

FY 2025 Executive Budget Summary



Fiscal Year 2025 Executive Budget Recommendations

Philip B. Scott
Governor of Vermont
January 23, 2024





January 23, 2024

Dear Members of the General Assembly and Fellow Vermonters:

Earlier this month, I reported on the State of the State, laying out three key issues: affordability, public safety and - at the center of it all - housing. Solutions for each are within reach and, if we address them, we can restore the working class, revitalize communities and neighborhoods in every county, refill our schools, and take full advantage of the historic infrastructure investments we've made over the course of the last several years.

This work, especially when it comes to affordability, starts with the budget I'm presenting, totaling \$8.6 billion across all funds. This includes \$353 million for Transportation and \$2.4 billion for Education. Our General Fund budget totals \$2.3 billion, which includes 3.6% growth in base spending over last year. This is not an arbitrary number. It's what we can do using available revenue, meaning we can still increase General Fund revenue and meet our existing funding obligations, without new or higher taxes and fees. I will not ask Vermonters to pay more, especially given the growing number of burdens they already face.

We know affordability isn't just about taxes and fees. In our health care sector, this budget provides more resources to skilled nursing facilities to lessen our reliance on emergency relief funding and provide a stable reimbursement structure. We will also continue our move away from an

expensive and inefficient fee-for-service model. My budget includes funding to build on what's working, with new tools using a global payment to improve patient outcomes, increase investment in primary care, increase health equity, and slow the growth in health care costs for Vermonters.

This is important work, but the reality is, addressing affordability and sustainability by bringing more working families to our state is job #1. Unless we address demographics, we will continue to struggle.

We need to take a hard look at how to contain costs and improve outcomes. We are doing that in our health care sector, and we must do the same difficult work in our education sector. Vermonters face double digit growth in their property tax bills this year, and when coupled with stagnant or declining enrollment and troubling national test scores, none of us should be complacent. I put forward proposals in past years to address these issues that, if adopted, would have put Vermont in a better financial position for our education system.

Education reform is not just about cost containment. There are plenty of opportunities to better serve students within existing resources. I will propose new strategies and more tools to improve reading levels, strengthen training, and refocus on evidence-based techniques that help teachers and students. We can also make real progress on Career and Technical Education. If we fund CTE centers directly, we can put an end to the conflict and competition between sending schools and tech centers for students and tuition dollars. We can eliminate the barriers keeping kids out of programs because their center happens to be full. And we can show students the variety of careers and skills available by making sure everyone, regardless of "track", has the chance to explore tech courses and real career opportunities.

A topnotch cradle-to-career education system is essential to keeping and attracting more families and revitalizing our communities throughout the state. We must also solidify our place as the safest state in the nation.

Vermont is often at the forefront of public safety reform but, if reviewed honestly, our record is mixed. Many of the proposals I will put forward do not have a budgetary impact, but my budget will make investments that can make a difference. With opioid settlement funds, we will expand staff and hours of

operation in three or more existing hubs. We can help partners such as Vermonters for Criminal Justice Reform continue their re-entry and recovery center for those leaving our corrections system. With a “stabilization bed program” we can make sure people don’t lose out on the chance to recover simply because of a relapse. And we can invest to help others in recovery with the housing they need. Prevention is our best solution to this challenge so we should expand our successful school-based prevention services directly connecting kids with trusted, trained adults. This budget will also finance the opening of a youth inpatient facility in southwestern Vermont. And as the result of our successful pilot to embed 12 mental health workers in our state police barracks, this budget makes those 12 positions permanent and adds 8 more.

To really get ahead of these issues - and so many others - we need to give more families and young people the security and stability of a good home in a vibrant neighborhood. Most of us agree on the need for more housing. Let’s spark more investment in our smaller, more disadvantaged areas with incentives to turn abandoned or rundown properties back into good homes for low- and middle-income residents. To help make this happen, my budget supports the elimination of the cap on the Downtown and Village Center Tax Credit program. Also included are additional dollars for the Vermont Home Improvement Program (VHIP) to get more units online quickly and affordably, and continued support for the Manufactured Home Improvement and Repair program which keeps people housed. This budget also finances growth in our shelter capacity and a new initiative for permanent, supportive housing for homeless families.

Many more proposals are detailed in the following pages, including the importance of setting aside sufficient state match money for FEMA public and municipal assistance funds and hazard mitigation funding to help with flood recovery. Not only is this federal money critical to making repairs to badly damaged public buildings, but it will also support buyouts and floodplain restoration projects to better protect homes and communities from floodwater, and infrastructure upgrades to ride out the next storm so we don’t just build back, we build back better.

We’ve seen the impact of this type of work, and we can do more of it, but we have to be ready to put up our share.

I don’t think there will be a lot of disagreement about what’s in this budget. The disagreement will lie in what’s not included. But we must be honest with the fact that we can’t fund everything. Pushing more and more money at problems and needs hasn’t worked because more money doesn’t always equal progress, especially if it is not coupled with the right policies. We must be more creative about how we achieve our goals. There are so many things we can achieve, so many shared goals we can reach, if we take the time to get it right and realize that consistent, steady progress at a pace Vermonters can afford is the only way to get there.

I know we can get there, and I’ve never been more energized to help Vermonters and communities turn towards opportunity.

Sincerely,

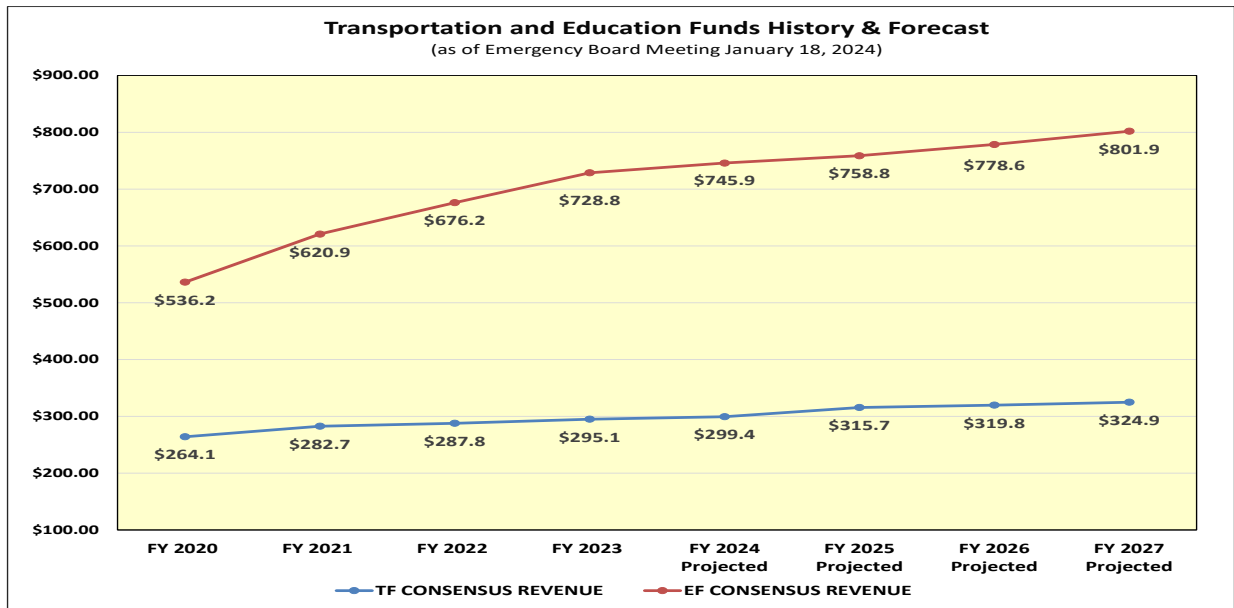
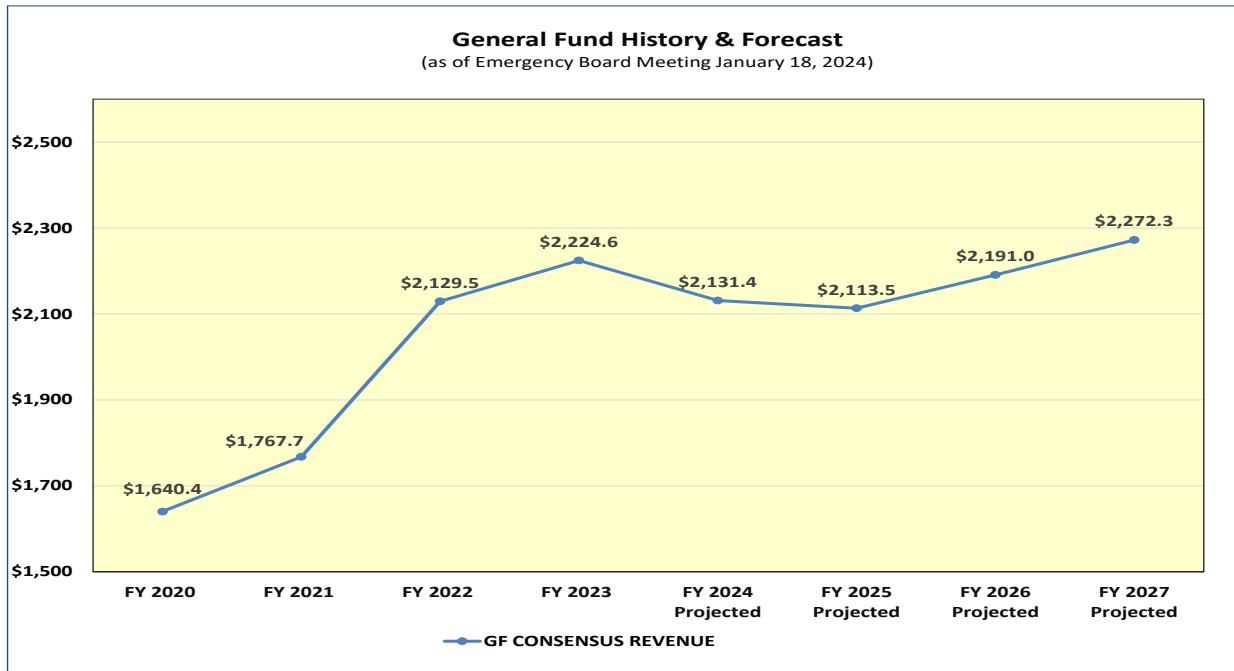
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Philip B. Scott
Governor

TABLE OF CONTENTS

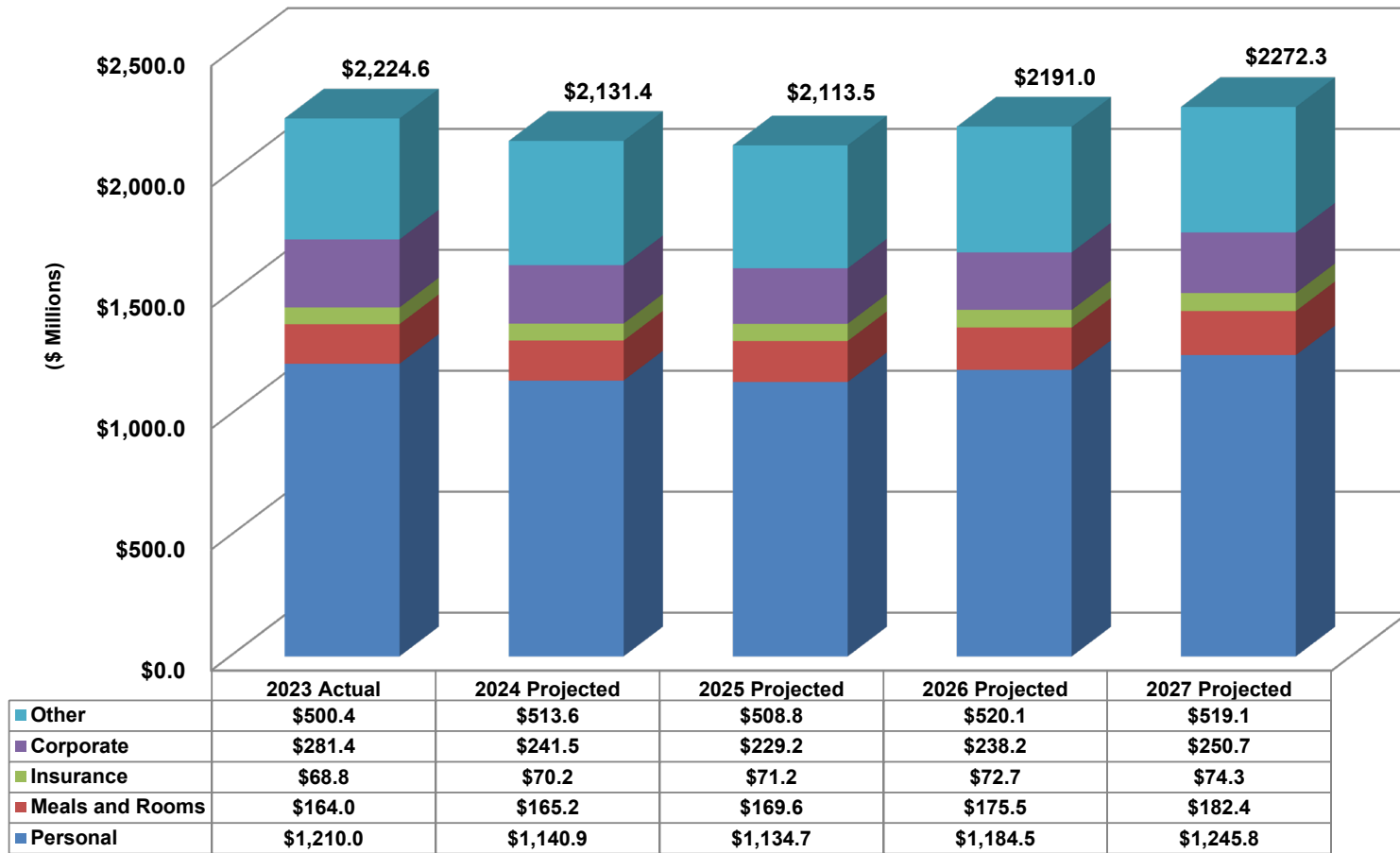
Letter from Governor Scott	1-2
Consensus Revenue History & Forecast	4
General Fund Revenue by Component	5
Transportation Fund Revenue by Component.....	6
Education Fund Revenue by Component	7
Current Services Budget	8-10
Governor Scott’s FY 2025 Budget Items	11-13
FY 2025 General Fund (GF) Budget Overview - Sources	14
FY 2025 General Fund (GF) Budget Overview - Uses	15
One-time General Fund Appropriations for Policy Initiatives-Section B.1100.....	16
Total Appropriations History FY 2021 – FY 2025 (all funds).....	17
FY 2025 Governor’s Recommended Budget – All Funds by Function.....	18-19
FY 2025 Governor’s Recommended Appropriations—Pie Charts—by Function and Fund	20-21
FY 2025 Governor’s Recommended Budget by Department and Funding Source	22-24
General Fund Summary	25
Transportation Fund Summary.....	26
Education Fund Summary	27
Other Required Reports	
Tax Expenditure Report.....	28-30
Retirement Systems Financial Integrity Report.....	31-32
Appendix A: FY 2025 Performance Accountability	33
Appendix B: Public Participation – Public Budget Forums	34
Public Comments	35
Acknowledgements and Credits	36

