FitchRatings

Public Finance
State Guarantee Programs
United States

State of Vermont

Vermont's 'AA+' Issuer Default Rating (IDR) and GO bond rating reflect a track record of disciplined financial management and cautious revenue forecasting, which, when coupled with the state's healthy fiscal reserves and ample expenditure-cutting capacity, position Vermont well through the cycle to absorb any budgetary challenges associated with future U.S. economic downturns. Vermont's 'AA+' rating also reflects a moderate long-term liability burden consisting of direct debt and net pension liabilities supported by the state's economic resource base. Fitch Ratings expects Vermont's liability burden to remain stable for the near term.

The 'AA–' rating on the Vermont Municipal Bond Bank's 1988 General Resolution bonds reflects a direct linkage to the state's IDR, as the rating is based on the credit enhancement provided to bonds issued by the VMBB from Vermont's moral obligation pledge. The state has pledged to replenish any draws made on the VMBB's reserve fund within one fiscal year. The two-notch rating distinction between the IDR and the VMBB rating factors in the broad state purposes served by VMBB financings, as well as the state's direct involvement with the bank as evidenced by the makeup of VMBB's board of directors, which includes the state treasurer and several gubernatorial appointees, along with a related state aid intercept mechanism.

Vermont's small and modestly growing economy has an above-average reliance on the health and education sectors, as well as manufacturing and tourism, and remains exposed to the fortunes of a small number of large employers. The state's population is older and significantly more rural than those of most other states with 65% of residents residing in small towns and/or rural areas. Population growth prior to the pandemic was limited. As with other New England states, high educational attainment levels provide the potential for future economic gains, but Vermont has not realized that potential to date. Gradual growth in knowledge-based industries including high tech, aerospace and biomedical sciences could allow for eventual acceleration in the state's growth rate.

Rating

Foreign Currency

Long-Term IDR	AA+

Outlooks

Long-Term IDR	Stable

New Issue

$61,155,000 General Obligation Bonds, 2023 Series A (Competitive) $53,465,000 General Obligation Refunding Bonds, 2023 Series B (Vermont Citizen Bonds) (Negotiated)	AA+

Sale Date

The Series A bonds will be sold competitively on August 22. The Series B bonds will be sold via negotiation on or around Aug. 24.

Outstanding Debt

Vermont Municipal Bond Bank (1988 General Resolution) Bonds	AA-
Vermont Municipal Bond Bank Bonds (Federally Taxable - Qualified School Construction Bonds)	AA-
General Obligation Bonds	AA+
General Obligation Vermont citizen Bonds	AA+

Applicable Criteria

U.S. Public Finance Tax-Supported Rating Criteria (May 2021)

Related Research

Fitch Rates Vermont's $114.6MM GO Bonds 'AA+'; Outlook Stable, August 14, 2023

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Key Rating Drivers

Revenue Framework - 'aa'

Fitch anticipates Vermont's state-source revenues, inclusive of statewide income and consumption taxes, will grow at a modest pace in line with U.S. inflation consistent with our long-term expectations for Vermont's economy. The state has complete legal control over its revenues, including the ability to broaden the tax base, levy new taxes and raise or modify tax rates.

Expenditure Framework - 'aaa'

The state maintains ample expenditure flexibility with a low burden of fixed carrying costs for long-term liabilities and the broad expense-cutting ability common to most U.S. states. Vermont has been particularly focused on addressing healthcare spending, including Medicaid, which is a key expense driver. Fitch expects Vermont's major spending items will grow in line with, or slightly faster than, the state's natural pace of revenue expansion.

Long-Term Liability Burden - 'aa'

Vermont's long-term liability burden is above the U.S. state median but remains moderate compared to the state's economic resource base. Vermont's elected leaders maintain close oversight and management of debt issuance, and have engaged in multiple efforts to improve the sustainability of retirement liabilities over time.

Operating Performance - 'aaa'

Fitch anticipates Vermont will utilize its broad gap-closing capacity to manage through economic downturns while maintaining a high level of fundamental financial flexibility. The state took steps during pre-pandemic expansion to improve fiscal flexibility and has added to its reserves and cash since 2020. In Fitch's view, Vermont possesses ample fiscal reserves.

