

2007
FI\$CAL FACT\$



VERMONT LEGISLATIVE
JOINT FISCAL OFFICE



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2007 – 2008 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 borrow to finance some of their activities, such as major capital expenditures like construction projects. The third is **expenditures** – what government spends money on. The appropriation process provides authority for expenditures. The table below shows all appropriations. It is important to recognize that in some cases, dollars are appropriated from one fund to another, and then to their ultimate destination. To provide a more accurate picture of total state spending, appropriations must be adjusted to count each dollar only once. Adjusted appropriations are shown on page 13.

Total State Appropriations: Fiscal Year 2007 (See page 13 for netted appropriations)

Sources of Funds	Amount
General	1,135,434,409
Transportation	231,652,322
Education	1,313,422,597
Fish & Wildlife	12,481,014
Special	188,963,844
Federal	1,310,711,536
Other	1,098,201,131
Total	5,290,866,853

Appropriation	Amount
General Government	135,264,534
Protection	237,343,390
Human Services	2,334,471,503
Labor	28,272,122
Education	1,868,140,253
Natural Resources	80,375,676
Commerce/Development	56,742,328
Transportation	454,159,007
Debt Service	69,130,821
Miscellaneous/Other	26,967,219
Total	5,290,866,853

Source: Joint Fiscal Office Analysis of Act #215 of the 2006 Session

(Fiscal year 2007 Appropriations before budget adjustment)

REVENUE

Well over 95 percent of Vermont's state revenue comes from taxes. In addition to revenue from taxes such as income, sales & use, and rooms & meals, Vermont is the only state to collect significant revenue from a statewide property tax. Revenue from this tax is estimated at \$769.4 million in state fiscal year 2007, making it the largest single source of state revenue. For historical continuity and to enable comparisons with other states, the statewide property tax is excluded from the remainder of this section.

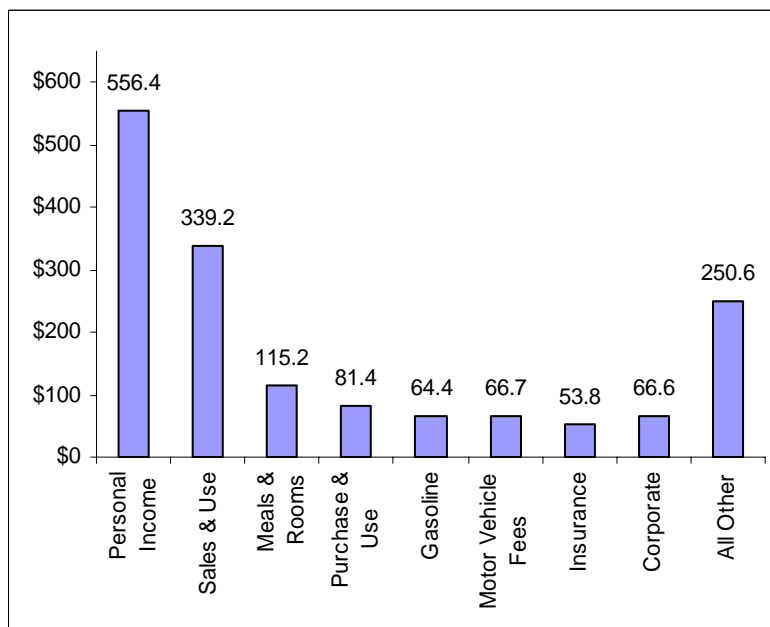
The personal income tax accounts for about one-third of non-property-tax revenue in Vermont, followed by the sales & use and rooms & meals taxes. In addition to tax revenues, the other major source of funding for state programs is federal funds, representing about one-third of state program costs.

Sources of General, Transportation and Education Fund Revenue

Fiscal Year 2007

(January 2007 forecast, \$ in millions)

Does not include Property Tax



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 fiscal year 2008 budget.

FY 2008 State Revenue Forecast by Fund Type & Source
(\$ in millions)

	Amount	% of Fund	% of Total
Available General Fund			
Personal Income	\$576.8	50%	37%
Sales and Use [1]	\$239.1	21%	15%
Corporate	\$54.7	5%	4%
Meals, Rooms & Alcohol	\$119.5	10%	8%
Liquor	\$14.2	1%	1%
Insurance	\$55.2	5%	4%
Telephone	\$10.5	1%	1%
Beverage	\$5.7	0%	0%
Electric Generating	\$2.8	0%	0%
Estate	\$19.0	2%	1%
Property Transfer	\$11.4	1%	1%
Bank Franchise	\$11.0	1%	1%
Other Tax	\$4.3	0%	0%
Other Revenue	\$28.7	2%	2%
Fund Total	\$1,152.7	100%	74%
Available Transportation Fund			
Gasoline	\$65.5	28%	4%
Diesel	\$19.0	8%	1%
Purchase & Use [2]	\$56.1	24%	4%
Motor Vehicle Fees	\$71.9	31%	5%
Other Revenue	\$19.8	9%	1%
Fund Total	\$232.3	100%	15%
Available Education Fund (non-property tax revenues)			
Sales & Use [1]	119.5	71%	8%
Lottery	22	13%	1%
Purchase & Use [2]	28	17%	2%
Fund Total	168.5	100%	11%
TOTAL FORECASTED REVENUE	\$1,553.5		100%

Source: Emergency Board Official Forecast, January 2007

[1] Sales & Use Tax is allocated between General & Education Fund - total is \$358.6.

[2] Purchase & Use Tax is allocated between Transportation & Education fund - total is \$84.1.

Available General Fund Forecast
(\$ in millions)

<i>REVENUE SOURCE</i>	FY 2006 <i>(Actual)</i>	FY 2007 <i>(Forecast)</i>	FY 2008 <i>(Forecast)</i>	FY 2009 <i>(Forecast)</i>
Personal Income	\$542.0	\$556.4	\$576.8	\$602.8
Sales and Use	\$216.9	\$226.1	\$239.1	\$247.4
Corporate	\$75.9	\$66.6	\$54.7	\$48.7
Meals, Rooms & Alcohol	\$111.8	\$115.2	\$119.5	\$123.0
Liquor	\$13.2	\$13.7	\$14.2	\$14.7
Insurance	\$52.5	\$53.8	\$55.2	\$56.8
Telephone	\$10.4	\$10.4	\$10.5	\$10.6
Beverage	\$5.4	\$5.6	\$5.7	\$5.8
Electric Generating	\$2.6	\$2.7	\$2.8	\$2.8
Estate	\$26.2	\$17.9	\$19.0	\$21.1
Property Transfer	\$13.5	\$12.3	\$11.4	\$12.0
Bank Franchise	\$10.2	\$10.8	\$11.0	\$11.2
Other Tax	\$7.2	\$4.9	\$4.3	\$4.5
Total Tax Revenue	\$1,087.7	\$1,096.4	\$1,124.2	\$1,161.4
Business Licenses	\$2.8	\$2.8	\$2.9	\$3.0
Fees	\$13.2	\$14.2	\$14.8	\$15.4
Services	\$1.3	\$1.8	\$1.9	\$2.0
Fines	\$3.2	\$3.4	\$3.5	\$3.6
Interest	\$3.4	\$4.8	\$4.9	\$4.9
All Other	\$0.2	\$0.7	\$0.7	\$0.7
Total Other Revenue	\$24.2	\$27.7	\$28.7	\$29.6
TOTAL GF REVENUE	\$1,111.9	\$1,124.1	\$1,152.7	\$1,191.0

Source: Emergency Board Official Forecast, January 2007

For more detailed information and history on the major revenue sources, see pp 35 & 41-46.

Available Transportation Fund Forecast
(\$ in millions)

<i>REVENUE SOURCE</i> ^[1]	FY 2006 <i>(Actual)</i>	FY 2007 <i>(Forecast)</i>	FY 2008 <i>(Forecast)</i>	FY 2009 <i>(Forecast)</i>
Gasoline	\$63.8	\$64.4	\$65.5	\$66.6
Diesel	\$17.7	\$18.5	\$19.0	\$19.4
Purchase and Use ^[2]	\$53.9	\$54.3	\$56.1	\$58.4
Motor Vehicle Fees	\$57.4	\$66.7	\$71.9	\$72.3
Other Revenue	\$17.1	\$19.1	\$19.8	\$20.4
<i>TOTAL TF</i>	\$209.9	\$223.0	\$232.3	\$237.1

[1] Excludes all Education Fund allocation and other out transfers.

[2] Includes Motor Vehicle Rental Tax revenue.

For more detailed information and history on the major revenue sources, see pp 47 & 48.

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

<i>REVENUE SOURCE</i>	FY 2006 <i>(Actual)</i>	FY 2007 <i>(Forecast)</i>	FY 2008 <i>(Forecast)</i>	FY 2009 <i>(Forecast)</i>
Sales & Use	\$108.5	\$113.1	\$119.5	123.7
Interest	(\$0.7)	(\$1.0)	(\$1.1)	(\$1.1)
Lottery	\$21.9	\$21.8	\$22.0	22.3
Purchase and Use	\$26.4	\$27.1	\$28.0	\$29.2
<i>Ed Fund</i>	\$156.1	\$161.0	\$168.5	\$174.1

For more detailed information and history on the major revenue sources, see p. 49.

Source: Emergency Board Official Forecast, January 2007

Potential Revenue Sources and 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 following estimates 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.

Preliminary Estimates Only - Subject to Revision (\$ in millions)

Tax Source	FY 2008 Revenue	Tax Rate	Unit of Tax	FY08 New Revenue [1]
<i>Increase Existing Taxes</i>				
Sales & Use	\$358.6	6%	@ 1%	59.8
Meals, Rooms & Alcohol	\$119.5	9% & 10%	@ 1%	13.2
Cigarette	\$58.6	\$1.79	@ penny	0.4
Liquor	\$14.2	25%	@ 1%	0.6
Bank Franchise	\$11.0	0.0096%	.0001% increase	0.1
Insurance Premiums	\$55.2	various	various	N/A
Gasoline	\$65.5	0.19	@ penny	3.4
Diesel	\$19.0	0.25	@ penny	0.7
Purchase & Use	\$84.1	6%	@ 1%	14.0
Personal Income Tax	\$576.8	various	1% surcharge	5.7
Corporate Income Tax	\$54.7	various	1% surcharge	0.5
Property Transfer Tax	\$34.8	various	1% surcharge	0.3
Provider Taxes	\$83.5	various	various	N/A

[1] These are simple yield rates and do not include price elasticity. Elasticity is the decline or increase in demand in response to the price change. This will slightly reduce the new tax revenue for most increases. Elasticity will depend upon many conditions specific to a tax source, such as tax rates in competitive jurisdictions, the size of the tax change, the prior tax level, and the nature of the economic good being taxed. Most effective tax yields fall between about 90% to 100% of an estimated simple yield.

Preliminary Estimates Only - Subject to Revision (\$ in millions)

Tax Source	Change	New Revenue
<i>Expand Income Tax Base</i>		
Eliminate Capital Gains Exemption	Apply ordinary rates	19.0 - 34.0
Eliminate Deductibility of State & Local Taxes	Eliminate deduction	17.0
Eliminate Charitable Contributions Deduction	"	N/A
Eliminate Mortgage Interest Deduction	"	N/A
Apply Corporate Income Tax to Banks	Apply ordinary rates	5.0

Potential Revenue Sources and Options (continued)

Preliminary Estimates Only - Subject to Revision (\$ in million)

Tax Source	Change	FY08 New Revenue
<i>Expand Sales Tax Base</i>		
Clothing	Include in Sales Tax	22.3
Footwear	"	5.6
Soft Drinks	"	5.3
Candy	"	2.5
Gasoline	"	45.0
Lottery and Break-open Tickets	"	N/A
<i>Apply Sales Tax to Services (partial list only)[2]</i>		
<u>All Professional, Scientific & Technical Services</u>		
Legal Services	Include in Sales Tax	15.3
Accounting, Tax Prep, Bookkeeping & Payroll	"	6.6
Architectural, Engineering & Related	"	17.2
Specialized Design Services (Interior & Graphic)	"	2.3
Computer Systems Services	"	11.0
Management & Consulting	"	12.3
Scientific, Research & Technical Consulting	"	2.9
Advertising Services	"	3.5
Veterinary Services	"	3.9
<u>All Health Care & Social Assistance</u>		
Physician Offices	"	30.1
Dentist Offices	"	11.7
Other Health Practicioners (Chiropractors, Opticians, Therapists etc.)	"	5.9
Outpatient Care Facilities	"	15.7
Medical & Diagnostic Labs	"	0.3
Home Health Services	"	6.2
Nursing & Residential Care Facilities	"	20.0
Cosmetic Medical Procedures	"	2.0
<u>Other Services</u>		
Automotive Repair and Maintenance	"	13.0
Electronic Equipement Repair & Maintenance	"	0.7
Personal & Household Repair & Maintenance	"	1.0
Personal Care Services	"	2.9
Dry Cleaning & Laundry Services	"	2.5
Pet Care (except veterinary)	"	0.2

[2] Estimates based on 2002 Economic Census data

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 2005, the Committee recommended, and the Legislature authorized a total of \$45 million in new debt issuance for 2007.

In September 2006, the Committee recommended a maximum of \$49.2 million in new debt for 2008.

Summary of Outstanding Debt
(as of 6/30/2006)

<u>Type of Debt</u>	<u>Total Outstanding Debt</u>
General Fund	\$415,861,000
Transportation Fund	12,128,000
General Fund Supported (SF)	<u>12,005,000</u>
Total	\$439,994,000

Source: Government Finance Associates, Inc., September 2006 Report.

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

Debt as a Percent of Total State Personal Income				
	2003	2004	2005	2006
Moody's VT Ratio	3.0%	2.5%	2.3%	2.2%
Moody's Median	2.2%	2.4%	2.5%	2.7%
Vermont Rank	17	25	27	28

Debt Per Capita				
	2003	2004	2005	2006
Moody's VT Per Capita	\$861	\$724	\$716	\$707
Moody's Median	\$606	\$701	\$703	\$754
Vermont Rank	16	24	25	29

Fitch Investors Service, Inc. AA+ (upgraded in 1999 from AA)
 Moody's Investors Service AAA (upgraded in Feb. 2007 from Aa1)
 Standard and Poor's AA+ (upgraded in 2000 from AA)

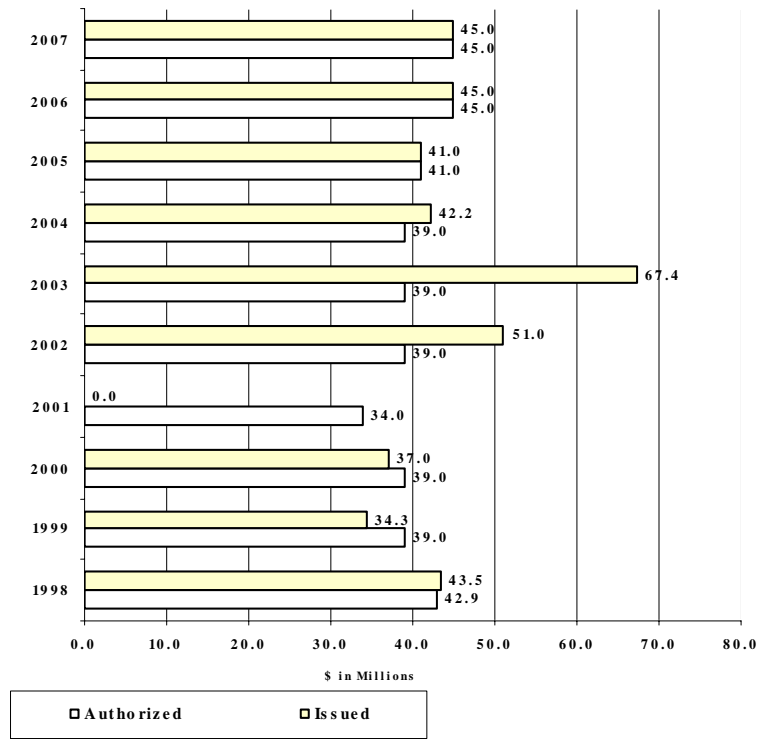
Source: Government Finance Associates report of September 2006

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). In fiscal year 2005 and 2006, all authorized debt was issued. 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 1998.