CONSENSUS REVENUE HISTORY & FORECAST



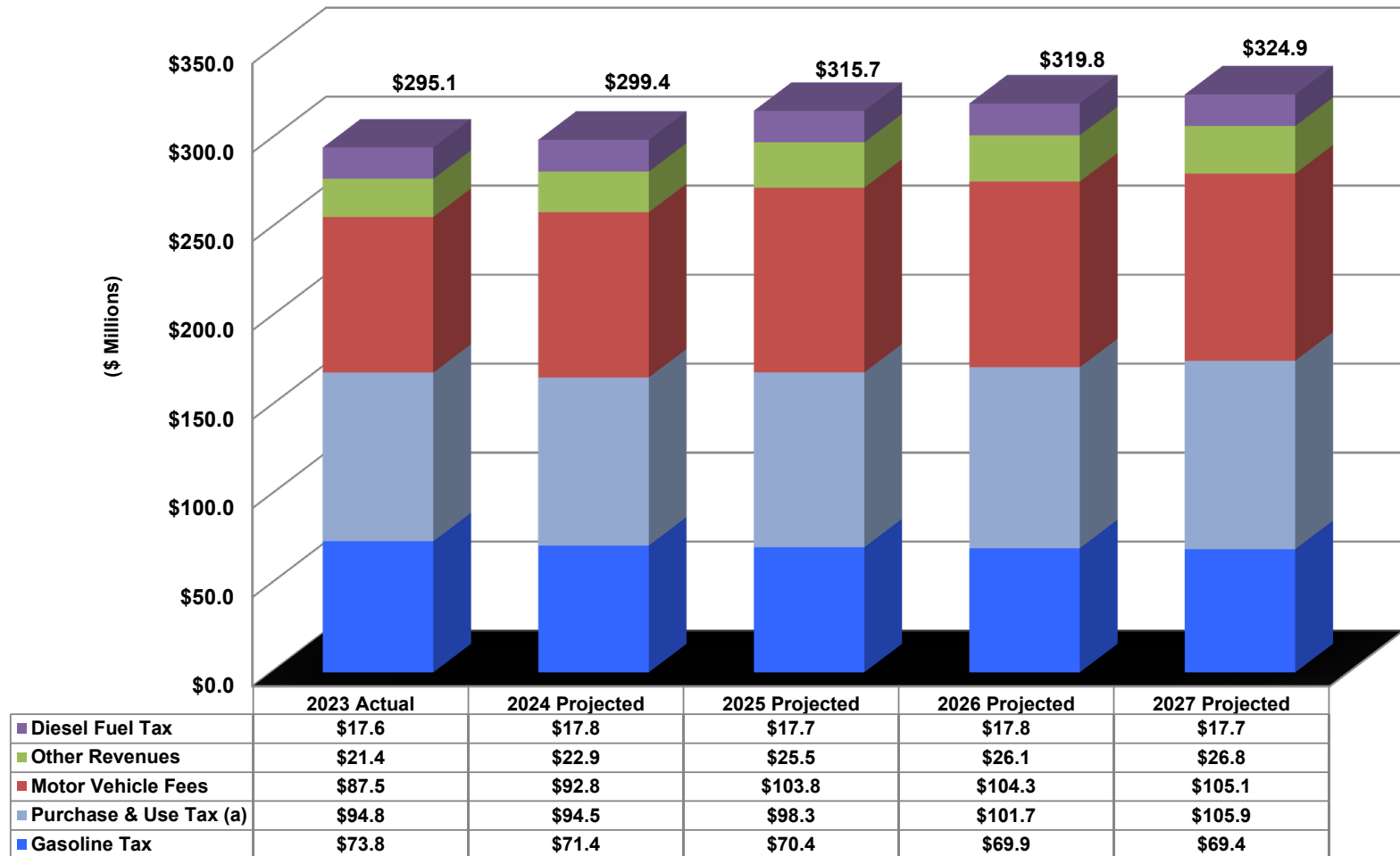
General Fund Revenue by Component FY 2023 – FY 2027

Emergency Board January 18, 2024



Transportation Fund Revenue by Component FY 2023 – FY 2027

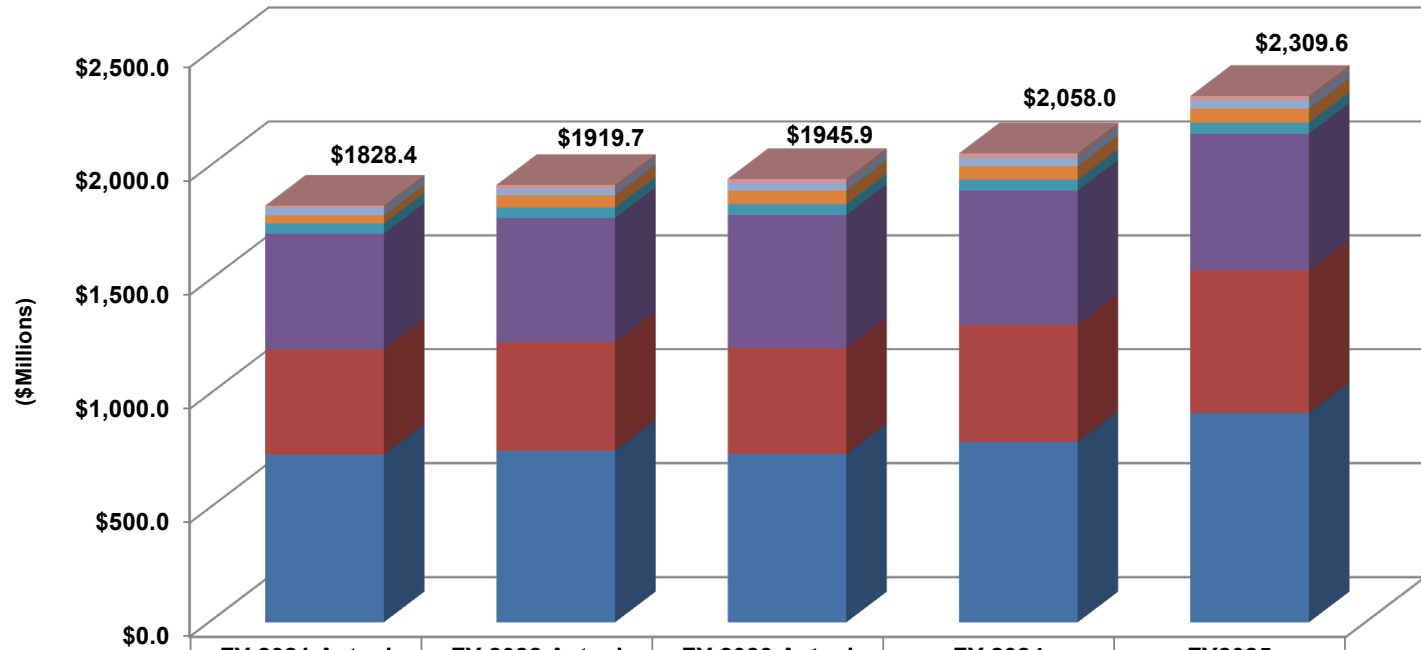
Emergency Board January 18, 2024



(a) One-third of motor vehicles purchase and use revenue is dedicated to the Education Fund

Education Fund Revenue by Component FY 2021 – FY 2025

Emergency Board January 18, 2024



	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Projected
Other	\$10.3	\$15.0	\$19.4	\$21.0	\$19.7
Lottery Revenue	\$32.5	\$30.8	\$32.1	\$34.9	\$35.7
Meals & Rooms (a)	\$36.0	\$54.2	\$59.4	\$59.9	\$61.5
Purchase & Use Tax (b)	\$44.7	\$45.7	\$47.4	\$47.2	\$49.1
Sales & Use Tax (c)	\$507.6	\$545.2	\$584.0	\$589.6	\$598.8
Homestead Tax	\$462.2	\$476.4	\$464.6	\$513.2	\$626.4
Non-Homestead Tax	\$735.2	\$752.4	\$738.9	\$792.2	\$918.5

(a) The Education Fund's Meals & Rooms revenue represents one-fourth of total Meals & Rooms revenue
 (b) The Education Fund's Purchase & Use revenue represents one-third of total Purchase & Use Tax revenue
 (c) The FY 2024 and 2025 Sales & Use Tax projections reflect a proposal to deposit sales & use taxes generated by the sale of cannabis & cannabis products into the Afterschool and Summer Learning Fund rather than the Education Fund

Current Services Budget

Per 32 V.S.A. § 306 (a)(1)

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

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

See General Fund Overview on page 14 for further detail.

2023 Act 78 Section #(s)	Dept Name	FY 2024 As Passed	FY 2025 Current Services Budget	Increase / (Decrease)	% Variance
B.100	Administration - secretary's office	2,359,270	2,449,890	90,620	3.8%
B.105	Agency of Digital Services	186,726	209,808	23,082	12.4%
B.106	Finance and management	1,143,286	1,183,688	40,402	3.5%
B.108	Human resources	1,777,169	1,835,968	58,799	3.3%
B.110	Libraries	2,088,614	2,151,812	63,198	3.0%
B.111	Tax	22,406,475	23,248,019	841,544	3.8%
B.113-116	Buildings and general services	6,244,127	6,611,619	367,492	5.9%
	Sub-total Agency of Administration	36,205,667	37,690,804	1,485,137	4.1%
B.124	Executive office - governor's office	1,801,931	1,896,299	94,368	5.2%
B.125-128	Legislative Branch - all appropriations	20,659,643	22,327,405	1,667,762	8.1%
B.129	Lieutenant governor	302,484	321,409	18,925	6.3%
B.130	Auditor of accounts	372,808	383,992	11,184	3.0%
B.131	Treasurer	2,148,837	2,233,091	84,254	3.9%
B.104.1	Retired State Employee Pension Plus	9,000,000	-	(9,000,000)	-100.0%
B.135	State labor relations board	298,189	329,646	31,457	10.5%
B.136	VOSHA review board	51,004	72,964	21,960	43.1%
B.137	Homeowner rebate	16,250,000	19,100,000	2,850,000	17.5%
B.138	Renter rebate	9,500,000	9,500,000	-	0.0%
B.139	Reappraisal & Listing Pmts	3,394,500	3,400,000	5,500	0.2%
B.140	Municipal Use Tax Reimbursement	18,600,000	20,050,000	1,450,000	7.8%
	Sub-total Property Tax Assistance	47,744,500	52,050,000	4,305,500	9.0%
	Sub-total General Government	118,585,063	117,305,610	(1,279,453)	-1.1%
B.200	Attorney general	6,974,796	7,348,661	373,865	5.4%
B.201	Vermont court diversion	2,886,224	2,972,811	86,587	3.0%
B.202-203	Defender General	23,176,122	24,092,299	916,177	4.0%
B.204	Judiciary	58,250,863	60,636,629	2,385,766	4.1%
B.205	State's attorneys	15,904,997	16,711,634	806,637	5.1%
B.206	Special investigative units	2,228,629	2,230,579	1,950	0.1%
B.206.1	Crime Victims Advocates	2,711,497	2,998,552	287,055	10.6%
B.207	Sheriffs	5,089,314	5,473,594	384,280	7.6%
B.208-213	Public safety	67,165,499	70,436,906	3,271,407	4.9%
B.215-219	Military	6,447,994	6,777,040	329,046	5.1%
B.220	Center for crime victims services	1,472,674	1,516,854	44,180	3.0%
B.221	Criminal justice training council	3,720,035	3,835,126	115,091	3.1%
B.222-225.2	Agriculture, food and markets	11,590,902	12,004,166	413,264	3.6%
B.236	Human rights commission	920,110	953,800	33,690	3.7%
	Sub-total Protection	208,539,656	217,988,651	9,448,995	4.5%

