

**MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

Buena Vista – March 20, 2006

Attendance:

Member	Present
H. Beckler	Yes
J. Bullock	Yes
R. Byrd	Yes
N. Cook	Yes
R. Cordrey	Yes
J. Davis	Yes
L. Davis Burnham	Yes
R. Davis	Yes
R. Derrickson	Yes
J. DiPinto	No
F. Dixon	Yes
B. Fasy	No
R. Gilligan	No
R. Glen	Yes
J. Goddard	No
J. Horthy	Yes

Member	Present
D. Hudson	No
S. Kaufman	No
R. Larson	No
K. Lewis	Yes
D. Link	Yes
A. Lubin	Yes
J. Markell	Yes
J. McKinney Cherry	No
C. Morgan	Yes
E. Ratledge	Yes
P. Ross	Yes
G. Simpson	Yes
T. Shopa	No
H. Smith-Windsor	Yes
D. Swayze	Yes
C. Wicks	Yes

Members in Attendance: 23
Members Absent: 9

Others Present: P. Carter, M. Casey, T. Cook, J. Craig, D. Dillman, K. English, R. Geisenberger, R. Goldsmith, D. Gregor, M. Jackson, S. Scola, A. Shepard-Visalli, and members of the press.

Opening Business: Mr. Byrd called the meeting to order at 3:00 p.m.

Mr. Byrd introduced the newest member of DEFAC. Ms. Carolann Wicks is the Secretary of Transportation.

In remembrance of the passing of Mr. Paul Andrisani, a member of DEFAC for 20 years, Mr. Byrd requested a moment of silence.

The minutes from the December meeting were approved as submitted.

Expenditure Subcommittee:

Ms. Davis Burnham presented the Expenditure Subcommittee's report. She noted that since the December meeting, the General Assembly passed a \$5.0 million supplemental appropriation to cover increased energy costs.

Total FY2006 spending authority is \$3,499.3 million, a 10.5% increase from FY2005's \$3,165.6 million.

Ms. Davis Burnham noted that the reversion estimate was reduced from \$10.0 million to \$8.0 million.

Ms. Davis Burnham reported that the estimate for Salaries has been reduced by \$13.5 million since the December estimate. This is attributed to retirements and the fact that new hires typically come on board at lower salary levels than the retirees they replace.

Ms. Davis Burnham reported that Professional Services and Travel was decreased by \$18.8 million from the December estimate.

A motion was made, seconded and approved to accept \$3,235.7 million as the expenditure estimate for FY2006. This represents a decrease of \$24.6 million from the December meeting. (See Tables 1a and 1b.)

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Craig reviewed Global Insight's March economic forecast. In December, the FY2006 GDP growth rate was forecasted at 3.7%. Global Insight's March forecast reduced the FY2006 GDP outlook to 3.5%. The forecast for the next year continues to predict a gradual slowing in the economy as the housing sector cools and higher interest rates and energy prices slow consumer spending.

In contrast to prior forecasts, Global Insights now projects out-year rates of growth that fall below "trend growth," which is typically pegged at about 3.0%. This is more pessimistic than the Blue Chip Consensus forecast, which predicts a slow down to 3.0% growth.

Delaware's employment growth in FY2005 fell from 2.2% to 1.8% based on the latest benchmark revisions performed by the Department of Labor. The forecast for FY2006 and FY2007 has been reduced to 1.5% and 1.2%. Delaware's personal income is forecasted for 6.4% growth in FY2006 and 6.2% in FY2007.

Mr. Dixon observed that, versus its December 2005 outlook, Global Insight reduced its forecast in all three years of the forecast horizon. He added that, typically, a downward revision during the first year of a forecast is followed by upward revisions in the following year or years. Mr. Craig noted that, since the December forecast, Global Insight is projecting 2 more interest rate increases and a more pessimistic outlook for residential investment.

Mr. Dixon concurred that the economy will likely slow down, but that it was a judgment call concerning how much of a slow down will occur. His outlook, though, was a bit more sanguine than Global Insight's forecast.

Mr. Lewis asked why the forecast for U.S. personal income rises by 5.9% in FY2007. Mr. Craig responded that an optimistic outlook for passive income pushed it up.

Mr. Derrickson asked why some measures of inflation exclude energy and food prices. Mr. Dixon responded that it is an attempt to remove the volatility that those two sources can create. Mr. Dixon noted that the measure that is presented to the Council does, in fact, include energy and food prices.