Total New Debt Authorization & Bonds Issued by Fiscal Year*

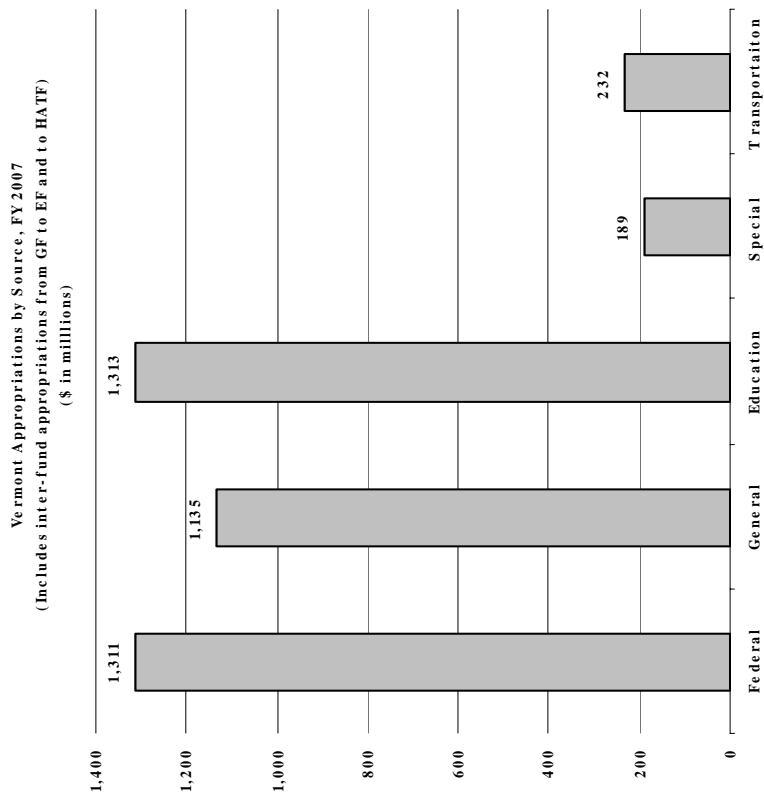


**Authorized but un-issued debt has been carried forward and employed in subsequent years' bond issuances.*

Note: FY 2007 issued is a projected number.

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 15 different sources to 11 major categories of expense. The major sources include the state’s general fund (27%), federal funds (31%), the education fund (31%) and the transportation fund (6%).



The three largest expense categories are education, including property tax support (45%), human services (56%), and transportation (11%).

FY2007 Appropriations By Category & Source - Adjusted

(prior to budget adjustment)

As a result of appropriations from one fund to another, looking at state spending by adding appropriations from each fund will double-count a substantial amount of spending. The table below shows state spending by fund, not including transfers or internal service funds. Spending is categorized by the fund from which it is initially appropriated, providing a more accurate picture of total state spending. In addition, three highly restricted categories - trust funds, local match, and enterprise funds - are excluded.

Appropriation -Source of Funds

General Fund	\$ 1,135,434,409	27.7%
Transportation Fund	\$ 231,652,322	5.6%
Education Fund	\$ 1,044,702,597	25.4%
Federal Funds	\$ 1,310,711,536	31.9%
Special Funds	\$ 370,213,016	9.0%
Fish & Wildlife Fund	\$ 12,481,014	0.3%
	<u>\$ 4,105,194,894</u>	

Appropriation Expense Category

General Government	\$ 61,471,886	1.5%
Protection to Persons & Property	\$ 223,963,015	5.5%
Human Service	\$ 1,557,361,842	37.9%
Department of Labor	\$ 25,928,284	0.6%
General K-12 Education	\$ 1,497,427,757	36.5%
Higher Education	\$ 80,955,103	2.0%
Natural Resources	\$ 77,847,177	1.9%
Commerce & Community Development	\$ 55,075,125	1.3%
Transportation	\$ 434,066,665	10.6%
Debt Service	\$ 69,130,821	1.7%
Other	\$ 21,967,219	0.5%
	<u>\$ 4,105,194,894</u>	

Summary of Revenue, Expenditures, and Operating Results
 General Fund Revenues and Appropriations Summary
 Fiscal Year 1995 – 2007 est., \$ millions

	1995	1996	1997	1998 ¹	1999	2000	2001 ²	2002 ³	2003	2004 ⁴	2005	2006	2007 ⁵
Total Revenue	672.57	715.12	770.82	875.66	840.48	894.17	909.80	852.97	882.11	972.39	1065.36	1131.91	1151.38
Total Appropriations	689.60	702.42	720.91	793.28	824.82	853.95	869.09	872.14	887.97	915.41	1038.21	1113.43	1147.02
Operating Surplus/Deficit	(17.03)	12.71	49.91	82.38	15.66	40.22	40.71	(19.17)	(5.86)	56.98	27.15	18.48	4.36
Net Transfers	2.50	1.82	(49.91)	(82.38)	(15.66)	(40.22)	(32.31)	10.77	5.86	(41.35)	(23.14)	(16.99)	(13.88)
Carryforward Balance	0.00	(14.53)	0.00	0.00	0.00	0.00	0.00	8.40	0.00	0.00	15.63	19.64	21.13
Ending Balance	(14.53)	0.00	0.00	0.00	0.00	0.00	8.40	0.00	0.00	15.63	19.64	21.13	11.61

Note: Reflects caseload reserve transfer for all years

Note 1: FY98 Act 60 transition year.

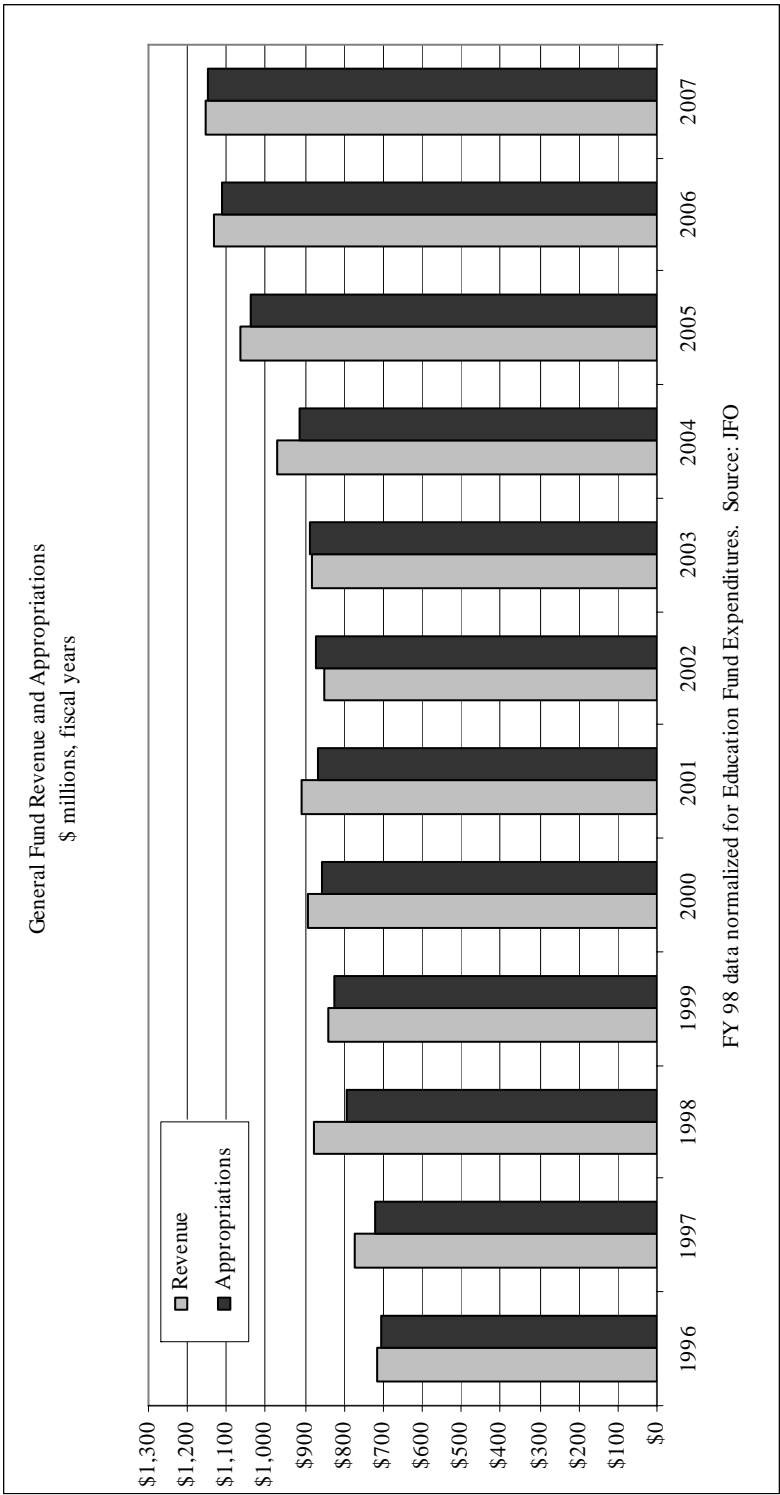
Note 2: FY01 \$12 million of debt reduction handled as a transfer instead of as an appropriation.

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

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

Note 5: FY07 includes Jan07 forecast and estimated budget adjustment

Source: JFO



TRANSPORTATION FUND

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

Fiscal Year	Opening Balance July 1	+ Revenue	+ Misc. Adjustments	+ Transfer From the General Fd	- Transfer to the General Fd	- Approps.	+ Reversions	+ Transfer (to)/from TF Reserve	= Fund Balance June 30	Reserve Balance June 30	= Fund Balance June 30
1976	1,197,251	47,064,098	0	0	250,000	43,857,463	449,175	0	4,603,061	0	4,603,061
1977	4,603,061	51,127,179	20,061	0	0	52,687,560	704,962	0	3,767,703	0	3,767,703
1978	3,767,703	53,926,481	14	0	0	55,134,886	617,939	0	3,177,251	0	3,177,251
1979	3,177,251	58,151,899	994	0	0	59,092,069	678,431	0	2,916,506	0	2,916,506
1980	2,916,506	54,400,717	99,822	1,500,000	0	62,323,641	1,371,850	0	(2,034,746)	0	(2,034,746)
1981	(2,034,746)	57,011,051	74,052	6,781,641	0	61,769,086	892,786	0	955,698	0	955,698
1982	955,698	69,903,828	210,336	0	0	69,234,162	1,316,607	0	3,152,307	0	3,152,307
1983	3,152,307	72,189,848	57,083	0	0	74,270,668	793,547	0	1,922,117	0	1,922,117
1984	1,922,117	87,190,356	78,258	869,000	0	85,304,397	1,125,986	0	5,881,320	0	5,881,320
1985	5,881,320	92,411,756	39,216	0	869,000	89,213,396	1,217,063	0	9,466,959	0	9,466,959
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	13,633,680
1987	13,633,680	100,704,523	(482,961)	1,307,324	0	111,675,001	1,092,944	0	4,580,509	0	4,580,509
1988	4,580,509	106,218,300	(108,198)	0	0	112,519,440	152,599	0	(1,676,230)	0	(1,676,230)

TRANSPORTATION FUND FACTS 1976-2006 (continued)

Fiscal Year	Opening Balance July 1	+ Revenue	+ Misc. Adjustments	+ Transfer From the General Fd	- Transfer to the General Fd	- Approps.	+ Reversions	+ Transfer (to)/ from TF Reserve	= Fund Balance June 30	Reserve Balance June 30	= Fund Balance June 30
1989	(1,676,230)	109,108,800	(121,996)	0	0	113,272,082	118,216	0	(5,843,292)	0	(5,843,292)
1990	(5,843,292)	126,359,400	127,031	1,650,000	0	126,757,253	420,867	0	(4,043,247)	0	(4,043,247)
1991	(4,043,247)	121,742,045	83,520	1,350,000	0	123,987,766	763,418	0	(4,092,029)	0	(4,092,029)
1992	(4,092,029)	133,446,574	364,837	0	0	124,719,685	63,177	0	5,062,874	0	5,062,874
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	1,192,625
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	(0)
1995	0	149,853,902	(241,890)	0	1,500,000	148,848,924	288,586	448,326	0	15,825,962	(0)
1996	0	155,568,442	(207,688)	0	6,650,000	157,417,030	590,980	8,115,296	0	7,710,667	0
1997	0	152,626,563	209,425	4,900,000	0	158,672,224	233,312	5,602,924	0	7,007,743	4,900,000
1998	0	160,780,230	(141,762)	1,939,836	0	161,313,539	36,656	638,415	0	8,309,164	1,939,836
1999	0	181,356,945	(742,678)	0	143,000	176,058,274	0	0	4,412,993	8,309,164	4,412,993

TRANSPORTATION FUND FACTS 1976-2006 (continued)

Fiscal Year	Opening Balance July 1	+ Revenue	+ Misc. Adjustments	+ Transfer From the General Fd	- Transfer to the General Fd	- Approps.	+ Reversions	+ Transfer (to)/ from TF Reserve	= Fund Balance June 30	Reserve Balance June 30	= Fund Balance June 30
2000	4,412,993	193,794,708	(1,614,062)	0	0	187,517,434	0	(493,750)	8,582,455	8,802,914	8,582,455
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	0
2002	0	206,353,600	(1,889,338)	13,850,000	0	212,914,930	1,263,311	(1,007,947)	5,654,696	9,890,397	5,654,696
2003	5,654,696	213,933,232	(3,160,649)	0	6,449,528	210,756,212	44,260	734,201	0	9,156,196	0
2004	0	218,483,080	(5,376,279)	4,773,000	0	222,135,479	5,640,294	(1,384,616)	0	10,540,812	0
2005	0	210,699,490	3,108,659	4,774,450	0	225,362,834	7,337,653	(557,418)	0	11,098,230	0
2006	0	209,819,584	(7,118,233)	10,018,030	0	213,417,405	643,781	54,243	0	11,043,987	0

Total Transfers Between Funds 1976 - 2006:	61,863,281	39,270,723
Net Transfer General Fund to Transportation Fund 1976-2006:	22,592,558	

*Note: Limited to formal transfers. Direct appropriations of transportation funds for general government purposes, so called "JTOC" appropriations, are not included.

Education Fund Outlook (1/16/07)

	FY2005	FY2006	FY2007	FY2008
	Actual	Preliminary	Projected	Projected
Assumptions				
a Base Homestead Tax Rate	\$1.05	\$1.02	\$0.95	\$0.90
b Base or Uniform Nonresidential Tax Rate	\$1.54	\$1.51	\$1.44	\$1.39
c Base Rate on Household Income	1.90%	1.85%	1.80%	1.80%
d Education Payment Per Pupil	\$6,800	\$6,975	\$7,330	\$7,736
e Equalized Pupil Count	99,994	98,606	97,620	95,806
f Education Grand List Growth Rate	9.1%	11.1%	13.5%	12.2%
g Education Spending Growth Rate	6.4%	6.0%	5.4%	5.2%

Sources

1 Homestead Education Tax	346.6	395.0	421.0	448.9
2 Income Sensitivity Adjustment	(81.2)	(93.5)	(106.6)	(114.3)
3 Non-Homestead Education Tax	385.8	418.6	455.0	488.7
4 Sales Tax	131.6	134.6	140.2	147.5
5 General Fund Transfer	249.3	259.3	268.7	277.2
6 Lottery Transfer	20.4	22.9	21.8	22.0
7 Medical Reimbursement	9.6	7.3	6.3	9.6
8 Other Sources	1.4	1.2	0.9	0.9
9 Total Sources	1,063.5	1,145.3	1,207.3	1,282.8

Education Fund Outlook (continued)

	FY2005	FY2006	FY2007	FY2008
Uses	Actual	Preliminary	Projected	Projected
10 Education Payment	910.4	966.0	1,018.4	1,069.7
11 Special Education Aid	105.3	116.0	125.1	133.7
12 Transportation Aid	13.2	13.5	14.0	14.5
13 State-Placed Students	11.8	14.4	14.4	14.8
14 Technical Education Aid	9.5	9.8	10.6	11.6
15 Homeowner / Renter Rebates	11.3	15.3	6.3	20.4
16 Other Uses	12.6	9.6	14.8	15.6
17 Total Uses	1,074.1	1,144.6	1,203.6	1,280.2

Fund Balance

18 Operating Result	(10.6)	0.7	3.8	2.6
19 Prior Year Fund Balance	39.5	28.9	29.6	33.3
20 Total Fund Balance	28.9	29.6	33.3	35.9
21 Stabilization Reserve Reserve Percent	22.9 5.0%	26.8 5.0%	28.3 5.0%	29.7 5.0%
22 Available for education tax reduction	6.0	2.8	5.1	6.3
Maximum Reserve @ 5.0%	22.9	26.8	28.3	29.7
Minimum Reserve @ 3.5%	16.0	18.8	19.8	20.8

**History of Property Tax Relief and Property Tax Adjustment
1970-2007 (Program Years)**

- 1970 Property tax relief program enacted for residents age 65 and over; credit against income tax liability for amount by which property taxes exceed 7% of household income or 30% of allowable rent, up to maximum credit of \$300 (income cap = \$4,286)
- 1973 Program extended to those under age 65, who receive rebates if money remains in the Property Tax Relief Fund after payment to those age 65 and over; 7% threshold changed to sliding scale, beginning at 4% for those with incomes less than \$4,000 and increasing to 6% for those with incomes of \$16,000 or more; maximum rebate increased to \$500
- 1982 Rebates available to claimants with household income less than \$25,000 and whose property tax paid or 20% of rent paid exceeded a percentage of their household income; six income brackets, ranging from 3.5% to 7%
- 1985 Income cap raised to \$32,000 and the number of income brackets increased to eight, ranging from 3.5% to 7%; maximum rebate increased to \$750
- 1986 Eight income brackets collapsed to four, and top percentage lowered from 7% to 5%; age limit for rebates to the elderly lowered from age 65 to 62
- 1987 Household income cap and the rebate cap eliminated; rent constituting property tax paid was increased from 20% to 24%
- 1988 Social security tax withheld and/or self-employment tax paid on not more than \$8,000 of household income was excluded from the definition of household income
- 1989 All social security tax paid and/or self-employment tax paid and substantiated amounts paid as child support, were excluded from the definition of household income
- 1990 Household income capped at \$60,000 and rebates capped at \$2,000; credit established against current year property taxes for homeowners 62 years or older and otherwise eligible for a property tax rebate; property tax rebate checks to those under age 62 prorated at 90%