2023 Act 78 Section #(s)	Dept Name	FY 2024 As Passed	FY 2025 Current Services Budget	Increase / (Decrease)	% Variance
B.300, B.304	AHS - secretary's office (incl HSB)	10,220,870	12,346,367	2,125,497	20.8%
B.301	Global Commitment	648,528,785	650,646,295	2,117,510	0.3%
B.306, B.309, B.310	Department of Vermont Health Access	101,302,612	114,535,266	13,232,654	13.1%
B.311 - 313	Health	21,131,686	22,741,885	1,610,199	7.6%
B.314	Mental health	25,282,556	25,507,128	224,572	0.9%
B.316-328	Department for children and families	202,442,065	246,416,628	43,974,563	21.7%
B.329-334.1	Disabilities, aging and independent living	33,635,123	34,629,286	994,163	3.0%
B.335-339	Corrections	179,981,486	188,569,782	8,588,296	4.8%
	Sub-total Agency of Human Services	1,222,525,183	1,295,392,637	72,867,454	6.0%
B.342	Vermont Veterans Home	4,199,478	4,320,687	121,209	2.9%
B.343	Commission on women	467,572	487,998	20,426	4.4%
B.344	Retired senior volunteer program	155,490	160,155	4,665	3.0%
B.345	Green Mountain Care Board	3,392,339	3,494,109	101,770	3.0%
B.346	Office of Child & Youth Advocate	413,000	431,786	18,786	4.5%
	Sub-total Human Services	1,231,153,062	1,304,287,372	73,134,310	5.9%
B.400	Labor	10,600,636	10,916,365	315,729	3.0%
	Sub-Total Labor	10,600,636	10,916,365	315,729	3.0%
B.500, 501, 504, 504.1, 511.1	Education - finance/admin/ed services - plus adult ed & literacy	17,197,983	17,749,296	551,313	3.2%
B.514	State teachers' retirement system	151,682,914	155,384,035	3,701,121	2.4%
B.515	Retired teachers health care	38,318,167	43,031,103	4,712,936	12.3%
B.513	Retired Teachers Pension Plus Funding	9,000,000	12,000,000	3,000,000	33.3%
	Sub-Total General Education	216,199,064	228,164,434	11,965,370	5.5%
B.600	University of Vermont	54,084,366	55,706,897	1,622,531	3.0%
B.602	Vermont state colleges	30,500,464	31,415,478	915,014	3.0%
B.602.2	VSC - Transformation funding	17,500,000	18,025,000	525,000	3.0%
B.603	Vermont state colleges - allied health	748,314	748,314	-	0.0%
B.605	Vermont student assistance corporation	25,378,588	26,139,946	761,358	3.0%
B.605.1	VSAC - Flexible Pathways Stipend	41,225	41,225	-	0.0%
B.606	New England higher education compact	86,520	86,520	-	0.0%
B.607	University of Vt - Morgan Horse Farm	1	-	(1)	-100.0%
	Sub-Total Higher Education	128,339,478	132,163,380	3,823,902	3.0%
B.700	Agency of natural resources - admin	4,914,987	5,129,356	214,369	4.4%
B.701	ANR Local property tax assessment	2,253,017	2,267,676	14,659	0.7%
B.702	Fish and wildlife	7,173,206	7,418,390	245,184	3.4%
B.703 - B.708	Forests, parks and recreation	10,740,789	11,536,993	796,204	7.4%
B.709 - B.712	Environmental conservation	12,203,848	12,580,576	376,728	3.1%
	Sub-Total Agency of Natural Resources	37,285,847	38,932,991	1,647,144	4.4%
B.713	Natural resources board	713,735	760,232	46,497	6.5%
	Sub-Total Natural Resources	37,999,582	39,693,223	1,693,641	4.5%

2023 Act 78 Section #(s)	Dept Name	FY 2024 As Passed	FY 2025 Current Services Budget	Increase / (Decrease)	% Variance
B.800	ACCD-Admin	3,666,442	3,597,146	(69,296)	-1.9%
B.801	Economic Development	5,489,902	5,701,138	211,236	3.8%
B.802	Housing & Community Development	5,031,943	5,365,841	333,898	6.6%
B.806	Tourism and marketing	4,630,975	4,785,247	154,272	3.3%
	Sub-Total Agency of Commerce	18,819,262	19,449,372	630,110	3.3%
B.808	Vermont council on the arts	896,940	923,848	26,908	3.0%
B.809	Vermont symphony orchestra	145,320	149,680	4,360	3.0%
B.810	Vermont historical society	1,060,699	1,092,520	31,821	3.0%
B.812	Vermont humanities council	300,000	309,000	9,000	3.0%
	Sub-Total Commerce	21,222,221	21,924,420	702,199	3.3%
B.1000	Debt service	75,377,993	675,000	(74,702,993)	-99.1%
	Sub-Total Debt Service	75,377,993	675,000	(74,702,993)	-99.1%
	Total Base Appropriations	2,048,016,755	2,073,118,455	25,101,700	1.2%
2022 Act 185	Executive Branch Pay Act	19,029,823	28,525,416	9,495,593	49.9%
2022 Act 185	Legislative Branch Pay Act	776,000	835,691	59,691	7.7%
2022 Act 185	Judicial Branch Pay Act	1,803,013	2,326,207	523,194	29.0%
	Sub-Total Pay Act	21,608,836	31,687,314	10,078,478	46.6%
	Total Base Appropriations + Pay Act	2,069,625,591	2,104,805,769	35,180,178	1.7%
2023 Act 76	DCF - Child Care Financial Assistance	50,000,000		(50,000,000)	-100.0%
FY2025 Gov Rec D.101	Transfer to G.O. Bonds Debt Service Fund (replaces B.1000 appropriation)		73,212,880	73,212,880	
	Total after Other Bills / Adjustments	2,119,625,591	2,178,018,649	58,393,058	2.8%

GOVERNOR SCOTT'S FY 2025 BUDGET ITEMS

Key Budget Items:

- Supports fiscal year 2025 General Fund total uses of \$2.3 billion.
- Builds on the state's historic investment in community revitalization and housing by providing additional resources for property transformation and incentives for investors.
- Expands shelter safety net capacity and directs resources to assist homeless families transition to more permanent housing.
- Sets aside funds to ensure we meet our state match requirements to pull down hundreds of millions in federal funds to help with flood recovery and mitigation.
- Continues our move away from fee-for-service in the healthcare sector.
- Fully funds all state retirement and debt service obligations and maintains reserves at the statutory maximum.

Affordability: Health Care

We know health care reform is challenging, but we're moving in the right direction and working with the Centers for Medicare and Medicaid Services to guide the national effort.

- \$9.9 million Global Commitment funds (\$4.2 million General Fund) to skilled nursing facilities to lessen our reliance on emergency financial relief and provide a stable reimbursement rate.
- \$9.3 million Global Commitment funds (\$3.9 million General Fund) to take another step away from the "fee for service" model and adopt a national model on health care reform (AHEAD) which uses a "global payment" model instead of paying for each individual service.

Safe Communities

Keeping our communities safe and secure will help attract more families to Vermont and ease our workforce challenges. Let's make sure we solidify our ranking as the safest state in the nation.

- Invests \$4.9 million opioid settlement funds to expand staff and hours of operation in three or more existing hubs, help partners such as Vermonters for Criminal Justice Reform and Johnson Health to provide transitional housing services, and expand our successful school-based prevention services, directly connecting kids with trusted, trained adults.
- \$1 million for start-up costs for a psychiatric youth inpatient facility at Southwestern Vermont Medical Center.
- \$1.7 million to make permanent twelve mental health workers in our state police barracks and add eight additional mental health professionals.

Housing

Most of us agree on the need to act on our housing crisis. We need to give more families and young people the security and stability of a good home in a vibrant neighborhood.

- \$2 million in foregone revenue collection to lift the cap on the Downtown and Village Center tax credits from \$3 million to \$5 million annually, and spark more investment in our smaller, more disadvantaged communities.
- \$6 million for the Vermont Housing Improvement Program which provides grants to bring vacant rental units up to code or add new units to existing buildings. This highly successful program is often the most cost-effective way to bring housing online quickly.
- \$2 million for the Manufactured Home Improvement and Repair Program to provide additional assistance to income-eligible mobile home parks and current and prospective manufactured home buyers.
- \$400,000 in foregone revenue collection to exempt purchasers of blighted properties from paying the property transfer tax.

Helping the Most Vulnerable

The waning effects of the COVID pandemic, the summer floods, rising inflation – the pressures on everyday life can seem unrelenting. We must provide resources to Vermonters when they are most in need.

- \$8.2 million in the FY24 budget adjustment and \$16.5 million in this year's budget to supplement the \$7 million base funds in the General Assistance emergency housing program.
- \$760,000 Global Commitment funds (\$320,408 General Fund) to launch a Permanent Supportive Housing pilot to provide services to individuals with disabilities to help them transition into safe, stable housing.
- \$4 million in the FY24 budget adjustment and \$7.2 million in this year's budget to build out the state's shelter bed capacity.
- A total of \$800,000 state matching funds for technology development and program enhancements to confirm participation in the federal summer EBT benefit which will allow school-aged children to enjoy fresh, local fruits, vegetables, and meats year-round.
- \$355,703 Global Commitment funds (\$150,000 General Fund) to establish a drug repository program which will permit the donation of unexpired medications for use by people in need.
- \$4 million to expand the Healthy Homes Initiative, which provides direct financial and technical assistance to low-income Vermonters to replace on-site failed or inadequate wastewater and drinking water systems.

Building Resiliency

As we help communities mitigate the impacts of future natural disasters, we will build resiliency that benefits the whole state.

- \$500,000 to provide state-match for federal funds via the Water Resources Development Act from the U.S. Army Corps of Engineers (USACOE) to evaluate and prioritize future flood measures for the Winooski River.
- \$12.5 million to assist municipalities with their state match requirements for FEMA assistance with flood hazard mitigation measures.
- \$1 million for the Unsafe Dam Revolving Loan Fund which incentivizes dam owners to act when safety improvements are required.

Higher Education

We must continue to support our institutions of higher education, particularly when we have a shortage of workers in many critical professions.

- \$289,000 Global Commitment funds (\$121,700 General Fund) to VSAC to increase funding for the Vermont Nursing Forgivable Loan Incentive Program in which students receive up to a full tuition scholarship in exchange for a commitment to work as a licensed nurse in Vermont.
- \$1 million to Vermont State University's Community College of Vermont for their Vermont Tuition Advantage Program, which provides a 50% reduction in CCV tuition for certain degree and certificate programs.
- \$5 million in bridge funding to Vermont State University to help with operational expenses as they transition to a sustainable, unified institution of higher education.

Good Government

As enhanced federal contributions dry up and revenues return to a more normal growth rate, let's use available funds to fill remaining deficits and put money aside to meet known future obligations.

- \$30 million in the FY24 budget adjustment towards an anticipated \$60 million in state match for FEMA public assistance for flood recovery.
- \$6 million in the FY24 budget adjustment and another \$5 million in this year's budget to help municipalities meet state match requirements for FEMA public assistance for flood recovery.
- \$3.3 million to fill deficits in three special funds.

FY 2025 GENERAL FUND (GF) BUDGET OVERVIEW - SOURCES

Sources:	General Fund Impact
Base revenue:	
Official E-Board forecast January 2024	2,113,500,000
"Notwithstanding" Property Transfer Tax statutory distribution	8,164,185
Direct applications, reversions, and other transfers:	
AHS Certified matching funds for Medicaid	4,641,960
Department of Financial Regulation	57,000,000
Attorney General settlements	2,000,000
Liquor Control	21,100,000
Unclaimed Property	6,500,000
Sports Wagering	7,000,000
Reversion from Legislature	813,754
Secretary of State	-
Subtotal - Direct Applications, Reversions, and Transfers	99,055,714
Total Base GF Sources before policy changes	2,220,719,899
Governor's Initiatives (Sources)	
Downtown & Village Center Tax Credit cap adjustment (H.719)	(2,000,000)
Property Transfer Tax exemption (H.719)	(400,000)
Subtotal Revenue policy changes	(2,400,000)
Base revenue after policy changes	2,218,319,899
One-time revenue:	
Carry forward from SFY2024 (including "C section" changes in FY25 Gov. Rec. Budget)	59,399,684
One-Time revenue:	59,399,684
Total General Fund sources:	2,277,719,583

FY 2025 General Fund Overview

The budget process began with the submission of FY 2025 budget requests from agencies and departments, as well as input via the Public Budget Forum process. Regular meetings with the Secretary of Administration and the Governor yielded a budget balanced to the projected available revenues while incorporating the Governor's priorities. The Governor's budget recommendations were finalized based on the Consensus Revenue Forecast adopted by the Emergency Board on January 18, 2024, just prior to the Governor's budget address to the General Assembly on January 23, 2024. The individual items reflected on the worksheet are discussed in more detail elsewhere in this document and in departmental budget materials.

