1/95
2002	Increased to 93 cents per pack effective 7/1/2002; \$1.19 per pack effective 7/1/2003

Sources: Vermont Department of Taxes, Vermont Statutes Annotated

Miscellaneous General Fund Taxes:

Insurance Taxes

Traditional insurance companies are taxed at a rate of 2% per annum on the gross amount of premiums written in the State of Vermont, exclusive of premiums written for reinsurance. Captive insurance companies are taxed on the volume of premiums written for direct premiums and assumed reinsurance premiums. The rates were lowered in 2003 to the present levels:

\$ Millions	Direct	Assumed
	Premiums	Reinsurance
	Tax Rate	Premiums
	%	Tax Rate
		(%)
\$0 - 20	0.38	0.214
\$20 - 40	0.285	0.143
\$40 - 60	0.19	0.048
\$60 +	0.072	0.024

Telephone Receipts and Property Tax

In addition to the general corporate income tax, a tax of 2.37% is levied on net book value of personal property in the State of Vermont of persons or corporations owning or operating a telephone line or business within the state. Businesses with less than \$50 million in receipts may elect to pay the gross receipts tax of 5.25% in lieu of the income and property tax.

Repealed the option for new telephone companies to elect a gross receipts tax instead of a property and income tax effective June 7, 2004.

Real Property Transfer Tax

A tax is imposed upon the transfer by deed of title to property located within the State of Vermont. The rate is 0.5% on the first \$100,000 of a purchaser's principal residence and 1.25% on the amount over \$100,000. For a non-principal residence, the rate on the entire amount is 1.25%. A formula determines the distribution of the revenue among the general fund, the housing and conservation trust fund and the municipal and regional planning fund.

Liquor Tax

A tax of 25% of gross revenues is assessed upon the sale of spirituous liquor.

Beverage Tax

Beverage taxes are levied on bottlers and wholesalers of malt and vinous beverages at the rates of 26.5 cents and 55 cents per gallon, respectively. Vinous beverages are also subject to the general sales tax.

Estate Tax

Transfers of estates are taxed in an amount equal to the federal credit for state death taxes that was in effect for tax year 2001.

Electric Energy Tax

Electric generating plants of 200,000+ kilowatts constructed in the State of Vermont after July 1, 1965 are assessed a tax of \$2 million plus a rate on generation. (See Education Fund for education property taxes on these plants)

Bank Franchise Tax

Effective August 1, 1997 the bank franchise tax, based on average monthly deposits, was increased from a rate of 0.004% to 0.0096%.

Eliminated the tax liability limitation to no more than a bank's federal taxable income effective June 7, 2004.

Freight Line Tax

Repealed on all car and transportation companies effective June 7, 2004.

**Description of Principal Transportation Fund
Revenue Sources**

Purchase and Use Tax

A purchase and use tax that is equivalent to the sales tax rate is assessed, upon the occasion of first registration, on the purchase price of a motor vehicle (less allowance for the resale value of the buyer's used vehicle). The maximum tax on trucks over 6,100 pounds, agricultural vehicles, school buses, trailers and motorcycles is \$750.00. Effective August 1, 1997 the purchase and use tax rate increased from 5% to 6%. The transportation fund receives 2/3rds of the revenue from this source; the remaining 1/3rd is dedicated to the education fund.

Motor Fuel Taxes

Effective August 1, 1997, gasoline distributors are taxed at a rate of nineteen cents per gallon sold. An additional one cent tax is dedicated to the Petroleum Cleanup Fund. The current distribution of gasoline tax collections is as follows (in cents per gallon):

<u>VT Gasoline Taxes & Fees</u>	
Gasoline Tax	0.19
Petroleum Fee	<u>0.01</u>
Total Taxes & Fees	0.20

<u>Allocation of Taxes & Fees</u>	
<u>Fund</u>	<u>FY05</u>
Transportation Fund	18.245
DUI Fund	0.380
Fish & Wildlife Fund	0.375
Petroleum Fee	<u>1.000</u>
Total:	20.000

**Description of Principal Transportation Fund
Revenue Sources (continued)**

Effective July 1, 2000 diesel fuel distributors are taxed at a rate of twenty five cents per gallon plus an additional one cent that is dedicated to the Petroleum Cleanup Fund. Vehicles registered at 26,001 pounds or greater pay twenty five cents per gallon multiplied by the number of gallons used in Vermont.

Motor Vehicle Fees

A registration fee is collected on all motor vehicle and trailers. The fee is determined by the type, size, weight, and purpose of the vehicle.

Source: Vermont Statutes Annotated

**Description of Non-Property Tax Education Fund
Revenue Sources**

Sales & Use Tax

The education fund receives 1/3rd of the revenue from this source. (see description of general fund revenue sources)

Lottery

The State of Vermont has conducted lottery operations since 1978. Beginning in 1986, Vermont began participating in a Tri-State lottery with New Hampshire and Maine. Powerball was introduced in FY04.

Electric Generating Plant Education Property Tax

Electric generating plants are assessed an education property tax in accordance with the following table:

If Megawatt hour production is:	Tax is:
Less than 2,300,000 megawatt hours	\$1.465 million
2,300,000 to 3,800,000 megawatt hours	\$1.465 million plus \$0.29 per megawatt hour over 2,300,000
3,800,000 to 4,200,000 megawatt hours	\$1.9 million
Over 4,200,000 megawatt hours	\$1.9 million plus \$0.29 per megawatt hour over 4,200,000

Purchase and Use Tax

The education fund receives 1/3rd of the revenue from this source (see description of transportation fund revenue sources).

Source: Vermont Statutes Annotated.

**Chronological History of Vermont Taxes:
1882-2004**

1882

Commissioner of Taxes position created; taxes in effect in 1882 were:

Railroads	2.0-5.0% of earnings per mile
Insurance	2.0% gross premiums & assessments
Savings Banks	0.5-1.0% of average deposits
Express Companies	3.0% of gross receipts
Telegraph	3.0% of gross receipts + rental of equipment
Telephone	3.0% of gross receipts + rental of equipment
Steamboats	2.0% of gross receipts

----- Changes since 1882 -----

1890

Railroads	0.7% appraised value or 2.5% of gross receipts
Sleeping Cars	5.0% of gross receipts
Express Companies	4.0% of gross receipts
Steamboats	0.7% appraised value or 2.0% of gross receipts
Investment Companies	1.0% of amount loaned
Savings Banks	0.7% of average deposits
Trust Companies	0.7% of average deposits

1896

Collateral Inheritance (new)	5.0% of legacies & distributive shares > \$2,000
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1904

RRs & Steamboats	1.0% of appraised value or 2.5% of gross receipts
Collateral Inheritance	5.0% all net estates/transfer tax - nonresidents
Express Companies	\$8.00 per mile

1906

National Bank Tax (new)	0.7% on interest bearing accounts
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1912

Railroads	Repealed tax on gross receipts
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1916

Federal Inheritance Tax
Enacted

1917

Direct Inheritance (new)	1.0-5.0% over \$250,000
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1931

Electricity (new)	0.5 mill of each kilowatt hour manufactured
Personal Income (new)	2.0% of net income after exemptions; 4.0% of interest from stocks & bonds
Corporate Franchise (new)	2.0% of net income

Chronological History of Vermont Taxes: (continued)

1933	
Beverage Tax (new)	\$1.00 per barrel (31 gallons) malt beverage 3 cents per gallon fermented beverage
Gross Retail Sales (new)	1.0-4.0% of gross sales
1934	
Beverage	3.25 cents per gallon; malt & vinous
1935	
Beverage	5.0 cents per gallon; malt & vinous
Gross Retail Sales	repealed (ruled unconstitutional)
1937	
Beverage	10.0 cents per gallon; malt & vinous
Cigarette Tax (new)	1.5 cents per pack of 20 cigarettes
Personal Income	Expanded income taxes to 4%
1946	
Cigarette	2.0 cents per pack
1947	
Telephone	1.25-4.25% of gross receipts
Corporate Franchise	4.0% of net income; \$25.00 minimum
1949	
Personal Income	1.5-5.5% of net taxable income
Cigarette	3.0 cents per pack
1950	
Beverage	15.0 cents per gallon; malt & vinous
Cigarette	4.0 cents per pack
1951	
Personal Income	Withholding & estimated payments implemented
Amusement & Musical	License required; \$100.00 & \$25.00
1955	
Personal Income	2.0-7.5% of net taxable income
Corporate Franchise	5.0% of net income
1957	
Cigarette	5.0 cents per pack
Beverage	20.0 cents per gallon; malt & vinous
1959	
Cigarette	7.0 cents per pack
Tobacco Products (new)	20.0% of price sold to retailers
Meals & Rooms (new)	3.0% of gross receipts
1963	
Cigarette	8.0 cents per pack
1965	
Cigarette	10.0 cents per pack
Corporate Income	Changed from franchise tax to net income

Chronological History of Vermont Taxes: (continued)

1968

Personal Income	25.0% of federal tax liability
Meals & Rooms	4.00%
Property Transfer (new)	0.1% of sale price

1969

Cigarette	12.0 cents per pack
Beverage	25.0 cents per gallon; malt & vinous
Meals & Rooms	5.00%
Sales & Use (new)	3.00%
Corporate Income	6.00%
Telephone	2.25%-5.25% of gross receipts
Property Transfer	0.5% of sale price
Personal Income	28.75% (25.0% + 15.0% surtax)

1970

Inheritance	Replaced by estate tax
Property Tax Relief (new)	Program created for taxpayers over age 65

1972

Electrical Energy	1.9% of appraised value
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1973

Land Gains (new)	5.0-60.0% of gain
Property Tax Relief	Expanded to include under age 65; \$500 maximum
Personal Income	28.0% (25.0% + 12.0% surtax)

1974

Corporate Income	5.0-7.5%; \$50.00 minimum
Personal Income	27.25% (25.0% + 9.0% surtax)

1976

Beverage	50 cents per gallon; vinous
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1977

Personal Income	25.0% of federal liability
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1979

Personal Income	23.0% of federal liability
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1980

Estate	Federal credit for state death taxes
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1981

Beverage	55 cents/gal., vinous; 26.5 cents/gal., malt
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1982

Personal Income	24.0% of federal liability
Sales & Use	4.00%

Chronological History of Vermont Taxes: (continued)

1983	
Cigarette	17.0 cents per pack
Personal Income	26.0% of federal liability
Sales Tax Rebate	Expanded program
1984	
Meals & Rooms	6.00%
Corporate Income	6.0-9.0%, \$75.00 minimum until 12/31/87; 5.5-8.25%, \$75.00 minimum effective 1/1/88
Bank Franchise (new)	Replaced tax on income with tax equal to 0.00002 times average monthly deposits
1985	
Hazardous Waste (new)	7.0-28.0 cents per gallon liquid; 0.9-3.4 cents per pound solid
Personal Income	26.50%
Property Tax Relief	Expanded program to \$32,000 household income
1986	
Farm Use Value Appraisal	Current program expanded for farmers
Personal Income	24.0% of federal liability effective 1987
Property Tax Relief	Early payment for over 62 filers authorized
1987	
Personal Income	25.8% in 1987; 25.0% in 1988
Solid Waste Franchise (new)	\$2.40/cubic yd., \$6.00/ton, \$3.50/person
Property Tax Relief	Removed income and rebate caps
Land Gains Tax	35.0-80.0% of gain
Captive Insurance	Minimum \$5,000 tax
Use Value Appraisal	Shifted responsibility from local to state government
1988	
Use Value Appraisal	Added 1988 Working Farm Reimbursement Program and 1989 Working Farm Tax Abatement Program
Personal Income	23.0% of federal liability in 1988; 25.0% in 1989; added earned income credit
Telephone	Phase out of gross receipts tax; replace with corporate income and property taxes
Property Transfer Tax	1.25% (0.5% for first \$100,000 of principal residence and farm/forest land)
1989	
Personal & Corp. Income	2.5% withholding on real estate sales by nonresidents
Corporate Income	Investment and holding companies limited to \$75.00
Meals & Rooms	10.0% tax on alcoholic beverages
Captive Insurance	0.7-0.1% graduated tax for each \$20 million of direct premiums
1990	
Personal Income	28% 1990 and 1991, (25% 1992); 6% withholding on nonqualified deferred compensation
Fuel Gross Receipts (new)	0.5% of receipts from heating oil, kerosene, propane, gas, electricity and coal
Meals & Rooms	7% (6% effective July 1, 1992)
Hazardous Waste	Increased rates by approximately 57%