**History of Property Tax Relief and Property Tax Adjustment
(continued)**

- 1991 Household income capped at \$45,000; maximum rebate \$1,350; rent percentage reduced from 24% to 20%
- 1992 All claimants unable to pay taxes due but otherwise eligible for rebates can now elect to assign their rebates directly to the town; property tax rebate checks to those under age 62 prorated at 96%
- 1993 Property tax rebate checks to those under age 62 prorated at 79%
- 1995 Household income cap raised to \$47,000; maximum rebate increased to \$1,500, but is reduced by 50 cents for each dollar of income over \$44,000; homeowners under age 62 can apply for credit certificates if their current year taxes are delinquent; renter's rebates now determined based on property tax allocable to the rental unit rather than on the basis of a percentage of rent paid
- 1996 Household income reduced by \$100 for each personal exemption available for the taxable year under IRS code to any member of the household; if claimant's rent is government-subsidized, allocable property tax is reduced in the same proportion as the rent is reduced by the subsidy; owners of rental property need to provide landlord certificates only if there are more than four units in a given building but must furnish them on request to renters in buildings containing fewer units
- 1997 Income of a person who lives with an elderly or disabled claimant for primary purpose of providing care or other services to allow the claimant from being institutionalized may be excluded from household income; age requirement eliminated; credit certificate portion of the rebate program repealed; homestead value basis adjusted if two or more rooms or more than 25% of floor space is used for business purposes
- 1998 Claimant's household income includes the income for a spouse from whom he/she is separated even if that spouse is not a member of the household; the range for percentage of household income to calculate the rebate is adjusted; circuit breaker program extended to municipal taxes; renter rebate now 21% of rent paid or the allocable property tax, whichever is greater; landlord certificate reports amount of rent paid, unless renter requests property tax method; rebate cap eliminated; rebates no longer calculated on basis of property taxes paid during calendar year, but on taxes assessed for property tax year

History of Property Tax Relief (continued)

- 1999 Household income cap increased to \$75,000 for new school property tax adjustment (prebate); statewide property tax and local share tax capped at smaller of 2% of household income or the tax on the fair market value of the homestead minus \$15,000 (first payment to be made after July 1, 1998); eligibility for a property tax adjustment requires filing a homestead declaration; mobile home owners may include lot rent paid in addition to property taxes paid in calculating adjustment
- 2000 Homestead declaration eliminated; cap on household income removed and claimants with household income of \$75,000 and over receive property tax adjustment on the first \$160,000 of homestead value; prebate amount equals prior year's net property tax income adjustment, including both education tax adjustment and super circuit breaker; definition of "homestead" changed to require exclusion of the business portion of a home only if it exceeds 25% of the total floor space (two room test eliminated); household income does not include income of a spouse at least 62 years of age who does not live in the homestead but has moved on a permanent basis to a nursing home or other care facility; a divorced spouse with possession of the homestead and the obligation to pay the property taxes under the divorce decree may claim the total homestead property tax even if the former spouse's name is still on the deed; in calculating household income, a business capital gain may be netted against a net business loss incurred in the same year and relating to the same business
- 2001 Definition of "homestead" clarified for dwellings owned by a trust; the prebate amount sent prior year is reconciled with actual income and property tax information from current year; if prebate amount exceeds calculated adjustment allowed under current year information, the balance must be repaid
- 2002 Reconciliation continues for 2002 tax filing year but eliminated for 2003 tax filing year; "good check" issued only if a school property tax adjustment application submitted
- 2003 Development of uniform parcel identification system allows Department of Taxes to calculate adjustment payments on the statewide and local property taxes for the homestead based on prior year household income and prior year property value and the school district's current budget; pension and annuity distributions included in household income are limited to the amount included in adjusted gross income in the year of distribution

History of Property Tax Relief (continued)

- 2004 All resident homeowners must file a homestead declaration; “homestead” is defined as the entire parcel of land surrounding the dwelling regardless of whether a road intersects the land; the declaration must be timely filed to receive the homestead school property tax rate; a declaration is required to be eligible for a property tax adjustment payment, which is not based on the education taxes assessed on the “housesite,” defined as the principal residence and up to two acres; adjustment payments now include a \$10 per acre payment for up to five additional acres of land in the homestead parcel for claimants whose income does not exceed \$75,000; the exclusion from “modified adjusted gross income” for income earned by a dependent child or received by a dependent parent is increased from \$4,000 to \$6,500
- 2005 The \$15,000 exclusion from the housesite’s equalized value is limited to claimants with household income of \$47,000 or less
- 2006 The household income amount increases to \$85,000 and the maximum housesite value that qualifies for property tax adjustments increases to \$200,000
- 2007 The household income amount increases to \$90,000

The property tax adjustment and the homeowner rebate amounts will be applied as a credit to the education property tax bill. The property tax adjustment will no longer be paid directly to the claimant and the homeowner rebate will no longer be a credit against the income tax. In addition, any taxpayer may opt to have all or a portion of his or her income tax refund applied to the homestead education tax bill

No taxpayer shall receive a total adjustment (property tax adjustment and homeowner rebate) in excess of \$10,000 related to any one property tax year

Homeowner and renter rebates for claimants with household income under \$10,000 are increased. These claimants will receive an adjustment equal to the amount of property tax or rent constituting property tax in excess of 2 percent of household income

History of Property Tax Relief (continued)

The property tax adjustment will be calculated using prior year household income and tax assessment

The percentage of household income that claimant must pay before being entitled to a property tax adjustment will drop no lower than 1.8 percent (adjusted by school district spending and the common level of appraisal)

Gifts received by member of the household in excess of a total of \$6,600 in cash or cash equivalents must be included in household income

The first \$6,500 of income received by a person who qualifies as a dependent of the claimant under the Internal Revenue Code and who is the claimant's disabled adult child may be excluded from household income

For claims filed in 2008 and after, the first \$6,500 of difficulty of car payments and flexible family funding payments may be excluded from household income

Source: VT Department of Taxes

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 the General Fund are meaningless. In order to compare Vermont to other states, statistics are calculated on a per capita, or per person, basis. For example, total income tax collections in California were approximately \$43.9 billion while Vermont's were \$532.2 million in 2004. On a per capita basis, California collected approximately \$1,223 per person while Vermont collected a comparable \$857 per person.

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

Comparative Per Capita Statistics

Statistic	Per Capita Value	VT Rank (1 is highest)
2004 Total State & Local Taxes	\$3,681	14
2005 Total State Taxes [1]	\$3,600	1
2005 State Sales Tax [2]	\$815	15
2005 State Personal Income Tax	\$803	19
2005 State Corporate Income Tax	\$111	25
2004 State and Local Property Tax	\$1,531	8
2004 Total Direct State and Local Government Expenditures*	\$7,748	17
2004 K-12 Education Current Spending Per Pupil	\$11,128	4
2002 State and Local Government Public Welfare Expenditures*	\$1,228	6

[1] VT Rank drops to 13th if property taxes are excluded.

[2] Adjusted to include Purchase & Use and Meals & Rooms Taxes

*Includes federal funds

Sources: U.S. Census Bureau and Morgan Quitno State Rankings

2004 Total State & Local Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	2,328	51	Montana	2,623	46
Alaska	3,610	15	Nebraska	3,609	16
Arizona	2,871	37	Nevada	3,417	22
Arkansas	2,536	49	New Hampshire	3,133	27
California	3,736	12	New Jersey	4,555	4
Colorado	3,169	26	New Mexico	2,861	38
Connecticut	4,921	3	New York	5,260	2
Delaware	3,608	17	North Carolina	2,929	32
Florida	3,094	28	North Dakota	2,989	31
Georgia	2,877	36	Ohio	3,419	21
Hawaii	3,813	9	Oklahoma	2,677	44
Idaho	2,728	43	Oregon	2,917	33
Illinois	3,555	18	Pennsylvania	3,447	20
Indiana	2,999	30	Rhode Island	3,891	8
Iowa	3,054	29	South Carolina	2,662	45
Kansas	3,380	23	South Dakota	2,615	47
Kentucky	2,767	40	Tennessee	2,536	48
Louisiana	2,899	34	Texas	2,881	35
Maine	3,789	11	Utah	2,735	42
Maryland	4,016	7	Vermont	3,681	14
Massachusetts	4,217	6	Virginia	3,342	24
Michigan	3,313	25	Washington	3,452	19
Minnesota	3,811	10	Washington DC	7,154	1
Mississippi	2,444	50	West Virginia	2,740	41
Missouri	2,822	39	Wisconsin	3,714	13
			Wyoming	4,437	3

U.S. Average = \$3,447 per capita

Source: U.S. Census Bureau

<http://www.census.gov/govs/www/estimate04.html>

**2005 Total State Tax Revenue Per Capita
Includes Property Tax***

<u>State</u>	<u>Revenue</u>	<u>Rank</u>	<u>State</u>	<u>Revenue</u>	<u>Rank</u>
Alabama	1,711	44	Montana	1,910	35
Alaska	2,787	8	Nebraska	2,158	24
Arizona	1,854	40	Nevada	2,075	28
Arkansas	2,358	18	New Hampshire	1,544	48
California	2,724	9	New Jersey	2,631	10
Colorado	1,640	47	New Mexico	2,319	20
Connecticut	3,300	4	New York	2,607	11
Delaware	3,229	5	North Carolina	2,147	25
Florida	1,905	37	North Dakota	2,203	21
Georgia	1,728	42	Ohio	2,094	27
Hawaii	3,478	2	Oklahoma	1,933	34
Idaho	2,054	30	Oregon	1,791	41
Illinois	2,069	29	Pennsylvania	2,193	22
Indiana	2,049	31	Rhode Island	2,443	12
Iowa	1,939	33	South Carolina	1,720	43
Kansas	2,040	32	South Dakota	1,430	50
Kentucky	2,179	23	Tennessee	1,678	45
Louisiana	1,910	35	Texas	1,434	49
Maine	2,323	19	Utah	1,897	38
Maryland	2,410	14	Vermont	3,600	1
Massachusetts	2,815	7	Virginia	2,104	26
Michigan	2,405	15	Washington	2,360	17
Minnesota	3,094	6	West Virginia	2,367	16
Mississippi	1,860	39	Wisconsin	2,430	13
Missouri	1,645	46	Wyoming	3,418	3

*Note: most states do not collect property tax at the state level, therefore this is an inaccurate comparison.

U.S. Average = \$2,192 per capita

Source: U.S. Census Bureau

<http://www.census.gov/govs/www/statetax05.html>

**2005 Total State Tax Revenue Per Capita
Does NOT Include Property Tax**

State	Revenue	Rank	State	Revenue	Rank
Alabama	1,661	45	Montana	1,712	43
Alaska	2,722	7	Nebraska	2,157	22
Arizona	1,791	39	Nevada	2,013	32
Arkansas	2,158	21	New Hampshire	1,244	50
California	2,664	8	New Jersey	2,630	9
Colorado	1,640	47	New Mexico	2,298	16
Connecticut	3,300	2	New York	2,607	10
Delaware	3,229	3	North Carolina	2,147	23
Florida	1,888	37	North Dakota	2,201	18
Georgia	1,720	41	Ohio	2,091	26
Hawaii	3,478	1	Oklahoma	1,933	34
Idaho	2,054	29	Oregon	1,785	40
Illinois	2,065	27	Pennsylvania	2,189	20
Indiana	2,048	37	Rhode Island	2,442	11
Iowa	1,939	33	South Carolina	1,718	42
Kansas	2,018	31	South Dakota	1,430	49
Kentucky	2,065	28	Tennessee	1,678	44
Louisiana	1,899	35	Texas	1,434	48
Maine	2,290	17	Utah	1,897	36
Maryland	2,316	15	Vermont	2,405	13
Massachusetts	2,815	6	Virginia	2,101	25
Michigan	2,192	19	Washington	2,107	24
Minnesota	2,973	5	West Virginia	2,365	14
Mississippi	1,845	38	Wisconsin	2,410	12
Missouri	1,641	46	Wyoming	3,063	4

U.S. Average = \$2,154 per capita
Excludes Property Tax for All States

Source: U.S. Census Bureau
<http://www.census.gov/govs/www/statetax05.html>

2004 State & Local Property Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	367	50	Montana	1,034	20
Alaska	1,306	12	Nebraska	1,148	16
Arizona	848	35	Nevada	920	30
Arkansas	400	49	New Hampshire	1,940	3
California	963	29	New Jersey	2,099	1
Colorado	1,026	23	New Mexico	441	48
Connecticut	1,944	2	New York	1,677	4
Delaware	546	43	North Carolina	713	38
Florida	1,064	19	North Dakota	919	31
Georgia	880	34	Ohio	981	25
Hawaii	571	42	Oklahoma	465	47
Idaho	777	36	Oregon	963	28
Illinois	1,407	9	Pennsylvania	1,010	24
Indiana	975	26	Rhode Island	1,629	5
Iowa	1,080	18	South Carolina	882	33
Kansas	1,187	14	South Dakota	915	32
Kentucky	516	45	Tennessee	608	41
Louisiana	502	46	Texas	1,254	13
Maine	1,596	6	Utah	689	39
Maryland	1,082	17	Vermont	1,531	8
Massachusetts	1,532	7	Virginia	1,031	21
Michigan	1,186	15	Washington	1,029	22
Minnesota	965	27	West Virginia	540	44
Mississippi	641	40	Wisconsin	1,350	11
Missouri	747	37	Wyoming	1,352	10

U.S. Average = \$1,086 per capita

Source: U.S. Census Bureau

<http://www.census.gov/govs/www/estimate04.html>

2004 State & Local Sales Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	819	37	Montana	161	50
Alaska	350	47	Nebraska	1,061	17
Arizona	1,186	10	Nevada	1,631	3
Arkansas	1,086	15	New Hampshire	282	48
California	1,050	18	New Jersey	853	30
Colorado	993	19	New Mexico	1,191	9
Connecticut	1,112	13	New York	1,248	7
Delaware	186	49	North Carolina	828	34
Florida	1,159	12	North Dakota	873	27
Georgia	892	25	Ohio	857	29
Hawaii	1,716	2	Oklahoma	843	33
Idaho	813	38	Oregon	39	51
Illinois	793	39	Pennsylvania	718	44
Indiana	930	23	Rhode Island	891	26
Iowa	824	36	South Carolina	768	41
Kansas	971	21	South Dakota	1,169	11
Kentucky	852	31	Tennessee	1,297	6
Louisiana	1,409	5	Texas	1,063	16
Maine	762	42	Utah	922	24
Maryland	704	46	Vermont	849	32
Massachusetts	712	45	Virginia	725	43
Michigan	865	28	Washington	1,734	1
Minnesota	1,096	14	Washington DC	1,581	4
Mississippi	981	20	West Virginia	827	35
Missouri	948	22	Wisconsin	788	40
			Wyoming	1,238	8

U.S. Average \$978

2003 Vermont Rank 30

2002 Vermont Rank 33

Source: U.S. Census Bureau

Note: Data includes selective sales taxes if applicable

<http://www.census.gov/govs/www/estimate04.html>

2005 State Personal Income Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	557	37	Montana	762	22
Alaska	0	44	Nebraska	792	20
Arizona	480	39	Nevada	0	44
Arkansas	675	29	New Hampshire	52	42
California	1,190	6	New Jersey	943	14
Colorado	808	17	New Mexico	563	36
Connecticut	1,434	3	New York	1,459	2
Delaware	1,046	9	North Carolina	971	13
Florida	0	44	North Dakota	180	41
Georgia	807	18	Ohio	823	16
Hawaii	1,084	8	Oklahoma	696	27
Idaho	728	25	Oregon	1,291	4
Illinois	622	34	Pennsylvania	656	31
Indiana	672	30	Rhode Island	928	15
Iowa	760	23	South Carolina	636	33
Kansas	747	24	South Dakota	0	44
Kentucky	728	26	Tennessee	26	43
Louisiana	529	38	Texas	0	44
Maine	983	12	Utah	780	21
Maryland	1,011	10	Vermont	803	19
Massachusetts	1,514	1	Virginia	1,104	7
Michigan	604	35	Washington	0	44
Minnesota	1,235	5	West Virginia	645	32
Mississippi	402	40	Wisconsin	987	11
Missouri	692	28	Wyoming	0	44

U.S. Average = \$747 per capita

2004 Vermont Rank 22

2003 Vermont Rank 21

2002 Vermont Rank 26

Source: U.S. Census Bureau

<http://www.census.gov/govs/www/statetax05.html>

2005 State Corporate Income Tax Revenue Per Capita

State	Revenue	Rank	State	Revenue	Rank
Alabama	87	36	Montana	105	27
Alaska	887	1	Nebraska	113	24
Arizona	118	20	Nevada	0	47
Arkansas	100	31	New Hampshire	364	2
California	240	6	New Jersey	255	4
Colorado	68	41	New Mexico	126	19
Connecticut	164	11	New York	145	13
Delaware	295	3	North Carolina	146	12
Florida	100	29	North Dakota	119	21
Georgia	79	38	Ohio	116	22
Hawaii	97	33	Oklahoma	48	45
Idaho	98	32	Oregon	100	30
Illinois	171	10	Pennsylvania	137	16
Indiana	132	18	Rhode Island	105	26
Iowa	63	43	South Carolina	58	44
Kansas	90	35	South Dakota	63	42
Kentucky	115	23	Tennessee	135	17
Louisiana	78	39	Texas	0	47
Maine	103	28	Utah	76	40
Maryland	144	14	Vermont	111	25
Massachusetts	208	7	Virginia	80	37
Michigan	188	8	Washington	0	47
Minnesota	182	9	West Virginia	255	5
Mississippi	97	34	Wisconsin	141	15
Missouri	38	46	Wyoming	0	47

U.S. Average = \$130 per capita

2004 Vermont Rank 16

2003 Vermont Rank 27

2002 Vermont Rank 26

Source: U.S. Census Bureau

<http://www.census.gov/govs/www/statetax05.html>

PART II — GENERAL REFERENCE

Vermont Personal Income Tax

The Vermont personal income tax begins at federal taxable income which is adjusted to calculate Vermont taxable income. Vermont has established state specific tax tables with five income brackets (see the following pages). Prior to 2001, the state income tax was a percentage of federal tax liability.