Rating Sensitivities

Factors, actions or events that may, individually or collectively, lead to negative rating action include:

- Inability to prudently manage the state's long-term liability burden in the context of modest growth expectations for the state's economic resource base, which supports the repayment of such liabilities.
- A reduction in gap-closing capacity caused by softening budgetary discipline or weaker revenue growth that leads to recurring structural imbalances and substantial draws on fiscal reserves.

Factors, actions or events that may, individually or collectively, lead to positive rating action include:

- Material and sustained improvement in the state's demographic profile through consistent population and labor force growth could support stronger revenue growth prospects and thereby a higher revenue framework assessment.
- Increased economic diversification and growth of new and/or knowledge-based industries that supports stronger revenue growth could result in a higher revenue framework assessment.
- A sustained reduction in the state's long-term liability burden metric to below 10% of statewide personal income would result in a higher long-term liability assessment.

Current Developments

Vermont Economic Update

Vermont's non-farm payrolls contracted by 21% between February and April 2020, a far more severe decline than the nation's 15% fall in employment. Vermont's payroll recovery from the pandemic has been slower than the national average with June 2023 employment still trailing its pre-pandemic level by 3.9%, compared to 2.7% growth in payroll employment nationally since the pandemic. This makes Vermont's payroll recovery the second weakest among U.S. states after Hawaii.

A decline in labor force participation is a key factor slowing Vermont's employment recovery, as Vermont was disproportionally affected by departures given its smaller population and older (i.e. closer to retirement) labor force. The labor force was declining prior to 2020 and shrank further through 2021 due to the pandemic. Conversely, its population has realized short-term benefits due to pandemic in-migration. Vermont added roughly 6,000 new residents between 2020 and 2022 as per a population estimate prepared by the U.S. Census Bureau. State officials attest that most of these newcomers originated as remote workers, many of whom have opted to remain in the state.

Vermont's seasonally-adjusted unemployment rate was 1.9% for June 2023 - well below the nation's 3.6% rate. Fitch also considers the employment to population ratio (EPOP) when evaluating state labor markets, as EPOP helps us to gauge what proportion of a labor force is actively employed. Vermont's EPOP indicates an improved, but far from fully recovered, labor market. Vermont's EPOP of 62.5% in June 2023 compares favourably to the 61.1% U.S. median, but remains below the 64.6% EPOP Vermont reported for February 2020.

Strong Recent Revenue Performance

Revenues consistently out-performed forecasts during the past three fiscal years. Fiscal 2022 general fund operations concluded with a $126 million surplus as revenues expanded by 20.5% YOY to $2.13 billion from $1.77 billion in fiscal 2021. Education and transportation fund collections expanded by 3.7% and 4.5%, respectively, compared to the year prior. Across its three operating funds, Vermont recorded a $237 million surplus for fiscal 2022.

Vermont built the fiscal 2023 state budget around a January 2022 forecast estimating a $50 million (1.9%) YOY increase in general fund revenues over fiscal 2022 budgeted amounts. The most recent estimate (July 2023) indicates that revenues expanded by $251 million over the initial forecast. Fiscal 2023 general fund revenues are estimated to have grown to $2.22 billion, a 1.6% YOY increase.

Collections outpaced forecast across all three major operating funds. General fund collections grew by $226 million (14.3%) over the initial forecast driven by exceptional growth in corporate income taxes (CIT), which expanded 26% YOY. Education fund revenues, which receive the bulk of sales and meals & rooms taxes, grew 1.4% YOY; however, when state-wide property taxes are netted out, other revenues rose 7.4% YOY. Finally, transportation fund revenues expanded 2.5% YOY net of federal reimbursements. When federal moneys and prior year surpluses are included, then total transportation fund revenue actually declined modestly, falling by 6.4% YOY.

Based on July estimates, Vermont achieved a $438 million fiscal 2023 surplus across all three major operating funds set against $4.3 billion in spending. The bulk of the surplus ($411 million) was realized in the general fund, augmented by smaller surpluses in the education ($2 million) and transportation ($26 million) funds. Vermont's solid fiscal 2023 results suggests considerable underlying economic activity in the state in spite of the aforementioned weak labour market recovery, positioning Vermont to begin fiscal 2024 in a strong position.

