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May 7, 2018

Emergency Board  
State of Vermont  
Vermont State House  
115 State Street  
Montpelier, Vermont 05633-5701

Dear Emergency Board Members,

As requested, we have estimated “minimum” Available General Fund revenue, per Table 1 in the regularly issued revenue forecasting reports, for fiscal year 2018 to be \$1,537.8 million. Based on data available at this time, we expect Available General Fund revenue in FY2018 to exceed \$1,537.8 million, approximately \$44.2 million above prior adopted January levels.

This estimate is not a forecast of expected revenue in FY2018, but a cursory estimate of annual revenue below which we believe is unlikely to occur. Accordingly, this is an estimate in which almost all FY2018 aggregate revenue variance risk remains on the upside.

Most of the current revenue strength can be attributed to unique events that may be unlikely to persist in future periods. Many of these are related to recent federal tax law changes. As you know, we have been analyzing these impacts since January with the Tax Department and will incorporate more complete estimates of these and other revenue events in the upcoming July Economic and Revenue Update.

We look forward to discussing this further at the Emergency Board meeting on Monday, May 7<sup>th</sup>, and addressing any questions you may have regarding the current revenue situation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Thomas Kavet', written over a light blue circular stamp.

Thomas Kavet  
State Economist for the Vermont Legislature

A handwritten signature in black ink, appearing to read 'Jeffrey Carr', written over a light blue circular stamp.

Jeffrey Carr  
State Economist for the Agency of Administration