Mr. Dixon stated that interest rates would have a more important role than oil prices in determining the direction of the economy. He noted that the economy has grown at nearly 4.0% a year in the face of oil prices exceeding \$60 per barrel.

Mr. Morgan asked what the shape of the yield curve was in this forecast. Mr. Craig responded that it was flat, with short-term and long-term rates average 4.7% in CY2006. In CY2007, short-term rates average 4.6% and long-term rates average 5.0%.

General Fund Revenues - Fiscal Year 2006:

The Revenue Subcommittee recommended the following updates to December's estimates:

Revenue Category	Dec-06	Mar-06	Change
Personal Income Tax	1,102.2	1,136.0	33.8
Abandoned Property	287.0	300.0	13.0
Lottery	238.4	244.3	5.9
Bank Franchise Tax	143.3	138.7	(4.6)
Realty Transfer Tax	122.6	118.8	(3.8)
Insurance Taxes	60.8	64.4	3.6
Limited Partnerships & LLC's	72.2	74.5	2.3
Corporate Fees	60.1	62.2	2.1
Cigarette Taxes	87.0	88.5	1.5
PIT Refunds	(140.7)	(142.0)	(1.3)
Public Utility Tax	39.0	40.0	1.0
Hospital Board and Treatment	56.4	57.1	0.7
Other Revenues	82.3	82.7	0.4
Uniform Commercial Code	13.8	14.1	0.3
Other Refunds	(24.1)	(24.2)	(0.1)

For a complete listing of FY 2006 estimates, see Table 2.

Discussion of FY 2006 Estimates:

Personal Income Tax: Mr. Lewis stated that the increase was concentrated in Withholding Payments. This was largely the result of one-time payments that are not expected to reoccur next year.

Bank Franchise Tax: Mr. Lewis stated that the decrease was attributed to results from the March 1 payment and legislative changes that were made after the December meeting.

Lottery: Mr. Lewis stated that the increase was attributed to extra power ball proceeds and legislative changes that were made after the December meeting increasing machines and hours of operation.

Abandoned Property: Mr. Lewis attributed the increase to tracking.

Realty Transfer Tax: Mr. Lewis noted that tracking has begun to slow down and explains the estimate decrease. He stated that the estimated growth rate

for the rest of the year is 5.0%. He also noted that FY2006 marks the first year that \$10.0 million has been transferred to a special fund for farmland preservation.

Updates in other categories were attributed to tracking changes.

Mr. Link asked why the Other Revenue category was over \$30.0 million lower than FY2005. Mr. Gregor responded that there was an accounting change taking effect in FY2006 that moved roughly that amount into a special fund.

FY2006 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,103.3 million as the revenue estimate for FY 2006.

The estimate represents an increase of \$54.7 million from DEFAC's December's estimate. Mr. Lewis noted that the nominal growth rate is 7.8% and that the adjusted growth rate is 8.4%.

General Fund Revenues - Fiscal Year 2007:

Mr. Lewis reported that the Subcommittee recommended the following updates to December's estimates:

Revenue Category	Dec-06	Mar-06	Change
Abandoned Property	277.0	290.0	13.0
Lottery	242.6	255.1	12.5
Bank Franchise Tax	153.1	144.6	(8.5)
Public Utility Tax	42.9	51.0	8.1
Personal Income Tax	1,176.2	1,181.9	5.7
Insurance Taxes	63.9	67.7	3.8
Realty Transfer Tax	112.6	109.1	(3.5)
Limited Partnerships & LLC's	80.9	83.4	2.5
Corporate Fees	63.1	65.4	2.3
Cigarette Taxes	88.9	90.4	1.5
PIT Refunds	(152.7)	(154.1)	(1.4)
Hospital Board and Treatment	59.1	59.9	0.8
Other Revenues	88.0	88.4	0.4

For a complete listing of FY 2007 estimates, see Table 2.

Discussion of FY2007 Estimates:

Personal Income Tax: Mr. Lewis stated that the decrease in the growth rate was due to the one-time FY2006 payments. The underlying growth rate remained the essentially the same as December's adjusted growth rate.

Bank Franchise Tax: Mr. Lewis stated that the decrease was attributed to the FY2006 tracking changes and the legislative changes that were made after the December meeting.

Lottery: Mr. Lewis stated that the increase was attributed to the improved FY2006 tracking and the legislative changes, which increased the number of machines and hours of operation, that were adopted after the December meeting.

Abandoned Property: Mr. Lewis attributed the increase to carrying forward the FY2006 increase.