Fiscal Reserves Remain at Statutory Maximums

The state has not drawn on its operating reserves to support operations for several years and has no plans to do so. Each major operating fund maintains its own budget stabilization reserve (BSR) sized at 5% of prior year appropriations. For the general fund, the BSR was $106.7 million at June 30, 2023. The education and transportation funds' BSRs total another $57.2 million. A separate general fund 'rainy day' reserve held $80 million as of the same date. The state keeps substantial added fiscal resources on deposit in its general and education funds that include $137 million of unallocated moneys in the education fund and $97.7 million in the human services caseload reserve in the general fund. The latter provides an added fiscal buffer against higher Medicaid costs.

Fiscal 2024 Adopted Budget Boosts Social and Infrastructure Spending

Vermont's consensus revenue forecasting group, the E-Board, anticipates a sharp revenue deceleration in fiscal 2024 with general fund revenues forecast to decline by 5.5% from the year prior due to the exhaustion of federal stimulus, higher inflation, a return of consumer spending to pre-pandemic patterns, and continued phasing in of tax cuts passed in 2022. Nevertheless, the 5.5% forecast decline represents an improvement from the E-Board's January report, which had forecast fiscal 2024 general fund revenues declining by 7.2%. State officials do not expect the severe flooding that struck many regions of Vermont on July 10 and 11 to have a material impact on either revenues or spending in fiscal 2024, although it may lead to short-term delays in some tax collections.

Vermont's fiscal 2024 adopted all-funds budget represents a 2.3% drop in spending compared to supplemental appropriations approved late in the prior fiscal year. The decline in spending reflects the rolling off of federal stimulus moneys after $565 million of ARPA funds were included in last year's budget. The general fund portion of the budget raises spending by $279 million (13.2%) YOY due mostly to the use of $186 million of accumulated budget surpluses to fund non-recurring spending, largely for capital improvements. The general fund budget also includes $78 million of new recurring spending to boost state affordable housing and childcare programs. Housing appropriations include a major initiative to raise energy efficiency for middle- and low-income residential housing.

Under the American Rescue Plan Act (ARPA), Vermont received $1 billion in direct federal aid, while its schools and municipalities receiving an added $700 million. Vermont has been using its ARPA moneys primarily for one-time infrastructure spending targeted at broadband, affordable housing, electric vehicle (EV) charging stations, climate mitigation and water system upgrades. Nearly all of Vermont's ARPA allocation was appropriated in fiscal 2022 and 2023. The E-Board does not assume ARPA moneys will provide Vermont's economy with a boost in fiscal 2024; however, Fitch expects continued ARPA spending to support economic activity both nationally and in the states.

The fiscal 2024 budget includes full actuarial contributions for state pension systems, consistent with prior years, along with $9 million of supplemental payments to each of the plans. Fiscal 2024 actuarial contributions will decline by 4.5% from prior year levels due to strong investment performance in the plans' 2021 fiscal years. Fitch expects contribution levels will rise again in fiscal 2025 as weaker returns in 2022 are factored into plan funded levels. Fitch anticipates future contribution increases to be manageable for Vermont's budget.

Credit Profile

Revenue Framework

Revenues used for direct state operations consist primarily of individual and corporate income taxes, sales and use taxes, and a meals and rooms tax meant to shift a portion of the tax burden onto visiting tourists. Vermont levies a statewide property tax to fund K-12 education, which although a relatively unusual feature for a state government, accounts for the largest share of state revenues. Since Vermont essentially passes property taxes on to local school districts, Fitch discounts the importance of this revenue stream in its revenue framework assessment.

Fitch anticipates relatively slow growth in state-source revenues, with growth in tax collections likely to remain in line with our medium-term expectations for U.S. inflation due to the state's modest near- to medium-term economic growth prospects. Historical tax revenue growth, adjusted for policy changes, has lagged the pace of U.S. GDP on a real basis over the past decade and slightly exceeded inflation. The state's slow pace of revenue formation reflects ongoing constraints on its economy connected to a shrinking state labor force and ageing population.

Vermont has no legal limitations on its ability to raise revenues through base broadenings, rate increases or the assessment of new taxes or fees.

Vermont's population and economic growth trajectory will determine the state's pace of revenue expansion in the coming decade. The state's population grew by 3.4% between 2010 and 2022 compared to the nation's 7.9% population growth rate for the same period. This was an improvement from Vermont's growth rate in the decade to 2010, which was 2.8%. Faster population growth spurred by greater in-migration or other causes would likely improve revenue growth prospects. Statistical evidence of in-migration since 2020, if sustained, could support such a trend.