Chronological History of Vermont Taxes: (continued)

1991

Personal Income	28.0-31.0-34.0% (25.0% effective 1/1/94)
Sales & use	5.0% (4.0% effective 7/1/93); tax extended to wine and tobacco products
Meals/Rooms/Liquor	8.0-8.0-10.0% (7.0-7.0-10.0% effective 7/1/93, 6.0-6.0-10.0% effective 7/1/94)
Cigarette	18 cents 7/1/91, 19 cents 1/1/92, 20 cents 7/1/92
Bank Franchise	0.000040 x average monthly deposits
Corporate Income	\$150.00 minimum; eliminate NOL refunds
Telephone Gross Receipts	Extended to 6/30/92
Electrical Energy	3.5% of appraised value

1993

Sales & Use	5.0% extended to 6/30/95
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1994

Meals & Rooms	7.0-7.0-10.0% made permanent
Personal Income	Repealed sales tax rebate

1995

Sales & Use	5.0% extended to 6/30/96
Telephone Gross Receipts	Extended to 6/30/96
Cigarette	44 cents per pack 7/1/95

1996

Sales & Use	5.0% extended to 6/30/97 (sales tax on energy used in manufacturing sunset from 2.0% to 0.0% - 7/1/96)
Utility Gross Receipts	Extended to 6/30/98
Personal Income	Federal armed forces education loan repayments exempt (sunsets 1/1/99)
Limited Liability Co. (new)	Formation authorized

1997

Sales & Use	Sunset repealed, tax rate = 5.0%; 1.0% local option authorized; sale of fresh cut flowers by charitable organizations exempt
Telecommunications Sales (new)	4.36%; first \$20 of monthly residential telephone bill is exempt; max. annual tax liability = \$10,000
Bank Franchise	Increased 0.0056% to 0.0096% of monthly deposits
Corporate Income	Minimum increased \$100 to \$250; sliding scale increased 1.5%; new max. tax rate = 9.75%
Meals & Rooms	Increased 2.0% to 9.0%; liquor remains 10.0%; 1.0% local option authorized;
Gasoline	Increased 4 cents to 19 cents (20 cents with Petroleum Cleanup Fund tax)
Purchase & Use	Increased 1.0% to 6.0%; tracked vehicles now subject to the sales & use tax
Personal Income	\$1,500 national guard exemption if AGI is less than \$47,000.00; federal education loan repayment sunset repealed
Statewide Property Tax (new)	\$1.10 per \$100.00 assessed value

1998

Electric RRs, Steamboat, Express, Telegraph Companies	Business franchise taxes repealed; now subject to corporate income tax
Sales & Use	Recycled construction materials exempt; railroad construction materials exempt
Telecommunications	Prepaid calling cards taxed at 5.0%
Fuel Gross Receipts	Extended to 7/1/2003
Corporate Income	Small investment companies exempt from minimum tax
Personal Income	Non-resident motion picture income subject to the same tax rate in effect in state of residence (sunsets in 2000)

Chronological History of Vermont Taxes: (continued)

1999

Personal Income	24.0% of federal liability effective 1/1/2000
Sales & Use	Articles of clothing valued at less than \$110.00 each are exempt effective 12/1/1999; footwear valued at less than \$110.00 becomes exempt 7/1/2001
Earned Income Credit	25% or equal to tax rate, whichever is greater; effective 1/1/2000
Electric Generating	2.75% of appraised value effective 1/1/2000

2000

Purchase & Use	Tax cap for trucks increased from \$700 to \$1,100 effective 7/1/2000
Earned Income Credit	32% or equal to tax rate, whichever is greater, effective 1/1/2000
Diesel Fuel	25 cents per gallon, collected at the distributor level, for vehicles registered or weighing less than 25,001 pounds; all other vehicles pay 25 cents per gallon multiplied by the number of gallons used in Vermont. Effective 7/1/2000
Personal Income	Sunset repealed for non-resident motion picture income subject to the same tax rate in effect in state of residence

2001

Personal Income	Restructured for tax years 2001 and 2002; re-coupled from federal tax liability to federal taxable income; new tax is equal to 24% of federal liability prior to the passage of EGTRRA; sunsets 1/1/2003.
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2002

Personal Income	Permanently linked to federal taxable income with five tax brackets: 3.6%, 7.2%, 8.5%, 9.0%, 9.5%. Forty percent of long term capital gains are excluded from taxable income; the balance is taxed at ordinary rates. The Alternative Minimum Tax is eliminated. Effective 1/1/2002 Members of the National Guard and US Reserve may exempt the first \$2,000 of military pay if AGI is less than \$50,000. Effective 1/1/2003
Corporate Income	The federal accelerated depreciation allowance is disallowed. Effective 1/1/2001
Estate Tax	The state tax credit allowed by federal law is adopted at tax year 2001 rates. Eliminates the estate tax on farms. Effective 1/1/2002
Sales & Use	Steel toed work boots are exempt regardless of value effective 1/1/2003. Building materials temporarily stored in Vermont are exempt from the Use Tax effective 7/1/2002. Repealed the exemption for fertilizer and pesticides unless used in agriculture effective 7/1/2002
Cigarette	93 cents per pack effective 7/1/2002; \$1.19 per pack effective 7/1/2003
Motor Vehicle Rental	Increased from 5% to 7% effective 7/1/2002

Chronological History of Vermont Taxes: (continued)

2003

Personal income	Created new Higher Education Investment tax credit equal to 5% of the first \$2,000 of eligible contributions. Effective 1/1/2004
Electric generating	Restructured from a property tax to a tax based on the amount of power generated. Effective 1/1/2004
Fuel gross receipts Sales & Use	Tax extended until 6/30/2008 Rate increased from 5.0% to 6.0%. In addition, telecommunications tax rate increased from 4.36% to 6.0%. Both effective 10/1/2003. A Use Tax reporting table equal to 0.04% of adjusted gross income was included in 2004. Several provisions will be effective the 1st day of the 2nd quarter following membership in the Streamlined Sales & Use Tax Agreement, but in no case before 1/1/2005. These are 1) repeal of the \$20 monthly exclusion from the telecommunications tax, 2) elimination of the tax on clothing greater than \$110, and 3) inclusion of malt beverages in the sales tax.
Telecommunications	Rate increased from 4.36% to 6%. Effective 10/1/2003. \$20.00 monthly exclusion repealed. Effective 1st day of the 2nd quarter following membership in the Streamlined Sales & Use Tax Agreement (but not before 1/1/2005)
Land use change tax	Restructured from municipal revenue to state revenue. Effective 7/1/2003
Captive Insurance	Captive Insurance companies are taxed on the volume of premiums written for direct premiums and assumed reinsurance premiums. The rates were lowered in 2003.

2004

Personal Income	Lottery prize exemption repealed. Effective 1/1/2005
Corporate Income	Unitary combined reporting is required for all C-Corporations with income attributable to Vermont beginning in tax year 2006. Reduced corporate income tax rates in two phases beginning in tax year 2006 and continuing in 2007. Changed the apportionment formula for determining corporate income that is allocable to VT from an equal weighted 3-factor formula (property, payroll and sales) to a formula in which the sales factor is double-weighted beginning in tax year 2006.
Sales & Use Tax	Changed the earliest date of membership in the Streamlined Sales & Use Tax Agreement from 1/1/2005 to 4/1/2005. Passed additional technical amendments to comply with streamlined.
Bank Franchise Tax	Eliminated the tax liability limitation to no more than a bank's federal taxable income.
Freight Line Tax	Repealed on all car and transportation companies.
Telephone Gross Receipts Tax	Repealed the option for new telephone companies to elect a gross receipts tax instead of a property and income tax.
Amusement Machine License Fee	Repealed and exempts coin-operated machines from the sales tax.

TEACHERS RETIREMENT SYSTEM

Fiscal Year	Final Actuarial Request*	Actual Funding	Percent of Request	Market Value of Assets	Actuarial Value of Assets (AV)	AV % of Mkt Value	Pension Benefit Obligation	Actuarial Accrued Liability (AAL)	% Funded Market Value/PBO	% Funded Actuarial value
2005	\$47,714,318	\$20,446,282	42.9%							
2004	\$41,658,946	\$24,446,282	58.7%	\$1,245,650,105	\$1,284,832,644	103.1%	\$1,431,107,667	\$1,424,662,000	87.0%	90.2%
2003	\$28,279,810	\$20,446,282	72.3%	\$1,099,109,824	\$1,218,000,794	110.8%	\$1,306,864,372	\$1,358,822,000	84.1%	89.6%
2002	\$22,146,880	\$20,446,282	92.3%	\$1,065,978,943	\$1,169,294,000	109.7%	\$1,178,063,357	\$1,307,202,000	90.5%	89.5%
2001	\$20,970,278	\$19,143,827	91.3%	\$1,138,548,007	\$1,116,846,000	98.1%	\$1,087,419,007	\$1,254,341,000	104.7%	89.0%
2000	\$19,936,345	\$18,586,240	93.2%	\$1,190,498,179	\$1,037,465,880	87.1%	\$1,014,994,651	\$1,174,087,000	117.3%	88.4%
1999	\$20,723,874	\$18,080,000	87.2%	\$1,110,214,000	\$931,056,000	83.9%	\$935,311,000	\$1,066,400,000	118.7%	87.3%
1998	\$26,927,205	\$18,106,000	67.2%	\$1,006,493,000	\$821,977,000	81.7%	\$842,124,000	\$955,694,000	119.5%	86.0%
1997	\$30,721,768	\$18,080,000	58.9%	\$865,856,000	\$717,396,000	82.9%	\$802,481,000	\$849,179,000	107.9%	84.5%
1996	\$28,711,597	\$11,480,000	40.0%	\$703,392,000	\$570,776,000	81.1%	\$710,049,000	\$700,377,000	99.1%	81.5%
1995	\$27,451,926	\$18,080,000	65.9%	\$601,100,000	\$520,850,000	86.6%	\$630,889,000	\$648,052,000	95.3%	80.4%
1994	\$25,905,408	\$20,580,000	79.8%	\$517,100,000	\$473,229,000	91.5%		\$597,851,000		79.2%
1993	\$28,819,875	\$19,890,000	69.0%	\$486,900,000	\$433,327,000	89.0%		\$555,220,000		78.0%
1992	\$28,995,220	\$14,619,000	51.1%	\$430,100,000	\$390,098,000	90.7%		\$509,140,000		76.6%
1991	\$25,013,437	\$15,000,000	60.0%	\$374,000,000	\$360,301,000	96.3%		\$476,397,000		75.6%