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

Uses:		
FY2024 As Passed base appropriations - 2023 Act 78	2,048,016,755	
FY2024 As Passed Pay Act - 2022 Act 185	21,608,836	
FY2024 As Passed base appropriations for child care - 2023 Act 76	50,000,000	
FY 2025 base appropriations starting point		2,119,625,591
Current services changes: (all current services appropriation changes plus debt service transfer)		
Increase in salaries and wages	19,454,998	
Increase in employee benefits	15,984,348	
Increase in Internal Service Fund allocations	3,098,077	
Increase in property tax assistance	4,305,500	
Decrease in VSERS Pension Plus (funded with \$12M carryforward in FY25 GovRec)	(9,000,000)	
Increase in VSTRS Pension Plus B.513 from \$9M to \$12M	3,000,000	
Increase in VSTRS B.514	3,701,121	
Increase in Retired Teachers Health Care B.515	4,712,936	
Child Care Financial Assistance Program caseload savings	(9,000,000)	
Increase in Global Commitment GF match for Federal Funds	2,117,510	
Increases in Higher Education (UVM, VSC, VSAC) B.600-B.607	3,823,902	
Net impact of all other upward and downward current services pressures	7,606,301	
Increase in Pay Act appropriation	10,078,478	
Decrease in debt service (includes debt service transfer \$73.2M + B.1000 \$675k)	(1,490,113)	
Total current services changes:	58,393,058	2,178,018,649
	<i>Variance to base starting point</i>	<i>2.8%</i>
Governor's Initiatives		
Base Uses - Policy Changes		
Judiciary - two Superior Judges	539,234	
DPS: base fund mental health crisis specialists previously funded with one-time appropriation	804,000	
DPS: add 8 new mental health crisis specialists, one new Regional Emergency Mgmt Coord	988,584	
MIL: recruiting incentives (\$15k), VT State Guard operating expenses (\$5k)	20,000	
DVHA (GF match for GC): Alice Peck Day (\$917k), Psych. Residential Treatment Facility (\$1.5M)	2,417,198	
DCF (GF match for GC): Permanent Supportive Housing pilot (1/2 year)	320,408	
DAIL (GF match for GC): Skilled Nursing Facilities rate method stabilization	4,174,830	
VSAC (GF match for GC): VT Nursing Forgivable Loan Increase	121,700	
DCF: Emergency Housing 180 shelter beds (\$7.2M), Summer EBT benefit base expense	7,472,174	
AOE: Civil Rights contract (\$70k), one new CTE coordinator position (\$100k)	169,802	
DFW: Animal cruelty enforcement initiative (one warden position + operating expenses)	299,577	
Subtotal Base Uses - Policy Changes	17,327,507	2,195,346,156
	<i>Variance to base starting point</i>	<i>3.6%</i>
One-time Uses - Policy Changes		
One-time General Fund Appropriations - Sec. B.1100	54,307,265	
Transfer to Unsafe Dam Revolving Loan Fund 21960	1,000,000	
Transfer to Military Fund 21661 for transfer of Waterbury Armory	890,000	
Subtotal One-Time Uses - Policy Changes	56,197,265	
Total Policy Initiatives - Base and One-Time	73,524,772	
Transfers and Reserves- statutory or deficit mitigation:		
From Cannabis Regulation Fund	(10,000,000)	
To Capital Infrastructure Fund (based on 4% prior year appropriations)	10,688,746	
To Tax Computer System Modernization Fund	1,800,000	
To Fire Prevention/Building Inspection Special Fund	1,400,000	
To Enhanced 9-11 Board Fund	1,300,000	
To Act 250 Permit Fund	600,000	
To Criminal History Records Check Fund	107,277	
To Budget Stabilization Reserve	14,800,139	
To 27/53 Reserve	5,480,000	
Subtotal	26,176,162	
Total One-Time Uses: Policy Changes and Transfers		82,373,427
Total General Fund Uses		2,277,719,583

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

Sec. #	Recipient - Purpose	Amount
B.1100(a)(1)(A)	DPS - FEMA Flood Hazard Mitigation Matching Funds	\$ 12,500,000
B.1100(a)(2)(A)	MIL - USS VT Support Group Annual Appropriation	\$ 10,000
B.1100(a)(3)(A)	PSD - Renewable Energy Standard Reform	\$ 350,000
B.1100(a)(4)(A)	DMH- Youth Psychiatric Inpatient Facility Start-up Costs	\$ 1,000,000
B.1100(a)(5)(A)	AHS-CO - GF portion of GC for DVHA's Medicaid Global Payment	\$ 3,913,200
B.1100(a)(8)(A)	DCF - General Assistance Emergency Housing	\$ 16,500,000
B.1100(a)(8)(B)	DCF - Extension of 10 ESD Limited Service Positions	\$ 1,034,065
B.1100(a)(9)(A)	VTSU - Bridge Funding	\$ 5,000,000
B.1100(a)(9)(B)	VTSU - FY25 VT Tuition Advantage Funding	\$ 1,000,000
B.1100(a)(10)(A)	DEC - WRDA Recovery Study Match	\$ 500,000
B.1100(a)(10)(B)	DEC - Healthy Homes Program	\$ 4,000,000
B.1100(a)(11)(A)	DED - Capital Investment Loan Pilot Program	\$ 350,000
B.1100(a)(11)(B)	DED - International Business Office Renewal	\$ 150,000
B.1100(a)(12)(A)	HCD - Manufactured Home Improvement and Repair Program	\$ 2,000,000
B.1100(a)(12)(B)	HCD - Vermont Housing Improvement Program	\$ 6,000,000
Grand Total		\$ 54,307,265

Total Appropriations History FY 2021 – FY 2025 (all funds)

Funding Sources	2021 Final Appropriations	2022 Final Appropriations	2023 Final Appropriations	2024 Gov's Rec Budget Adjustment (a)	FY 2025 Governor's Recommended Budget (b)
General Fund (GF)	1,742,394,948	2,333,376,886	2,092,040,666	2,407,743,441	2,176,440,541
Transportation Fund	279,869,013	311,123,868	318,673,640	331,738,705	353,299,921
Education Fund	1,791,356,714	1,863,469,652	1,961,209,411	2,142,117,015	2,353,439,318
Special Funds & Other Funds ^(c)	403,141,479	424,544,880	512,737,364	580,907,971	592,921,415
Sub-Total	<u>4,216,762,154</u>	<u>4,932,515,286</u>	<u>4,884,661,081</u>	<u>5,462,507,132</u>	<u>5,476,101,195</u>
Adjust for inter-fund appropriations: GF Transfer to EF	-	-	-	-	-
Total State Funds after EF Transfer	<u>4,216,762,154</u>	<u>4,932,515,286</u>	<u>4,884,661,081</u>	<u>5,462,507,132</u>	<u>5,476,101,195</u>
percent of total	57.29%		56.36%	62.88%	63.81%
Federal Funds	2,169,172,831	2,450,935,367	3,189,459,388	3,178,860,158	3,072,761,986
Federal ARRA Funds ^(d)	1,104,738	520,000	510,535	-	-
COVID Funds	942,293,643	601,014,176	566,696,781	11,280,000	-
Total Funds Before Dedicated Dollars	<u>7,329,333,366</u>	<u>7,984,984,829</u>	<u>8,641,327,785</u>	<u>8,652,647,290</u>	<u>8,548,863,181</u>
percent of total	99.57%	99.62%	99.70%	99.59%	99.62%
Dedicated Sources					
Local Match	913,177	1,833,316	4,585,799	11,104,867	7,717,496
Enterprise Funds	12,803,991	12,792,458	13,626,186	14,720,611	15,074,405
Debt Service Obligation Funds	2,502,613	2,505,863	-	-	-
Pension & Private Purpose Trust Funds ^(e)	15,361,174	13,450,072	7,833,395	9,382,370	9,592,851
Sub-Total	<u>31,580,955</u>	<u>30,581,709</u>	<u>26,045,380</u>	<u>35,207,848</u>	<u>32,384,752</u>
Total Funds and Dedicated Sources	<u>7,360,914,321</u>	<u>8,015,566,538</u>	<u>8,667,373,165</u>	<u>8,687,855,138</u>	<u>8,581,247,933</u>
percent of total	100.00%	100.00%	100.00%	100.00%	100.00%
Fund Sources that are duplicated in the above appropriations:					
Internal Service Funds	157,226,934	162,465,540	202,486,578	229,234,960	239,865,894
Interdepartmental Transfer	86,557,405	66,295,845	66,930,449	69,221,761	81,721,127
Global Commitment Fund	1,600,155,147	1,789,162,244	1,977,336,518	2,005,380,079	1,967,595,729
Total	<u>1,843,939,486</u>	<u>2,017,923,629</u>	<u>2,246,753,545</u>	<u>2,303,836,800</u>	<u>2,289,182,750</u>
Total All Appropriations	<u>9,204,853,807</u>	<u>10,033,490,167</u>	<u>10,914,126,710</u>	<u>10,991,691,938</u>	<u>10,870,430,683</u>

NOTES:

- (a) Governor's FY 2024 budget adjustment recommendations presented on January 5, 2024.
- (b) Governor's budget recommendations presented to the General Assembly on January 23, 2024.
- (c) "Special Funds" also include: Fish & Wildlife, Tobacco, State Health Care Resources, Transportation Infrastructure Bond Funds.
- (d) American Recovery & Reinvestment Act of 2009 (federal stimulus bill).
- (e) Includes Permanent Trust Funds, Pension Funds, Retired Teachers' Health Fund and Private Purpose Trust Funds.

FY 2025 Governor's Recommended Budget – All Funds by Function

Funding Sources	2024 Gov's Rec Budget Adjustment (a)	FY 2025 Governor's Recommended Budget (b)	% Change from BAA	All General Government			Total Human Services		
				General Government	Property Tax Assistance ^(c)	Protection to Persons & Property	Corrections	Non-GC/Medicaid	GC/Medicaid/ LTC Federal & State Only
General Fund (GF)	2,407,743,441	2,176,440,541	-9.61%	65,255,610	52,050,000	220,340,469	188,569,782	357,509,624	773,174,156
Transportation Fund	331,738,705	353,299,921	6.50%	4,292,149	-	20,250,000	-	-	-
Education Fund	2,142,117,015	2,353,439,318	9.87%	-	-	-	-	-	-
Special Funds ^(d)	580,907,971	592,921,415	2.07%	19,574,599	12,274,000	120,092,851	2,027,650	163,780,717	85,883,850
Total Funds Before Federal Dollars	5,462,507,132	5,476,101,195	0.25%	89,122,358	64,324,000	360,683,320	190,597,432	521,290,341	859,058,006
percent of total	62.88%	63.81%		1.63%	1.17%	6.59%	3.48%	9.52%	15.69%
Federal Funds	3,178,860,158	3,072,761,986	-3.34%	1,467,374	-	162,959,452	513,311	363,872,489	1,425,175,211
COVID Funds	11,280,000	-		-	-	-	-	-	-
Total Funds Before Dedicated Dollars	8,652,647,290	8,548,863,181	-1.20%	90,589,732	64,324,000	523,642,772	191,110,743	885,162,830	2,284,233,217
percent of total	99.59%	99.62%		1.06%	0.75%	6.13%	2.24%	10.35%	26.72%
Dedicated Sources									
Local Match	11,104,867	7,717,496	-30.50%	-	-	-	-	-	-
Enterprise Funds	14,720,611	15,074,405	2.40%	4,298	-	15,070,107	-	-	-
Debt Service Obligation Funds	-	-	0.00%	-	-	-	-	-	-
Pension Trust & Private Purpose Trust Funds	9,382,370	9,592,851	2.24%	6,008,851	-	-	-	25,000	-
Sub-Total	35,207,848	32,384,752	-8.02%	6,013,149	-	15,070,107	-	25,000	-
Total Funds and Dedicated Sources	8,687,855,138	8,581,247,933	-1.23%	96,602,881	64,324,000	538,712,879	191,110,743	885,187,830	2,284,233,217
percent of total	100.00%	100.00%		1.13%	0.75%	6.28%	2.23%	10.32%	26.62%
Fund Sources that are duplicated in the above appropriations:									
Internal Service Funds	229,234,960	239,865,894	4.64%	214,723,806	-	-	490,853	-	-
Interdepartmental Transfer	69,221,761	81,721,127	18.06%	6,882,960	-	16,022,869	545,099	23,353,068	8,995,368
Global Commitment Fund	2,005,380,079	1,967,595,729	-1.88%	-	-	-	5,310,796	762,283,802	1,188,961,548
Total	2,303,836,800	2,289,182,750	-0.64%	221,606,766	-	16,022,869	6,346,748	785,636,870	1,197,956,916
Total All Appropriations	10,991,691,938	10,870,430,683	-1.10%	318,209,647	64,324,000	554,735,748	197,457,491	1,670,824,700	3,482,190,133

NOTES (both pages):

- (a) Governor's FY 2024 budget adjustment recommendations presented on January 5, 2024.
- (b) Governor's budget recommendations presented to the General Assembly on January 23, 2024.
- (c) Includes Homeowner Rebate; Renter Rebate; reappraisal and listing payments; and municipal current use.
- (d) "Special Funds" also include: Fish & Wildlife, Tobacco, State Health Care Resources, Transportation Infrastructure Bond Funds.

FY 2025 Governor's Recommended Budget

Funding Sources	Labor	General Education	Higher Education & Other	Natural Resources	Commerce & Community Development	Transportation	Debt Service	One-Time and Other
General Fund (GF)	10,916,365	228,334,236	131,703,500	39,992,800	21,924,420	-	675,000	85,994,579
Transportation Fund	-	-	-	-	-	326,257,772	-	2,500,000
Education Fund	-	2,353,398,093	41,225	-	-	-	-	-
Special Funds ^(d)	9,407,107	24,402,075	-	91,694,160	35,130,444	23,750,000	-	4,903,962
Total State Funds after EF Transfer	20,323,472	2,606,134,404	131,744,725	131,686,960	57,054,864	350,007,772	675,000	93,398,541
0.00%	0.37%	47.59%	2.41%	2.40%	1.04%	6.39%	0.01%	1.71%
Federal Funds	34,261,616	354,654,849	-	152,068,301	85,796,026	486,626,974	-	5,366,383
Total Funds Before Dedicated Dollars	54,585,088	2,960,789,253	131,744,725	283,755,261	142,850,890	836,634,746	675,000	98,764,924
percent of total	0.64%	34.63%	1.54%	3.32%	1.67%	9.79%	0.01%	1.16%
Dedicated Sources								
Local Match	-	-	-	-	-	7,717,496	-	-
Enterprise Funds	-	-	-	-	-	-	-	-
Debt Service Obligation Funds	-	-	-	-	-	-	-	-
Pension Trust & Private Purpose Trust	-	3,559,000	-	-	-	-	-	-
Sub-Total	-	3,559,000	-	-	-	7,717,496	-	-
Total Funds and Dedicated Sources	54,585,088	2,964,348,253	131,744,725	283,755,261	142,850,890	844,352,242	675,000	98,764,924
	0.64%	34.54%	1.54%	3.31%	1.66%	9.84%	0.01%	1.15%
Fund Sources that are duplicated in the above appropriations:								
Internal Service Funds	-	-	-	-	-	24,651,235	-	-
Interdepartmental Transfer	287,226	1,467,771	-	14,131,324	5,749,725	4,285,717	-	-
Global Commitment Fund	-	260,000	1,500,000	-	-	-	-	9,279,583
Total	287,226	1,727,771	1,500,000	14,131,324	5,749,725	28,936,952	-	9,279,583
Total All Appropriations	54,872,314	2,966,076,024	133,244,725	297,886,585	148,600,615	873,289,194	675,000	108,044,507