The state has identified Vermont's relatively low housing affordability and lack of housing density, particularly in its urban areas, as an impediment to faster economic growth. To increase the stock of new and renovated housing, Vermont recently amended Act 250, its housing regulatory framework, during its spring 2023 legislative session. The amendments make it easier for developers to renovate older homes to turn them into multi-family housing, remove restrictions on the height of new buildings, reform approval processes and ease the requirements for constructing apartments and other multi-family housing options in the state.

Expenditure Framework

Education is the largest expenditure area backed by state-source revenues, driven by a unique funding system under which the state covers the full operating costs for locally-administered K-12 schools primarily by way of a local property tax collected by the state. The statewide sales and use tax also provides a portion of school funding. Health and human services, mainly consisting of Medicaid, is the second-largest expenditure area.

Fitch expects Vermont's pace of spending growth, absent policy actions, to be slightly ahead of revenue growth, driven primarily by Medicaid spending. This will require the state to make frequent budgetary adjustments in order to ensure ongoing structural balance.

The fiscal challenge of Medicaid is common to all U.S. states, and the nature of the program, as well as federal government rules, limits the states' options in managing the pace of spending growth. Federal action to revise Medicaid's programmatic and financial structure does not appear to be a near-term priority of the current federal administration or Congressional leadership. As with all federal initiatives, Medicaid remains subject to regulatory changes that could affect various aspects of the program.

Medicaid 'All-Payer' Model

Vermont has addressed rising healthcare costs by shifting its Medicaid program toward outcome-based care under an 'all-payer' system, in contrast to the traditional fee-for-service model, starting in 2017. Under the terms of agreements with the federal government allowing for the transition, Vermont shifted its Medicare and Medicaid programs to an outcome-based accountable care organization model with the goal of getting participation from private insurers and providers.

Prior to the coronavirus pandemic, Vermont's healthcare spending had leveled off with Medicaid spending growth slowing considerably between 2017 and 2019. However, Medicaid enrollment also declined sharply over the same period (by 21% between fiscals 2016 and 2019), a trend seen in other states at that time — a key factor that allowed Medicaid spending growth to decelerate.

During the pandemic, the pace of Medicaid spending moderately increased. The state's Agency for Health Services noted that pandemic-driven enrollment growth was partially offset through mid-2021 by a decline in utilization as a result of the pandemic's limiting effect on public interactions.

Fiscal 2020 spending (combined state and federal) was flat YOY at the onset of the pandemic. Fiscal 2021 spending declined by 5.6% as lower utilization costs balanced out a rise in the Medicaid rolls. Fiscal 2022 spending was up by 11% as the largest share of pandemic-related spending (supported by increased federal transfers) occurred during that time. Fiscal 2023 expenditures then grew by 9.3% YOY as the effects of the pandemic began to ebb. The state has budgeted for 4.2% growth Medicaid spending in fiscal 2024.

Vermont's fixed cost burden is low (6.4% of governmental expenditures in fiscal 2022 that included supplemental pension payments). Fitch anticipates fixed costs will remain stable given the state's commitment since the mid-2010s to making contributions above the actuarial levels to its pension systems. The state has regularly contributed amounts in excess of the ADCs in an effort to manage and reduce net pension liabilities. Overall, the state retains ample flexibility to adjust its main spending items given its control over program design and service delivery.

State Policies Trigger Annual Pension Contributions over the ADC

Policy actions in recent years attest to active state management of its pensions' funded status. Over the long term, this could have beneficial effects on funding progress assuming the plans achieve their rate of return assumptions. The ADCs for both main plans, the Vermont State Employer Retirement System (VSERS) and Vermont State Teachers Retirement System (VSTRS) have been based on closed amortization periods ending in 2038, with actual contributions consistently higher than the ADC and targeting a percentage increase over the prior year.

Updated experience studies and lowering plan discount rates to 7% from 7.5% as of the 2020 valuation combined increased the ADCs by 44% in fiscal 2022, with actual contributions remaining ahead of this level. From Fitch's perspective, the $100 million increase is not a material concern in the context of the state's fiscal 2022 governmental funds expenditures of $7.8 billion.