STATE EMPLOYEES RETIREMENT SYSTEM

Fiscal Year	Actuarial Request	Actual Funding	Percent of Request	Market Value of Assets	Actuarial Value of Assets (AV)	AV% of Mkt Value	Pension Benefit Obligation	Actuarial Accrued Liability (AAL)	% Funded Market Value	% Funded Actuarial value
2004	\$29,023,431	\$26,645,619	91.8%	\$1,040,927,987	\$1,081,358,637	103.9%	\$1,034,491,775	\$1,107,634,000	100.6%	97.6%
2003	\$24,715,309	\$24,394,934	98.7%	\$917,711,810	\$1,025,469,088	111.7%	\$968,014,164	\$1,052,004,000	94.8%	97.5%
2002	\$24,189,000	\$23,788,282	98.3%	\$892,221,769	\$990,450,000	111.0%	\$993,863,866	\$1,017,129,000	99.8%	97.4%
2001	\$19,679,398	\$19,548,598	99.3%	\$862,944,449	\$954,821,000	99.2%	\$882,725,301	\$1,026,993,000	109.1%	93.0%
2000	\$19,948,817	\$19,012,608	97.3%	\$1,058,889,568	\$895,150,880	84.5%	\$835,491,792	\$967,064,000	126.7%	92.6%
1999	\$23,268,000	\$22,956,000	98.7%	\$963,971,000	\$804,970,000	83.5%	\$745,531,000	\$876,412,000	129.3%	91.8%
1998	\$22,598,000	\$23,426,000	103.7%	\$914,960,000	\$733,716,000	80.2%	\$679,751,000	\$804,501,000	134.6%	91.2%
1997	\$24,098,000	\$23,973,000	99.5%	\$779,308,000	\$639,128,000	82.0%	\$634,794,000	\$753,883,000	122.8%	84.8%
1996	\$24,222,000	\$21,442,000	88.5%	\$638,674,000	\$560,659,000	87.8%	\$578,158,000	\$664,173,000	110.5%	84.4%
1995	\$29,245,000	\$20,383,000	69.7%	\$538,671,000	\$480,049,000	89.1%	\$541,597,000	\$679,427,000	99.5%	70.7%
1994	\$27,224,000	\$21,791,000	80.0%	\$473,120,000						

OVERVIEW OF MEDICAID

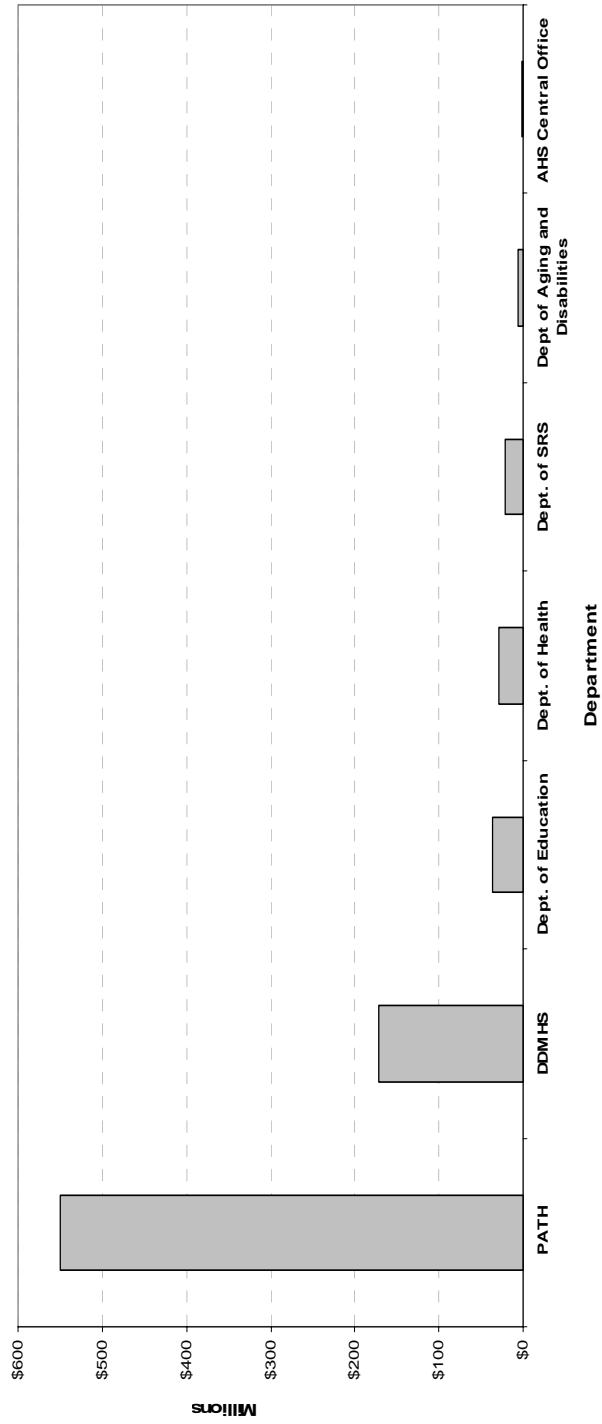
The Medicaid program was created by Congress in 1965. Medicaid is structured as a partnership between individual states and the federal government. The rules of this partnership address financing, eligibility, and services. At the federal level, Medicaid is administered by the Centers for Medicare and Medicaid Services (CMS). In Vermont, the Medicaid program is administered by the Office of Vermont Health Access (OVHA), part of the Agency of Human Services.

Medicaid funding is based on “federal participation.” The rates vary by type of service and population, but on average, for every state or local dollar spent, Vermont receives 60 cents from the federal government.

The original Medicaid program was designed for two groups: “aged, blind, and disabled” (ABD) and low income families. ABD eligibility was extended to those receiving supplemental social security. Low income families were receiving “aid for needy families with children” (ANFC). These are referred to as categorical eligibles. Within basic Medicaid law, there are mandatory populations (primarily the two groups above) and optional populations. Optional eligibility factors usually are age (e.g. covering older children) or income (e.g. covering to a higher percent of poverty). There is also an eligibility category called spend-down. Spend-down occurs when people who do not otherwise qualify have their incomes reduced by high medical expenses.

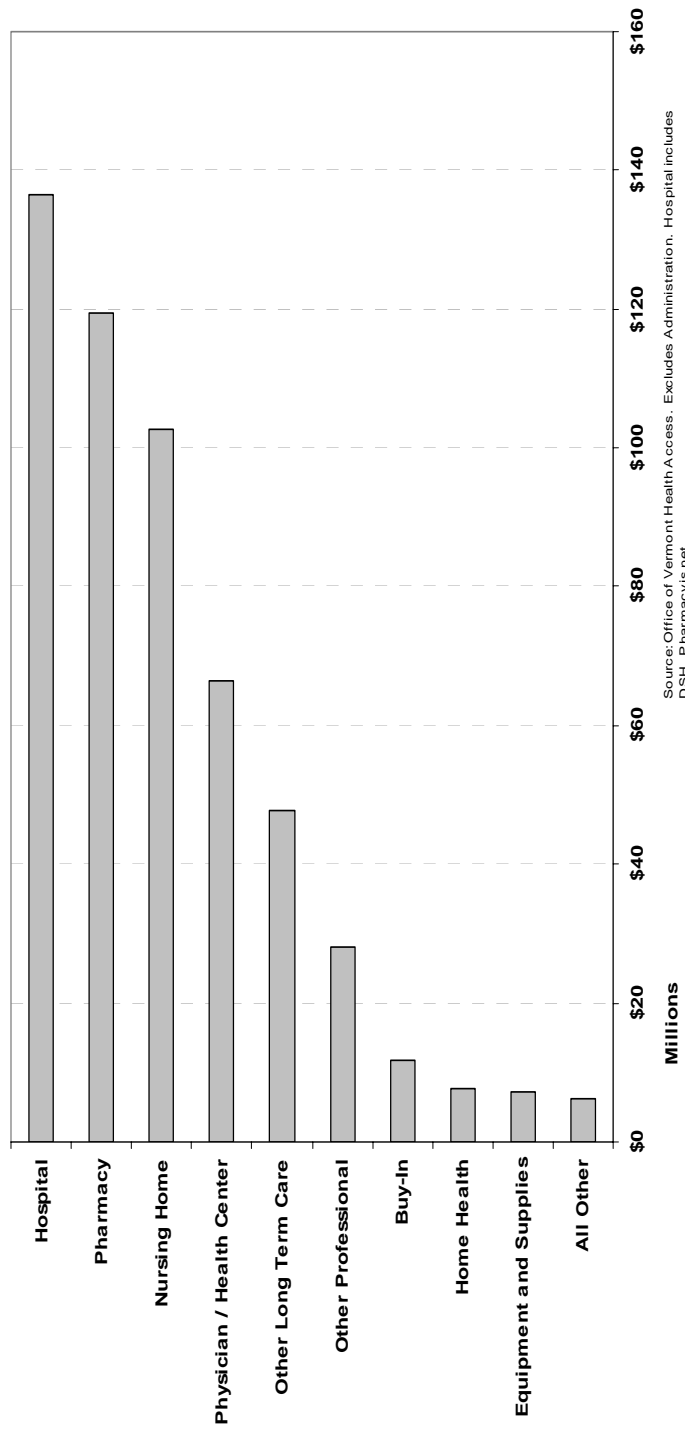
In Vermont, Medicaid eligibility has been expanded two ways. The first is the State Childrens’ Health Insurance Program” (SCHIP) program (1998). This was a Congressional initiative to encourage states to expand eligibility for children. Under SCHIP, states receive a higher match rate than under regular Medicaid. The second is an “1115 waiver.” (1115 refers to a section of the Social Security Act.) Under 1115 waivers, CMS is permitted to waive certain Medicaid requirements in the interests of expanding coverage. The Vermont Health Access Plan (VHAP) program, providing full coverage for uninsured low-income adults and pharmacy coverage for low-income Medicare beneficiaries, is the result of an 1115 waiver.

Total Medicaid Spending by Department, Vermont, 2004



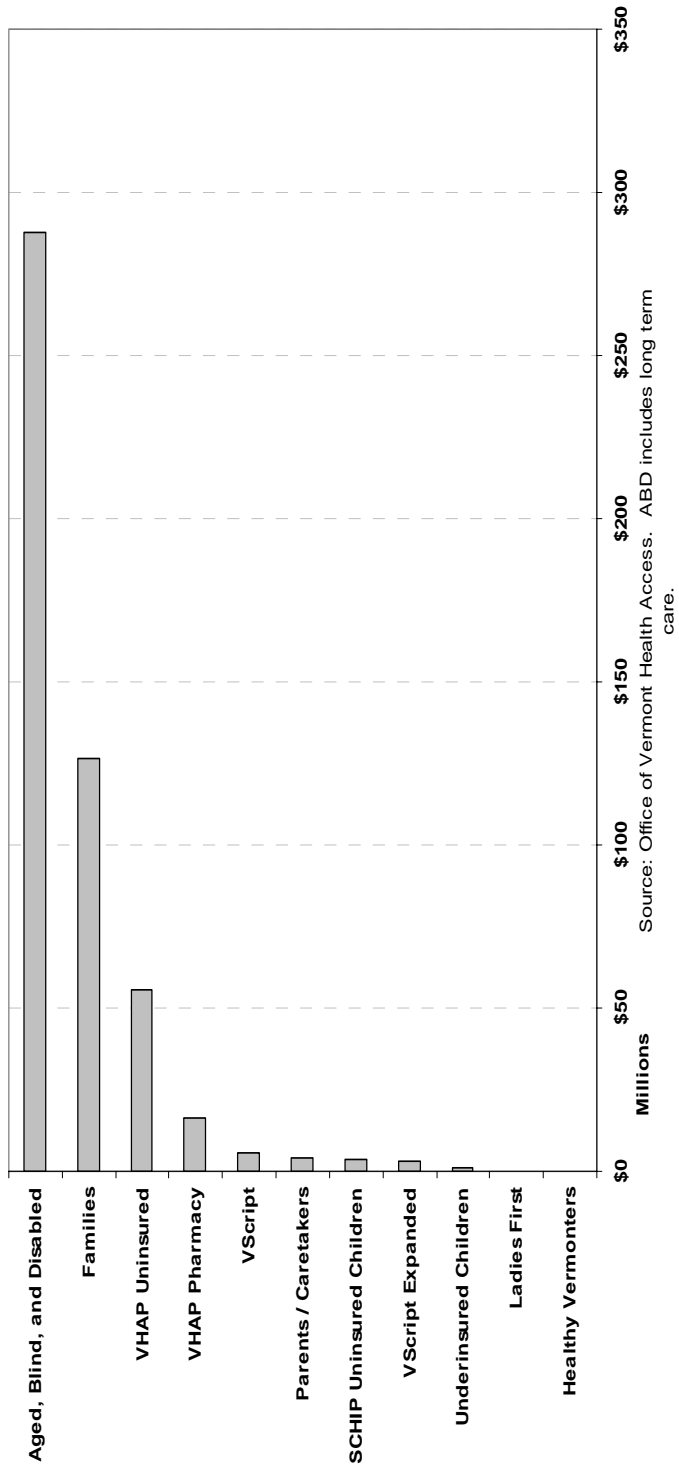
Source: AHS Central Office (estimated) 6/2004

PATH Medicaid Spending by Type of Service, SFY 2004



Source: Office of Vermont Health Access. Excludes Administration. Hospital includes DSH. Pharmacy is net.