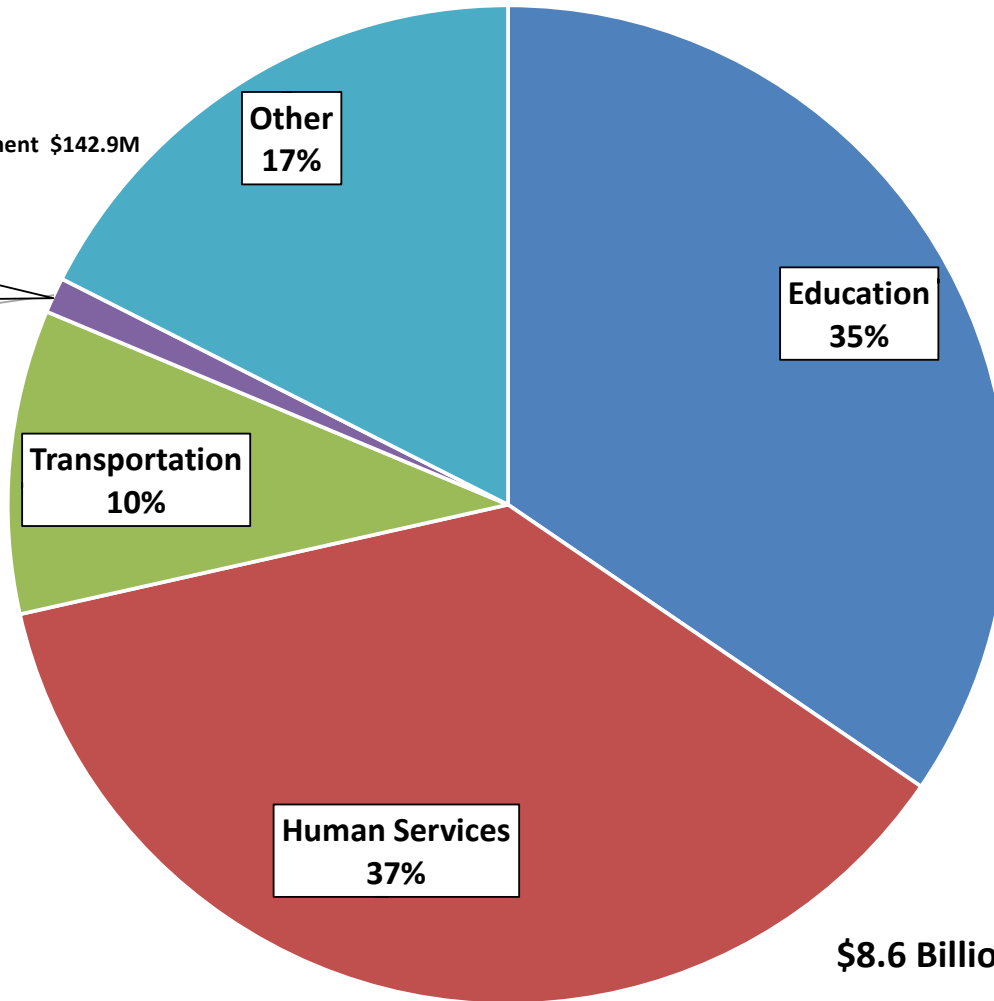
FY 2025 Governor's Recommended Appropriations by Function

Appropriations by Function (FY25 Governor's Budget)

OTHER:

- Property Tax Assistance \$64.3M
- Protection \$538.7M
- Corrections \$191.1 M
- Higher Education \$131.7M
- General Government \$96.6M
- Natural Resources \$283.8M
- Commerce & Community Development \$142.9M
- Bond Issuance Costs \$0.7M
- Labor \$54.6M

One-Time Appropriations
1%



\$8.6 Billion (All Funds)

FY 2025 Governor's Recommended Appropriations by Fund

Appropriations by Fund (FY25 Governor's Budget)

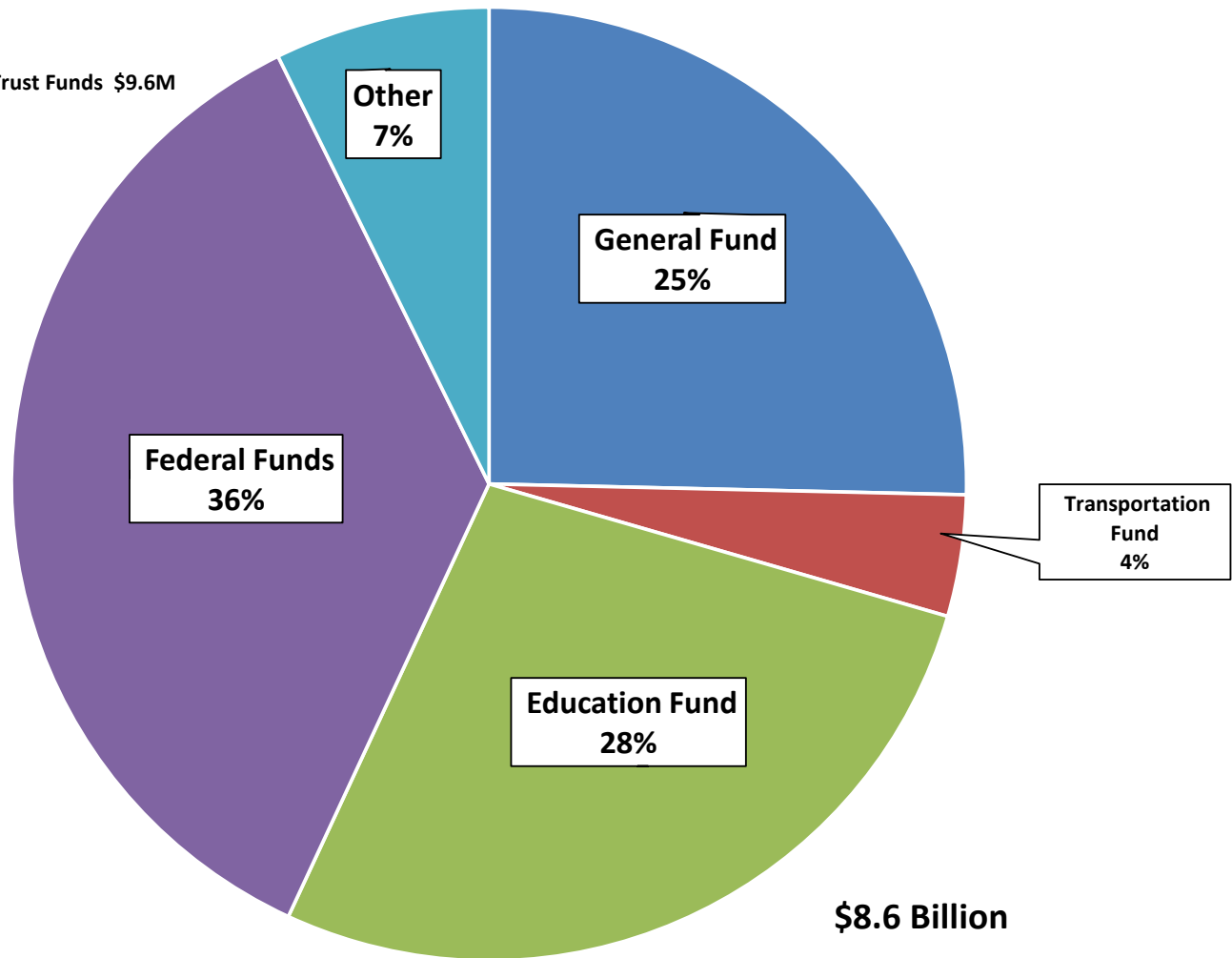
OTHER:

Local Match \$7.7M

Enterprise Funds \$15.1M

Pension & Private Purpose Trust Funds \$9.6M

Special Funds \$592.9M



FY 2025 Governor's Recommended Budget by Department and Funding Source

Agency/Department/Program	General Fund	Transportation Fund	Special Funds (a)	Education Fund	Subtotal State Funds, Net	Federal Funds	Subtotal Before Dedicated Sources	Dedicated Sources (b)	Total Funds and Dedicated Sources	Duplicate Appropriations (c)		FY 2025 Governor's Recommended Total Appropriations
										Global Commitment	ISF, IDT, and ARRA IDT	
GENERAL GOVERNMENT												
Agency of Administration:												
Secretary of Administration	2,449,890	-	25,000	-	2,474,890	-	2,474,890	-	2,474,890	-	2,935,815	5,410,705
Secretary of Administration - Insurance	-	-	-	-	-	-	-	-	-	-	1,936,064	1,936,064
Finance & Management	1,183,688	-	-	-	1,183,688	-	1,183,688	-	1,183,688	-	4,316,421	5,500,109
Human Resources	1,835,968	-	242,235	-	2,078,203	-	2,078,203	-	2,078,203	-	15,405,856	17,484,059
Libraries	2,151,812	-	130,971	-	2,282,783	1,467,374	3,750,157	-	3,750,157	-	118,087	3,868,244
Tax	23,248,019	-	11,880,709	-	35,128,728	-	35,128,728	-	35,128,728	-	45,000	35,173,728
Buildings and General Services	6,611,619	4,292,149	524,575	-	11,428,343	-	11,428,343	4,298	11,432,641	-	47,111,880	58,544,521
Total Agency of Administration	37,480,996	4,292,149	12,803,490	-	54,576,635	1,467,374	56,044,009	4,298	56,048,307	-	71,869,123	127,917,430
Executive Office	1,896,299	-	-	-	1,896,299	-	1,896,299	-	1,896,299	-	255,405	2,151,704
Legislative Counsel	4,148,066	-	-	-	4,148,066	-	4,148,066	-	4,148,066	-	-	4,148,066
Legislature	11,465,442	-	-	-	11,465,442	-	11,465,442	-	11,465,442	-	-	11,465,442
Legislative Information Technology	2,241,214	-	-	-	2,241,214	-	2,241,214	-	2,241,214	-	-	2,241,214
Joint Fiscal Office	2,809,179	-	-	-	2,809,179	-	2,809,179	-	2,809,179	-	-	2,809,179
Sergeant at Arms	1,663,504	-	-	-	1,663,504	-	1,663,504	-	1,663,504	-	-	1,663,504
Lieutenant Governor	321,409	-	-	-	321,409	-	321,409	-	321,409	-	-	321,409
Auditor of Accounts	383,992	-	53,145	-	437,137	-	437,137	-	437,137	-	4,101,055	4,538,192
Treasurer	2,233,091	-	3,750,239	-	5,983,330	-	5,983,330	1,228,375	7,211,705	-	209,139	7,420,844
State Employees/Municipal Retirement Systems	-	-	2,449,214	-	2,449,214	-	2,449,214	4,780,476	7,229,690	-	-	7,229,690
Agency of Digital Services	209,808	-	511,723	-	721,531	-	721,531	-	721,531	-	144,907,899	145,629,430
Labor Relations Board	329,646	-	6,788	-	336,434	-	336,434	-	336,434	-	2,788	339,222
VOSHA Review Board	72,964	-	-	-	72,964	-	72,964	-	72,964	-	51,004	123,968
Homeowner Rebate	19,100,000	-	-	-	19,100,000	-	19,100,000	-	19,100,000	-	-	19,100,000
Renter rebate	9,500,000	-	-	-	9,500,000	-	9,500,000	-	9,500,000	-	-	9,500,000
Reappraisal and Listing Payments	3,400,000	-	-	-	3,400,000	-	3,400,000	-	3,400,000	-	-	3,400,000
Use Tax Reimbursement - Municipal Current Use	20,050,000	-	-	-	20,050,000	-	20,050,000	-	20,050,000	-	-	20,050,000
Ethics Commission	-	-	-	-	-	-	-	-	-	-	210,353	210,353
PILOT	-	-	12,050,000	-	12,050,000	-	12,050,000	-	12,050,000	-	-	12,050,000
PILOT - Montpelier	-	-	184,000	-	184,000	-	184,000	-	184,000	-	-	184,000
PILOT - Corrections	-	-	40,000	-	40,000	-	40,000	-	40,000	-	-	40,000
TOTAL GENERAL GOVERNMENT	117,305,610	4,292,149	31,848,599	-	153,446,358	1,467,374	154,913,732	6,013,149	160,926,881	-	221,606,766	382,533,647
percent of total	5.39%	1.21%	5.37%	0.00%	2.80%	0.05%	1.81%	18.57%	1.88%	0.00%	68.91%	3.52%
PROTECTION TO PERSONS AND PROPERTY												
Attorney General	7,348,661	-	2,777,424	-	10,126,085	1,743,215	11,869,300	-	11,869,300	-	4,549,245	16,418,545
Court Diversion	2,972,811	-	257,997	-	3,230,808	-	3,230,808	-	3,230,808	-	-	3,230,808
Defender General	24,092,299	-	589,653	-	24,681,952	-	24,681,952	-	24,681,952	-	150,000	24,831,952
Judiciary	61,175,863	-	4,503,401	-	65,679,264	953,928	66,633,192	-	66,633,192	-	2,167,482	68,800,674
State's Attorneys and SIUs	21,940,765	-	-	-	21,940,765	31,000	21,971,765	-	21,971,765	31,000	578,061	22,549,826
Sheriffs	5,473,594	-	-	-	5,473,594	-	5,473,594	-	5,473,594	-	-	5,473,594
Public Safety	72,229,490	20,250,000	19,029,588	-	111,509,078	58,261,358	169,770,436	-	169,770,436	-	6,313,456	176,083,892
Military	6,797,040	-	271,592	-	7,068,632	64,995,771	72,064,403	-	72,064,403	-	-	72,064,403
Center for Crime Victims Services	1,516,854	-	4,015,490	-	5,532,344	6,743,728	12,276,072	-	12,276,072	-	-	12,276,072
Criminal Justice Council	3,835,126	-	-	-	3,835,126	-	3,835,126	-	3,835,126	-	343,181	4,178,307
Agriculture, Food & Markets	12,004,166	-	20,459,433	-	32,463,599	21,372,479	53,836,078	-	53,836,078	-	1,626,021	55,462,099
Financial Regulation	-	-	19,331,951	-	19,331,951	-	19,331,951	-	19,331,951	-	-	19,331,951
Secretary of State	-	-	19,722,486	-	19,722,486	7,016,412	26,738,898	-	26,738,898	-	-	26,738,898
Public Service Department	-	-	12,329,831	-	12,329,831	1,752,561	14,082,392	16,786	14,099,178	-	225,423	14,324,601
Public Service Board	-	-	5,669,552	-	5,669,552	-	5,669,552	-	5,669,552	-	-	5,669,552
E-911 Board	-	-	4,900,660	-	4,900,660	-	4,900,660	-	4,900,660	-	-	4,900,660
Human Rights Commission	953,800	-	-	-	953,800	89,000	1,042,800	-	1,042,800	-	-	1,042,800
Liquor and Lottery	-	-	375,579	-	375,579	-	375,579	15,053,321	15,428,909	-	70,000	15,498,909
Cannabis Control Board	-	-	5,858,214	-	5,858,214	-	5,858,214	-	5,858,214	-	-	5,858,214
TOTAL PROTECTION	220,340,469	20,250,000	120,092,851	-	360,683,320	162,959,452	523,642,772	15,070,107	538,712,879	-	16,022,869	554,735,748
percent of total	10.12%	5.73%	20.25%	0.00%	6.59%	5.30%	6.13%	46.53%	6.28%	0.00%	4.98%	5.10%