Public Utility: The growth rate has been increased to reflect the impact of the expiration in May 2006 of price controls originally implemented as a part of the Electricity Restructuring Act of 1999.

Other changes were attributed to carrying forward the changes that were made to the FY2006 estimate.

Mr. Markell raised an issue regarding the taxation of public utilities. Citing a recent *New York Times* article, he wondered if tax liability was being offset by losses in unregulated subsidiaries. Mr. Gregor responded that, because the Delaware's Public Utility Tax operates as a gross receipts tax and not as an income tax, subsidiaries' operating income or losses are not a part of the tax calculation. As a consequence, the type of tax planning described by Mr. Markell was not related to Public Utility Tax revenue estimate.

Mr. Bulloch noted that the impending expiration of rate caps presented the State with many complex financial issues. Mr. Cordrey responded that these issues are being carefully studied by the General Assembly and will likely lead to policy responses over the next few months.

FY 2007 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,177.5 million as the revenue estimate for FY2007.

The estimate represents an increase of \$37.1 million from the December estimate. Mr. Lewis noted that the nominal growth rate is 2.4% and that the adjusted growth rate is 5.0%.

Mr. Lewis noted that \$179.7 million has been added since last June's Revenue Resolution.

Mr. Lewis presented the estimate for FY2008. The estimate is \$3,291.3 million. This represents an increase of \$33.7 million from the December estimate.

Balance and Appropriations Worksheet: Mr. Gregor presented the balance and appropriations worksheet. The result is attached as Table 3.

Transportation Trust Fund (TTF)

TTF -- Revenues: Ms. English presented the Transportation Trust Fund's revenue forecast. She noted that all revenue categories are tracking on the December estimates and no changes were made to the forecast.

FY2006 Estimates:

A motion was made, seconded, and approved to accept \$380.9 million as the FY2006 revenue estimate. This represents no change from the December estimate.

FY2007 Estimates:

A motion was made, seconded, and approved to accept \$397.8 million as the FY2007 revenue estimate. This represents no change from the December estimate. A complete seven-year forecast is attached as Table 4.

TTF -- Expenditures: Ms. English presented the Transportation Trust Fund's expenditure forecast.

Ms. English reviewed the FY2006 TTF Cash Flow projections. FY2006 Department of Transportation Operation Expenditures was estimated at \$343.3 million, a decrease of \$7.4 million from December's estimate. The Department of Transportation's Capital Expenditure estimate of \$446.0 million represents a decrease of \$20.0 million from December's estimate.

A motion was made, seconded, and approved to accept \$789.3 million as the FY2006 TTF expenditure estimate. This represents a decrease of \$27.4 million from the December forecast. (See Tables 5 and 6.)

Other Business:

Mr. Byrd announced the next two scheduled DEFAC meeting dates:

- April 17, 2006
- May 15, 2006

Ms. Davis Burnham noted that in April the Expenditure and Revenue Subcommittees would be meeting on the Thursday preceding the Council's full meeting instead of Friday.

There being no further business, Mr. Byrd adjourned the meeting at 4:00.

Respectfully submitted,

James A. Craig

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2006 (\$ in millions)**March, 2006**

	FY2005 <u>Actual</u>	FY2006 <u>Appropriation</u>
Budget Act	2,600.4	2,836.0
Cash to Bond Bill	235.0	281.6
Grant-in-Aid	40.0	42.4
Continuing & Encumbered (from prior years)	240.1	327.8
Supplemental for Class Instruction	10.0	
Supplemental for Post Retirement	10.0	
Supplemental for Federal Contingency	10.0	
Supplemental for Market Pressure	20.0	
Supplemental for County Seat		6.5
Supplemental for Energy		5.0
Total	3,165.5	3,499.3

<i>FY2006 Spending Authority</i>	3,499.3
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LESS:

	<i>December</i>	<i>March</i>	
Reversions to the General Fund	10.0	8.0	
Encumbered to FY2007	30.0	30.0	
Continuing to FY2007			
Operating Budget	62.9	63.4	
Bond Bill	<u>131.1</u>	<u>162.2</u>	
Subtotal	234.0	263.6	<u>(263.6)</u>

<i>FY2006 Budgetary Expenditures</i>	3,235.7
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DEFAC Expenditures Forecast for General Fund Disbursements FY2006 (\$ in millions)