PATH Medicaid Spending by Program, FY 2004



A Guide to Vermont State Government Appropriations

Vermont state government is organized into nine functions of government. These are:

- General Government
- Protection to Persons and Property
- Human Services
- Employment and Training
- General Education and Higher Education
- Natural Resources
- Commerce and Community Development
- Transportation
- Debt Service

These definitions are not unique to Vermont. All of the states use similar definitions. This makes it possible to compare apples to apples between state appropriations. Briefly, the functions of government listed above include the following activities:

General Government:

This function of government contains the Executive Branch of government including the Secretary of Administration, Finance and Management, Personnel, Tax Department, Buildings and General Services, and the Executive Office. These departments provide centralized services to state government.

This function of government also includes the State Auditor, State Treasurer, Lieutenant Governor, Sergeant at Arms, Joint Fiscal Committee, Legislative Council and the Legislature.

Protection to Persons and Property:

This function of government contains the appropriations relating to regulation and law enforcement. This includes the Attorney General, Department of Public Safety, the Defender General, the State's Attorneys and Sheriffs, the Agency of Agriculture, Food and Markets, Labor and Industry, Liquor Control, Secretary of State and the Judiciary, among others.

Human Services:

This function of government contains the appropriations which provide social services. Included are the Office of Health Access, the Department of Health, the Department of Children and Families, the Department of Corrections and the Department of Aging and Independent Living.

Employment and Training:

This function of government is primarily federally funded and is concerned with job placement for the unemployed. Also, the Department of Employment and Training gathers vital statistics concerning employment/unemployment, average hourly wages, gross state product, etc.

General Education and Higher Education:

This function of government contains the appropriations for K-12 education, and the operation of the Department of Education. Higher Education appropriations are for the Vermont Student Assistance Corp. (VSAC), UVM and the Vermont State Colleges.

Natural Resources:

This function of government is concerned with natural resources and includes the Department of Fish and Wildlife, the Department of Forest, Parks and Recreation, the Department of Environmental Conservation, the Environmental Board and District Commissions and the Water Resources Board.

Commerce and Community Development:

This function of government contains appropriations relating to the promotion of economic development and the creation of affordable housing. Included in this function of government is the Department of Economic Development, the Vermont Training Program, Community Development Block Grants, Tourism and Marketing, Vermont Life, Vermont Symphony Orchestra, Vermont Historical Society and the Vermont Housing and Conservation Board, among others.

Transportation:

This function of government contains appropriations which support the state's highway and local road infrastructure including the Agency of Transportation with the Department of Motor Vehicles, Maintenance, Policy and Planning, Rail and surface transportation activities and Town Highway Grants. This includes the engineering and construction of roads and bridges.

Debt Service:

This function of government contains the appropriations necessary to make the required, annual principal and interest payments on the state's bonded indebtedness.

* * *

A function of government will contain all the appropriations for an **agency** of the executive branch, e.g., General Government contains the appropriations for the Agency of Administration. Three functions of government have no agency super structure; these are Protection, Education, and Debt Service. All other functions of government contain appropriations for an agency and miscellaneous related organizations.

Within a function/agency, appropriations are organized into **departments**. Commissioners of departments of state government, also known as the "appointing authority," have duties and powers described in Vermont Statutes. A small department of government may have a single appropriation; however, departments generally have multiple missions and responsibilities. Therefore, a department will typically have several discrete appropriations specific to each **division** of the department.

A division may operate several **programs**. The general assembly does not appropriate to the program level of government. Details of intended program expenditures are given in the Governor's budget submission to the general assembly. This submission, numbers in the hundreds of pages, and contains a description of each program's basis in statute, the past year's accomplishments, the upcoming year's goals, staffing levels, and expenditure targets. [A more in depth treatment of the Governor's budget submission is beyond the scope of this discussion. The Joint Fiscal Office provides a complete set of budget documents for use by the members.] Suffice it to say that, while the Legislature does not appropriate to this level of government, it expects and requires the Executive Branch to fulfill the objectives set forth in the detailed submission.

The expenditure categories are as follows:

Personal Services:

If an appropriation supports employees who are paid through state government's payroll system, there will be a personal services expenditure category. This category will provide funding for wages and the employer's share of benefits. Also, if the department or division intends to contract for non-employee personal services, the funding will be included in this expenditure category.

Operating Expense:

This contains funding for two basic types of expenditures: consumables like paper, electricity, subscriptions, telephone, etc.; and durables like computers and copy machines. The operating expense budget for each unit of government is unique to that department or division. Items included in the budget will vary greatly depending upon whether the division occupies rented quarters or a state owned building and the condition (age) of the equipment.

Grants:

This expenditure category contains the funds that will be disbursed in pursuit of a department or division's program mission. Grants may be made to individuals, e.g., Medicaid, and general assistance, to municipalities, e.g., town highways grants and special education formula grants, or non-profit organizations.

Other:

This is an unrestricted expenditure category. As the name implies, funds contained in this category are not otherwise classifiable. Generally, the other category is used for disbursements that support a program, but which do not quite fit the grants definition. An example is the Municipal Current Use Program. Another example is the Legislature's own budget.

The sources of funds which support appropriations are:

General: Unrestricted general state revenue.

Transportation: Earmarked state revenue from specific sources.

Education: Earmarked state revenue from specific sources.

Fish and Wildlife: Earmarked state revenue from specific sources.

Federal: Federal revenue, typically distributed according to a formula and usually earmarked for specific programs.

Special: State revenue, typically derived from fees and often earmarked.

Bond: State revenue derived from the issuance of general obligation bonds and restricted as to use.

Trust: Highly restricted state revenue from sources such as the state employee retirement trust fund.

Internal service: These are bookkeeping entities created to track certain kinds of costs. An example would be an internal service fund for the photocopy center of an agency. Funds are appropriated to different departments of the agency which then "purchase" photocopy services from the center as needed. The internal service fund provides an accounting mechanism for estimating for budget purposes and for keeping track of the actual costs of operating the photocopy center. Internal service funds, however, do involve a double counting of funds. In the example, the agency department spends \$1 of appropriated funds buying photocopy services which the center books as \$1 of internal service fund revenue. When the center buys supplies, the same \$1 is booked as an internal service fund expenditure.

Revolving: Funds which are not new revenue from any source. These "funds" represent an expenditure authority which may or may not be adequately financed in any given fiscal year. If successful, payments into the revolving fund will equal disbursements from the fund. In any event, expenditures in support of this unit of government may be made, up to the limit of the appropriation, even if it results in a deficit or surplus in the fund.

Transfer: Funds which are not new revenue from any source. These "funds" represent a transfer from one unit of government to another. The original source may be general, transportation, federal, etc. An example is the Fire Service Training Council which receives transfer funds from the Department of Public Safety.

Direct Applications: Unanticipated funds and expenditure recoveries from other funds that are deposited to the general fund with Legislative authorization.

General Fund Appropriations: Five Year Detailed History
(FY 2005 Appropriations from Act 122 of the 2004 session; prior to budget adjustment)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GENERAL GOVERNMENT					
Administration - Secretary's Office	376,009	376,786	387,988	371,337	381,798
Federal Jobs & Growth Tax Relief - 1 Time	0	0	0	13,800,000	0
VT Renewable Power Supply Requisition - CT River Hydroelectric Sunrise Professional Regulation - 1 Time	0	0	0	100,000	0
	0	0	0	20,000	0
Budget & Management	597,042	618,663	612,323	701,756	772,314
Financial Operations	643,553	669,465	0	90,000	0
Personnel	1,831,020	1,906,908	1,632,215	1,604,503	1,747,729
Buildings & General Services	13,081,313	13,022,253	4,137,161	3,935,957	3,974,015
Information Centers	0	94,138	0	0	0
Tax Dept	10,573,214	12,052,482	11,694,830	12,303,819	12,651,812
Libraries	1,932,931	1,955,933	2,227,850	2,322,745	2,331,998
Total Agency of Administration	29,035,082	30,696,628	20,692,367	35,250,117	21,859,666
Auditor of Accounts	435,718	442,759	465,151	445,062	453,732
State Treasurer	494,001	502,658	657,438	746,913	833,409
Labor Relations Board	158,663	160,113	168,958	168,272	171,697
Executive Office	990,249	989,521	1,071,473	1,090,705	1,141,866
National & Community Service	56,069	60,803	60,803	57,000	56,528
Governor-Elect	0	0	30,000	0	0
VOSHA Review Board	11,645	18,709	18,654	20,150	20,097
City of Montpelier - Municipal Services	184,000	184,000	184,000	184,000	184,000
Correctional Facilities Tax Payment	40,000	40,000	40,000	40,000	40,000
Payments in Lieu of Taxes (PILOT)	1,250,000	1,450,000	1,045,000	1,000,000	800,000
Use Tax Reimbursement	2,039,472	2,265,437	3,029,610	3,389,610	3,889,280
Lt Governor	85,691	87,791	92,060	94,738	115,517
Legislature	3,322,821	3,752,869	4,883,378	4,084,593	3,935,297
Legislative Council	1,316,558	1,359,322	1,444,667	1,711,192	1,974,477
Sergeant-at-Arms	206,366	316,935	381,207	394,540	456,405
Joint Fiscal Office	584,681	640,687	747,276	787,920	831,789
FUNCTION TOTAL - GENERAL GOVT	40,211,016	42,968,232	35,012,042	49,464,812	36,763,760
PROTECTION					
Attorney General	2,174,593	2,100,705	2,274,914	2,236,068	2,550,429
Court Diversion	453,072	574,230	615,531	870,531	927,238
State's Attorneys	4,979,958	5,411,575	5,768,721	6,319,290	6,665,235
Sheriffs	1,531,839	1,859,853	1,075,541	1,130,298	2,287,344
Transports	0	0	879,687	1,005,070	
Defender General	5,848,588	6,119,275	6,240,661	6,547,204	7,286,984
Military	2,453,424	2,832,267	2,853,772	2,948,036	2,910,631
Labor & Industry	704,265	765,597	860,096	819,251	913,722
Criminal Justice Training Council	150,255	145,337	469,083	558,151	647,358
Racing Commission	0	6,530	2,001	5,000	5,000
Secretary of State	656,448	511,108	506,141	642,023	928,352