In 2022, Vermont achieved consensus on legal changes necessary to maintain annual state contributions above the ADC, raise employee contributions and narrow cost-of-living assumptions in an effort to reduce projected growth in the liability. Act 114 of 2022 included a one-time extra state contribution of $200 million, raised employee contributions going forward, reduced the COLA formula ceiling for certain members, and increased year-end surplus provisions to use 50% of any general fund surplus to make supplemental contributions equally to VSERS and VSTRS (after the statutorily-required funding of the state's budget reserves).

Long-Term Liability Burden

On a combined basis, Vermont's debt and net pension liabilities as of Fitch's 2022 State Liability Update (dated November 15, 2022) totaled 11% of 2021 personal income compared with the U.S. states median of 4.6%. Based on information provided in the state's fiscal 2022 audited financial statements, Fitch also calculates a slightly higher long-term liability burden of 11.2% of 2021 personal income. This ratio includes Vermont Housing Finance Agency (VHFA) bonds paid from the state's real property transfer tax.

Debt levels remain modest at approximately 1.7% of personal income, and are closely monitored through the state's Capital Debt Affordability Advisory Committee (CDAAC). The governor and Legislature consistently stay within CDAAC's recommendations for annual bond issuance. In 2022, Vermont used $20 million of its fiscal 2022 surplus to redeem the state's remaining outstanding transportation infrastructure bonds (TIBs).

Vermont's net pension liabilities are more significant than its bonded debt, with Fitch-adjusted net pension liabilities representing 9.5% of personal income. Pension liability calculations include essentially 100% of the liability in VSERS and VSTRS, for which the state makes full actuarial contributions.

State Is Addressing OPEB Liabilities

Vermont's OPEB liabilities have also historically been quite significant, with the reported 2021 net OPEB liability equalling 7% of the state's personal income. Prior to passage of Act 114, the state had taken modest steps towards pre-funding OPEB liabilities and made some progress in reducing them through collective bargaining actions. Positively, Act 114 also included provisions to commence the actuarial pre-funding of Vermont's OPEB beginning in fiscal 2023.

The state now contributes an ADC for its OPEB, and assets held in the OPEB accounts will be invested using the same asset allocation and discount rate assumptions (7%) as for VSERS and VSTRS. The adoption of an identical amortization schedule as the pension plans and a $25 million rise in the VSTRS plan's cash position during fiscal 2022 reduced the net OPEB liability to 3.8% of personal income.

Operating Performance

Vermont's superior gap-closing capacity derives from institutional and statutory mechanisms and a demonstrated ability to manage through economic downturns. Official revenue forecasts are updated at a minimum twice a year through the E-Board, a consensus process involving the administration and legislature. In 2020, Vermont implemented more frequent revenue forecasts.

The governor can implement a spending reduction plan unilaterally if a revenue forecast reduces revenues by less than one percent from the prior forecast, or with approval of the legislature's Joint Fiscal Committee (a bipartisan and bicameral committee of legislative leaders) in the case of larger revenue shortfalls. The state has been able to engage key stakeholders, including labor, to implement expenditure reductions during economic downturns. The state has typically focused on spending cuts, such as negotiated salary or programmatic cuts, rather than on revenue increases.

Vermont's multiple reserves also support robust resilience. These include budget stabilization reserves funded at 5% of prior year appropriations in each of its three primary operating funds and separate, fund-specific reserves or unreserved balances. The state reports that the various general fund reserves will total $285 million at the end of fiscal 2023, equaling 14% of budgeted fiscal 2023 general fund uses. Combined reserves across the three funds totaled 13.5% of budgeted fiscal 2023 appropriations, net of the statewide property tax.

FAST Scenario Analysis for Vermont

The Fitch Analytical Stress Test (FAST) scenario analysis tool relates historical tax revenue volatility to GDP to support the assessment of operating performance under Fitch's criteria. FAST is not a forecast, but it represents Fitch's estimate of possible revenue behavior in a downturn based on historical revenue performance. Hence, actual revenue declines will vary from FAST results. FAST does provide a relative sense of the risk exposure of a particular state compared to other states.