Tax Year	Change and Description
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—1973	28.75% (25.0% + 15.0% surtax)
1974	28.0% (25.0% + 12.0% surtax)
1975-1978	27.25% (25.0% + 9.0% surtax)
1979	25.0% of federal liability
1980-1982	23.0% of federal liability
1983	24.0% of federal liability
1984	26.0% of federal liability
1985—1986	26.5% of federal liability
1987	25.8% of federal liability
1988	23.0% of federal liability; added earned income tax credit (EITC) at 25% of federal EITC
1989	25.0% of federal liability; 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– 1994	28.0% plus surtax of 3% of federal tax liability between \$3,400 and \$13,100 (31%) and 6% surtax on federal tax liability greater than \$13,100 (34%)
1994	Repealed sales tax rebate
1995 - 1999	Surtax sunsets; rate is 25% of federal tax liability.
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

Vermont Personal Income Tax (continued)

Tax Year	Change and Description
2000	24.0% of federal tax liability; EITC increased to 32% of federal credit; sunset repealed for non-resident motion picture income subject to the same tax rate in effect in state of residence
2001	24% of federal liability prior to the passage of EGTRRA (temporary restructuring, sunset 1/1/2003)
2002	Restructured and permanently linked to federal taxable income. Vermont has 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 (AMT) is eliminated
2003	Members of the National Guard and US Reserve may exempt the first \$2,000 of military pay if AGI is less than \$50,000
2004	New Higher Education Investment Tax Credit equal to 5% of the first \$2,000 of eligible contributions
2005	Lottery prize exemption repealed
2006	Angel Incentive, which was a deferral of capital gain, becomes a tax credit
2007	Higher Education Investment Tax Credit is increased to 10% of the first \$2,500 of eligible contributions

Sources: Vermont Department of Taxes and Vermont Statutes Annotated

Federal Personal Income Tax Rates
Tax Year 2006

Married Filing Jointly		Standard Deduction: 10,300			
Taxable Income Bracket over	but not over	Pay	plus % on excess	of amount over	
0	15,100	\$ 0	10.0%	0	
15,100	61,300	\$ 1,510	15.0%	15,100	
61,300	123,700	\$ 8,440	25.0%	61,300	
123,700	188,450	\$ 24,040	28.0%	123,700	
188,450	336,550	\$ 42,170	33.0%	188,450	
336,550	--	\$ 91,043	35.0%	336,550	

Married Filing Separately		Standard Deduction: 5,150			
Taxable Income Bracket over	but not over	Pay	plus % on excess	of amount over	
0	7,550	\$ 0	10.0%	0	
7,550	30,650	\$ 755	15.0%	7,550	
30,650	61,850	\$ 4,220	25.0%	30,650	
61,850	94,225	\$ 12,020	28.0%	61,850	
94,225	168,275	\$ 21,085	33.0%	94,225	
168,275	--	\$ 45,522	35.0%	168,275	

Single Individuals		Standard Deduction: 5,150			
Taxable Income Bracket over	but not over	Pay	plus % on excess	of amount over	
0	7,550	\$ 0	10.0%	0	
7,550	30,650	\$ 755	15.0%	7,550	
30,650	74,200	\$ 4,220	25.0%	30,650	
74,200	154,800	\$ 15,108	28.0%	74,200	
154,800	336,550	\$ 37,676	33.0%	154,800	
336,550	--	\$ 97,653	35.0%	336,550	

Head of Household		Standard Deduction: 7,550			
Taxable Income Bracket over	but not over	Pay	plus % on excess	of amount over	
0	10,750	\$ 0	10.0%	0	
10,750	41,050	\$ 1,075	15.0%	10,750	
41,050	106,000	\$ 5,620	25.0%	41,050	
106,000	171,650	\$ 21,858	28.0%	106,000	
171,650	336,550	\$ 40,240	33.0%	171,650	
336,550	10,000,000	\$ 94,657	35.0%	336,550	

2006 Personal Exemption: 3,300

Vermont Personal Income Tax Rates
Tax Year 2006

Married Filing Jointly

Taxable Income Bracket		Pay	plus % on excess	of amount over
over	but not over			
0	51,200	\$ 0	3.60%	0
51,200	123,700	\$ 1,843	7.20%	51,200
123,700	188,450	\$ 7,063	8.50%	123,700
188,450	336,550	\$ 12,567	9.00%	188,450
336,550	--	\$ 25,896	9.50%	336,550

Married Filing Separately

Taxable Income Bracket		Pay	plus % on excess	of amount over
over	but not over			
0	25,600	\$ 0	3.60%	0
25,600	61,850	\$ 922	7.20%	25,600
61,850	94,225	\$ 3,532	8.50%	61,850
94,225	168,275	\$ 6,283	9.00%	94,225
168,275	--	\$ 12,948	9.50%	168,275

Single Individuals

Taxable Income Bracket		Pay	plus % on excess	of amount over
over	but not over			
0	30,650	\$ 0	3.60%	0
30,650	74,200	\$ 1,103	7.20%	30,650
74,200	154,800	\$ 4,239	8.50%	74,200
154,800	336,550	\$ 11,090	9.00%	154,800
336,550	--	\$ 27,448	9.50%	336,550

Head of Household

Taxable Income Bracket		Pay	plus % on excess	of amount over
over	but not over			
0	41,050	\$ 0	3.60%	0
41,050	106,000	\$ 1,478	7.20%	41,050
106,000	171,650	\$ 6,154	8.50%	106,000
171,650	336,550	\$ 11,734	9.00%	171,650
336,550	--	\$ 26,575	9.50%	336,550

2005 Vermont Personal Income Tax Statistics

Vermont Taxable Income Class [1]	# of Returns	Federal Taxable Income	VT Taxable Income	Net VT Tax [2]	Average Net VT Tax	VT EITC [3]
None/Missing	60,790	6,544,872	0	73,020	1	11,094,066
0.01 - 4,999	33,462	82,059,904	76,072,727	2,641,938	79	3,849,759
5,000 - 9,999	25,831	198,554,528	192,258,993	6,554,374	254	2,332,930
10,000 - 14,999	23,421	298,175,848	292,292,647	10,074,809	430	804,615
15,000 - 19,999	21,514	381,748,266	375,826,061	13,021,109	605	88,958
20,000 - 24,999	19,232	438,222,000	431,394,515	14,967,539	778	1,859
25,000 - 29,999	16,736	466,011,422	459,128,545	15,971,709	954	1,479
30,000 - 34,999	14,033	462,017,597	455,002,512	16,352,517	1,165	1
35,000 - 39,999	12,301	466,857,103	460,488,164	17,155,140	1,395	2
40,000 - 44,999	10,490	452,374,970	445,169,103	16,816,989	1,603	0
45,000 - 49,999	9,127	439,482,467	432,902,033	16,357,149	1,792	0
50,000 - 59,999	14,975	834,672,592	820,535,401	32,922,933	2,199	0
60,000 - 74,999	14,582	992,877,879	973,779,707	43,395,077	2,976	0
75,000 - 99,999	10,982	965,606,982	939,557,857	46,676,052	4,250	0
100,000 - 124,999	4,877	562,872,218	541,391,055	29,241,078	5,996	0
125,000 - 149,999	2,590	370,771,899	353,071,161	20,335,424	7,852	0

2005 Vermont Personal Income Tax Statistics (continued)

Vermont Taxable Income Class [1]	# of Returns	Federal Taxable Income	VT Taxable Income	Net VT Tax [2]	Average Net VT Tax	VT EITC [3]
150,000 - 199,999	2,419	439,993,723	415,306,585	25,456,777	10,524	0
200,000 - 299,999	1,900	496,021,536	458,052,727	30,486,112	16,045	0
300,000 - 499,999	1,118	463,904,319	421,955,382	30,182,607	26,997	0
500,000 - 999,999	543	416,973,585	365,293,155	27,460,522	50,572	0
1,000,000 +	265	820,463,450	641,006,270	47,374,117	178,770	0
In State subtotal	301,188	10,056,207,160	9,550,484,600	463,516,994	1,539	18,173,669
Out of State	46,960	16,425,959,708	14,058,736,328	44,184,378	941	164,654
All Returns	348,148	26,482,166,868	23,609,220,928	507,701,371	1,458	18,338,323

[1] Table shows in state returns only

[2] Net of adjustment and credits

[3] Earned Income Tax Credit

Detailed information is for in-state taxpayers only. Out of state returns are shown in aggregate.

Source: Vermont Department of Taxes

Sales and Use Tax

Vermont has a general tax on retail sales primarily on commodity transactions at a 6.0% tax rate.

Among the commodities exempt from the sales tax are food, clothing and footwear, medical equipment, prescription and non-prescription medication, manufacturing equipment, fuel used in manufacturing and residential fuel.

Beginning in FY 2005, 2/3 of these revenues are dedicated to the General Fund and 1/3 is dedicated to the Education Fund.

Tax Year	Change and Description
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 taxes authorized; exempt fresh cut flowers by charitable organizations
1998	Recycled construction materials exempt; railroad construction materials exempt
1999	Clothing sold at less than \$110 are exempt effective 12/1/99;
2002	Building materials temporarily stored in Vermont are exempt from the Use Tax. Repealed exemption for fertilizer and pesticides unless for agricultural use. Effective 7/1/02
2003	Steel toed work boots exempt regardless of value
2003	Rate increased from 5% to 6%. In addition, telecommunications tax rate increased from 4.36% to 6.0%. Both effective 10/1/2003
2004	A Use Tax reporting table equal to 0.04% of AGI was included in tax returns
2005	Increased the tax cap on tracked vehicles from \$900 to \$1,100.
2007	The Streamlined Sales and Use Tax Agreement (SSTA) begins in Vermont. Several significant changes are 1) the elimination of sales tax on all clothing and footwear, 2) taxation of beer, 3) repeal of the exemption of the first \$20 of monthly residential telephone charges, 4) change from origin to destination sourcing rules, 5) delivery and shipping charges subject to tax when associated with taxable sales, among other changes

Sources: Vermont Department of Taxes and Vermont Statutes Annotated

Meals and Rooms Tax

There is a 9.0% tax on all taxable meals and the rent of each occupancy less than thirty days in length. In addition, there is a tax of 10.0% on served alcohol. All revenue from this source is dedicated to the General Fund.

Tax Year	Change and Description
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, meals and alcohol changed 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 taxes authorized

Sources: Vermont Department of Taxes and Vermont Statutes Annotated

Corporate Income Tax

Vermont corporate income tax brackets and rates are shown in the table below. There is a minimum \$250 tax. Vermont adopted a unitary combined reporting system beginning in tax year 2006 and the corporate income tax rates will be reduced in two phases. The General Fund receives all of the revenue from this source.

Phase-In of New Corporate Income Tax Rates

Income Bracket	Tax Rates		
	2005	2006	2007
\$3,751 – \$10,000	7.00%	6.00%	6.00%
\$10,000 – \$25,000	8.10%	7.00%	7.00%
\$25,000 – \$250,000	9.20%	8.75%	8.50%
\$250,000 +	9.75%	8.90%	8.50%

Tax Year	Change and Description
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; Net operating loss (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 1/1/01
2005	A new tax credit, equal to 2% of wages, was created for wood products manufacturing in specific regions of the state
2006	Unitary combined reporting will 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
2007	The Economic Advancement Tax Incentive Program and the associated credits are replaced with a single payroll-based incentive for job creation and capital investment known as the Vermont Economic Growth Incentive or VEGI New NOL rules are adopted

Sources: Vermont Department of Taxes and Vermont Statutes Annotated

Cigarette and Tobacco Products Taxes

The tax on all cigarettes is \$1.79 per pack, expressed as 89.5 mills. The tax rate is scheduled to increase to \$1.99 per pack on July 1, 2008. “Little cigars” and roll-your-own (RYO) tobacco are taxed at the cigarette rate. There is a cigarette use tax at the same rate and cigarettes are also subject to the sales and use tax.

Snuff is taxed at \$1.49 per ounce and is scheduled to increase to \$1.69 per ounce on July 1, 2008. All other tobacco products are taxed at a rate of 41% of the wholesale price.

Tax Rate	Change and Description
1937	New tax; 1.5 cents per pack of 20 cigarettes
1946	2.0 cents per pack
1949	3.0 cents per pack
1950	4.0 cents per pack
1957	5.0 cents per pack
1959	7.0 cents per pack
1963	9.0 cents per pack
1965	10.0 cents per pack
1969	12.0 cents per pack
1983	17.0 cents per pack
1991	18.0 cents (7/1/91)
1992	19.0 cents (1/1/92); increased to 20.0 cents; other tobacco products tax is 20% of wholesale (7/1/92)
1995	44.0 cents per pack; other tobacco products is increased to 41% of wholesale (7/1/95)
2002	93 cents per pack (7/1/02)
2003	\$1.19 per pack (7/1/03)
2006	\$1.79 per pack; “Little cigars” and RYO added. New tax structure for snuff—\$1.49 per ounce. All other tobacco products taxed at 41% of wholesale (7/1/06)
2008	\$1.99 per pack; snuff to \$1.69 per ounce

Sources: Vermont Department of Taxes and Vermont Statutes Annotated

Other Taxes

Insurance Premiums 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:

Captive Insurance Tax Rates		
	Direct Premiums	Assumed Reinsurance
\$ Millions	Tax Rate %	Premiums Tax Rate (%)
0 - 20	0.380	0.214
20 - 40	0.285	0.143
40 - 60	0.190	0.048
60 +	0.072	0.024

Telephone Company Receipts and Property Taxes

In addition to the 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. Prior to June 7, 2004 businesses with less than \$50 million in receipts had the option to elect to pay the gross receipts tax of 5.25% in lieu of the income and property tax

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

Excise taxes are levied on bottlers and wholesalers of malt and vinous beverages at the rates of 26.5 cents and 55.0 cents per gallon, respectively. Both beer and wine are also subject to the general sales tax

Other Taxes (continued)

Electric Energy Tax

The tax is imposed on electric generating plants with a name-plate capacity of 200,000 kilowatts or more, which includes only one such facility, the Entergy Nuclear Vermont Yankee power plant. This is a graduated tax based on megawatt-hour production

Bank Franchise Tax

The bank franchise tax is 0.0096% of on average monthly deposits. The limitation of the tax liability to no more than a bank's federal taxable income was repealed effective 2004

Railroad Tax

This tax is assessed annually on the appraised value of property and corporate franchise of each person or corporation owning or operating a railroad located in whole or in part within Vermont. The tax is split between the town where the railroad real estate is located 50% and the state

Heating Oil Tax

A tax of 1/2 cent per gallon of heating oil or kerosene is imposed on every seller receiving more than \$10,000 annually for the retail sale of heating oil or kerosene not used to propel a motor vehicle. This tax began on July 1, 2004

Land Gains Tax

This tax is on the gain made from the sale or exchange of land located in Vermont and held by the seller for less than 6 years. The rate is in inverse proportion to the holding period, between 5.0% and 80.0% of the gain