General Fund Appropriations: Five Year Detailed History

(Continued)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Banking & Insurance	538,601	524,428	486,513	476,523	466,993
Public Safety	7,306,553	7,459,383	14,497,063	15,614,811	17,260,749
Fire Service Training Council	62,199	130,897	251,588	365,157	464,860
Firefighter 1 Training	0	0	50,000	0	0
Agriculture	2,872,029	3,284,801	3,561,188	3,881,115	3,806,724
State Stipend	150,000	163,257	163,500	163,500	175,000
Judiciary	16,284,806	16,979,541	19,906,952	21,508,700	22,953,570
Ctr for Crime Victims' Services	587,230	728,721	748,724	868,828	963,878
Human Rights Commission	261,490	246,584	257,484	242,907	273,225
FUNCTION TOTAL - PROTECTION	47,015,350	49,844,089	61,469,160	66,202,463	71,487,292

HUMAN SERVICES

Human Services Agency - Secretary's Office Restructuring; Consultation Services	3,669,785	3,832,940	4,367,245	5,314,193	5,761,465
SEOO	0	0	0	50,000	0
SEOO	903,598	978,464	1,110,673	1,091,226	848,147
Human Services Board	87,731	89,718	98,500	121,879	121,082
Corrections	69,907,145	73,237,636	77,542,929	38,843,868	96,751,202
Health	16,681,326	17,188,181	16,916,678	17,566,656	18,379,144
Prevention, Assistance, Transition & Health Access (PATH)	118,736,441	119,987,471	109,379,553	118,202,552	112,340,155
Office of Child Support Services	878,370	932,555	1,086,425	1,114,864	1,370,517
SRS	31,403,436	33,424,125	38,634,180	44,802,066	47,817,277
Aging and Disabilities	12,274,631	12,832,073	15,115,021	15,334,410	16,594,760
Developmental & Mental Health Services	53,198,655	56,760,665	59,899,830	62,475,243	77,764,080
Total Agency of Human Services	307,741,118	319,263,828	324,151,034	304,916,957	377,747,829
Childrens' Trust Fund	109,748	106,156	102,705	102,705	100,651
Governor's Commission on Women	214,642	199,912	230,386	234,151	231,777
RSVP	133,220	132,400	130,071	123,567	131,096
Association for the Blind	24,885	24,885	24,447	24,447	0
Disabled and Needy Veterans	31,761	31,565	37,025	0	0
Veterans Home	1,085,254	1,049,733	911,786	964,171	969,037
Independence Fund	1	0	0	0	0
FUNCTION TOTAL - HUMAN SERVICES	309,340,629	320,808,479	325,587,454	306,365,998	379,180,390

Employment & Training	411,063	781,260	653,367	1,107,259	1,086,261
EMPLOYMENT & TRAINING	411,063	781,260	653,367	1,107,259	1,086,261

General Fund Appropriations: Five Year Detailed History

(Continued)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
EDUCATION					
Education Department	12,412,987	13,056,796	13,609,327	13,218,192	13,113,425
Fiscal Review Panel	0	0	40,000	0	0
Fund Appropriations & Transfers to Education Fd	238,099,196	246,427,558	245,705,935	268,400,000	249,300,000
Tax Department - Homestead Property Tax Income	5,222,417	4,900,000	0	0	0
Teachers Retirement	19,143,827	20,446,282	20,446,282	20,446,282	20,446,282
Property Tax Assistance	0	0	6,500,000	7,084,690	5,280,000
Total - General Education & Property Taxes	274,878,427	284,830,636	286,301,544	309,149,164	288,139,707
University of Vermont	32,447,285	34,182,130	36,197,999	36,947,057	37,937,512
Morgan Horse Farm	1	1	4,912	5,000	5,000
Vermont Public Television	596,921	604,136	593,507	563,832	563,832
Vermont State Colleges	18,432,696	19,598,628	20,769,755	21,185,150	21,867,742
Practical Nursing Schools	540,404	578,232	592,206	883,750	620,661
Interactive Television	812,601	840,507	836,775	795,331	795,331
VT Student Assistance	14,805,431	15,445,766	16,581,671	16,683,804	17,142,609
NE Higher Education Compact	77,809	76,642	75,294	88,840	88,840
Education Comm of the States	39,600	39,600	100	0	0
Total - Higher Education	67,752,748	71,365,642	75,652,219	77,152,764	79,021,527
FUNCTION TOTAL - EDUCATION	342,631,175	356,196,278	361,953,763	386,301,928	367,161,234
NATURAL RESOURCES					
Agency of Natural Resources - Administration	2,027,791	2,138,032	2,384,095	2,509,894	2,914,400
Conn River Watershed Advisory	25,000	25,000	25,000	22,500	22,500
Local Property Tax Assessment	619,597	691,468	749,730	670,000	756,377
Information Technology	0	0	0	78,975	0
Lake Champlain Commission	5,000	9,015	10,000	7,500	7,500
Forests, Parks, & Recreation	3,898,110	3,984,878	4,571,100	4,640,018	5,182,878
Environmental Conservation	4,245,463	4,484,571	7,244,350	6,930,444	7,587,540
Fish & Wildlife	0	0	0	82,000	1,250,101
Total Agency	10,820,961	11,332,964	14,984,275	14,941,331	17,721,296
Environmental Board & District Comm.-Act 250	796,625	811,128	809,045	779,728	880,992
Water Resources Board	310,246	314,679	318,178	315,745	324,515
Green - Up	0	0	0	0	6,036
FUNCTION TOTAL - NATURAL	11,927,832	12,458,771	16,111,498	16,036,804	18,932,839
COMMERCE & COMMUNITY DEVELOPMENT					
Commerce & Community Development					
Administration	857,634	1,344,475	1,683,210	1,852,465	1,874,906
Historic Sites Operations & Mai	365,357	395,741	399,041	484,352	409,352
Housing & Comm Affairs	1,310,396	1,364,373	1,418,257	1,613,865	1,531,188

General Fund Appropriations: Five Year Detailed History

(Continued)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Economic Development	2,726,390	2,428,705	2,444,670	3,475,052	3,144,403
Tourism & Marketing	4,890,363	4,682,757	4,408,057	5,490,085	4,678,637
Marketing & Promotional Team	0	0	348,405	0	0
Govt Marketing Assistance Ctr.	86,060	90,267	90,324	0	0
Vermont Training Program	605,628	606,813	705,922	1,107,700	1,407,700
Job Development Zones	0	0	50,967	57,863	0
Total Agency of Commerce & Comm Devel.	10,841,828	10,913,131	11,548,853	14,081,382	13,046,186
VT Economic Development Authority (VEDA)	322,046	263,088	0	0	
Council on the Arts	520,396	517,206	517,206	516,618	519,618
Vermont Symphony Orchestra	107,978	107,326	107,326	101,960	101,960
VT Historical Society	258,365	256,781	405,830	629,874	527,660
VT Council on the Humanities	75,000	139,935	137,473	130,599	150,599
FUNCTION TOTAL - CCDA	12,125,613	12,197,467	12,716,688	15,460,433	14,346,023

DEBT SERVICE

Bonded Debt	23,616,811	22,005,182	0	0	0
Principal	44,456,956	41,894,190	68,786,319	65,362,583	60,579,557
Job Zones	68,680	59,789	0	0	0
FUNCTION TOTAL - DEBT SERVICE	68,142,447	63,959,161	68,786,319	65,362,583	60,579,557

MISCELLANEOUS

Farm Buildings; Payment to Municipalities	0	0	0	125,000	0
Commission on Compensation & Benefits	0	0	0	50,000	0
Contractual Agreement; Exempt Pay Plans	0	0	0	523,190	5,743,862
Joint Fiscal Committee Staff Transition	0	0	63,000	0	0
Veterans' Medals	0	0	20,000	0	0
FY 2000 - One Time Appropriations	11,585,160	0	0	0	0
FY 2001 - One Time Appropriations	16,100,000	0	0	0	0
FY 2001 - Budget Adjustment - One Time	3,921,361	0	0	0	0
FY01/02 1 Time Approp. (Act 63, 2001 Session)	6,919,000	7,775,879	0	0	0
1 Time App - Legislative & Judicial	0	218,000	0	0	0
Shoreham Nonpoint Source Phosphorus Control (Act 110, Sec. 40)	0	15,000	0	0	0
1 Time Drug Intervention Docket	0	27,333	0	0	0
GF Trans & App, Treas., Gen Obligation Bonds	6,000,000	0	0	0	0
FUNCTION TOTAL - MISCELLANEOUS	44,525,521	8,036,212	83,000	698,190	5,743,862

General Fund Appropriations: Five Year Detailed History

(Continued)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
OTHER BILLS:					
Pay Act	4,716,708	4,480,876	5,723,260	0	0
VSAC, Students in SRS Trust					
Fd (Act 72, Sec. 2(a))	0	0	0	0	25,000
Judiciary, Permit Reform, (Act 115, Sec. 121(c))	0	0	0	0	335,000
ANR, Stormwater Impaired Water Quality Remediation 3 pos (Act 140, Sec. 8(c))	0	0	0	0	200,700
PS, Sex Offender Registry (Act 157, Sec. 18)	0	0	0	0	95,000
Corrections (Act 122, Sec. 289)	0	0	0	0	330,000
Firefighters; Survivors' Benefits (Act 119, S.8)	0	0	60,000	0	0
Judiciary, Law Clerk (Act 149, Capitol, H.763)	0	0	59,000	0	0
Pilot Project for Combatting Drug Crimes (Act 1228, H.128)	0	10,000	0	0	0
Comp Benefits for Certain Empl;oyees, Leg. Session Costs	0	400,000	0	0	0
Violence in Schools (Act 113, H.270)	90,000	0	0	0	0
SOS, Address Confidentiality Prg (Act 134)	17,000	0	0	0	0
Consolidated Fee Bill (Act 155, H.854)	29,000	0	0	0	0
TOTAL - OTHER BILLS	4,852,708	4,890,876	5,842,260	0	985,700
GRAND TOTAL - GENERAL FUNDS					
	881,183,354	872,140,825	888,215,551	907,000,470	956,266,918

Transportation Fund Appropriations: Five Year Detailed History

(FY 2005 Appropriations from Act 122 of the 2004 session; prior to budget adjustment)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GENERAL GOVERNMENT					
Administration Agency - Secretary's Office	61,034	61,034	61,875	61,875	49,704
Finance & Management	479,890	479,890	132,511	137,467	110,428
Personnel	636,891	636,891	648,047	676,116	543,132
Buildings & General Services	5,104,460	5,710,448	4,586,675	4,840,504	4,627,513
Tax - Admin./Collection	258,427	258,427	263,785	263,785	211,902
Use Tax Reimbursement Fund	2,105,144	2,420,400	2,070,390	2,310,390	2,310,390
Auditor of Accounts	69,490	69,490	70,368	73,252	58,845
State Treasurer	121,214	121,214	123,714	128,477	103,208
State Labor Relations Board	5,412	5,412	5,528	5,676	4,560
Executive - Governor's Office	183,709	183,709	187,676	194,481	156,230
Lieutenant Governor	22,044	22,044	22,611	23,813	19,130
Legislature	856,937	856,937	859,687	867,677	697,017
Legislative Council	270,053	270,053	278,124	288,708	231,924
Sergeant at Arms	47,843	47,843	48,693	50,305	40,411
Joint Fiscal Office	158,371	158,371	161,550	167,300	134,395
FUNCTION TOTAL - GENERAL GOVT.	10,380,919	11,302,163	9,521,234	10,089,826	9,298,789
PROTECTION					
Attorney General	81,696	81,696	83,495	85,971	69,061
Public Safety	22,236,191	23,949,243	21,347,070	22,440,455	22,440,455
VT Court Diversion	177,804	177,804	177,804	177,804	142,833
State's Attorneys	436,856	436,856	447,230	456,076	366,373
Sheriffs	668,421	668,421	684,075	704,212	565,704
Agriculture	45,013	45,013	45,824	47,993	38,553
Judiciary	3,565,620	3,565,620	3,627,781	3,740,140	3,004,507
Criminal Justice Training Council	346,281	346,281	348,154	348,154	279,677
Defender General	883,240	883,240	890,068	907,025	728,626
VT Fire Service Training Council	98,994	98,994	99,985	99,985	80,320
FUNCTION TOTAL - PROTECTION	28,540,116	30,253,168	27,751,486	29,007,815	27,716,109