March, 2006

	FY2003	FY2004	FY2005	Dec FY2006	March FY2006	difference March vs Dec	FY2006 YTD (8 mo actual)	% spent YTD
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>			
Salaries	966.3	971.6	1,023.1	1,136.4	1,122.9	(13.5)	749.3	66.7%
Fringe Benefits	221.2	233.3	263.2	302.7	302.4	(0.3)	198.9	65.8%
Pension	106.3	127.8	147.1	184.5	182.2	(2.3)	122.4	67.2%
Debt Service	116.2	134.3	153.5	162.8	162.8	0.0	105.1	64.6%
Grants	196.2	224.2	294.1	375.0	375.0	0.0	314.1	83.8%
Medicaid	312.9	327.2	339.1	408.1	401.1	(7.0)	265.9	66.3%
Public Assistance Programs	62.4	62.8	83.6	83.7	91.8	8.1	52.6	57.3%
Professional Services & Travel	157.5	143.7	161.3	195.0	176.2	(18.8)	115.4	65.5%
Contractual Services	216.1	223.9	228.9	249.1	251.4	2.3	183.5	73.0%
Supplies & Materials	57.8	62.1	66.5	72.8	73.7	0.9	50.2	68.1%
Capital Outlay	<u>41.2</u>	<u>42.9</u>	<u>61.9</u>	<u>90.2</u>	<u>96.2</u>	<u>6.0</u>	<u>58.5</u>	<u>60.8%</u>
FY2006 Budgetary Expenditures	2,454.1	2,553.8	2,822.3	3,260.3	3,235.7	(24.6)	2,215.9	68.5%

DEFAC Worksheet

March-06 DEFAC Meeting		FY 2005 A Actual Collections	FY 2006					FY 2007				
Revenue Category			B DEFAC Dec-06	C % B over A	D DEFAC Mar-06	E % D over A	F \$ Increase D over B	G DEFAC Dec-06	H % G over B	I DEFAC Mar-06	J % I over D	K \$ Increase I over G
1	Personal Income Tax	1,015.6	1,102.2	8.5%	1,136.0	11.9%	33.8	1,176.2	6.7%	1,181.9	4.0%	5.7
	Less: Refunds	<u>(133.2)</u>	<u>(140.7)</u>	5.7%	<u>(142.0)</u>	6.6%	<u>(1.3)</u>	<u>(152.7)</u>	8.5%	<u>(154.1)</u>	8.5%	<u>(1.4)</u>
	PIT Less Refunds	882.5	961.6	9.0%	994.0	12.6%	32.4	1,023.5	6.4%	1,027.7	3.4%	4.2
2	Franchise Tax	508.1	523.3	3.0%	523.3	3.0%	0.0	544.3	4.0%	544.3	4.0%	0.0
	Less: Refunds	<u>(17.1)</u>	<u>(17.0)</u>	-0.5%	<u>(17.0)</u>	-0.5%	<u>0.0</u>	<u>(17.0)</u>	0.0%	<u>(17.0)</u>	0.0%	<u>0.0</u>
	Franchise Tax Less Refunds	491.0	506.3	3.1%	506.3	3.1%	0.0	527.3	4.1%	527.3	4.1%	0.0
3	Business Entity Fees	57.8	60.1	4.0%	62.2	7.7%	2.1	63.1	5.0%	65.4	5.1%	2.3
4	Limited Partnerships & LLC's	63.4	72.2	13.9%	74.5	17.6%	2.3	80.9	12.0%	83.4	11.9%	2.5
4	Uniform Commercial Code	13.8	13.8	-0.1%	14.1	2.1%	0.3	10.2	-26.1%	10.2	-27.7%	0.0
5	Corporation Income Tax	157.0	182.7	16.4%	182.7	16.4%	0.0	191.8	5.0%	191.8	5.0%	0.0
	Less: Refunds	<u>(43.1)</u>	<u>(35.0)</u>	-18.8%	<u>(35.0)</u>	-18.8%	<u>0.0</u>	<u>(35.0)</u>	0.0%	<u>(35.0)</u>	0.0%	<u>0.0</u>
	CIT Less Refunds	113.9	147.7	29.6%	147.7	29.6%	0.0	156.8	6.2%	156.8	6.2%	0.0
6	Bank Franchise Tax	134.8	143.3	6.3%	138.7	2.9%	(4.6)	153.1	6.8%	144.6	4.3%	(8.5)
7	Gross Receipts Tax	176.6	172.7	-2.2%	172.7	-2.2%	0.0	153.7	-11.0%	153.7	-11.0%	0.0
8	Lottery	234.0	238.4	1.9%	244.3	4.4%	5.9	242.6	1.8%	255.1	4.4%	12.5
9	Abandoned Property	264.9	287.0	8.4%	300.0	13.3%	13.0	277.0	-3.5%	290.0	-3.3%	13.0
10	Hospital Board and Treatment	54.5	56.4	3.5%	57.1	4.8%	0.7	59.1	4.8%	59.9	4.9%	0.8
11	Dividends and Interest	9.1	17.0	86.7%	17.0	86.7%	0.0	19.3	13.5%	19.3	13.5%	0.0
12	Realty Transfer Tax	113.6	122.6	8.0%	118.8	4.6%	(3.8)	112.6	-8.2%	109.1	-8.2%	(3.5)
13	Estate Tax	6.4	4.5	-29.8%	4.5	-29.8%	0.0	0.0	-100.0%	0.0	-100.0%	0.0
14	Insurance Taxes	57.0	60.8	6.7%	64.4	13.1%	3.6	63.9	5.1%	67.7	5.1%	3.8
15	Public Utility Tax	36.5	39.0	6.8%	40.0	9.6%	1.0	42.9	10.0%	51.0	27.5%	8.1
16	Cigarette Taxes	80.7	87.0	7.9%	88.5	9.7%	1.5	88.9	2.2%	90.4	2.1%	1.5
17	Other Revenues	111.8	82.3	-26.4%	82.7	-26.0%	0.4	88	6.9%	88.4	6.9%	0.4
18	Less: Other Refunds	<u>(24.5)</u>	<u>(24.1)</u>	-1.5%	<u>(24.2)</u>	-1.1%	<u>(0.1)</u>	<u>(22.5)</u>	-6.6%	<u>(22.5)</u>	-7.0%	0.0
	Net Receipts	2,877.6	3,048.6	5.9%	3,103.3	7.8%	54.7	3,140.4	3.0%	3,177.5	2.4%	37.1