FY 2025 Governor's Recommended Budget by Department and Funding Source

Agency/Department/Program	General Fund	Transportation Fund	Special Funds (a)	Education Fund	Subtotal State Funds, Net	Federal Funds	Subtotal Before Dedicated Sources	Dedicated Sources (b)	Total Funds and Dedicated Sources	Duplicate Appropriations (c)		FY 2025 Governor's Recommended Total Appropriations
										Global Commitment	ISF, IDT, and ARRA IDT	
HUMAN SERVICES												
Human Services Agency:												
AHS - Secretary's Office	11,860,202	-	147,517	-	12,007,719	14,319,512	26,327,231	-	26,327,231	-	14,121,635	40,448,866
AHS - Secretary's Office - Global Commitment	658,140,311	-	81,150,835	-	739,291,146	1,271,451,148	2,010,742,294	-	2,010,742,294	-	4,487,210	2,015,229,504
Human Services Board	486,165	-	-	-	486,165	307,574	793,739	-	793,739	-	-	793,739
Department of Vermont Health Access	114,535,266	-	4,733,015	-	119,268,281	151,274,063	270,542,344	-	270,542,344	901,498,682	4,508,158	1,176,549,184
Health	22,741,885	-	29,417,503	-	52,159,388	90,535,488	142,694,876	25,000	142,719,876	63,747,141	5,766,866	212,233,883
Mental Health	25,507,128	-	1,718,092	-	27,225,220	11,436,913	38,662,133	-	38,662,133	282,743,326	14,140	321,419,599
Children and Families	253,888,802	-	115,510,523	-	369,399,325	196,765,124	566,164,449	-	566,164,449	83,176,265	864,727	650,205,441
Disabilities, Aging and Independent Living	34,629,286	-	1,629,370	-	36,258,656	44,685,784	80,944,440	-	80,944,440	620,079,936	2,585,700	703,610,076
Corrections	188,569,782	-	2,027,650	-	190,597,432	513,311	191,110,743	-	191,110,743	5,310,796	1,035,952	197,457,491
TOTAL HUMAN SERVICES AGENCY	1,310,358,827	-	236,334,505	-	1,546,693,332	1,781,288,917	3,327,982,249	25,000	3,328,007,249	1,956,556,146	33,384,388	5,317,947,783
Veterans' Home	4,320,687	-	10,051,903	-	14,372,590	8,272,094	22,644,684	-	22,644,684	-	-	22,644,684
Commission on Women	487,998	-	4,508	-	492,506	-	492,506	-	492,506	-	-	492,506
Retired Senior Volunteer Program	160,155	-	-	-	160,155	-	160,155	-	160,155	-	-	160,155
Green Mountain Care Board	3,494,109	-	5,301,301	-	8,795,410	-	8,795,410	-	8,795,410	-	-	8,795,410
Office of the Child, Youth, and Family Advocate	431,786	-	-	-	431,786	-	431,786	-	431,786	-	-	431,786
TOTAL HUMAN SERVICES	1,319,253,562	-	251,692,217	-	1,570,945,779	1,789,561,011	3,360,506,790	25,000	3,360,531,790	1,956,556,146	33,384,388	5,350,472,324
percent of total	60.62%	0.00%	42.45%	0.00%	28.69%	58.24%	39.31%	0.08%	39.16%	99.44%	10.38%	49.22%
Labor	109,163,665	0	9,407,107	0	20,323,472	34,261,616	54,585,088	-	54,585,088	-	287,226	54,872,314
TOTAL LABOR	109,163,665	-	9,407,107	-	20,323,472	34,261,616	54,585,088	-	54,585,088	-	287,226	54,872,314
percent of total	0.50%	0.00%	1.59%	0.00%	0.37%	1.12%	0.64%	0.00%	0.64%	0.00%	0.09%	0.50%
GENERAL EDUCATION												
Agency of Education	17,919,098	-	24,402,075	2,298,322,884	2,340,644,057	354,654,849	2,695,298,906	-	2,695,298,906	260,000	1,467,771	2,697,026,677
Teachers' Retirement	210,415,138	-	-	55,075,209	265,490,347	-	265,490,347	3,559,000	269,049,347	-	-	269,049,347
TOTAL GENERAL EDUCATION	228,334,236	-	24,402,075	2,353,398,093	2,606,134,404	354,654,849	2,960,789,253	3,559,000	2,964,348,253	260,000	1,467,771	2,966,076,024
percent of total	10.49%	0.00%	4.12%	100.00%	47.59%	11.54%	34.63%	10.99%	34.54%	0.01%	0.46%	27.29%
HIGHER EDUCATION AND OTHER												
University of Vermont	55,706,897	-	-	-	55,706,897	-	55,706,897	-	55,706,897	-	-	55,706,897
Vermont State Colleges	49,728,912	-	-	-	49,728,912	-	49,728,912	-	49,728,912	1,500,000	-	51,228,912
Vermont Student Assistance Corp.	26,181,171	-	-	41,225	26,222,396	-	26,222,396	-	26,222,396	-	-	26,222,396
N.E. Higher Education Compact	86,520	-	-	-	86,520	-	86,520	-	86,520	-	-	86,520
TOTAL HIGHER EDUCATION AND OTHER	131,703,500	-	-	41,225	131,744,725	-	131,744,725	-	131,744,725	1,500,000	-	133,244,725
percent of total	6.05%	0.00%	0.00%	0.00%	2.41%	0.00%	1.54%	0.00%	1.54%	0.08%	0.00%	1.23%
NATURAL RESOURCES												
Agency of Natural Resources:												
ANR - Central Office	7,397,032	-	775,079	-	8,172,111	-	8,172,111	-	8,172,111	-	1,998,643	10,170,754
Fish & Wildlife	7,717,967	-	10,783,758	-	18,501,725	9,751,683	28,253,408	-	28,253,408	-	1,490,597	29,744,005
Forests, Parks & Recreation	11,536,993	-	20,754,931	-	32,291,924	14,197,301	46,489,225	-	46,489,225	-	751,862	47,241,087
Environmental Conservation	12,580,576	-	56,405,597	-	68,986,173	128,119,317	197,105,490	-	197,105,490	-	9,890,222	206,995,712
Total Agency of Natural Resources	39,232,568	-	88,719,365	-	127,951,933	152,068,301	280,020,234	-	280,020,234	-	14,131,324	294,151,558
Natural Resources Board	760,232	-	2,974,795	-	3,735,027	-	3,735,027	-	3,735,027	-	-	3,735,027
TOTAL NATURAL RESOURCES	39,992,800	-	91,694,160	-	131,686,960	152,068,301	283,755,261	-	283,755,261	-	14,131,324	297,886,585
percent of total	1.84%	0.00%	15.46%	0.00%	2.40%	4.95%	3.32%	0.00%	3.31%	0.00%	4.39%	2.74%

FY 2025 Governor's Recommended Budget by Department and Funding Source

Agency/Department/Program	General Fund	Transportation Fund	Special Funds (a)	Education Fund	Subtotal State Funds, Net	Federal Funds	Subtotal Before Dedicated Sources	Dedicated Sources (b)	Total Funds and Dedicated Sources	Duplicate Appropriations (c)		FY 2025 Governor's Recommended Total Appropriations
										Global Commitment	ISF, IDT, and ARRA IDT	
COMMERCE & COMMUNITY DEVELOPMENT												
Agency of Commerce & Comm Development												
ACCD - Administration	3,597,146	-	-	-	3,597,146	-	3,597,146	-	3,597,146	-	-	3,597,146
Economic Development	5,701,138	-	820,850	-	6,521,988	4,021,428	10,543,416	-	10,543,416	-	1,823,673	12,367,089
Housing & Community Development	5,365,841	-	8,702,439	-	14,068,280	14,615,349	28,683,629	-	28,683,629	-	3,851,052	32,534,681
Tourism & Marketing	4,785,247	-	-	-	4,785,247	10,483,053	15,268,300	-	15,268,300	-	75,000	15,343,300
Total Agency of Commerce & Comm Development	19,449,372	-	9,523,289	-	28,972,661	29,119,830	58,092,491	-	58,092,491	-	5,749,725	63,842,216
Council on the Arts	923,848	-	-	-	923,848	-	923,848	-	923,848	-	-	923,848
Vermont Symphony Orchestra	149,680	-	-	-	149,680	-	149,680	-	149,680	-	-	149,680
Vermont Historical Society	1,092,520	-	-	-	1,092,520	-	1,092,520	-	1,092,520	-	-	1,092,520
Housing & Conservation Trust	-	-	25,607,155	-	25,607,155	56,676,196	82,283,351	-	82,283,351	-	-	82,283,351
Vermont Humanities Council	309,000	-	-	-	309,000	-	309,000	-	309,000	-	-	309,000
TOTAL COMMERCE & COMMUNITY DEV.	21,924,420	-	35,130,444	-	57,054,864	85,796,026	142,850,890	-	142,850,890	-	5,749,725	148,600,615
percent of total	1.01%	0.00%	5.92%	0.00%	1.04%	2.79%	1.67%	0.00%	1.66%	0.00%	1.79%	1.37%
TRANSPORTATION												
Agency of Transportation												
AOT Division Appropriations and Programs	-	234,521,601	14,726,719	-	249,248,320	441,727,796	690,976,116	5,620,596	696,596,712	-	28,615,256	725,211,968
AOT Dept. of Motor Vehicles	-	44,454,119	-	-	44,454,119	2,687,081	47,141,200	-	47,141,200	-	121,696	47,262,896
AOT Town Highway, Bridges & Municipal	-	47,081,955	9,023,281	-	56,105,236	42,212,097	98,317,333	2,096,900	100,414,233	-	200,000	100,614,233
Total Agency of Transportation	-	326,057,675	23,750,000	-	349,807,675	486,626,974	836,434,649	7,717,496	844,152,145	-	28,936,952	873,089,097
Transportation Board	-	200,097	-	-	200,097	-	200,097	-	200,097	-	-	200,097
TOTAL TRANSPORTATION	-	326,257,772	23,750,000	-	350,007,772	486,626,974	836,634,746	7,717,496	844,352,242	-	28,936,952	873,289,194
percent of total	0.00%	92.35%	4.01%	0.00%	6.39%	15.84%	9.79%	23.83%	9.84%	0.00%	9.00%	8.03%
DEBT SERVICE												
Debt Service	675,000	-	-	-	675,000	-	675,000	-	675,000	-	-	675,000
DEBT SERVICE	675,000	-	-	-	675,000	-	675,000	-	675,000	-	-	675,000
percent of total	0.03%	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	-	0.01%	0.00%	0.00%	0.01%
ONE TIME APPROPRIATIONS												
One-Time	85,994,579	2,500,000	4,903,962	-	93,398,541	5,366,383	98,764,924	-	98,764,924	9,279,583	-	108,044,507
ONE TIME APPROPRIATIONS	85,994,579	2,500,000	4,903,962	-	93,398,541	5,366,383	98,764,924	-	98,764,924	9,279,583	-	108,044,507
percent of total	3.95%	0.71%	0.83%	0.00%	1.71%	0.17%	1.16%	0.00%	1.15%	0.47%	0.00%	0.99%
APPROPRIATION TOTAL	2,176,440,541	353,299,921	592,921,415	2,353,439,318	5,476,101,195	3,072,761,986	8,548,863,181	32,384,752	8,581,247,933	1,967,595,729	321,587,021	10,870,430,683
percent of total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(a) Special Funds also includes: Fish & Wildlife, Tobacco, State Health Care Resources, and Transportation Infrastructure Bond Funds.
 (b) Dedicated sources include: Enterprise, General Obligation Debts Service, Local Match, Pension Trust, Private Purpose Trust, and Permanent Trust Funds.
 (c) Global Commitment, Internal Service Funds (ISF), Interdepartmental Transfers (IDT) are duplicate appropriations and do not represent additional funds.