Transportation Fund Appropriations: Five Year Detailed History

(Continued)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
HUMAN SERVICES					
Aging & Disabilities - Advocacy	522,000	522,000	522,000	522,000	419,330
Corrections - Corr. Services	1,402,578	1,402,578	1,424,702	1,424,702	1,144,483
Social & Rehabilitation Servs.	75,000	75,000	75,000	75,000	60,249
FUNCTION TOTAL - HUMAN SERVICES	1,999,578	1,999,578	2,021,702	2,021,702	1,624,062
EDUCATION					
Education Department	639,932	639,932	642,080	648,155	520,672
Property Tax Assistance - FY2003	0	0	3,842,000	4,385,016	3,520,000
Tax Dept - Homestead Property Tax Income	3,928,083	3,600,000	0	0	0
FUNCTION TOTAL - EDUCATION	4,568,015	4,239,932	4,484,080	5,033,171	4,040,672
NATURAL RESOURCES					
Forests, Parks & Recreation	628,039	628,039	628,039	628,039	504,513
State Land Local Property Tax Assessment	225,124	262,815	262,815	262,815	211,123
Environmental Conservation	216,584	216,584	221,040	228,689	183,709
Fish & Wildlife	0	0	0	0	365,000
FUNCTION TOTAL - NATURAL RES.	1,069,747	1,107,438	1,111,894	1,119,543	1,264,345
COMMERCE & COMMUNITY DEVELOPMENT					
CCDA - Admin. & Mngt. Planning	163,726	0	0	0	0
FUNCTION TOTAL - CCDA	163,726	0	0	0	0
DEBT SERVICE					
Interest	955,217	841,689	0	0	0
Principal	2,176,103	2,068,366	2,835,622	2,407,287	2,514,264
FUNCTION TOTAL - DEBT SERVICE	3,131,320	2,910,055	2,835,622	2,407,287	2,514,264

Transportation Fund Appropriations: Five Year Detailed History

(Continued)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
MISCELLANEOUS					
Pay Act	0	0	0	0	1,458,637
Farm Buildings; Payment to Municipalities	0	0	0	125,000	0
Rutland Multi-Modal Transportation Center to BGS	0	0	240,000	0	0
Transportation Fund Transfer & Appropriation	0	0	5,950,000	0	0
FY2001 Transportation Reimbursement (Act 63 2001)	4,100,000	0	0	0	0
FUNCTION TOTAL - MISCELLANEOUS	4,100,000	0	6,190,000	125,000	1,458,637

TRANSPORTATION

Transportation and Arbitration Board	122,000	80,000	74,762	130,000	78,400
Total Boards	122,000	80,000	74,762	130,000	78,400
Transportation Agency - Finance & Admin.	7,487,633	7,900,000	8,734,748	9,034,722	9,606,306
Technical Services	2,695,659	3,165,200	3,786,152	0	0
Traffic Operations	0	0	940,822	0	0
Rest Areas	319,100	396,884	484,199	19,500	0
Vermont Transportation Authority	0	490,989	521,259	6,000	0
Policy & Planning	5,716,435	5,709,787	6,014,764	1,434,945	1,742,221
Maintenance-State System	37,609,856	46,316,856	46,926,890	49,971,854	52,678,459
Buildings	2,800,000	1,565,000	1,565,000	1,550,000	1,304,000
Rail Program	6,695,239	12,220,435	6,243,074	7,310,836	6,413,236
Public Transit	0	0	0	5,847,522	6,379,376
Aviation Program	3,118,000	2,526,500	2,535,000	2,892,080	3,024,775
Program Development (Paving)	26,811,692	25,599,233	23,236,750	31,620,172	33,473,081
Total Agency	93,253,614	105,890,884	100,988,658	109,687,631	114,621,454

Transportation Fund Appropriations: Five Year Detailed History

(Continued)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Motor Vehicles - Customer Service	14,321,777	15,400,000	16,213,234	17,235,903	19,112,258
Motorcycle Rider Training	0	0	220,834	0	0
Total - Motor Vehicles Department	14,321,777	15,400,000	16,434,068	17,235,903	19,112,258
Town Highways: Aid Program	23,504,280	22,769,744	23,857,744	23,857,744	24,982,744
Structures	0	3,494,500	3,494,500	3,494,500	3,494,500
Bridges	4,234,866	5,403,007	4,700,034	4,627,672	7,129,406
Emergency Fund	750,000	0	182,111	750,000	1
Class 1 Supplemental	125,000	128,750	128,750	128,750	128,750
Town Bridge/Culvert	3,150,000	0	0	0	0
Class 2 Resurfacing Program (2 for 1 Match)	3,625,000	4,036,750	4,248,750	4,248,750	4,248,750
Class 2 Rehabilitation Program	500,000	0	0	0	0
Vermont Local Roads Program	298,000	283,000	283,000	308,000	435,600
Total Town Highways	36,187,146	36,115,751	36,894,889	37,415,416	40,419,751
FUNCTION TOTAL - TRANSPORTATION	143,884,537	157,486,635	154,392,377	164,468,950	174,231,863
OTHER BILLS:					
Pay Act	2,447,220	2,447,220	2,803,121	0	0
DMV, Abandoned Motor Vehicles (Act 101, Sec. 8)	0	0	0	0	5,000
MV, Graduated Driver License, Ed Dept. (Act 140, H.97)	250,000	0	0	0	0
Taxation, Diesel Fuel Tax (Act 154, H.188)	160,000	0	0	0	0
Capitol Construction	2,622,756	1,168,741	0	0	0
TOTAL - OTHER BILLS	5,479,976	3,615,961	2,803,121	0	5,000
GRAND TOTAL - TRANSPORTATION FUND	203,317,934	212,914,930	211,111,516	214,273,294	222,153,741

Education Fund Appropriations: Five Year Detailed History

(FY 2005 Appropriations from Act 122 of the 2004 session; prior to budget adjustment)

PROGRAM	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Education Quality	0	7,540,457	7,949,075	8,376,070	9,321,398
Fund Appropriation and Transfer	450,000	450,000	0	0	0
Career and Lifelong Learning	7,268,886	0	0	0	0
Construction Interest Aid	285,000	0	0	0	0
Prebate Appropriation	0	800,000	0	0	0
Special Education Formula					
Grants	59,942,704	63,980,005	69,750,914	74,702,258	105,256,030
State Placed Students	9,721,876	10,402,407	9,858,500	10,689,886	10,842,880
Adjusted Education Payment	217,263,994	594,474,446	601,400,000	619,700,000	906,562,829
Transportation	12,023,415	12,458,850	12,727,961	12,922,700	13,190,788
Small School Grants	4,420,047	4,632,403	4,760,660	5,023,842	5,229,837
Capital Debt Service Aid	4,241,783	3,482,659	3,161,935	2,126,341	565,240
Local Share Property Tax	35,700,000	39,500,000	42,200,000	42,000,000	0
Tax Department - Reappraisal & Listing Payments	2,320,000	2,239,769	2,240,000	2,384,500	2,266,000
Tax Department - Property Tax Assistance	78,080,000	71,300,000	86,745,000	98,000,000	85,011,600
Adult Education Literacy	0	0	0	0	499,999
Essential Early Education Grant	0	0	0	0	4,273,279
Stowe & Rutland Recalculation					
Payment - 1 Time	0	111,078	0	0	0
Debt Service	0	0	0	200,000	0
Act 68 (H.480, Sec. 69)					
Education Funding	0	0	0	784,472	0
Act 142, Sec 317; Wilmington Recalculation	0	215,600	0	0	0
Edicatopm Dept., Capitol					
Construction Aid (Act 86, Sec. 32)	0	0	0	0	932,000
GRAND TOTAL - EDUCATION FUND	431,717,705	811,587,674	840,794,045	876,910,069	1,143,951,880

FISCAL YEAR 2005 APPROPRIATIONS
(by object code, all funds, prior to adjustment)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
GENERAL GOVERNMENT					
SECRETARY OF ADMINISTRATION	385,524	58,878	0	0	444,402
INFORMATION & INNOVATION	3,747,066	811,915	0	0	4,558,981
FINANCIAL OPERATIONS	2,033,673	1,135,021	0	0	3,168,694
BUDGET & MANAGEMENT	870,222	101,766	0	0	971,988
PERSONNEL - OPERATIONS	1,489,050	296,200	0	0	1,785,250
HR WORKFORCE PLANNING & EMPLOYMENT SERVICES	754,361	302,850	0	0	1,057,211
EMPLOYEE BENEFITS & WELLNESS	1,329,731	237,870	0	0	1,567,601
INFORMATION TECHNOLOGY	486,683	280,480	0	0	767,163
LIBRARIES	1,908,066	1,479,087	45,000	0	3,432,153
TAX - ADMINISTRATION/COLLECTION BUILDINGS & GENERAL SERVICES - ADMINISTRATION	11,058,247	2,559,467	0	0	13,617,714
ADMINISTRATION	1,327,980	127,665	0	0	1,455,645
ENGINEERING	1,836,763	403,666	0	0	2,240,429
INFORMATION CENTERS	2,805,473	1,141,005	350,000	0	4,296,478
PURCHASING	764,564	259,591	0	0	1,024,155
PUBLIC RECORDS	766,755	460,809	0	0	1,227,564
POSTAL SERVICES	579,783	141,803	0	0	721,586
COPY CENTER	751,421	457,602	0	0	1,209,023
SUPPLY CENTER	243,949	196,641	0	0	440,590
FEDERAL SURPLUS PROPERTY	60,254	70,525	0	0	130,779
STATE SURPLUS PROPERTY	54,229	67,342	0	0	121,571
PROPERTY MANAGEMENT	928,056	3,304,043	0	0	4,232,099
ALL OTHER INSURANCE	58,529	11,116	0	0	69,645
GENERAL LIABILITY INSURANCE	704,745	31,986	0	0	736,731
WORKERS' COMPENSATION INSURANCE	950,903	132,611	0	0	1,083,514
FEE FOR SPACE	9,079,294	9,018,740	0	0	18,098,034
GEOGRAPHIC INFORMATION SYSTEMS	0	0	376,992	0	376,992
TOTAL - AGENCY OF ADMINISTRATION	44,975,321	23,088,679	771,992	0	68,835,992
AUDITOR OF ACCOUNTS	1,844,953	109,150	0	0	1,954,103
STATE TREASURER	2,380,971	322,205	75,000	0	2,778,176
ABANDONED PROPERTY	262,922	194,800	0	0	457,722
VT STATE RETIREMENT SYSTEM	18,068,186	699,809	0	0	18,767,995
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM	1,426,248	206,527	0	0	1,632,775
STATE LABOR RELATIONS BOARD	147,387	34,740	0	0	182,127
EXECUTIVE - GOVERNOR'S OFFICE	1,123,181	339,100	0	0	1,462,281
NATIONAL & COMMUNITY SERVICE	175,347	118,501	1,443,340	0	1,737,188

