

FY 2012 General Fund Budget

Category	(\$ millions)	Revenue	Appropriations & Net Transfers	(Shortfall)/ Surplus
Projected Revenue				
Current Law Revenue (January 2011 - Emergency Board)		\$ 1,183.90		
Direct Applications & Reversions, and Other Revenue		25.40		
Total Available Revenue FY2011		1,209.30		
Upward Pressures				
Base Appropriations + Transfers (FY11)			1,101.20	
Base Pressures				
Human Services Caseload & Utilization			28.50	
All Other Human Services			38.60	
Restoration of Ed Fund transfer & growth (excl. ARRA)			21.77	
Education - Early Education Initiatives			1.13	
VSTRS & VSERS			8.33	
Unemployment Insurance - interest repayment			4.10	
Public Safety - Transportation Fund Reduction			2.30	
Administration, incl. insurance & internal service fund needs			2.08	
Public Safety & other protection			1.18	
Additional transfer to VT Telecom Authority			0.90	
ANR and ACCD			0.40	
Debt Service			0.16	
Subtotal: Base Pressures			109.45	
Loss of Federal Funding exclusive of ARRA				
Reduction in federal share of base Medicaid match rate			10.90	
Cost impact of GC waiver extension changes			5.90	
Subtotal: One-Time Pressures			16.80	
Loss of Offsetting ARRA Funds				
Human Services - Global Commitment & Long Term Care			105.35	
Clawback			6.80	
Other AHS			0.80	
Department for Children & Families			6.59	
Education			38.57	
Subtotal: GF ARRA Offset Loss			158.11	
Total Upward Pressures			284.36	
Total (Shortfall)/Surplus		\$ 1,209.30	\$ 1,385.56	\$ (176.26)
Adjustments				
Base (Reductions)/Increases				
Human Services (includes some C4C Phase 2 actions)			(110.30)	
VSERS Pension Reforms			(2.00)	
Labor & Contractual Savings			(8.00)	
Active & Retired State Employees Health Insurance Plan			(2.00)	
Challenges for Change - GF to EF			(23.18)	
Homeowners and Current Use Tax			(0.92)	
Rest Areas - Fund with TF			(4.00)	
Subtotal: Base Adjustments		0.00	(150.40)	
One-Time Adjustments				
Budget Stabilization Reserve Increase to meet 5%			3.24	
Transfer from Caseload Reserve (FY2011 carryforward)			(29.10)	
Subtotal: One-Time Adjustments		0.00	(25.86)	
Total Adjustments		0.00	(176.26)	176.26
Grand Total Net of Adjustments		\$ 1,209.30	\$ 1,209.30	\$ -

FY 2012 GF Budget Overview

Despite closing significant General Fund (GF) budget gaps in FY 2009, 2010 and 2011, and despite the beginning of economic recovery, Vermont is faced again with significant upward pressures in excess of the available GF revenue for FY 2012.

After agencies and departments submitted their FY 2012 budget requests, the full impact of the upward budget pressures, the loss of "base ARRA" funding, and the loss of other federal funds resulting from changes made by the federal government to the terms of Vermont's Global Commitment to Health Medicaid demonstration waiver and changes in the federal financial participation rate were known.

A combination of base reductions and one-time adjustments were necessary to bring the GF budget appropriations into line with available GF revenue. Among the solutions was the Governor's plan announced January 7, 2011 to save \$12 million in GF for FY 2012 without imposing pay cuts or layoffs of existing state workers.

The FY 2012 budget was helped further by reserving the FY 2011 Consensus Revenue increase adopted by the Vermont Emergency Board on January 14, 2011 in the Human Services Caseload Reserve for use in FY 2012 to offset upward pressures in Human Services.