General Fund Summary FY2022-FY2025 (\$ millions)

	Actual FY 2022	Actual FY 2023	Governor's Recommended BAA FY 2024**	Governor's Recommended Budget FY 2025
Sources				
General Revenue	2,123.23	2,224.43	2,131.40	2,113.50
Technical Adjustments	-	(0.03)	-	-
Direct Applications	96.83	70.46	100.15	98.24
Reversions	98.91	17.15	65.90	0.81
Revenue Changes	-	-	(6.47)	(2.40)
Additional Property Transfer Tax	36.77	18.70	10.47	8.16
Other Revenue	-	-	-	-
Carried Forward	103.61	177.44	337.45	59.40
Total Sources	2,459.34	2,508.15	2,638.90	2,277.72
Uses				
Base Appropriations	1,720.92	1,875.00	2,048.02	2,090.44
Budget Adjustment Act	34.66	(46.18)	14.66	-
<i>Net Base Appropriations</i>	1,755.58	1,828.82	2,062.68	2,090.44
Supplemental Budget Adjustment Act	-	-	-	-
One-time Appropriations	185.26	204.45	231.13	54.31
Other Bills	310.53	36.45	78.12	-
Pay Act	11.41	27.82	21.61	31.69
Contingent Appropriations	70.60	-	-	-
Total Uses	2,333.38	2,097.54	2,393.54	2,176.44
Subtotal operating surplus (deficit)	125.96	410.61	245.36	101.28
Allocation of surplus - transfers (to)/from other funds				
Transfers (to)/from other funds	(112.86)	(28.09)	(46.69)	(5.30)
Transfers (to)/from Tax Computer System Modernization Fund	-	-	-	(1.80)
Transfers (to)/from Cannabis Regulation Fund	-	-	2.02	10.00
Transfers (to)/from Capital Expenditure Cash Fund	-	(22.50)	(67.23)	(10.69)
Transfers (to)/from General Obligation Debt Service Fund	-	-	(71.20)	(73.21)
Total Transfers (to) from other funds	(112.86)	(50.59)	(183.10)	(81.00)
Budget Stabilization Reserve	(5.25)	(19.55)	1.79	(14.80)
Human Services Caseload Reserve	-	0.72	-	-
27/53 Reserve	20.29	(3.74)	(5.35)	(5.48)
Balance Reserve (Rainy Day Fund)	-	-	-	-
Other reserves / Carryforward	149.30	-	0.70	-
Total reserved in GF (designated)	164.34	(22.57)	(2.86)	(20.28)
Total Allocated	51.48	(73.16)	(185.96)	(101.28)
Unallocated operating surplus/(deficit)	177.44	337.45	59.40	(0.00)
Stabilization Reserve at statutory level	87.12	106.67	104.88	119.68
GF reserves (cumulative)				
Budget Stabilization Reserve	87.12	106.67	104.88	119.68
Human Services Management Reserve	97.73	97.01	97.01	97.01
27/53 Reserve	0.01	3.75	9.10	14.58
GF Balance Reserve	80.37	80.37	80.37	80.37
Other Reserves	0.70	0.70	-	-
Total GF reserve balance	265.93	288.50	291.36	311.64

* Results may not add due to rounding.

**Includes Jan E-Board Revenue Update.

Transportation Fund Summary FY2022-FY2025 (\$ millions)

	Actual FY 2022	Actual FY 2023	Governor's Recommended BAA FY 2024**	Governor's Recommended Budget FY 2025**
Sources				
Current law revenues	287.85	295.14	299.40	315.70
New revenue	-	-	-	-
Direct applications, reversions & 1-time revenue	0.53	0.01	-	8.58
Federal Reimbursements	18.08	3.12	-	-
For appropriation from TF	28.59	15.34	25.98	6.84
Total sources	335.05	313.61	325.38	331.12
Uses				
Base appropriations	311.12	325.37	332.07	353.62
Budget adjustment, rescissions & excess receipts	(3.93)	(41.49)	(13.11)	-
Total uses	307.19	283.89	318.95	353.62
Subtotal operating surplus (deficit)	27.86	29.72	6.43	(22.49)
Allocation of surplus				
Transfers (to) / from other funds				
Downtown Fund	(4.02)	(0.52)	(0.52)	(0.52)
Central Garage Fund	(1.43)	(1.56)	-	-
VT Recreational Trail Fund	(0.37)	(0.37)	(0.37)	(0.37)
Other Funds	(4.71)	0.15	0.14	25.14
Total transfers (to) / from other funds	(10.53)	(2.30)	(0.75)	24.25
Reserved in the TF (designated)				
Budget Stabilization Reserve	(1.99)	(1.43)	1.17	(1.75)
Bond Reserve	-	-	-	-
Total reserved in the TF (designated)	(1.99)	(1.43)	1.17	(1.75)
Total allocated	(12.52)	(3.74)	0.41	22.49
Unallocated operating surplus (deficit)	15.34	25.98	6.84	0.00
Stabilization Reserve at statutory level of 5%	13.93	15.36	14.19	15.95
TF Reserves (cumulative)				
Bond Reserve	-	-	-	-
Budget Stabilization Reserve	13.93	15.36	14.19	15.95
Total TF Reserve Balance	13.93	15.36	14.19	15.95

*Results may not add due to rounding.

**Revenue as adopted by the Vermont Emergency Board on Jan 18, 2024.

Education Fund Summary FY2022-FY2025 (\$ millions)

	Actual FY 2022	Actual FY2023	Projected BAA FY 2024	Projected Budget FY 2025
Sources**				
Meals & Rooms Tax - <i>one-quarter of total</i>	54.21	59.41	59.90	61.50
Purchase & Use Tax - <i>one-third of total</i>	45.69	47.39	47.20	49.10
Sales & Use Tax - <i>100% of total</i>	545.18	584.05	589.61	598.76
Lottery Revenue - <i>100% of total</i>	30.80	32.12	34.90	35.70
Non-Homestead Property Tax	752.42	738.94	792.20	918.45
Net Homestead Property Tax	476.38	464.63	513.20	626.40
Medicaid Reimbursement	11.45	10.32	10.80	11.20
Other Sources (Wind, Solar, Fund Interest, Other)	3.58	9.04	10.17	8.53
Total sources	1,919.71	1,945.90	2,057.98	2,309.64
Uses				
Base Appropriations	1,823.30	1,943.91	2,142.12	2,353.44
Appropriations Savings	-	-	(2.88)	-
Total uses	1,823.30	1,943.91	2,139.24	2,353.44
Subtotal operating surplus/(deficit)	96.41	2.00	(81.26)	(43.80)
Allocation of surplus/(deficit)				
Transfer (to)/from the stabilization reserve	(1.07)	(2.54)	(5.20)	(9.05)
Transfer (to)/from continuing appropriations	(28.43)	28.21	-	-
Transfer (to)/from Pension/OPEB Prefunding Reserve	14.00	-	-	-
Transfer (to)/from PCB Reserve	(32.00)	32.00	-	-
Transfer (to)/from Tax Rate Offset Reserve	-	-	(13.00)	13.00
Transfer (to)/from VSTRS COLA	-	-	(9.10)	-
Transfer (to)/from other funds	-	-	(4.14)	(1.40)
Transfer (to)/from unallocated	(48.90)	(59.67)	112.69	41.24
Total allocated	(96.41)	(2.00)	81.26	43.80
Education fund reserves				
Budget stabilization reserve***	39.29	41.83	47.03	56.07
Statutory reserve at 5%	39.29	41.83	47.03	56.07

*Results may not add due to rounding.

** Lottery, Meals and Room Tax, Sales and Use Tax, Purchase and Use Tax, and Fund Interest revenues are reflected as adopted by the Vermont Emergency Board in January 2024.

Also note:

The sources section reflects one Governor's initiative which would direct cannabis sales tax revenue to a special fund rather than the Education Fund (est. \$7M in FY24 and \$8.1M in FY25).

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

OTHER REQUIRED REPORTS

Tax Expenditure Report

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

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

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

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

This year's Tax Expenditure Budget Report covers tax expenditures related to non-profits, charitable organizations, and miscellaneous expenditures. The budget is shown on the following two charts first sorted by related department and second sorted by tax category.

Non-Profit & Charitable Organization Tax Expenditure Budget Report by Department				
Tax Type	Tax Expenditure Category	FY 2023 Estimate	FY 2024 Forecast	FY 2025 Forecast
Individual Income	Qualified Sale of Mobile Home Park Credit	*	*	*
Sales & Use	Admission Fees to Nonprofit Museums	3,020,000	3,130,000	3,240,000
Insurance Premiums	Fraternal Societies	118,000	124,000	130,000
Property Tax	Libraries	950,000	950,000	950,000
Property Tax	YMCA and YWCA	370,000	420,000	470,000
Property Tax	Cemeteries	630,000	600,000	570,000
Agency of Commerce & Community Development - Subtotal		\$5,088,000	\$5,224,000	\$5,360,000
Sales & Use	Veterinary Supplies	2,700,000	2,800,000	2,900,000
Property Tax	Owned by Agricultural Societies	590,000	600,000	610,000
Property Tax	Humane Societies	200,000	200,000	200,000
Agency of Agriculture - Subtotal		\$3,490,000	\$3,600,000	\$3,710,000
Insurance Premiums	Hospital and Medical Service Organizations	13,560,000	13,466,000	13,372,000
Property Tax	Non-Profit Medical Service Corporations	160,000	160,000	160,000
Property Tax	FQHC and RHC	590,000	600,000	610,000
Agency of Human Services - Subtotal		\$14,310,000	\$14,226,000	\$14,142,000
Motor Vehicle P & U	Trade-in Allowance	44,250,000	44,900,000	45,550,000
Agency of Transportation - Subtotal		\$44,250,000	\$44,900,000	\$45,550,000
Individual Income	Vermont Higher Education Investment Credit	4,700,000	4,850,000	5,000,000
Property Tax	Vermont State Colleges	6,950,000	7,000,000	7,050,000
Property Tax	University of Vermont	14,140,000	14,000,000	13,860,000
Higher Education - Subtotal		\$25,790,000	\$25,850,000	\$25,910,000
Property Tax	Municipalities Hosting Large Power Plants	0	0	0
Public Services Department - Subtotal		\$0	\$0	\$0
Sales & Use	Rentals of Coin-Operated Washing Facilities	1,150,000	1,200,000	1,200,000
Motor Vehicle P & U	Religious, Charitable, or Volunteer Fire	130,000	146,000	162,000
Motor Vehicle P & U	Gifts	2,800,000	2,958,000	3,116,000
Motor Vehicle P & U	IRC Sec. 351	41,000	42,000	42,000
Property Tax	Congressionally Chartered Organizations	980,000	1,000,000	1,020,000
Property Tax	Public, Pious, and Charitable Property	63,000,000	63,400,000	63,800,000
Tax Department - Subtotal		\$68,101,000	\$68,746,000	\$69,340,000
Individual Income	Vermont Municipal Bond Income	1,570,000	1,520,000	1,470,000
Treasurer's Office - Subtotal		\$1,570,000	\$1,520,000	\$1,470,000
GRAND TOTAL		\$162,599,000	\$164,066,000	\$165,482,000

In accordance with 32 V.S.A. § 306, the FY 2025 Tax Expenditure Budget covers "tax expenditures related to nonprofits and charitable organizations and... miscellaneous expenditures." The budget does not include tax expenditures that are not included in the biennial tax expenditure report due to a lack of data. Tax expenditures related to Vermont's human services and those related to economic development will be reported in the next two years. Information pertaining to fewer than the number of returns authorized for release in IRS Publication 1075 have been suppressed by "**."

Non-Profit & Charitable Organization Tax Expenditure Budget Report by Type

Agency/ Dept.	Tax Expenditure Category	FY20 actual	FY21 actual	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Forecast	FY 2025 Forecast
TRE	Vermont Municipal Bond Income	1,729,000	1,670,000	1,620,000	1,570,000	1,520,000	1,470,000
ACCD	Qualified Sale of Mobile Home Park Credit	*	*	*	*	*	*
HED	Vermont Higher Education Investment Credit	3,842,000	4,436,000	4,550,000	4,700,000	4,850,000	5,000,000
	Individual Income Tax Expenditure - Subtotal	5,571,000	6,106,000	6,170,000	6,270,000	6,370,000	\$6,470,000
AGFM	Veterinary Supplies	2,600,000	2,600,000	2,700,000	2,700,000	2,800,000	2,900,000
TAX	Rentals of Coin-Operated Washing Facilities	1,100,000	1,100,000	1,150,000	1,150,000	1,200,000	1,200,000
ACCD	Admission Fees to Nonprofit Museums	2,850,000	2,890,000	2,960,000	3,020,000	3,130,000	3,240,000
	Sales & Use Tax Expenditures - Subtotal	6,550,000	6,590,000	6,810,000	6,870,000	7,130,000	\$7,340,000
ACCD	Fraternal Societies	104,000	110,000	114,000	118,000	124,000	130,000
AHS	Hospital and Medical Service Organizations	13,816,000	13,832,000	13,649,000	13,560,000	13,466,000	13,372,000
	Insurance Premiums Tax Expenditures - Subtotal	13,920,000	13,942,000	13,763,000	13,678,000	13,590,000	\$13,502,000
TAX	Religious, Charitable, or Volunteer Fire	73,000	80,000	113,000	130,000	146,000	162,000
TAX	Gifts	2,035,000	2,312,000	2,635,000	2,800,000	2,958,000	3,116,000
TAX	IRC Sec. 351	21,000	41,000	41,000	41,000	42,000	42,000
AOT	Trade-in Allowance	32,300,000	42,300,000	43,600,000	44,250,000	44,900,000	45,550,000
	Motor Vehicle Purchase & Use Expenditures - Subtotal	34,429,000	44,733,000	46,389,000	47,221,000	48,046,000	\$48,870,000
AHS	Non-Profit Medical Service Corporations	156,000	158,000	160,000	160,000	160,000	160,000
HED	Vermont State Colleges	6,608,000	6,777,000	6,890,000	6,950,000	7,000,000	7,050,000
HED	University of Vermont	13,699,000	14,538,000	14,270,000	14,140,000	14,000,000	13,860,000
ACCD	Libraries	922,000	933,000	940,000	950,000	950,000	950,000
TAX	Congressionally Chartered Organizations	860,000	923,000	960,000	980,000	1,000,000	1,020,000
TAX	Public, Pious, and Charitable Property	61,272,000	61,787,000	62,590,000	63,000,000	63,400,000	63,800,000
ACCD	YMCA and YWCA	203,000	213,000	320,000	370,000	420,000	470,000
ACCD	Cemeteries	685,000	725,000	660,000	630,000	600,000	570,000
AGFM	Owned by Agricultural Societies	779,000	559,000	580,000	590,000	600,000	610,000
AGFM	Humane Societies	179,000	187,000	190,000	200,000	200,000	200,000
AHS	FQHC and RHC	530,000	552,000	580,000	590,000	600,000	610,000
PSD	Municipalities Hosting Large Power Plants	-	-	-	-	-	-
	Property Tax Expenditures - Subtotal	85,893,000	87,352,000	88,140,000	88,560,000	88,930,000	\$89,300,000
GRAND TOTAL				161,272,000	162,599,000	164,066,000	\$165,482,000

In accordance with 32 V.S.A. § 306, the FY 2025 Tax Expenditure Budget covers "tax expenditures related to nonprofits and charitable organizations and... miscellaneous expenditures." The budget does not include tax expenditures that are not included in the biennial tax expenditure report due to a lack of data. Tax expenditures related to Vermont's human services and those related to economic development will be reported in the next two years. Information pertaining to fewer than the number of returns authorized for release in IRS Publication 1075 have been suppressed by "**."