FISCAL YEAR 2005 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
VOSHA REVIEW BOARD	31,350	8,844	0	0	40,194
USE TAX REIMBURSEMENT FUND	0	0	6,199,670	0	6,199,670
LIEUTENANT GOVERNOR	125,062	9,585	0	0	134,647
LEGISLATURE	2,665,198	1,967,116	0	0	4,632,314
LEGISLATIVE COUNCIL	1,575,895	116,222	0	0	1,692,117
LEGISLATIVE INFORMATION TECHNOLOGY	226,325	287,959	0	0	514,284
SERGEANT AT ARMS	449,154	47,662	0	0	496,816
JOINT FISCAL OFFICE	898,960	67,224	0	0	966,184
LOTTERY COMMISSION	1,253,912	903,902	0	0	2,157,814
PAYMENT IN LIEU OF TAXES	0	0	2,500,000	0	2,500,000
PAYMENTS IN LIEU OF TAXES - MONTPELIER	0	0	184,000	0	184,000
PAYMENTS IN LIEU OF TAXES - CORRECTIONAL FACILITIES	0	0	40,000	0	40,000
TOTAL - GENERAL GOVERNMENT	77,630,372	28,522,025	11,214,002	0	117,366,399
PROTECTION TO PERSONS AND PROPERTY					
ATTORNEY GENERAL	4,838,548	898,080	0	0	5,736,628
VT COURT DIVERSION CENTER FOR CRIME VICTIM SERVICES	0	0	1,470,071	0	1,470,071
	1,159,300	353,286	7,246,000	0	8,758,586
STATE'S ATTORNEYS	7,600,224	1,158,953	0	0	8,759,177
SHERIFFS	2,540,882	312,166	0	0	2,853,048
DEFENDER GENERAL - PUBLIC DEFENSE	5,361,146	671,125	0	0	6,032,271
ASSIGNED COUNSEL	2,599,693	51,675	0	0	2,651,368
MILITARY - ADMINISTRATIVE	442,365	199,963	143,683	0	786,011
AIR SERVICE CONTRACT	3,731,755	886,961	0	0	4,618,716
ARMY SERVICE CONTRACT	2,565,304	8,176,700	0	0	10,742,004
BUILDING MAINTENANCE	846,956	415,444	0	0	1,262,400
VETERANS' AFFAIRS	206,015	70,000	126,165	0	402,180
LABOR & INDUSTRY	5,618,018	1,325,500	75,000	0	7,018,518
CRIMINAL JUSTICE TRAINING COUNCIL	794,955	730,204	0	0	1,525,159

FISCAL YEAR 2005 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
LIQUOR CONTROL - ENFORCEMENT & LICENSING	1,483,036	195,633	0	0	1,678,669
ADMINISTRATION	1,845,481	529,830	0	0	2,375,311
VERMONT RACING COMMISSION	2,076	2,924	0	0	5,000
SECRETARY OF STATE	3,239,056	2,126,149	0	0	5,365,205
BANKING, INSURANCE, SECURITIES & HEALTH CARE ADMINISTRATION - BANKING	1,113,087	269,540	0	0	1,382,627
INSURANCE	2,902,648	599,500	0		3,502,148
CAPTIVE SECURITIES	2,252,239	384,850	0	0	2,637,089
	574,363	131,110	0	0	705,473
HEALTH CARE ADMINISTRATION	2,799,546	402,402		0	3,201,948
ADMINISTRATION	806,688	49,700	0	0	856,388
PUBLIC SAFETY - STATE POLICE LAW ENFORCEMENT RECRUITMENT IMPLEMENTATION	37,235,943	8,247,122	4,701,100	0	50,184,165
	50,000	0	0	0	50,000
CRIMINAL JUSTICE SERVICES	5,921,690	2,677,050	2,543,500	0	11,142,240
EMERGENCY MANAGEMENT	1,479,294	701,700	799,487	0	2,980,481
AGRICULTURE - ADMINISTRATION FOOD SAFETY & CONSUMER ASSURANCE	783,330	387,059	313,404	0	1,483,793
	1,989,605	289,441	2,901,492	0	5,180,538
AGRICULTURE DEVELOPMENT	626,627	600,633	1,034,421	0	2,261,681
PLANT INDUSTRY AND LABS	2,401,202	563,184	415,000	0	3,379,386
STATE STIPEND FUND	0	0	175,000	0	175,000
STATE FAIR CAPITAL PROJECTS - ONE-TIME	0	0	50,000	0	50,000
MOSQUITO CONTROL	20,000	70,000	0	0	90,000
PUBLIC SERVICE - REGULATION & ENERGY	4,514,560	639,201	450,000	0	5,603,761
PURCHASE & SALE OF POWER	10,000	2,215	0	0	12,215
ENHANCED 9-1-1 BOARD	1,960,337	457,251	0	0	2,417,588
PUBLIC SERVICE BOARD	2,304,677	320,000	0	0	2,624,677
JUDICIARY	22,903,174	5,924,728	0	0	28,827,902
HUMAN RIGHTS COMMISSION	352,103	75,350	0	0	427,453
FIRE SERVICE TRAINING COUNCIL	705,933	504,768	48,000	0	1,258,701
TOTAL-PROTECTION TO PERSONS	138,581,856	41,401,397	22,492,323	0	202,475,576

FISCAL YEAR 2005 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
HUMAN SERVICES					
HUMAN SERVICES - CENTRAL					
OFFICE	3,082,913	1,034,809	11,281,100	0	15,398,822
RATE SETTING	628,088	66,803	0	0	694,891
HUMAN SERVICES BOARD	269,238	32,226	0	0	301,464
DEVELOPMENTAL DISABILITIES					
COUNCIL					
OFFICE OF CHILD SUPPORT SERVICES	7,649,310	2,790,782	0	0	10,440,092
HEALTH - ADMINISTRATION & SUPPORT	4,149,049	1,011,452	0	0	5,160,501
HEALTH PROTECTION	3,235,360	650,861	406,340	0	4,292,561
HEALTH SURVEILLANCE	6,827,697	1,887,908	2,714,100	0	11,429,705
HEALTH IMPROVEMENT	7,865,343	1,109,859	14,554,500	0	23,529,702
COMMUNITY PUBLIC HEALTH OFFICE OF ALCOHOL & DRUG ABUSE PRGS	11,300,056	1,632,764	11,594,327	0	24,527,147
ABUSE PRGS	2,370,638	860,942	16,767,392	0	19,998,972
MEDICAL PRACTICE BOARD S.R.S. - ADMINISTRATIVE & SUPPORT SVS	637,400	125,000	0	0	762,400
SUPPORT SVS	2,237,449	331,754	0	0	2,569,203
SOCIAL SERVICES	17,195,972	2,695,866	52,569,306	0	72,461,144
CHILD CARE SERVICES WOODSIDE REHABILITATION CENTER	1,785,851	409,257	35,740,228	0	37,935,336
DISABILITY DETERMINATION SERVICES	2,282,357	438,299	0	0	2,720,656
PREVENTION, ASSISTANCE, TRANSITION & HEALTH ACCESS (PATH) - ADMINISTRATION	2,719,300	441,112	0	0	3,160,412
REACH UP	0	0	44,486,083	0	44,486,083
AABD APPROPRIATION & TRANSFER TO HATF	1,365,966	0	9,218,772	0	10,584,738
HATF	0	0	86,315,572	0	86,315,572
MEDICAID	15,812,482	0	565,725,112	0	581,537,594
GENERAL ASSISTANCE	0	0	4,376,260	0	4,376,260
LIHEAP FUEL	20,000	90,000	8,352,075	0	8,462,075
FOOD STAMP CASH OUT DEVELOPMENTAL & MENTAL HEALTH SRVS - CNTL OFFICE	0	0	5,764,119	0	5,764,119
CNTL OFFICE	2,439,723	788,274	0	0	3,227,997
COMMUNITY MENTAL HEALTH	3,007,985	453,111	103,035,192	0	106,496,288
DEVELOPMENTAL SERVICES VERMONT STATE HOSPITAL	3,196,296	498,012	95,811,783	0	99,506,091
AGING & DISABILITIES - ADMINISTRATION & SUPPORT	14,658,501	1,764,303	3,000	0	16,425,804
ADVOCACY & INDEPENDENT LIVING	15,221,670	2,498,348	0	0	17,720,018
LIVING	0	0	22,331,687	0	22,331,687
BLIND & VISUALLY IMPAIRED VOCATIONAL REHABILITATION	0	0	1,370,219	0	1,370,219
TBI HOME & COMMUNITY BASED WAIVER	0	0	6,217,958	0	6,217,958
COMMUNITY BASED WAIVER	0	0	2,564,186	0	2,564,186

FISCAL YEAR 2005 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
ECONOMIC OPPORTUNITY OFFICE	268,308	78,670	4,513,795	0	4,860,773
WEATHERIZATION ASSISTANCE	151,601	96,510	7,021,327	0	7,269,438
CORRECTIONS - ADMINISTRATION	2,154,223	322,087	0	0	2,476,310
PAROLE BOARD	218,562	65,555	0	0	284,117
CORRECTIONAL EDUCATION	3,237,375	437,210	0	0	3,674,585
CORRECTIONAL SERVICES	65,551,030	27,534,372	1,644,500	0	94,729,902
CORRECTIONAL FACILITIES					
RECREATION	507,620	410,916	0	0	918,536
VT CORRECTIONAL INDUSTRIES	1,598,402	1,731,740	0	0	3,330,142
CHILDRENS' TRUST FUND	0	0	310,651	0	310,651
COMMISSION ON WOMEN	182,561	54,216	0	0	236,777
RETIRED SENIOR VOLUNTEER PROGRAM	0	0	131,096	0	131,096
VETERANS' HOME - CARE & SUPPORT SERVICES	11,886,014	2,761,777	0	0	14,647,791
TOTAL - HUMAN SERVICES	243,664,037	60,399,094	1,116,556,355	0	1,420,619,486
EMPLOYMENT AND TRAINING					
EMPLOYMENT AND TRAINING	19,992,849	3,962,858	1,668,262	0	25,623,969
APPRENTICESHIP					0
TOTAL - EMPLOYMENT & TRAINING	19,992,849	3,962,858	1,668,262	0	25,623,969
GENERAL EDUCATION					
FINANCE AND ADMINISTRATION	3,914,851	1,254,486	10,600,000	0	15,769,337
STANDARDS AND ASSESSMENT					0
EDUCATION QUALITY	11,519,292	2,217,297	113,569,716	0	127,306,305
SPECIAL EDUCATION: FORMULA GRANTS	0	0	105,256,030	0	105,256,030
STATE-PLACED STUDENTS	0	0	10,842,880	0	10,842,880
ADULT EDUCATION & LITERACY	0	0	4,201,017	0	4,201,017
ADJUSTED EDUCATION PAYMENT (GRANTS)	0	0	906,562,829	0	906,562,829
ESSENTIAL EARLY EDUCATION GRANT	0	0	4,273,279	0	4,273,279
TRANSPORTATION	0	0	13,190,788	0	13,190,788
SMALL SCHOOL GRANTS	0	0	5,229,837	0	5,229,837
CAPITAL DEBT SERVICE AID	0	0	565,240	0	565,240
LOCAL SHARE PROPERTY TAX					0
TOBACCO LITIGATION	156,690	26,360	695,930	0	878,980
ACT 117 COST CONTAINMENT FUND APPROPRIATIONS AND TRANSFERS	973,780	89,237	65,000	0	1,128,017
STATE TEACHERS' RETIREMENT	0	0	249,300,000	0	249,300,000
TAX DEPT - REAPPRAISAL AND LISTING PAYMENTS	15,889,873	806,073	20,446,282	0	37,142,228
	0	0	0	2,266,000	2,266,000