FY 2007 Debt Limit:

\$158.9

DEFAC Worksheet

March-06 DEFAC Meeting		FY 2008				
Revenue Category		L DEFAC Dec-06	M % L over G	N DEFAC Mar-06	O % N over I	P \$ Increase N over L
1	Personal Income Tax	1,250.0	6.3%	1,256.4	6.3%	6.4
	Less: Refunds	<u>(160.3)</u>	5.0%	<u>(161.9)</u>	5.1%	<u>(1.6)</u>
	PIT Less Refunds	1,089.7	6.5%	1,094.6	6.5%	4.9
2	Franchise Tax	565.9	4.0%	565.9	4.0%	0.0
	Less: Refunds	<u>(17.0)</u>	0.0%	<u>(17.0)</u>	0.0%	<u>0.0</u>
	Franchise Tax Less Refunds	548.9	4.1%	548.9	4.1%	0.0
3	Business Entity Fees	66.2	4.9%	68.6	4.9%	2.4
4	Limited Partnerships & LLC's	90.6	12.0%	93.4	12.0%	2.8
4	Uniform Commercial Code	10.5	2.9%	10.5	2.9%	0.0
5	Corporation Income Tax	201.4	5.0%	201.4	5.0%	0.0
	Less: Refunds	<u>(35.0)</u>	0.0%	<u>(35.0)</u>	0.0%	<u>0.0</u>
	CIT Less Refunds	166.4	6.1%	166.4	6.1%	0.0
6	Bank Franchise Tax	159.0	3.9%	146.2	1.1%	(12.8)
7	Gross Receipts Tax	162.9	6.0%	162.9	6.0%	0.0
8	Lottery	224.1	-7.6%	236.6	-7.3%	12.5
9	Abandoned Property	277.0	0.0%	290.0	0.0%	13.0
10	Hospital Board and Treatment	61.9	4.7%	62.9	5.0%	1.0
11	Dividends and Interest	20.5	6.2%	20.5	6.2%	0.0
12	Realty Transfer Tax	112.6	0.0%	109.1	0.0%	(3.5)
13	Estate Tax	0.0	NA	0.0	NA	0.0
14	Insurance Taxes	67.1	5.0%	71.1	5.0%	4.0
15	Public Utility Tax	44.4	3.5%	52.5	2.9%	8.1
16	Cigarette Taxes	90.9	2.2%	92.4	2.2%	1.5
17	Other Revenues	87.3	-0.8%	87.1	-1.5%	(0.2)
18	Less: Other Refunds	<u>(22.4)</u>	-0.4%	<u>(22.4)</u>	-0.4%	0.0
	Net Receipts	3,257.6	3.7%	3,291.3	3.6%	33.7

Table 3.