Retirement Systems Financial Integrity Report

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

Contribution Levels

VSERS

As a result of the June 30, 2023 actuarial valuation, the actuary for the Vermont State Employees' Retirement System (VSERS) recommended a FY 2025 contribution of \$131,346,935 to the pension plan (VSERS pension) and \$78,294,808 to the Vermont State Employees' Other Post-Employment Benefits (VSERS OPEB) plan.

The State's VSERS pension contribution is offset by \$1,850,000, based on the Treasurer's estimate of FY 2025 contributions to VSERS by town participants, which reduces the state contribution to \$129,496,935. Per 3 V.S.A. §473(c)(8)(B), the State is further committed to an additional payment in FY 2025 of \$12,000,000 above the actuarial recommendation towards the system's unfunded liability, for an adjusted total of \$141,496,935.

The State's contribution to the VSERS OPEB during FY 2025 will be \$78,294,808, reflecting the full actuarial recommendation.

VSTRS

As a result of the June 30, 2023 actuarial valuation, the actuary for the Vermont State Teachers' Retirement System (VSTRS) recommended a FY 2025 contribution of \$201,182,703 to the pension fund (VSTRS pension) and \$70,482,644 to the Retired Teachers' Health and Medical Benefits (VSTRS OPEB) fund.

The actuarially recommended FY 2025 VSTRS contribution of \$201,182,703 will be funded by \$155,384,035 of State general funds, \$35,998,668 of State education funds and \$9,800,000 from local education agencies for teacher salaries supported by federal grants. Of the \$9,800,000, \$1,843,359 will be applied to the normal cost, and \$7,956,641 will be applied to the unfunded liability. Per 16 V.S.A. §19449(c)(13)(B), the State is further committed to an additional payment in FY 2025 of \$12,000,000 above the actuarial recommendation towards the system's unfunded liability, which will be funded from State general funds.

The FY 2025 VSTRS OPEB contribution of \$70,482,644 will be funded by \$43,031,103 of State general funds, \$19,076,541 of State education funds, and \$8,375,000 from the employer annual charge for new teacher health care. Of the \$8,375,000, \$2,572,405 will be applied to the normal cost, and \$5,802,595 will be applied to the unfunded liability.

Funding Levels

State statutes define the method of funding the retirement systems, which is assessed and reported by an independent actuary. The funded ratios (and resulting unfunded liability) for the VSERS and VSTRS pension systems for the period ended June 30, 2023 are 67.69% (\$1,156,754,102 unfunded liability) and 57.48% (\$1,870,059,262 unfunded liability) respectively. The funded ratios (and resulting unfunded liability) for the VSERS OPEB and VSTRS OPEB plans for the period ended June 30, 2023 are 13.38% (\$891,771,290 unfunded liability) and 8.48% (\$779,534,909 unfunded liability), respectively. The pension system (VSERS and VSTRS) values are derived using the GASB 67 accounting standard actuarial valuations, and the OPEB system values are derived from the GASB 74 actuarial valuations, all of which are produced by the State's actuary.

APPENDIX A: FY 2025 Performance Accountability

CONTINUOUS IMPROVEMENT PROGRAM

Measuring government performance is a critical aspect of accountability that involves evaluating the efficiency and effectiveness of government activities. It provides a way to assess whether public resources are being utilized optimally and if policy objectives are being achieved. It also helps identify areas of success and areas that require improvement. By gauging government performance, policymakers and program implementers can enhance service delivery, address challenges, and allocate resources more efficiently. In government, there are two main types of accountability which are intricately linked: population accountability and program accountability.

To address population accountability, the Vermont State Legislature enacted Act 186 in 2014. The law established ten aspirational outcomes of well-being for Vermonters. These outcomes range from a prosperous economy to a safe environment, nurturing families, and dignified living for elders and individuals with disabilities. Each outcome is linked to specific indicators that quantitatively assess various aspects of the Vermont experience at a population-level. As per 3 VSA §2311 (a), on or before September 30 of each year, the Chief Performance Officer submits to the General Assembly a State Outcomes report demonstrating the State's progress in reaching the population-level outcomes for each area of Vermont's quality of life by providing data for the population-level indicators. This is done through an interactive scorecard which serves as a mechanism by which the underlying data can be made available to the public, stakeholders, and decision-makers.

The Programmatic Performance Measure Budget (PPMB) report is one way to achieve program accountability. As a supplement to the budget associated with 32 V.S.A. §307 (c)(2), PPMB is intended to bring together financial information and performance data at a programmatic level to better inform decision-making and resource allocation, increase accountability and transparency, and drive continuous improvement in government operations. Programmatic and performance measure data are reported by Performance Accountability Liaisons and program staff, while financial information is obtained from the VANTAGE budget system and VISION accounting system managed by the Department of Finance and Management. Participation by the Governor's Cabinet (agencies and departments) is strongly encouraged while other non-Cabinet executive branch elected offices, boards, commissions, and the Judiciary are invited, but not required, to participate. The Chief Performance Office (CPO) oversees the reporting process each year. For FY 2025, the CPO conducted additional outreach which led to an increase in the number of programs participating and the number of performance measures reported. In addition, the CPO made improvements to the report itself. The updated interactive report has increased searchability, streamlined tables of performance data, program and measure specific views, and agency/department contact information. More improvements are planned for next year.

Both the Annual Outcomes and PPMB reports are intricately connected to the broader efforts of the CPO in shaping a modern Vermont state government. With a mission to provide information, tools, expertise, and services, the CPO employs various strategies aimed at enhancing the state's problem-solving capabilities, operational management, and overall performance improvement. The CPO focuses on improving the knowledge, skills, and abilities of state employees and leaders through professional development opportunities, resource accessibility, and coaching/mentoring. Efforts also extend to targeted engagements, the promotion of continuous improvement principles, support in process management and improvement, project management and consultation, meeting design and facilitation, research, data analysis and reporting, as well as organizational assessment and strategic planning.

APPENDIX B: PUBLIC COMMENTS

Public Participation—Public Budget Forums

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

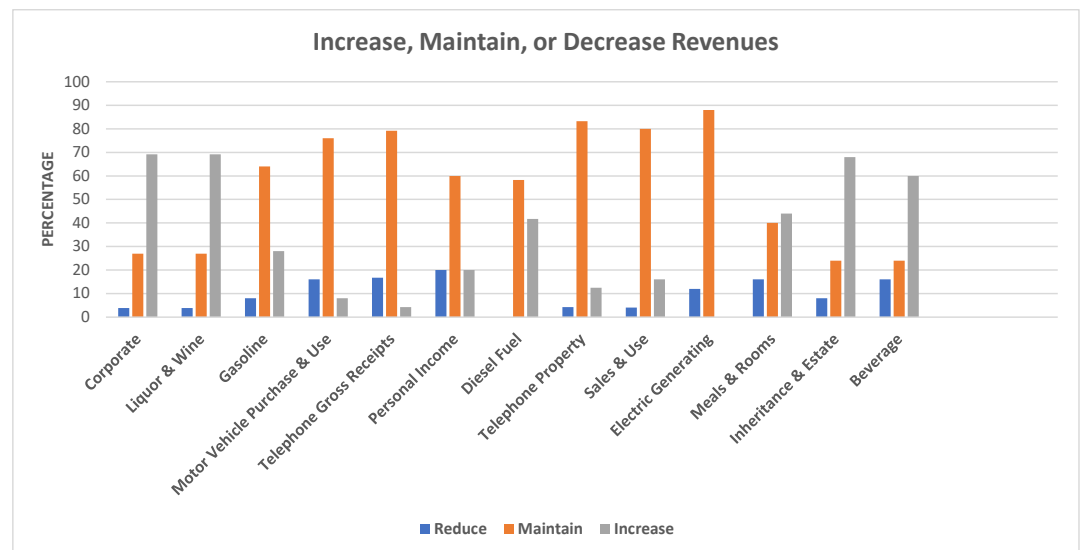
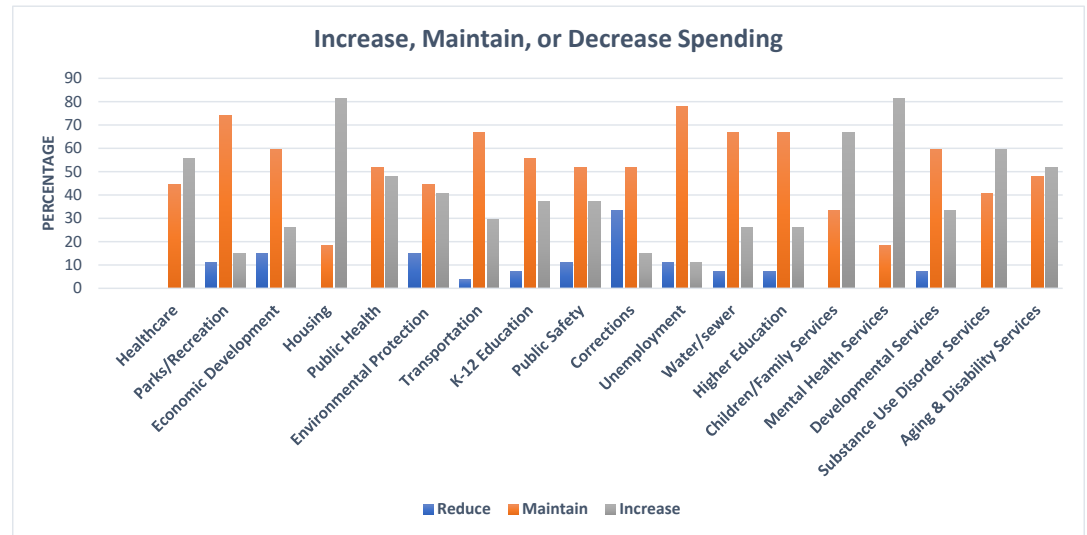
Public Participation ~ Public Budget Forums

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

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

The Administration invited comments both via survey and via written submissions during an eight-week period in November, December, and January of 2023-2024.

During this time, Finance and Management received 27 responses (via Microsoft Forms) and 169 written comments, a few of which can be reviewed in detail on page 35.



APPENDIX B: PUBLIC COMMENTS

Categories of responses

Add funding for the VT Foodbank – 14

Tax Reform – 16

Natural Resources Conservation Districts - 43

Fund Adult Education and Literacy Programs – 14

Vermont Access Network – 12

Increase funding for DCF – 39

Increase funding for Parent-Child Centers – 4

Recovery residence funding – 27

Selected Quotes from Respondents:

“Please support Vermont’s existing and anticipated certified Recovery Residences with an appropriation of \$325,000 for scholarships specifically, along with increased base funding for the certified homes for operational expenses. These scholarships are critical to providing ease of access to this critical support for those in recovery and also supports providers with sustainability so critical to scaling this resource.”

“Vermont’s Adult Education and Literacy providers need sustainable and predictable funding from the state. Please increase base funding for the Adult Basic Education (ABE) grant program and/or the Adult Diploma Program to support our services. Also, please support the recommendations from the Adult Education and Literacy HSCP Student Access Study Committee regarding adult basic education funding issues.”

“Please increase the Natural Resources Conservation Council’s budget line item within the Agency of Agriculture and Food Market’s budget by \$2,388,000 for a total base appropriation of \$3,000,000 for fiscal year 2025 to support the State’s 14 Natural Resources Conservation Districts.”

“Please allow \$5 million in base funding for the Vermont Food bank in the FY 2025 budget. This tremendously helps communities and families in Vermont who are experiencing food insecurity issues. Food insecurity for any family in Vermont is not OK. We have an urgent and important need right now and look to our state leaders to fund solutions to addressing hunger today.”

“Please support the Vermont Access Network (VAN), our state’s 24 Community Media (PEG-TV) Centers, with a one-time appropriation of \$1,000,000 for the fiscal year 2025.”

ACKNOWLEDGEMENTS AND CREDITS

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

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Fiscal Year 2025 Executive Budget Summary

is a publication of the Vermont Department of Finance & Management

Adam Greshin, Commissioner

The purpose of this publication is to inform members of the Vermont Legislature, state and local government officials, and Vermont residents of the Fiscal Year 2025 Budget Recommendations of Governor Philip B. Scott.

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