FISCAL YEAR 2005 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
TAX DEPARTMENT PROPERTY TAX ASSISTANCE	0	0	93,811,600	0	93,811,600
TOTAL GENERAL EDUCATION AND PROPERTY TAX SUPPORT	32,454,486	4,393,453	1,538,610,428	2,266,000	1,577,724,367
HIGHER EDUCATION AND OTHER					
UNIVERSITY OF VERMONT	0	0	37,937,512	0	37,937,512
MORGAN HORSE FARM	0	0	5,000	0	5,000
VERMONT PUBLIC TELEVISION	0	0	563,832	0	563,832
VERMONT STATE COLLEGES	0	0	21,867,742	0	21,867,742
NURSING AND DENTAL HYGIENE	0	0	620,661	0	620,661
VERMONT INTERACTIVE TELEVISION	0	0	795,331	0	795,331
VERMONT STUDENT ASSISTANCE CORPORATION	0	0	17,142,609	0	17,142,609
NEW ENGLAND HIGHER EDUCATION COMPACT	0	0	88,840	0	88,840
TOTAL HIGHER EDUCATION AND OTHER	0	0	79,021,527	0	79,021,527
NATURAL RESOURCES					
ADMINISTRATION	3,946,209	1,874,447	310,700	0	6,131,356
CT. RIVER WATERSHED ADVISORY COMM.	0	0	38,000	0	38,000
LAKE CHAMPLAIN CITIZENS' ADVISORY COMM	2,300	5,200	0	0	7,500
STATE LAND LOCAL PROPERTY TAX ASSESSMENT	0	1,229,000	0	0	1,229,000
GREEN UP	0	6,036	8,550	0	14,586
INFORMATION TECHNOLOGY					0
FISH & WILDLIFE - SUPPORT & FIELD SERVS.	9,379,330	4,217,773	156,000	0	13,753,103
LANDS MGT WILDLIFE BIOLOGIST POSITION ONE-TIME					0
WATERSHED IMPROVEMENT WILDLIFE MANAGEMENT AREA PROJECTS	0	661	50,000	0	50,661
	0	5,000	0	0	5,000
CONSERVATION	126,610	15,785	417,000	0	559,395
FORESTS, PARKS & RECREATION - ADMINISTRATION	748,075	614,383	1,936,500	0	3,298,958
FORESTRY	4,458,479	449,375	363,000	0	5,270,854
STATE PARKS	4,706,026	1,973,200	5,000	0	6,684,226
LANDS ADMINISTRATION	434,554	229,500	0	0	664,054
YOUTH CONSERVATION CORPS	391,775	27,800	500,000	0	919,575
FOREST HIGHWAY MAINTENANCE	247,978	326,000	0	0	573,978
ENV. CONS. - MANAGEMENT & SUPPORT SERVICES	2,751,124	753,419	97,530	0	3,602,073
AIR & WASTE MANAGEMENT	5,579,941	5,900,551	1,183,500	0	12,663,992
OFFICE OF WATER PROGRAMS	11,507,410	2,397,137	2,196,662	0	16,101,209

FISCAL YEAR 2005 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
TAX LOSS - CONNECTICUT RIVER FLOOD CONTROL	0	40,000	0	0	40,000
ENV. BD & DISTRICT COMMS - ACT 250	2,033,202	368,967	0	0	2,402,169
ENV. BD - WASTE FACILITIES PANEL	132,633	12,367	0	0	145,000
WATER RESOURCES BOARD	284,906	39,609	0	0	324,515
TOTAL - NATURAL RESOURCES	46,730,552	20,486,210	7,262,442	0	74,479,204
COMMERCE & COMMUNITY DEVELOPMENT					
C.C.D. - ADMINISTRATION	1,230,130	458,576	186,200	0	1,874,906
HOUSING & COMMUNITY AFFAIRS DOWNTOWN TRANSP & CAPITAL IMPROVEMENT FD	2,217,796	326,342	3,965,014	0	6,509,152
	0	0	800,000	0	800,000
HISTORIC SITES OPERATIONS COMMUNITY DEVELOPMENT BLOCK GRANTS (FY 04)	563,114	1,344,765	0	0	1,907,879
	0	0	8,185,740	0	8,185,740
ECONOMIC DEVELOPMENT	1,648,204	534,099	1,602,774	0	3,785,077
VT TRAINING PROGRAM (VTP)	107,531	26,599	1,324,570	0	1,458,700
TOURISM AND MARKETING	2,372,840	1,816,797	789,000	0	4,978,637
VERMONT LIFE	690,000	135,000	0	0	825,000
VERMONT COUNCIL ON THE ARTS	0	0	519,618	0	519,618
VERMONT SYMPHONY ORCHESTRA	0	0	101,960	0	101,960
VERMONT HISTORICAL SOCIETY	0	0	527,660	0	527,660
VERMONT HOUSING & CONSERVATION BOARD	0	0	23,898,112	0	23,898,112
VT COUNCIL ON THE HUMANITIES	0	0	150,599	0	150,599
TOTAL - COMMERCE & COMMUNITY DEVELOPMENT	8,829,615	4,642,178	42,051,247	0	55,523,040
TRANSPORTATION					
FINANCE & ADMINISTRATION	8,285,296	1,796,010	0	0	10,081,306
AVIATION	1,326,437	10,600,838	130,000	0	12,057,275
BUILDINGS	202,000	1,102,000	0	0	1,304,000
PROGRAM DEVELOPMENT	35,250,853	102,737,697	29,589,958	0	167,578,508
INTERSTATE REST AREAS MAINTENANCE STATE SYSTEM	180,000	5,074,282	0	0	5,254,282
	29,175,042	23,681,617	582,300	0	53,438,959
POLICY AND PLANNING	3,185,021	504,783	4,130,769	0	7,820,573
RAIL PROGRAM PUBLIC ASSISTANCE GRANT PROGRAM	3,744,449	4,105,787	2,800,000	0	10,650,236
	0	0	200,001	0	200,001

FISCAL YEAR 2005 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
PUBLIC TRANSIT	471,074	742,112	12,509,328	0	13,722,514
CENTRAL GARAGE	2,994,408	7,995,537	0	0	10,989,945
MOTOR VEHICLES DEPARTMENT	13,710,579	6,265,306	100,000	0	20,075,885
TOWN HIGHWAY STRUCTURES	0	0	3,494,500	0	3,494,500
EMERGENCY FUND	0	0	1	0	1
VERMONT LOCAL ROADS	0	0	677,333	0	677,333
CLASS 2 ROADWAY	0	0	4,248,750	0	4,248,750
BRIDGES	3,610,000	16,903,263	418,000	0	20,931,263
AID PROGRAM	0	0	24,982,744	0	24,982,744
CLASS 1 SUPPLEMENTAL	0	0	128,750	0	128,750
TRANSPORTATION BOARD	68,138	10,262	0	0	78,400
VT TRANSPORTATION AUTHORITY					0
TOTAL - TRANSPORTATION	102,203,297	181,519,494	83,992,434	0	367,715,225
DEBT SERVICE					
DEBT SERVICE - GENERAL	0	0	0	65,481,831	65,481,831
TOTAL DEBT SERVICE	0	0	0	65,481,831	65,481,831
MISCELLANEOUS SECTIONS					
Pay Act (2003 Act 66 Sec. 323)	7,202,499	0	0	0	7,202,499
TOTAL MISCELLANEOUS APPROPRIATIONS	7,202,499	0	0	0	7,202,499
GRAND TOTAL - ALL FUNCTIONS	677,289,563	345,326,709	2,902,869,020	67,747,831	3,993,233,123
GENERAL GOVERNMENT PROTECTION TO PERSONS & PROPERTY	77,630,372	28,522,025	11,214,002	0	117,366,399
	138,581,856	41,401,397	22,492,323	0	202,475,576
HUMAN SERVICES EMPLOYMENT AND TRAINING	243,664,037	60,399,094	1,116,556,355	0	1,420,619,486
GENERAL EDUCATION & PROPERTY TAX SUPPORT	19,992,849	3,962,858	1,668,262	0	25,623,969
	32,454,486	4,393,453	1,538,610,428	2,266,000	1,577,724,367
HIGHER EDUCATION & OTHER	0	0	79,021,527	0	79,021,527
NATURAL RESOURCES	46,730,552	20,486,210	7,262,442	0	74,479,204

FISCAL YEAR 2005 APPROPRIATIONS (Continued)

APPROPRIATION	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
COMMERCE & COMMUNITY DEVELOPMENT	8,829,615	4,642,178	42,051,247	0	55,523,040
TRANSPORTATION	102,203,297	181,519,494	83,992,434	0	367,715,225
DEBT SERVICE	0	0	0	65,481,831	65,481,831
MISCELLANEOUS SECTIONS	7,202,499	0	0	0	7,202,499
TOTAL - FISCAL YEAR 2005	677,289,563	345,326,709	2,902,869,020	67,747,831	3,993,233,123
OTHER BILLS OF THE 2004 SESSION					
VSAC, Students in SRS Trust Fimnd (Act 72, Sec. 2(a))	0	0	0	25,000	25,000
Education Dept, Capitol Construction Aid (Act 86, Sec/ 32)	0	0	0	932,000	932,000
DMV, Abandoned Motor Vehicles (Act 101, Sec. 8)	0	0	0	5,000	5,000
Judiciary, Permit Reform (Act 115, Sec. 121(c))	0	0	0	335,000	335,000
ANR, Stormwater Impaired Water Quality Remediation 3 pos (Act 140, Sec. 8(c))	0	0	0	200,700	200,700
PS, Fire Safety Reorganization (Act 141, Sec. 11)	0	0	0	93,000	93,000
PS, Sex Offender Registry (Act 157, Sec. 18)	0	0	0	95,000	95,000
Corrections (Act 122, Sec. 289)	0	0	0	330,000	330,000
TOTAL - OTHER BILLS	0	0	0	2,015,700	2,015,700
GRAND TOTAL - FY 2005 APPROPRIATIONS	677,289,563	345,326,709	2,902,869,020	69,763,531	3,995,248,823

Useful Internet Sites

Bureau of Economic Analysis www.bea.doc.gov/beahome.html

Bureau of Labor Statistics <http://stats.bls.gov>

Federal Reserve Bank of Boston <http://www.std.com/frbbos>

Federation of Tax Administrators http://sso.org/fta/tax_stru.html

IRS www.irs.ustreas.gov/prod/cover.html

National Conference of State Legislatures <http://www.ncsl.org>

Social Security Administration <http://www.ssa.gov>

State & Federal Government Pages ... <http://www.state.vt.us/govs.htm>

State of Vermont <http://www.vermont.gov>

TaxWeb <http://www.taxweb.com>

Transportation Research Board www.nas.edu/trb/index.html

U.S. Legislative Information <http://thomas.loc.gov>

United States Census Bureau <http://www.census.gov>

U.S. House of Representatives <http://www.house.gov>

U.S. Government Printing Office <http://www.access.gpo.gov>

U.S. Senate <http://www.senate.gov>

Vermont Department of Taxes <http://www.state.vt.us/tax>

Joint Fiscal Office <http://www.leg.state.vt.us/jfo>

Vermont State Legislature <http://www.leg.state.vt.us>

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