

Vermont Budget Context

Sen. Jane Kitchel
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NCSL Seattle

HEALTH CARE/MEDICAID

- Declining federal funding match rate
- Increasing utilization of health services by beneficiaries
- Growing Developmental Disabilities caseload
- Unpredictable "clawback" payments
- Need for provider reimbursement increases
- New cost of operating the Exchange and MAGI Medicaid eligibility functions
- Increased caseload from the expansion of new adults under the ACA

Pre-K-12 EDUCATION

- Increasing ARC to the Teachers' Retirement and for health care benefits for retirees
- Increased staffing for Special Education instruction since 1990
- Increased percentage of sales tax revenues going to the Education Fund
- Declining K-12 enrollment, but response is slow

OTHER PRESSURES

- Workforce costs for salary and benefits (health care costs increased 18% for FY 2016)
- Homeowner property tax income sensitivity payments and renter rebates
- Backfilling of one-time funds used in previous budgets
- Terminating federal grants

REVENUE REALITIES

- Eroding tax revenues from sales tax due to internet sales and possibly due to aging of population and changing consumption patterns
- Volatility of revenues from personal income, estates and corporate income taxes
- Tax expenditures are bleeding revenues from Bank Franchise receipts
- Decling and stagnant tax revenues from the cigarette tax and several other sources

Vermont - GF GAP a.k.a. "the hungry alligator"