Land Use Change Tax

This tax is assessed if agricultural or managed forest land previously appraised under the Vermont Agricultural and Managed Forest Land Use Value Program ("Current Use") is developed

Lottery

Vermont has a number of lottery games that raise revenue for the state. These revenues are dedicated entirely to the Education Fund

Description of Transportation Fund Sources

The Transportation Fund has five sources of revenue: (1) gasoline tax, (2) diesel fuel tax, (3) motor vehicle purchase & use tax, (4) motor vehicle fees and (5) “other revenue”, and various other, small revenue generating, transportation related taxes and fees

Gasoline Tax

For practical purposes, the gasoline tax is a fixed 20 cents per gallon. Technically, however, this consists of (1) a 19 cent per gallon tax which is allocated among the Transportation Fund, the DUI Enforcement Fund and the Fish & Wildlife Fund and (2) a one cent per gallon fee which is dedicated to the Petroleum Cleanup Fund. The 20 cents per gallon total is allocated as follows:

Allocation of Gasoline Tax and Fee

Fund	Cents per gallon FY07
Transportation Fund	18.245
DUI Enforcement Fund	0.380
Fish & Wildlife Fund	0.375
Petroleum Cleanup Fund	1.000
Total	20.000

Diesel Fuel Tax

For practical purposes, the diesel fuel tax is a fixed 26 cents per gallon. Like the gasoline tax, this technically consists of (1) a 25 cent per gallon tax which is allocated to the Transportation Fund and (2) a one cent per gallon fee which is dedicated to the Petroleum Cleanup Fund

Motor Vehicle Purchase and Use Tax

The motor vehicle purchase & use tax applies (1) to motor vehicle sale transactions and (2) where a sale is not involved, to an owner’s initial registration of a vehicle in the state. For sale transactions, the tax is assessed on the vehicle’s purchase price less the value of any trade-in which is credited against the purchase price. For non-sale transactions, the tax is assessed on the vehicle’s current market value at the time of registration. Sale taxes paid by the owner in another jurisdiction are credited against the tax due. In both cases the tax rate is 6%. For trucks over 10,099 pounds, the tax is capped at \$1,680

Description of Transportation Fund Sources (continued)

Vehicles purchased for the short term rental market are exempt from the purchase tax but each rental transaction is subject to a rental tax equal to 7% of the rental charge

Revenue from the purchase and use tax and short term rental tax is allocated 2/3 to the Transportation Fund and 1/3 to the Education Fund

Motor Vehicle Fees

This category covers a range of fees collected by DMV of which the most important are registration fees and driver license fees. A registration fee is collected on all motor vehicles and trailers. The fee varies depending upon the vehicle type, size, weight and purpose. All motor vehicle fees are deposited in the Transportation Fund

Relative Contribution to the Transportation Fund

In Fiscal Year 2006 the above sources made the following relative contributions to Transportation Fund revenue:

Transportation Fund Sources Fiscal Year 2006

Source	Percent of total
Gasoline tax	30.4%
Motor Vehicle fees	27.3%
Purchase & Use tax	25.7%
Diesel fuel tax	8.4%
Other revenue	8.1%

Description of Non-Property Tax Education Fund Revenue Sources

General Fund Transfer

The education fund receives a transfer from the general fund equal to the amount transferred in the prior fiscal year adjusted by the percent change in the general fund base spending during the current fiscal year

Lottery Transfer

All profits from the state lottery are transferred to the education fund. The state lottery was created in 1978. The Tri-State Lottery was introduced in 1986 and Powerball was introduced in 2004

Electric Generating Plant Education Property Tax

All revenue from the education property tax on electric generating plants is dedicated to the education fund. Vermont Yankee is the only plant currently subject to this tax, which is based on megawatt-hour production

Purchase & Use Tax

One-third of the revenue from the purchase & use tax is dedicated to the education fund. (See the description of transportation fund revenue sources)

Sales & Use Tax

One-third of the revenue from the sales & use tax is dedicated to the education fund. (See the description of general fund revenue sources)

Medicaid Transfer

A portion of the federal Medicaid reimbursements received by the state for medically-related services provided to students who are Medicaid-eligible is transferred to the education fund

Source: 16 V.S.A. §4025

**Chronological History of Vermont Taxes:
1882-2007**

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
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Chronological History of Vermont Taxes: (continued)

1917

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

1931

Electricity (new) 0.5 mill of each kilowatt hour manufac-
tured

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

1933

Beverage Tax (new) \$1.00 per barrel (31 gallons) malt bever-
age; 3 cents per gallon fermented bever-
age

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

Chronological History of Vermont Taxes: (continued)

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
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1965

Cigarette	10.0 cents per pack
Corporate Income	Changed from franchise tax to net income

1968

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

Chronological History of Vermont Taxes: (continued)

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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Chronological History of Vermont Taxes: (continued)

1982

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

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

Chronological History of Vermont Taxes: (continued)

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 & Corporate 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%

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	Extended to 6/30/92
Electrical Energy	3.5% of appraised value

Chronological History of Vermont Taxes: (continued)

1993

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

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

Chronological History of Vermont Taxes: (continued)

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)

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

Chronological History of Vermont Taxes: (continued)

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.

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 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	Tax extended until 6/30/2008
Sales & Use	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.

Chronological History of Vermont Taxes: (continued)

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 in-
Amusement Machine	Repealed and exempts coin-operated machines from the sales tax.

2005

Sales and Use Tax	Increased the cap for tracked vehicles from \$900 to \$1,100 effective July 1, 2005.
Corporate Income	A new tax credit, equal to 25% of wages, was created for wood products manufacturing in specific regions of the state.
Property Transfer	Eliminated the sunset on the Vermont Housing Finance Agency (VHFA) tax exemption.

Chronological History of Vermont Taxes: (continued)

2006

Motor Vehicle Purchase	Cap on tax for trucks over 10,099 pounds raised from \$1,100 to \$1,680
Cigarette and Other Tobacco Products Taxes	Tax increased to \$1.79 per pack; "Little cigars" and RYO added. New tax structure for snuff—\$1.49 per ounce. All other tobacco products taxed at 41% of wholesale (7/1/06). Tax schedule to increase to \$1.99 per pack; snuff to \$1.69 per ounce (7/1008).

2007

Sales & Use Tax	The Streamlined Sales and Use Tax Agreement (SSTA) begins in Vermont. Several significant changes are 1) the elimination of sales tax on all clothing and footwear, 2) taxation of beer, 3) repeal of the exemption of the first \$20 of monthly residential telephone charges, 4) change from origin to destination sourcing rules, 5) delivery and shipping charges subject to tax when associated with taxable sales, among other changes.
Tax Credits	The Economic Advancement Tax Incentive Program and the associated credits are replaced with a single payroll-based incentive for job creation and capital investment known as the Vermont Economic Growth Incentive or VEGI. New NOL rules are adopted.

STATE 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 Liability (AAL)	% Funded Market Value/PBO (MKT/PBO)	% Funded Actuarial value GASB 25 (AV/AAL)
2007	\$38,929,729	\$38,446,000	98.8%							
2006	\$56,627,046	\$24,446,282	43.2%	\$1,430,282,999	\$1,427,393,070	99.8%	\$1,603,243,522	\$1,686,502,000	89.2%	84.6%
2005	\$47,714,318	\$24,446,282	51.2%	\$1,333,532,418	\$1,354,006,143	101.5%	\$1,551,210,118	\$1,492,150,000	86.0%	90.7%
2004	\$41,658,946	\$24,446,282	58.7%	\$1,245,650,105	\$1,284,832,664	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%

* Note that for FY07 estimate, there was a substantial change in the method by which the actuary calculates the suggested amount to deposit in fund.

STATE EMPLOYEES' RETIREMENT SYSTEM

Fiscal year	Actuarial Request	Actual Fund- ing	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 (MKT/PBO)	% Funded Actuarial value (AV/AAL)
2006	\$38,214,704	\$36,866,451	96.5%	\$1,219,616,872	\$1,223,322,954	100.3%	\$1,201,278,850	\$1,232,367,000	101.5%	99.3%
2005	\$36,019,056	\$36,493,435	101.3%	\$1,120,247,149	\$1,148,907,597	102.6%	\$1,123,617,264	\$1,174,796,000	99.7%	97.8%
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%	\$893,863,866	\$1,017,129,000	99.8%	97.4%
2001	\$19,679,398	\$19,548,598	99.3%	\$962,944,449	\$954,821,000	99.2%	\$882,725,301	\$1,026,993,000	109.1%	93.0%
2000	\$19,548,817	\$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%

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 eligibility (who is covered), services (what is covered) and financing (how funding is shared). 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 shared between the states and the federal government. In Vermont, for every state or local dollar spent, the state receives on average 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 in two ways. The first is the “State Children’s 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.

During state fiscal year 2007, there were two major changes to Vermont's Medicaid program. The first was a result of the federal Medicare Modernization Act (MMA). Medicare is the national health care program that provides coverage for people over 65. MMA expanded Medicare benefits to include pharmacy coverage. Prior to MMA, the state Medicaid program paid for pharmacy coverage for low-income seniors. The state continues to provide coverage that supplements the federal program.

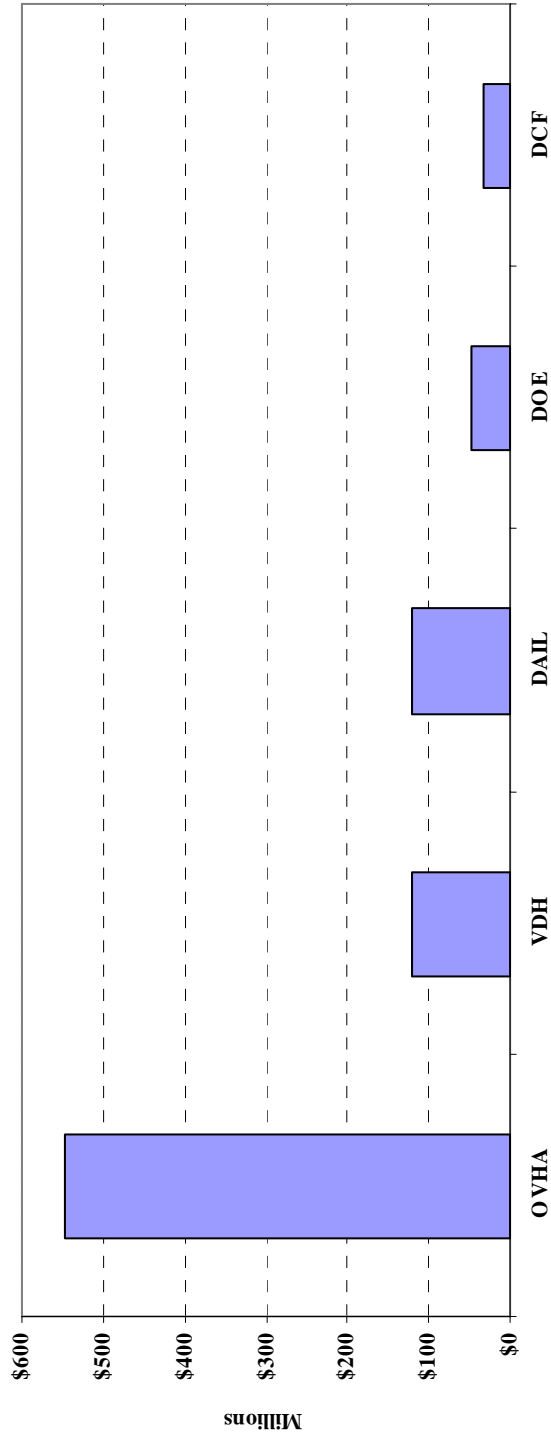
The second major change was the implementation of the state's "Global Commitment for Health" waiver. Global Commitment substantially restructures the financing and organization of the state's Medicaid program. Most notably, it turns the Office of Vermont Health Access into a public managed care organization. While there have been no substantial changes in benefits received, a goal of the new model is to improve coordination of care received by Medicaid beneficiaries.

Figures

The tables on the next several pages analyze Vermont's Medicaid program in two different ways. One way to look at Medicaid is by eligibility category. Information is presented on enrollment, total spending, and spending per person per month (PMPM) in four large categories: Aged, Blind, and Disabled (ABD); Low-income children; Low-income adults; and pharmacy programs. ABD primarily includes individuals who have qualified for Medicaid as a result of having a serious illness or other health condition. Low-income children, including Dr. Dynasaur and the State Children's Health Insurance Program, are children whose eligibility is a function of their family income. Low-income adults, including the Vermont Health Access Plan (VHAP), are adults who qualify on the basis of income. Finally, pharmacy programs include individuals who qualify for limited benefits. This category includes such programs as VPharm and the Healthy Vermonters Plan.

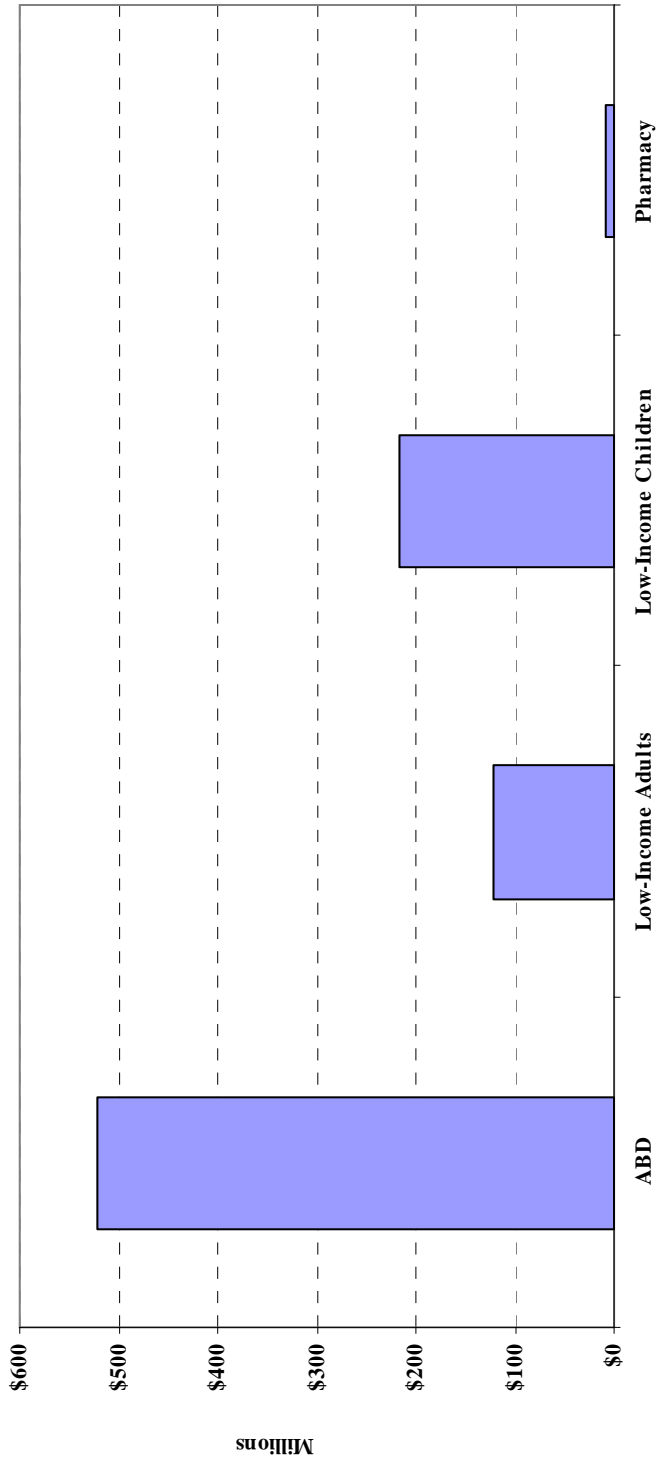
The second way of looking at Medicaid spending in Vermont is by Department. Several different departments are involved in the Medicaid program, including the Office of Vermont Health Access (OVHA); the Department of Disabilities, Aging, and Independent Living (DAIL); the Department for Children and Families (DCF), the Department of Health (VDH) and the Department of Education (DOE).