Vermont has robust financial resilience that should allow it to absorb the budgetary effects of the ongoing pandemic. Fitch's standard FAST scenario of a 1% decline in GDP in year 1 results in a 1% decline in Vermont's revenue compared to an approximately 3% states' median decline. The state appears to be less vulnerable to cyclical revenue declines tied to economic downturns than most other states.

Prudent Management Prepares the State for Downturns

The state's budgeting practices tend to be conservative in forecasting and proactive through the fiscal year, with most fiscal years ending with at least a modest general fund surplus despite the lack of a statutory or constitutional balanced budget requirement. In the years prior to the pandemic, the state took steps to build in added fiscal resilience through creation of additional reserves including the general fund balance reserve, a human services caseload reserve (primarily for Medicaid) and the 27/53 reserve (established to address extra costs in years with a 27th biweekly payroll or a 53rd week of Medicaid disbursements).

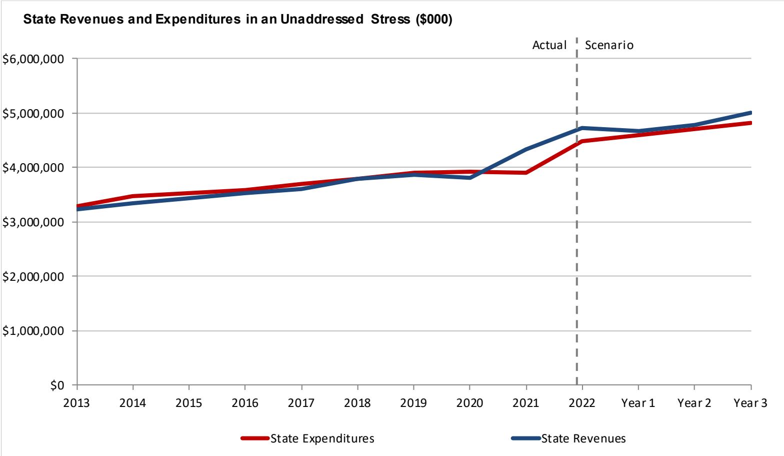
Fitch regards Vermont's establishment of new funds focused on pay-as-you-go capital and information technology upgrades, both of them funded with accumulated surpluses, as a positive development. Base funding of $80 million provided in the state's fiscal 2024 budget will reduce long-term spending pressure by securing an immediate source of funds to address certain long-term capital needs of the state.

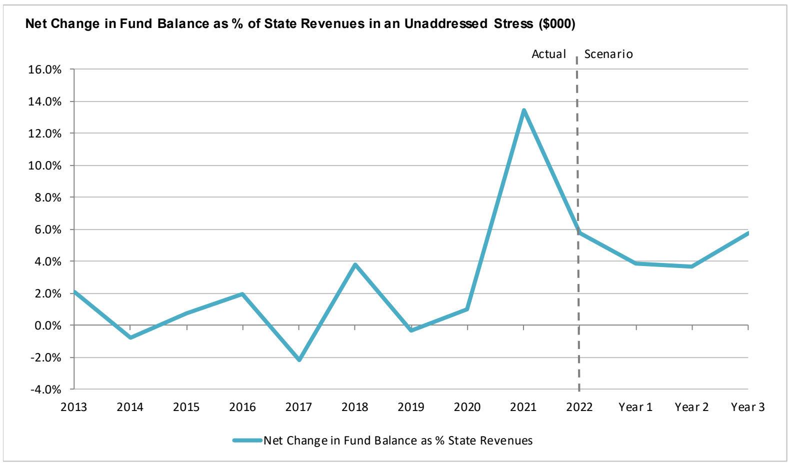
Peer Analysis

Vermont's peer group includes other U.S. states in the 10th decile of states as ranked by GSP (gross state product). These include Maine (AA/Stable), Montana (AA+/Stable), Rhode Island (AA/Stable) and South Dakota (AAA/Stable). Vermont has the lowest 10-year revenue growth CAGR in this peer group and the slowest revenue growth prospects, save for Rhode Island. It's carrying costs are firmly in the middle of the group, but its LTL burde is among the two highest, along with Rhode Island, at roughly 11% of personal income. Vermont's financial operations and budgetary performance have consistently been the strongest in this group with the exception of South Dakota.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.





Analyst Interpretation of Scenario Results Hide

This text must be entered in the Committee Memo and then captured by CreditBook.