Balance and Appropriations Worksheet

FY 2006 EXPENDITURES

Total Spending Authority	\$3,499.3
Less: Continuing Appropriations & Encumbrances from FY 2006	(\$255.6)
Less: Reversions	<u>(\$8.0)</u>
Total Expenditures	\$3,235.7

FY 2006 BALANCES

Total Expenditures	\$3,235.7
vs. FY 2006 Revenues	3,103.3
Operating Balance	(132.4)
Prior Year Cash Balance	<u>\$701.3</u>
Cumulative Cash Balance	568.9
Less: Continuing Appropriations & Encumbrances from FY 2006	(255.6)
Less: Budgetary Reserve Account	<u>(\$161.1)</u>
Unencumbered Cash Balance 6/30	\$152.2

FY 2007 APPROPRIATION LIMITS

FY 2007 Revenue Estimate	\$3,177.5
Unencumbered Cash Balance from FY 06	<u>\$152.2</u>
100% Appropriation Limit	\$3,329.7
98% Appropriation Limit	<u>\$3,263.1</u>
Dec. 2005 98% Appropriation Limit	\$3,180.0
Increase (Decrease) from Prior Meeting	\$83.1
Dec. 2005 98% Appropriation Limit	\$3,180.0
Increase (Decrease) from December 2005	\$83.1

Table 5.

**DEPARTMENT OF TRANSPORTATION - FY2006 EXPENDITURE TREND
AT MONTH-END 2/2006
(\$ in millions)**

Operating Spending Trend

	<u>FY 2006</u>	<u>Mar 06 Proj</u>	<u>Change</u>
Operations Spending		\$211.1	(\$7.4)
GF - Ops. Support		(\$14.0)	\$0.0
Debt Service		<u>\$146.2</u>	<u>\$0.0</u>
Total Operations Spending		<u>\$343.3</u>	<u>(\$7.4)</u>

Capital Spending Trend

	<u>FY 2006</u>	<u>Mar 06 Proj</u>	
State		\$266.0	\$0.0
Federal		<u>\$180.0</u>	(\$20.0)
Total Capital Spending		<u>\$446.0</u>	<u>(\$20.0)</u>
Total Spending (Ops. & Cap.)		<u>\$789.3</u>	<u>(\$27.4)</u>

Recommended by Sub-Committee March 17, 2006

Table 6.

Transportation Trust Fund [TTF] Cash Flow
(\$ in millions)

MAR 2006 DEFAC

	<u>FY 2006</u>	
	\$66.7	
PLUS:		
Beginning Cash		
Tolls	\$120.2	
Motor Fuel Tax	\$122.4	
Dept of Motor Vehicles	\$119.5	
Investment Income	\$6.5	
Other	\$12.3	
Delaware Transit Corp - Farebox & Other	\$14.2	
Escheat Transfer from General Fund [GF]	\$10.0	
One-Time Transfer from General Fund [GF]	<u>\$72.9</u>	
Total TTF Revenues	\$478.0	
Borrowing	<u>\$150.0</u>	
Total Sources	\$694.7	
LESS:		
<u>Debt Service</u>		
DTA Bonds	\$104.7	
State G.O. Bonds	\$0.8	
Bond Anticipation Note	<u>\$40.7</u>	
Total Debt Service	\$146.2	
<u>Operations Spending</u>		
Department Operations	<u>\$136.8</u>	
Grants-in-Aid	(\$14.0)	<i>GF credit for maintenance & operations includes Subsidy + DTC Expenses</i>
Delaware Transit Corp Operations	<u>\$74.3</u>	
Total Operations	\$197.1	
Total Debt Service & Operations	\$343.3	
<u>State Capital Spending</u>	<u>\$266.0</u>	
Total Uses	\$609.3	
Ending Cash	<u>\$85.4</u>	
Federal Capital Spending	<u>\$180.0</u>	

Transportation Trust Fund State Authorization		
Capital Authorizations		Federal Authorizations
Authorized and Unfunded 6/30/05	\$680.2	\$416.7
State Capital Authorization - FY 2006 Bond Bill	\$393.1	\$194.2
State Capital Spending - FY 2006	(\$266.0)	<u>(\$180.0)</u>
Authorized and Unfunded 6/30/06	\$807.3	\$430.9
Ending Cash Balance	\$85.4	