Spending by Department, Vermont Medicaid, 2007

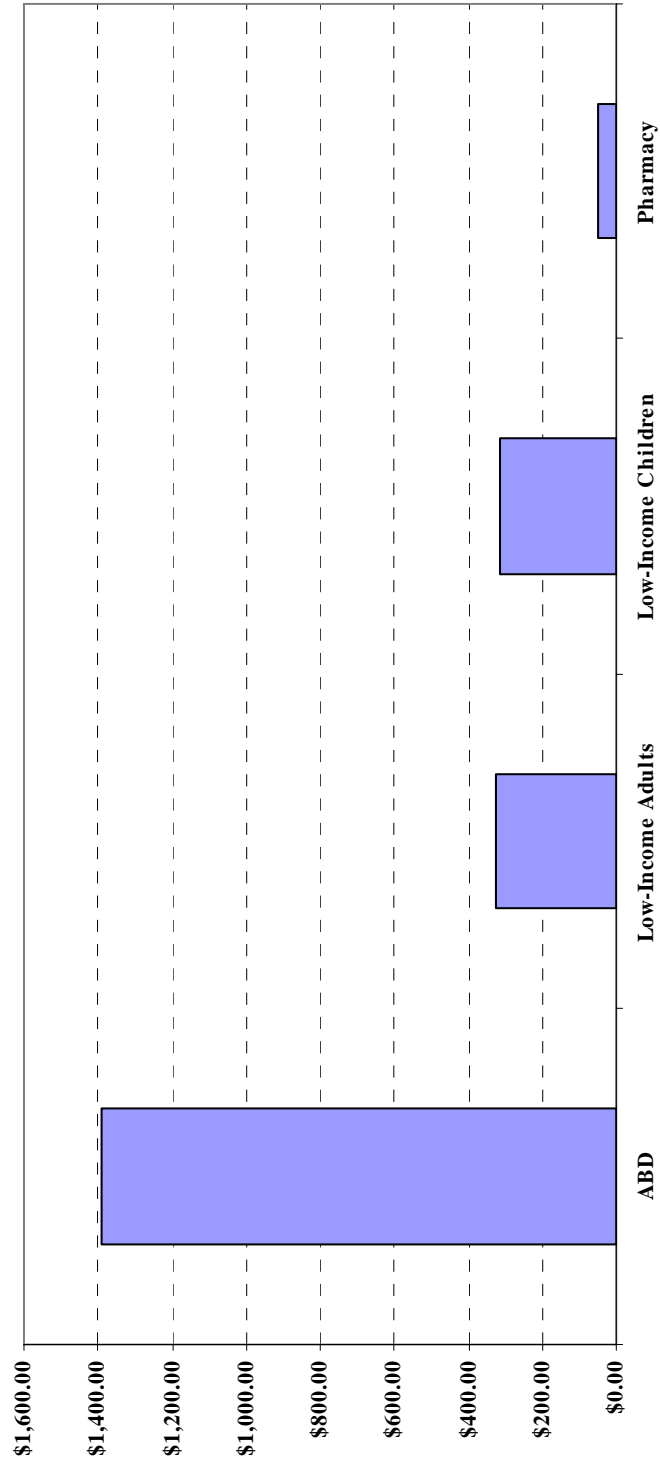


Excludes DSH, Buy-in, Clawback, Administration

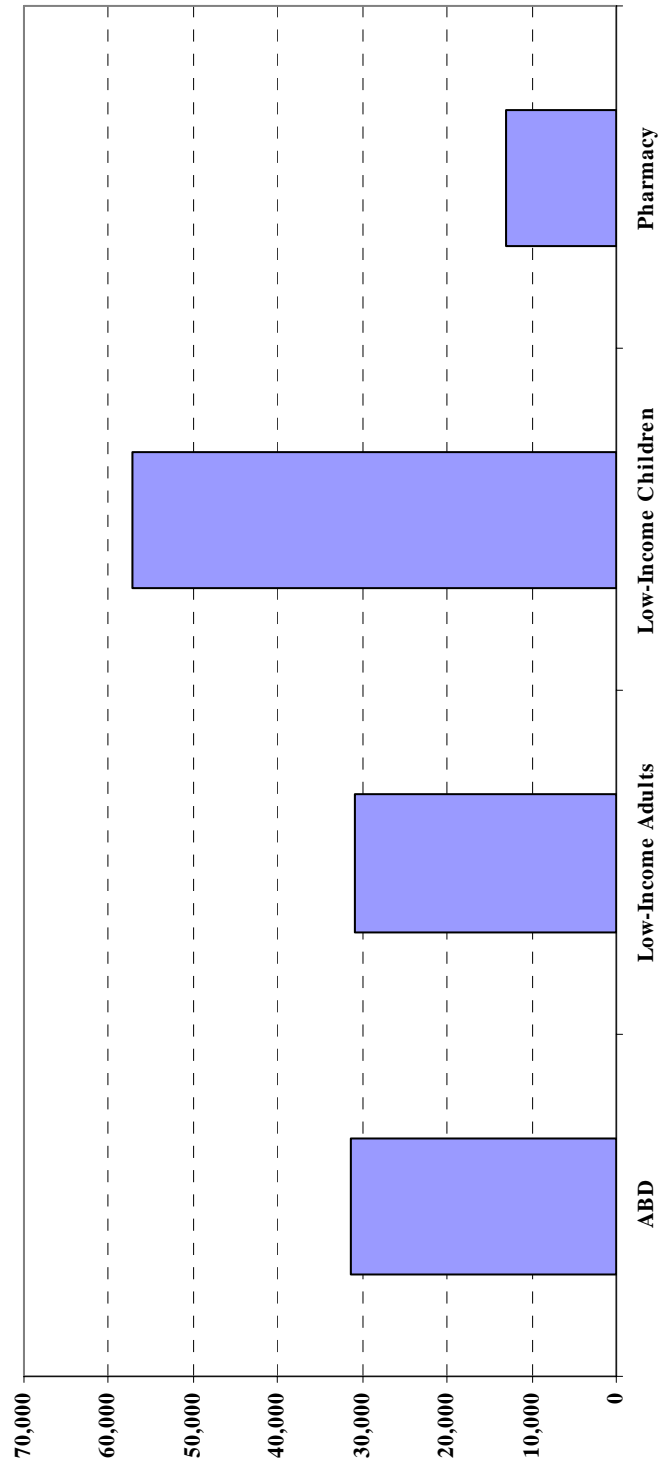
Total Spending by Eligibility Type, Vermont Medicaid, 2007



Per Member per Month Spending by Eligibility Category, Vermont Medicaid, 2007



Enrollment by Eligibility Type, Vermont Medicaid, 2007



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
- Labor
- 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 for Children and Families, the Department of Corrections and the Department of Disabilities, Aging and Independent Living.

Labor:

This function of government is primarily federally funded and is concerned with job placement for the unemployed. Also, the Department of Labor 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 highway 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.

Global Commitment: This is a specific internal service fund used to pay Medicaid expenditures of the public Managed Care Organization (MCO) under the Global Commitment Waiver in Medicaid. The revenue for the fund is provided by the global commitment appropriation in the Agency of Human Services.

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.

Enterprise: Funds that provide money for services to the general public through programs that are expected to recover their full costs, primarily through user charges. Examples include the Lottery Fund, the Liquor Control Fund and Vermont Life Magazine.

Tobacco Litigation Settlement Fund: This is a special fund established by section 435a of Title 32. All receipts received by the state under the Master Tobacco Settlement Agreement. Funds are appropriated by the legislature for the purposes of Chapter 225 of Title 18 of the Vermont Statutes Annotated.

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
(FY2007 Appropriations from Act 215 of the 2006 session; prior to budget adjustment)

PROGRAM	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Administration Agency					
Secretary's Office	387,988	511,337	381,798	856,821	915,077
Emergency Relief & Assistance Fund	0	0	0	100,000	0
In-State Travel Reduction (Executive Branch)	0	0	0	(300,000)	0
Single Audit Revolving Fund - Administration	0	0	400,000	0	0
Federal Jobs & Growth Tax Relief - 1 Time	0	13,800,000	0	0	0
VT Renewable Power Supply Requisition - CT River Hydroelectric	0	100,000	0	0	0
Sunrise Professional Regulation - 1 Time	0	20,000	0	0	0
Finance & Management	612,323	791,756	772,314	816,881	1,104,189
Financial Operations	0	0	0	0	0
Human Resources	1,632,215	1,604,503	1,747,729	2,068,561	2,908,695
Buildings & General Services	4,137,161	4,900,957	3,974,015	3,984,617	9,089,712
Tax Department	11,694,830	12,303,819	12,678,572	13,192,874	13,896,222
Libraries	2,227,850	2,322,745	2,331,998	2,328,186	2,546,703
Total Agency of Administration	20,692,367	36,355,117	22,286,426	23,047,940	30,460,598
Auditor of Accounts	465,151	445,062	453,732	468,742	521,987
State Treasurer	657,438	796,913	833,409	837,580	1,028,843
State Labor Relations Board	168,958	168,272	171,697	187,100	199,739
Executive Office	1,071,473	1,090,705	1,141,866	1,206,200	1,433,591
National & Community Service	60,803	57,000	56,528	56,528	56,528
Governor-Elect	30,000	0	0	0	0
VOSHA Review Board	18,654	20,150	20,097	20,097	20,269
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)	1,045,000	1,000,000	800,000	600,000	600,000
Use Tax Reimbursement	3,029,610	3,389,610	3,889,280	4,569,542	8,113,944
Lt Governor	92,060	94,738	115,517	117,089	147,018
Legislature	4,883,378	4,684,593	3,935,297	5,059,316	5,637,038
Legislative Council	1,444,667	1,711,192	1,974,477	2,152,114	2,606,347
Sergeant-at-Arms	381,207	394,540	456,405	461,044	529,572
Joint Fiscal Office	747,276	812,920	831,789	982,901	1,231,627
FUNCTION TOTAL - GENERAL GOVERNMENT	35,012,042	51,244,812	37,190,520	39,990,193	52,811,101
Attorney General	2,274,914	2,446,068	2,550,429	2,826,355	3,269,648
Court Diversion	615,531	890,531	957,238	981,093	1,204,534
State's Attorneys	5,768,721	6,344,290	6,670,635	6,856,903	7,920,231
Sheriffs	1,075,541	1,130,298	2,313,344	2,489,576	3,114,834
Transports	879,687	1,005,070	0	0	0
Defender General	6,240,661	6,547,204	7,286,984	7,649,359	8,969,021
Military	2,853,772	2,998,036	3,100,631	3,082,446	3,179,644
Labor & Industry	860,096	819,251	913,722	836,000	0
Criminal Justice Training Council	469,083	558,151	647,358	902,574	1,171,978
Racing Commission	2,001	5,000	5,000	5,000	1,000
Secretary of State	506,141	642,023	928,352	583,525	586,693
Banking & Insurance	486,513	476,523	466,993	3,666	711,000
Public Safety	14,497,063	15,614,811	17,260,749	20,191,722	9,681,155
Fire Service Training Council	251,588	365,157	464,860	0	0
Firefighter 1 Training	50,000	0	0	0	0
Agriculture	3,561,188	3,911,115	3,806,724	5,206,093	5,581,329
State Stipend	163,500	163,500	175,000	175,000	175,000
Public Service Dept	0	0	100,000	0	0
Judiciary	19,906,952	21,508,700	23,018,570	24,818,705	29,691,689
Center for Crime Victims' Services	748,724	868,828	963,878	1,043,644	1,125,253
Human Rights Commission	257,484	242,907	273,225	278,014	288,006
FUNCTION TOTAL - PROTECTION	61,469,160	66,537,463	71,903,692	77,929,675	76,671,015

**General Fund Appropriations: Five-Year Detailed History
(Continued)**

PROGRAM	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Human Services Agency					
Secretary's Office	4,367,245	5,314,193	3,872,236	3,826,168	3,726,910
Global Commitment	0	0	0	107,493,758	116,901,768
AHS; Restructuring; Consultation Services	0	300,000	0	0	0
Office of Vermont Health Access	0	0	1,166,438	0	0
Appropriation and Transfer to HATF	0	0	88,139,252	78,104,989	0
Office of Economic Opportunity (Now part of the Dept for Children & Family Services)	1,110,673	1,091,226	0	0	0
Human Services Board	98,500	121,879	121,082	32,423	50,247
Medicaid Program - Non-Global Commitment	0	0	0	0	70,960,289
Medicaid Matched Nonwaiver Expenses	0	0	0	0	24,589,781
Medicaid Program - State Only	0	0	0	0	28,437,916
Corrections Department	77,542,929	38,843,868	99,189,994	108,665,313	108,503,388
Health Department	16,916,678	13,070,886	58,728,315	28,098,134	30,435,654
Dept. for Children & Families	109,379,553	118,202,552	100,616,779	86,257,727	82,122,820
Office of Child Support Services (Now part of Dept. of Children & Family Svcs)	1,086,425	1,114,864	0	0	0
SRS (Now part of Dept. of Children & Family Services)	38,634,180	45,002,066	0	0	0
Aging & Independent Living	15,115,021	16,389,410	56,216,464	25,101,482	18,920,345
Developmental & Mental Health Services	59,899,830	62,525,243	0	0	0
Alcohol & Drug Abuse Program (Now part of Health Dept.)	0	4,495,770	0	0	0
Total Agency of Human Services	324,151,034	306,471,957	408,050,560	437,579,994	484,649,118
Childrens' Trust Fund (Now part of DCF)	102,705	102,705	100,651	0	0
Commission on Women	230,386	234,151	231,777	250,421	256,487
RSVP	130,071	123,567	131,096	131,096	131,096
Association for the Blind	24,447	24,447	0	0	0
Disabled and Needy Veterans	37,025	0	0	0	0
Veterans Home	911,786	964,171	969,037	165,495	0
FUNCTION TOTAL - HUMAN SERVICES	325,587,454	307,920,998	409,483,121	438,127,006	485,036,701
Labor - Programs	653,367	1,107,259	1,103,541	1,395,248	2,119,812
Administration	0	0	0	0	190,408
FUNCTION TOTAL - LABOR	653,367	1,107,259	1,103,541	1,395,248	2,310,220
Education Department	13,609,327	13,218,192	13,113,425	13,021,004	13,842,960
Fiscal Review Panel	40,000	0	0	0	0
Fund Appropriations & Transfers to Education Fd	245,705,935	268,400,000	249,300,000	259,300,000	268,720,000
Teachers Retirement	20,446,282	24,446,282	20,446,282	24,446,282	24,446,729
Property Tax Assistance	6,500,000	7,084,690	8,680,000	7,988,056	2,250,000
Total - General Education & Property Taxes	286,301,544	313,149,164	291,539,707	304,755,342	309,259,689
University of Vermont	36,197,999	37,047,057	37,937,512	36,473,096	36,971,519
Morgan Horse Farm	4,912	5,000	5,000	5,000	5,200
Vermont Public Television	593,507	563,832	563,832	573,832	596,785
Vermont State Colleges	20,769,755	21,185,150	21,867,742	22,532,878	23,330,193
Allied Health	592,206	883,750	620,661	710,372	641,570
Interactive Television	836,775	795,331	795,331	815,331	847,944
VT Student Assistance Corporation	16,581,671	16,683,804	17,142,609	17,771,050	18,481,892
NE Higher Education Compact	75,294	88,840	88,840	80,000	80,000
Education Commission of the States	100	0	0	0	0
Total - Higher Education	75,652,219	77,252,764	79,021,527	78,961,559	80,955,103
FUNCTION TOTAL - EDUCATION	361,953,763	390,401,928	370,561,234	383,716,901	390,214,792

**General Fund Appropriations: Five-Year Detailed History
(Continued)**

PROGRAM	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Agency of Natural Resources					
Administration	2,384,095	2,509,894	2,914,400	4,574,943	4,748,336
Connecticut River Watershed Advisory Comm.	25,000	22,500	22,500	22,500	38,000
State Land Local Property Tax Assessment	749,730	670,000	756,377	1,067,548	1,312,500
Information Technology	0	78,975	0	0	0
Lake Champlain Commission	10,000	7,500	7,500	7,500	7,500
Forests, Parks, & Recreation	4,571,100	4,665,018	5,539,878	5,640,064	6,775,662
Environmental Conservation	7,244,350	6,930,444	7,587,540	8,072,188	8,954,775
Fish & Wildlife	0	157,000	1,531,009	1,726,853	2,099,779
Total Agency	14,984,275	15,041,331	18,359,204	21,111,596	23,936,552
Natural Resources Board	809,045	779,728	880,992	1,065,127	1,058,883
Water Resources Board	318,178	315,745	324,515	0	0
Green - Up	0	0	6,036	6,646	6,948
FUNCTION TOTAL - NATURAL RES.	16,111,498	16,136,804	19,570,747	22,183,369	25,002,383
Commerce and Community Development					
Administration	1,683,210	1,927,465	1,874,906	1,922,819	2,193,745
Historic Sites Operations	399,041	484,352	465,717	479,352	483,919
Housing & Community Affairs	1,418,257	1,613,865	1,531,188	1,531,188	1,509,648
Economic Development	2,444,670	3,690,052	3,164,403	3,467,184	3,573,344
Tourism & Marketing	4,408,057	5,745,085	4,678,637	4,209,458	4,346,500
Marketing and Promotional Team	348,405	0	0	0	0
Government Marketing Assistance Ctr.	90,324	0	0	0	0
Vermont Training Program	705,922	1,107,700	1,707,700	1,607,700	1,606,800
Job Development Zones	50,967	57,863	0	0	0
Total Agency of Development	11,548,853	14,626,382	13,422,551	13,217,701	13,713,956
Vermont Council on the Arts	517,206	516,618	519,618	494,618	529,618
Vermont Symphony Orchestra	107,326	101,960	101,960	101,960	118,780
Whey Authority	0	0	0	0	0
VT Historical Society	405,830	629,874	597,660	630,653	733,393
VT Council on the Humanities	137,473	130,599	150,599	160,599	180,599
FUNCTION TOTAL - COMMERCE & COMMUNITY DEVELOPMENT	12,716,688	16,005,433	14,792,388	14,605,531	15,276,346
Principal	68,786,319	65,362,583	62,587,361	62,723,384	64,549,851
FUNCTION TOTAL - DEBT SERVICE	68,786,319	65,362,583	62,587,361	62,723,384	64,549,851
Farm Buildings; Payment to Municipalities	0	125,000	0	0	0
Commission on Compensation & Benefits	0	50,000	0	0	0
Contractual Agreement; Exempt Pay Plans	0	523,190	5,743,862	4,019,782	0
FY07 Contingent Approp., State Teachers' Retirement System	0	0	0	0	5,000,000
Pay Act, Sec. 264(2) (FY05) UP TO THIS AMOUNT	0	0	0	3,415,000	0
Transfer to Health Access Trust Fd (Sec. 264(3))	0	0	0	17,000,000	0
Tax Dept., Property Tax Assistance, Income Sensitivity (Sec. 264(4))	0	0	0	3,400,000	0
Medical Plan Premium Savings (Sec. 64, Act 93)	0	0	0	(3,327,304)	0
Joint Fiscal Committee Staff Transition	63,000	0	0	0	0
Veterans' Medals	20,000	0	0	0	0
FUNCTION TOTAL - MISCELLANEOUS	83,000	698,190	5,743,862	24,507,478	5,000,000