Open the Committee Memo, add your commentary for "9.1 Financial Resilience Through Downturns", and if applicable, to "9.2 Scenario Analysis Comment". Then, click "Capture Text" on the CreditBook menu.

CreditBook will put both comments in the chart, 9.1 in the RAC, and the first sentence of 9.1 in the body of the research report.

Scenario Parameters:					Year 1	Year 2	Year 3
GDP Assumption (% Change)					(1.0%)	0.5%	2.0%
Expenditure Assumption (% Change)					2.5%	2.5%	2.5%
Revenue Output (% Change)	*Minimum Y1 Stress:*	-1%	*Case Used:*	**Moderate**	(1.0%)	2.5%	4.6%

Revenues, Expenditures, and Net Change in Fund Balance	Actuals										Scenario Output		
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Year 1	Year 2	Year 3
Expenditures													
Total Expenditures	5,157,410	5,408,365	5,611,911	5,614,127	5,695,460	5,787,926	5,912,667	6,198,921	7,514,404	7,825,558	8,021,197	8,221,727	8,427,270
% Change in Total Expenditures	2.8%	4.9%	3.8%	0.0%	1.4%	1.6%	2.2%	4.8%	21.2%	4.1%	2.5%	2.5%	2.5%
State Expenditures	3,291,870	3,470,157	3,524,751	3,592,491	3,703,795	3,791,118	3,906,257	3,925,660	3,909,419	4,482,425	4,594,485	4,709,348	4,827,081
% Change in State Expenditures	5.2%	5.4%	1.6%	1.9%	3.1%	2.4%	3.0%	0.5%	(0.4%)	14.7%	2.5%	2.5%	2.5%
Revenues													
Total Revenues	5,088,868	5,276,849	5,532,771	5,554,187	5,589,659	5,790,446	5,868,514	6,091,766	7,942,720	8,065,472	8,101,827	8,303,533	8,610,858
% Change in Total Revenues	3.2%	3.7%	4.8%	0.4%	0.6%	3.6%	1.3%	3.8%	30.4%	1.5%	0.5%	2.5%	3.7%
Federal Revenues	1,865,540	1,938,208	2,087,160	2,021,636	1,991,665	1,996,808	2,006,409	2,273,261	3,604,985	3,343,133	3,426,712	3,512,379	3,600,189
% Change in Federal Revenues	(1.1%)	3.9%	7.7%	(3.1%)	(1.5%)	0.3%	0.5%	13.3%	58.6%	(7.3%)	2.5%	2.5%	2.5%
State Revenues	3,223,328	3,338,641	3,445,611	3,532,550	3,597,994	3,793,638	3,862,104	3,818,505	4,337,736	4,722,338	4,675,115	4,791,153	5,010,669
% Change in State Revenues	5.9%	3.6%	3.2%	2.5%	1.9%	5.4%	1.8%	(1.1%)	13.6%	8.9%	(1.0%)	2.5%	4.6%
Excess of Revenues Over Expenditures	(68,542)	(131,516)	(79,140)	(59,941)	(105,801)	2,519	(44,153)	(107,154)	428,316	239,913	80,629	81,806	183,588
Total Other Financing Sources	136,216	104,926	104,723	128,397	26,941	142,304	30,416	145,866	154,995	33,450	101,406	93,227	105,789
Net Change in Fund Balance	67,674	(26,590)	25,583	68,456	(78,859)	144,823	(13,737)	38,712	583,311	273,363	182,036	175,032	289,377
% Total Expenditures	1.3%	(0.5%)	0.5%	1.2%	(1.4%)	2.5%	(0.2%)	0.6%	7.8%	3.5%	2.3%	2.1%	3.4%
% State Expenditures	2.1%	(0.8%)	0.7%	1.9%	(2.1%)	3.8%	(0.4%)	1.0%	14.9%	6.1%	4.0%	3.7%	6.0%
% Total Revenues	1.3%	(0.5%)	0.5%	1.2%	(1.4%)	2.5%	(0.2%)	0.6%	7.3%	3.4%	2.2%	2.1%	3.4%
% State Revenues	2.1%	(0.8%)	0.7%	1.9%	(2.2%)	3.8%	(0.4%)	1.0%	13.4%	5.8%	3.9%	3.7%	5.8%

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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