General Fund Appropriations: Five-Year Detailed History
(Continued)

PROGRAM	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
OTHER BILLS:					
Pay Act	5,723,260	0	0	0	3,800,000
Education Finance Simplification (Act 185, H.880)	0	0	0	0	14,742,000
Precursor Drugs of Methamphetamine (Act 164, Sec. 4, H.480)	0	0	0	0	20,000
FY06 Designated GF Balance (Waterfall)(Act 49, Sec. 4(a))	0	0	0	23,721,008	0
FY06 GF Approp & Transfer (Act 215, Sec. 271)	0	0	0	9,906,000	0
Orphan Program, ANR (Act 1 54, Sec. 6(b) 2006)	0	0	0	50,000	0
VT Film Production Incentive Fd (Act 204, Sec. 3(a) 2006)	0	0	0	1,000,000	0
ANR, Restructured Agency; Consultant (Act 52, Sec. 3, 2005 Sess)	0	0	0	50,000	0
Blueprint for Health (Act 215, Sec. 115b)	0	0	0	1,872,623	0
Prescription Drugs, Medicare Part D (Act 84, Sec. 3 of 06)	0	0	0	7,000,000	0
Prescription Drugs, Extension of above (Act 91 of 2006)	0	0	0	4,000,000	0
Family Counseling Services, Vt Nil Guard Continued Funding (Act 98 of 2006)	0	0	0	250,000	0
Legislature (Act 206 of 2006)	0	0	0	400,000	0
GF Appropriations & Transfers (One Time) H.516 of 2005	0	0	8,819,000	0	0
FY05 Designated Balance (Waterfall) Act 71 Sec. 263	0	0	34,605,000	0	0
VSAC, Students in SRS Trust Fund (Act 72, Sec. 2(a))	0	0	25,000	0	0
Judiciary, Permit Reform, (Act 115, Sec. 121(c))	0	0	335,000	0	0
ANR, Stormwater Impaired Water Quality Remediation 3 pos (Act 140, Sec. 8(c))	0	0	200,700	0	0
PS, Sex Offender Registry (Act 157, Sec. 18)	0	0	95,000	0	0
Corrections (Act 122, Sec. 289)	0	0	330,000	0	0
Legislature (Act 22 Sec. 1, 2005 Sess.)	0	0	800,000	0	0
Corrections, Psychosexual Presentence Evals (Act 79, Sec. 11 of 2005)	0	0	50,000	0	0
Firefighters; Survivors' Benefits (Act 119, S.8)	60,000	0	0	0	0
Judiciary, Law Clerk (Act 149, Capitol, H.763)	59,000	0	0	0	0
TOTAL - OTHER BILLS	5,842,260	0	45,259,700	48,249,631	18,562,000
GRAND TOTAL - GENERAL FUNDS	888,215,551	915,415,470	1,038,196,166	1,113,428,416	1,135,434,409

Transportation Fund Appropriations: Five-Year Detailed History
(FY2007 Appropriations from Act 215 of the 2006 session; prior to budget adjustment)

PROGRAM	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Administration - Secretary	61,875	61,875	49,704	50,102	0
Finance & Management	132,511	137,467	110,428	111,313	0
Human Resources	648,047	676,116	543,132	556,705	0
Buildings & General Services (FY 1997)	4,586,675	4,840,504	4,627,513	5,331,748	0
Tax - Administration/Collection	263,785	263,785	211,902	213,601	0
Use Tax Reimbursement Fund	2,070,390	2,310,390	2,310,390	2,328,913	0
Auditor of Accounts	70,368	73,252	58,845	59,317	0
State Treasurer	123,714	128,477	103,208	104,035	0
State Labor Relations Board	5,528	5,676	4,560	4,597	0
Executive - Governor's Office	187,676	194,481	156,230	157,483	0
Lieutenant Governor	22,611	23,813	19,130	19,283	0
Legislature	859,687	867,677	697,017	702,605	0
Legislative Council	278,124	288,708	231,924	233,783	0
Sergeant at Arms	48,693	50,305	40,411	40,735	0
Joint Fiscal Office	161,550	167,300	134,395	135,472	0
FUNCTION TOTAL - GENERAL GOVT.	9,521,234	10,089,826	9,298,789	10,049,692	0
Attorney General	83,495	85,971	69,061	69,615	0
Public Safety	21,347,070	22,440,455	22,440,455	22,801,328	35,440,855
VT Court Diversion	177,804	177,804	142,833	143,978	0
State's Attorneys	447,230	456,076	366,373	369,310	0
Sheriffs	684,075	704,212	565,704	570,239	0
Agriculture	45,824	47,993	38,553	38,862	0
Judiciary	3,627,781	3,740,140	3,004,507	3,028,595	0
Criminal Justice Training Council	348,154	348,154	279,677	281,919	0
Defender General	890,068	907,025	728,626	734,468	0
VT Fire Service Training Council (Now under PSafety)	99,985	99,985	80,320	0	0
FUNCTION TOTAL - PROTECTION	27,751,486	29,007,815	27,716,109	28,038,314	35,440,855
Social Welfare	0	0	0	0	0
Aging & Disabilities - Advocacy	522,000	522,000	419,330	422,692	0
Corrections - Correctional Services	1,424,702	1,424,702	1,144,483	1,153,658	0
Dept. for Children and Families (was SRS)	75,000	75,000	60,249	60,732	0
FUNCTION TOTAL - HUMAN SERVICES	2,021,702	2,021,702	1,624,062	1,637,082	0
Education Department	642,080	648,155	520,672	524,846	127,483
Property Tax Assistance - FY2003	3,842,000	4,385,016	3,520,000	2,728,220	0
FUNCTION TOTAL - EDUCATION	4,484,080	5,033,171	4,040,672	3,253,066	127,483
Forests, Parks & Recreation	628,039	628,039	504,513	508,558	0
State Land Local Property Tax Assessment	262,815	262,815	211,123	212,816	0
Environmental Conservation	221,040	228,689	183,709	185,182	0
Environmental Board & District Comm.	0	0	0	0	0
Fish & Wildlife	0	0	365,000	367,926	0
FUNCTION TOTAL - NATURAL RES.	1,111,894	1,119,543	1,264,345	1,274,482	0
Principal	2,835,622	2,407,287	2,356,088	2,146,286	2,086,135
FUNCTION TOTAL - DEBT SERVICE	2,835,622	2,407,287	2,356,088	2,146,286	2,086,135
Pay Act	0	0	1,458,637	1,248,449	2,405,219
Medical Plan Premium Savings (Sec. 64, Act 93 2006)	0	0	0	(1,382,304)	0
Farm Buildings; Payment to Municipalities	0	125,000	0	0	0
Rutland Multi-Modal Transportation Center to BGS	240,000	0	0	0	0
Transportation Fund Transfer & Appropriation	5,950,000	0	0	0	0
FUNCTION TOTAL - MISCELLANEOUS	6,190,000	125,000	1,458,637	(133,855)	2,405,219

Transportation Fund Appropriations: Five-Year Detailed History
(Continued)

PROGRAM	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Transportation and Arbitration Board	74,762	130,000	78,400	83,400	84,600
MV Arbitration Board	0	0	0	0	0
Total Boards	74,762	130,000	78,400	83,400	84,600
Agency:					
Finance & Administration	8,734,748	9,034,722	9,606,306	9,671,292	10,573,406
Technical Services (Engineering & Construction)	3,786,152	0	0	0	0
Traffic Operations	940,822	0	0	0	0
Interstate Rest Areas	484,199	19,500	0	25,000	383,117
Vermont Transportation Authority	521,259	6,000	0	0	0
Policy & Planning	6,014,764	1,434,945	1,742,221	1,806,692	2,597,643
Maintenance-State System	46,926,890	49,971,854	52,678,459	54,104,586	57,446,094
Buildings (Was Building Maintenance)	1,565,000	1,550,000	1,304,000	1,297,548	637,000
Rail Program (Was Rail & Aviation or Air, Rail & Public Trans.)	6,243,074	7,310,836	6,413,236	8,196,929	8,979,308
Public Transit	0	5,847,522	6,379,376	5,796,599	6,016,646
Aviation Program	2,535,000	2,892,080	3,024,775	2,222,416	2,195,350
Central Garage Revolving Fund	0	0	0	0	0
Highway Central Garage Fund - Act 6, Sec. 69b 2005 Sess.	0	0	2,600,000	0	0
Program Development (Paving)	23,236,750	31,620,172	33,473,081	26,420,110	37,933,711
Total Agency	100,988,658	109,687,631	117,221,454	109,541,172	126,762,275
Department of Motor Vehicles:					
Customer Service	16,213,234	17,235,903	19,112,258	20,586,370	19,617,251
Motorcycle Rider Training	220,834	0	0	0	0
Total Department	16,434,068	17,235,903	19,112,258	20,586,370	19,617,251
Town Highways:					
Aid Program (Grants)	23,857,744	23,857,744	24,982,744	24,982,744	24,982,744
Structures	3,494,500	3,494,500	3,944,500	3,494,500	3,494,500
Bridges	4,700,034	4,627,672	6,679,406	3,892,314	3,493,170
Emergency Fund	182,111	750,000	749,170	57,129	1,250,000
Class 1 Supplemental	128,750	128,750	128,750	128,750	128,750
Class 2 Resurfacing Program (2 for 1 Match)	4,248,750	4,248,750	4,248,750	4,748,750	5,748,750
Vermont Local Roads Program	283,000	308,000	435,600	333,867	235,000
Bridge Maintenance Program	0	0	0	959,622	2,028,959
Municipal Mitigation Grant Program	0	0	0	0	196,707
Discretionary Spending	0	0	0	0	3,569,924
Total Town Highways	36,894,889	37,415,416	41,168,920	38,597,676	45,128,504
FUNCTION TOTAL - TRANSPORTATION	154,392,377	164,468,950	177,581,032	168,808,618	191,592,630
OTHER BILLS:					
Pay Act	2,803,121	0	0	0	0
DMV, Abandoned Motor Vehicles (Act 101, Sec. 8)	0	0	5,000	0	0
Contingency GF Transfer, TF (Act 71, Sec. 257 of 2005)	0	0	0	5,000,000	0
FY05 Big Bill (Act 122, Sec. 289b App & Transfer) 04 Sess.	0	6,326,296	0	0	0
Transp. Capital Program (Act 160, Sec. 56(a)) 04 Sess.	0	1,365,000	0	0	0
TOTAL - OTHER BILLS	2,803,121	7,691,296	5,000	5,000,000	0
GRAND TOTAL - TRANSPORTATION FUND	211,111,516	221,964,590	225,344,734	220,073,685	231,652,322

Education Fund Appropriations: Five-Year Detailed History
(FY2007 Appropriations from Act 215 of the 2006 session; prior to budget adjustment)

PROGRAM	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
EDUCATION FUND					
Education Programs	7,949,075	8,376,070	9,656,923	9,836,396	10,598,329
Special Education Formula Grants	69,750,914	74,702,258	105,256,030	115,996,845	125,050,000
State Placed Students	9,858,500	10,689,886	11,642,880	14,400,000	14,416,000
Adjusted Education Payment (Education Grants)	601,400,000	619,700,000	910,971,994	966,000,000	1,018,388,625
Transportation	12,727,961	12,922,700	13,190,788	13,496,399	13,978,220
Small School Grants	4,760,660	5,023,842	5,213,383	5,250,000	5,360,000
Capital Debt Service Aid	3,161,935	2,126,341	459,546	450,355	380,000
Local Share PropertyTax	42,200,000	42,000,000	0	0	0
Tax Department - Reappraisal & Listing Payments	2,240,000	2,384,500	2,266,000	3,210,000	3,213,378
Tax Department - Property Tax Assistance	86,745,000	98,000,000	92,311,600	108,800,000	116,200,000
Adult Education Literacy	0	0	499,999	250,000	0
Essential Early Education Grant	0	0	4,273,279	4,379,337	4,838,045
Council on Education Governance	0	0	0	75,000	0
Debt Service	0	200,000	0	0	0
Act 68 (H.480, Sec. 69) Education Funding	0	784,472	0	0	0
Edicatopm Dept., Capitol Construction Aid (Act 86, Sec. 32)	0	0	932,000	0	0
Adult Education & Literacy Services (Act 176, S.222)	0	0	0	0	1,000,000
GRAND TOTAL - EDUCATION FUND	840,794,045	876,910,069	1,156,674,422	1,242,144,332	1,313,422,597

FISCAL YEAR 2007 APPROPRIATIONS
By Object Code, All Funds, Prior to Budget Adjustment

APPROPRIATION	PERSONAL	OPERATING	GRANTS	OTHER	TOTAL
<u>General Government</u>					
Secretary Of Administration - Secretary	471,572	43,505	400,000	0	915,077
Information & Innovation - Communications & Information Technology	4,516,891	792,925	0	0	5,309,816
Finance & Management - Budget & Management	915,648	298,559	0	0	1,214,207
Financial Operations	2,385,354	1,038,142	0	0	3,423,496
Human Resources - Operations	1,911,699	394,909	0	0	2,306,608
Hr Workforce Planning & Employment Services	811,726	386,881	0	0	1,198,607
Employee Benefits & Wellness	1,380,362	367,086	0	0	1,747,448
Information Technology	540,918	416,982	0	0	957,900
Libraries	1,976,553	1,653,154	70,000	0	3,699,707
Tax - Administration/Collection	11,814,733	2,908,679	0	0	14,723,412
Buildings & General Services - Administration	1,812,900	316,900	0	0	2,129,800
Engineering	1,887,000	418,700	0	0	2,305,700
Information Centers	3,471,792	1,282,500	45,000	0	4,799,292
Purchasing	718,800	126,476	0	0	845,276
Public Records	801,904	673,800	0	0	1,475,704
Postal Services	632,900	197,300	0	0	830,200
Copy Center	756,100	180,500	0	0	936,600
Fleet Management Services	481,500	159,300	0	0	640,800
Federal Surplus Property	62,100	65,500	0	0	127,600
State Surplus Property	58,900	62,600	0	0	121,500
Property Management	1,301,000	2,844,300	0	0	4,145,300
All Other Insurance	75,700	37,400	0	0	113,100
General Liability Insurance	267,600	77,300	0	0	344,900
Workers' Compensation Insurance	1,152,800	428,700	0	0	1,581,500
Fee For Space	10,529,817	10,548,400	0	0	21,078,217
Geographic Information Systems	0	0	411,685	0	411,685
Total - Agency Of Administration	50,736,269	25,720,498	926,685	0	77,383,452
Auditor Of Accounts	2,056,162	122,054	0	0	2,178,216
State Treasurer	2,131,671	344,005	10,000	0	2,485,676
Unclaimed Property	586,261	299,282	0	0	885,543
Vt State Retirement System	21,760,779	654,141	0	0	22,414,920
Municipal Employees' Retirement System	1,687,216	336,988	0	0	2,024,204
State Labor Relations Board	166,808	38,801	0	0	205,609
Executive - Governor's Office	1,235,847	358,744	0	0	1,594,591
National & Community Service	199,571	131,957	1,715,533	0	2,047,061
Vosha Review Board	32,015	8,523	0	0	40,538
Use Tax Reimbursement Fund	0	0	8,113,944	0	8,113,944
Lieutenant Governor	127,360	19,658	0	0	147,018
Legislature	3,600,129	2,036,909	0	0	5,637,038
Legislative Council	1,872,976	145,113	0	0	2,018,089
Legislative Information Technology	332,187	256,071	0	0	588,258
Sergeant At Arms	468,625	60,947	0	0	529,572
Joint Fiscal Office	1,143,796	87,831	0	0	1,231,627
Lottery Commission	1,337,891	1,077,287	0	0	2,415,178
Payment In Lieu Of Taxes	0	0	3,100,000	0	3,100,000
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	89,475,563	31,698,809	14,090,162	0	135,264,534

Fiscal Year 2007 Appropriations (continued)

Appropriation	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
<u>Protection To Persons And Property</u>					
Attorney General	6,897,601	932,612	0	0	7,830,213
Vt Court Diversion	0	0	1,604,534	0	1,604,534
Center For Crime Victim Services	1,159,459	307,874	8,555,195	0	10,022,528
State's Attorneys	8,615,260	1,174,969	0	0	9,790,229
Sheriffs	2,805,590	309,244	0	0	3,114,834
Defender General - Public Defense	6,089,740	671,119	0	0	6,760,859
Assigned Counsel	2,862,918	62,552	0	0	2,925,470
Military - Administrative	475,193	151,271	200,000	0	826,464
Air Service Contract	4,015,783	875,237	0	0	4,891,020
Army Service Contract	3,361,860	5,780,134	0	0	9,141,994
Building Maintenance	915,455	441,925	0	0	1,357,380
Veterans' Affairs	265,466	107,315	172,815	0	545,596
Criminal Justice Training Council	1,007,217	800,611	0	0	1,807,828
Liquor Control - Enforcement & Licensing	1,616,703	334,752	0	0	1,951,455
Administration	1,304,489	370,241	0	0	1,674,730
Warehousing & Distribution	790,029	343,527	0	0	1,133,556
Vermont Racing Commission	0	1,000	0	0	1,000
Secretary Of State	4,040,135	1,341,443	1,200,000	0	6,581,578
Banking, Insurance, Securities & Health Care	1,133,430	280,645	0	0	1,414,075
Insurance	2,918,926	518,400	0	0	3,437,326
Captive	2,785,349	438,260	0	0	3,223,609
Securities	524,668	133,050	0	0	657,718
Health Care	4,541,080	379,818	0	0	4,920,898
Administration	1,059,213	51,417	0	0	1,110,630
Public Safety - Administration	1,671,312	162,943	0	0	1,834,255
Homeland Security	1,517,922	4,504,102	14,838,700	0	20,860,724
Vermont State Police	37,651,431	5,707,781	1,635,950	0	44,995,162
Criminal Justice Services	5,925,379	2,404,337	2,182,500	0	10,512,216
Emergency Management	1,301,165	459,748	721,050	0	2,481,963
Radiological Emergency Response Plan	667,284	239,640	453,516	0	1,360,440
Fire Safety	3,743,689	929,794	48,000	0	4,721,483
Agriculture - Administration	855,670	446,851	357,114	0	1,659,635
Food Safety & Consumer Assurance	2,478,439	271,787	2,801,492	0	5,551,718
Agricultural Development	826,041	504,152	1,249,421	0	2,579,614
Laboratories, Agricultural Resource	3,079,164	504,576	626,000	0	4,209,740
State Stipend Fund	0	0	175,000	0	175,000
Mosquito Control	20,000	70,000	0	0	90,000
Public Service - Regulation & Energy	4,547,379	674,884	800,000	0	6,022,263
Clean Energy Development Fund	0	0	4,800,000	0	4,800,000
Purchase & Sale Of Power	11,886	1,516	0	0	13,402
Enhanced 9-1-1 Board	2,106,208	371,986	0	0	2,478,194
Public Service Board	2,447,097	310,000	0	0	2,757,097
Judiciary	25,836,112	7,150,842	70,000	0	33,056,954
Human Rights Commission	379,094	78,912	0	0	458,006
Total-Protection To Persons And Property	154,250,836	40,601,267	42,491,287	0	237,343,390

Fiscal Year 2007 Appropriations (continued)

Appropriation	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
<u>Human Services</u>					
Human Services - Secretary's Office	6,522,771	2,220,100	4,576,108	0	13,318,979
Global Commitment	0	0	792,294,238	0	792,294,238
Rate Setting	685,795	92,395	0	0	778,190
Human Services Board	290,456	50,457	0	0	340,913
Developmental Disabilities Council	139,974	33,310	315,000	0	488,284
Office Of Vermont Health Access - Admini-	26,611,976	1,918,014	0	0	28,529,990
Medicaid - Global Commitment	0	0	389,504,923	0	389,504,923
Medicaid Program - Non-Global Commit-	0	0	172,317,361	0	172,317,361
Medicaid Matched Nonwaiver Expenses	0	0	61,194,552	0	61,194,552
Medicaid Program - State Only	0	0	29,621,923	0	29,621,923
Health - Administration & Support	5,760,189	2,397,801	150,000	0	8,307,990
Blueprint For Health	2,549,049	331,443	366,000	0	3,246,492
Health Protection	3,282,307	768,200	1,689,500	0	5,740,007
Health Surveillance	9,523,745	2,845,354	2,606,982	0	14,976,081
Health Improvement	7,659,905	1,051,300	11,012,449	0	19,723,654
Community Public Health	12,543,385	2,145,389	19,948,030	0	34,636,804
Alcohol & Drug Abuse Prgs	9,228,703	1,130,648	20,420,145	0	30,779,496
Mental Health	4,245,156	645,735	113,908,703	0	118,799,594
Vermont State Hospital	17,362,523	1,342,956	3,000	0	18,708,479
Medical Practice Board	466,127	316,700	0	0	782,827
Dept For Children & Families - Administra-	27,880,515	4,947,217	1,506,998	0	34,334,730
Child Support Office	8,778,807	2,880,818	0	0	11,659,625
Child Development	2,793,150	762,969	46,918,030	0	50,474,149
Family Services	19,332,140	2,932,379	65,473,894	0	87,738,413
Woodside Rehabilitation Center	2,598,093	471,125	0	0	3,069,218
Disability Determination Services	3,587,857	558,389	0	0	4,146,246
Aid To Aged, Blind & Disabled	1,365,966	0	9,597,469	0	10,963,435
General Assistance	0	0	4,376,259	0	4,376,259
Reach Up	0	0	41,996,096	0	41,996,096
Liheap Fuel	20,000	90,000	10,146,117	0	10,256,117
Food Stamp Cash Out	0	0	7,178,725	0	7,178,725
Children's Trust Fund	0	0	340,891	0	340,891
Economic Opportunity Office	202,462	85,023	5,129,551	0	5,417,036
Oeo - Weatherization Assistance	154,488	129,950	7,735,000	0	8,019,438
Disabilities, Aging, & Independent Living -	22,413,228	3,696,610	0	0	26,109,838
Advocacy & Independent Living	0	0	21,632,428	0	21,632,428
Blind & Visually Impaired	0	0	1,417,110	0	1,417,110
Vocational Rehabilitation	0	0	5,736,907	0	5,736,907
Tbi Home & Community Based Waiver	0	0	2,993,010	0	2,993,010
Developmental Services	0	0	117,490,715	0	117,490,715
Corrections - Administration	2,065,241	316,087	0	0	2,381,328
Parole Board	299,753	65,555	0	0	365,308
Correctional Education	3,263,380	343,662	0	0	3,607,042
Correctional Services	70,894,459	26,853,973	2,064,500	0	99,812,932
Correctional Services - Out Of State Beds	0	8,020,247	0	0	8,020,247
Correctional Facilities - Recreation	603,012	473,986	0	0	1,076,998
Vermont Offender Work Program	1,363,572	1,959,040	0	0	3,322,612
Commission On Women	201,837	59,650	0	0	261,487
Retired Senior Volunteer Program	0	0	131,096	0	131,096
Veterans' Home - Care & Support Services	12,927,871	3,123,419	0	0	16,051,290
Total - Human Services	287,617,892	75,059,901	1,971,793,710	0	2,334,471,503

Fiscal Year 2007 Appropriations (continued)

Appropriation	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
<u>Labor</u>					
Labor - Programs	19,264,611	4,136,325	1,560,293	0	24,961,229
Administration	2,603,442	697,451	0	0	3,300,893
Domestic & Sexual Violence Survivors'			10,000	0	10,000
Total - Labor	21,868,053	4,833,776	1,570,293	0	28,272,122
<u>General Education</u>					
Finance And Administration	4,619,254	1,623,008	14,505,600	0	20,747,862
Education Services	13,438,400	2,026,972	112,160,397	0	127,625,769
Technical Education	0	0	10,598,329	0	10,598,329
Special Education: Formula Grants	0	0	125,280,000	0	125,280,000
State-Placed Students	0	0	14,416,000	0	14,416,000
Adult Education & Literacy	0	0	3,701,017	0	3,701,017
Adjusted Education Payment	0	0	1,018,388,625	0	1,018,388,625
Essential Early Education Grant	0	0	4,838,045	0	4,838,045
Transportation	0	0	13,978,220	0	13,978,220
Small School Grants	0	0	5,360,000	0	5,360,000
Capital Debt Service Aid	0	0	380,000	0	380,000
Tobacco Litigation	130,133	17,752	847,783	0	995,668
Act 117 Cost Containment	1,030,687	117,081	91,000	0	1,238,768
Fund Appropriation And Transfer	0	0	268,720,000	0	268,720,000
State Teachers' Retirement	19,745,437	798,923	24,446,729	0	44,991,089
Tax Dept. - Reappraisal & Listing Payments	0	0	3,213,378	0	3,213,378
Tax Dept - Property Tax Assistance	0	0	118,450,000	0	118,450,000
Total General Education And Property Tax	38,963,911	4,583,736	1,739,375,123	0	1,782,922,770
<u>Higher Education And Other</u>					
University Of Vermont	0	0	40,842,201	0	40,842,201
Morgan Horse Farm	0	0	5,200	0	5,200
Vermont Public Television	0	0	596,785	0	596,785
Vermont State Colleges	0	0	23,330,193	0	23,330,193
Allied Health	0	0	1,033,268	0	1,033,268
Vermont Interactive Television	0	0	847,944	0	847,944
Vermont Student Assistance Corporation	0	0	18,481,892	0	18,481,892
New England Higher Education Compact	0	0	80,000	0	80,000
Total Higher Education And Other	0	0	85,217,483	0	85,217,483
<u>Natural Resources</u>					
Natural Resources - Administration	4,620,324	1,776,469	31,500	0	6,428,293
Ct. River Watershed Advisory Comm.	0	0	38,000	0	38,000
Citizens' Advisory Comm On Lake Cham-	3,600	3,900	0	0	7,500
State Land Local Property Tax Assessment	0	1,574,000	0	0	1,574,000
Green Up	6,948	10,550	0	0	17,498
Fish & Wildlife - Support & Field Servs.	9,847,289	4,229,867	446,140	0	14,523,296
Watershed Improvement	0	0	75,000	0	75,000
Forests, Parks & Recreation - Administration	873,790	604,341	2,216,100	0	3,694,231
Forestry	4,533,422	616,312	288,000	0	5,437,734
State Parks	4,870,037	2,199,350	5,000	0	7,074,387
Lands Administration	533,420	231,111	0	0	764,531
Youth Conservation Corps	388,775	9,593	450,000	0	848,368
Forest Highway Maintenance	222,978	301,000	0	0	523,978
Env. Cons. - Management & Support Services	2,931,319	887,118	84,000	0	3,902,437

Fiscal Year 2007 Appropriations (continued)

Appropriation	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
Air & Waste Management	7,056,543	6,176,683	1,709,000	0	14,942,226
Office Of Water Programs	12,629,486	2,215,066	2,891,036	0	17,735,588
Tax Loss - Connecticut River Flood Control	0	40,000	0	0	40,000
Natural Resources Board	2,304,259	444,350	0	0	2,748,609
Total - Natural Resources	50,822,190	21,319,710	8,233,776	0	80,375,676
<u>Commerce & Community Development</u>					
C.C.D. - Administration	1,369,681	524,064	300,000	0	2,193,745
Housing & Community Affairs	2,479,313	347,147	4,207,227	0	7,033,687
Historic Sites Operations	615,472	284,540	0	0	900,012
Historic Sites - Special Improvements	129,160	1,025,614	0	0	1,154,774
Community Development Block Grants (Fy)	0	0	7,446,530	0	7,446,530
Downtown Transp & Capital Improvement Fd	40,000	0	760,000	0	800,000
Economic Development	1,936,584	650,206	1,675,349	0	4,262,139
Vt Training Program (Vtp)	134,375	20,636	1,486,789	0	1,641,800
Tourism And Marketing	1,717,814	2,486,686	142,000	0	4,346,500
Vermont Life	736,256	113,300	0	0	849,556
Vermont Council On The Arts	0	0	529,618	0	529,618
Vermont Symphony Orchestra	0	0	118,780	0	118,780
Vermont Historical Society	0	0	733,393	0	733,393
Vermont Housing & Conservation Board	0	0	24,551,195	0	24,551,195
Vt Council On The Humanities	0	0	180,599	0	180,599
Total - Development & Comm. Affairs	9,158,655	5,452,193	42,131,480	0	56,742,328
<u>Transportation</u>					
Finance & Administration	8,879,959	2,127,950	0	0	11,007,909
Aviation	1,115,720	10,074,880	160,000	0	11,350,600
Buildings	133,000	568,000	0	0	701,000
Program Development	35,463,202	130,662,679	35,727,282	0	201,853,163
Rest Areas	100,000	3,341,146	0	0	3,441,146
Maintenance State System	32,043,294	27,941,800	368,000	0	60,353,094
Policy And Planning	4,969,906	964,875	4,690,227	0	10,625,008
Rail	4,911,881	12,466,427	4,720,000	0	22,098,308
Public Transit	516,238	69,450	17,037,070	0	17,622,758
Central Garage	3,198,783	11,309,386	0	0	14,508,169
Motor Vehicles Department	13,580,740	7,050,064	311,300	0	20,942,104
Town Highway Structures	0	0	3,494,500	0	3,494,500
Town Highway - Emergency Fund	0	0	1,250,000	0	1,250,000
Town Highway - Vermont Local Roads	0	0	375,000	0	375,000
Town Highway - Class 2 Roadway	0	0	5,748,750	0	5,748,750
Town Highway Bridges	3,650,000	23,659,491	525,000	0	27,834,491
Town Highway Aid Program	0	0	24,982,744	0	24,982,744
Town Highway - Class 1 Supplemental	0	0	128,750	0	128,750
Municipal Mitigation Grant Program	0	0	2,000,700	0	2,000,700
Public Assistance Grant Program	0	0	200,000	0	200,000
Transportation Board	70,800	13,800	0	0	84,600
Bridge Maintenance Program	0	8,340,679	0	0	8,340,679
Discretionary Spending	0	5,215,534	0	0	5,215,534
Total - Transportation	108,633,523	243,806,161	101,719,323	0	454,159,007
<u>Debt Service</u>					
Debt Service - General	0	0	0	69,130,821	69,130,821
Total Debt Service	0	0	0	69,130,821	69,130,821

Fiscal Year 2007 Appropriations (continued)

Appropriation	PERSONAL SERVICES	OPERATING EXPENSES	GRANTS	OTHER	TOTAL
<u>Miscellaneous Sections</u>					
Fy2007 Contingent Appropriation - State Teachers' Retirement System	0	0	0	5,000,000	5,000,000
Total Miscellaneous Appropriations	0	0	0	5,000,000	5,000,000
Grand Total - All Functions	760,790,623	427,355,553	4,006,622,637	74,130,821	5,268,899,634
General Government	89,475,563	31,698,809	14,090,162	0	135,264,534
Protection To Persons & Property	154,250,836	40,601,267	42,491,287	0	237,343,390
Human Services	287,617,892	75,059,901	1,971,793,710	0	2,334,471,503
Employment And Training	21,868,053	4,833,776	1,570,293	0	28,272,122
General Education & Property Tax Support	38,963,911	4,583,736	1,739,375,123	0	1,782,922,770
Higher Education & Other	0	0	85,217,483	0	85,217,483
Natural Resources	50,822,190	21,319,710	8,233,776	0	80,375,676
Development & Community Affairs	9,158,655	5,452,193	42,131,480	0	56,742,328
Transportation	108,633,523	243,806,161	101,719,323	0	454,159,007
Debt Service	0	0	0	69,130,821	69,130,821
Miscellaneous Sections	0	0	0	5,000,000	5,000,000
Total - Fiscal Year 2007	760,790,623	427,355,553	4,006,622,637	74,130,821	5,268,899,634
<u>Other Bills Of The 2006 Session</u>					
Pay Act	6,205,219	0	0	0	6,205,219
Adult Education & Literacy Services (Act	0	0	0	1,000,000	1,000,000
Education Finance Simplification (Act 185, Sec. 8 & 24, H.880)	0	0	0	14,742,000	14,742,000
Precursor Drugs Of Methamphetamine (Act 164, Sec. 4, H.480)	0	20,000	0	0	20,000
Total - Other Bills	6,205,219	20,000	0	15,742,000	21,967,219
Grand Total - FY 2007 Appropriations	766,995,842	427,375,553	4,006,622,637	89,872,821	5,290,866,853

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.frb.org>

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>

