

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

Buena Vista – December 15, 2014

Attendance:

Member	Present
S. Bhatt	No
J. Bullock	Yes
L. Davis Burnham	Yes
R. Byrd	Yes
J. Casey	Yes
N. Cook	Yes
T. Cook	Yes
R. Davis	Yes
J. DiPinto	Yes
F. Dixon	Yes
B. Fasy	No
C. Flowers	No
R. Glen	Yes
G. Hindes	No
J. Horty	Yes
D. Hudson	Yes
A. Levin	Yes

Member	Present
K. Lewis	Yes
D. Link	Yes
A. Lubin	Yes
G. Marcozzi	Yes
J. Martin	Yes
C. Morgan	No
M. Morton	No
J. Polidori	No
E. Ratledge	Yes
T. Shopa	Yes
G. Simpson	Yes
M. George Smith	No
A. Staton	No
D. Swayze	Yes
J. Twilley	No
A. Visalli	Yes

Members in Attendance: 23

Members Absent: 10

Others Present: A. Aka, M. Brennan, P. Carter, M. Cochran, H. Curran, K. Dwyer, J. Eisenbrey, V. Ford, R. Geisenberger, D. Gregor, C. Heiks, J. Hoover, M. Jackson, J. Johnstone, K. Knight, L. Lewis, V. Lune, B. Maxwell, S. McVay, A. Moffett-Batty, B. Motyl, A. Penney, R. Scoglietti, K. Simpler and members of the press.

Opening Business: Mr. Martin called the meeting to order at 3:02 p.m.

The minutes from the September meeting were approved as submitted.

Expenditure Subcommittee:

Mr. Ratledge presented the Expenditure Subcommittee's report.

Mr. Ratledge reviewed the Balance Sheet estimate. He noted that the Reversion estimate was increased from \$10.0 million in September to \$35.0 million, while the estimate for Encumbered was left unchanged and the Continuing estimate totaled \$196.0 million. (See Table 1a for complete details).

Mr. Ratledge also reviewed the Function Sheet estimate. He noted that very few changes have been made to that Sheet. He reported that the December Medicaid estimate is \$16.7 million lower than in September, indicating a surplus recently projected by the MedFac Committee. Mr. Ratledge noted that the estimate for Grants was reduced by \$5 million. He indicated that the estimate for Debt Service was reduced from \$165.7 million to \$164.0 million. (See Table 1b for complete details).

A motion was made, seconded and approved to accept \$3,807.5 million as the expenditure estimate for FY 2015. This represents a \$23.4 million decrease from the September estimate.

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Aka presented the IHS Global Insight's U.S. macroeconomic assumptions and forecasts. He noted that IHS has changed its medium-term economic outlook significantly. IHS expects the gasoline dividend accruing to consumers from the lower oil price estimates to be offset by a strong U.S. dollar in the short term, as well as reduced investment in drilling equipment and slower recovery in the housing sector in the medium term. As a result, real GDP growth is expected to ease in FY 2016-17. Employment gains are also expected to moderate in the medium term. Furthermore, growth in Wages and Salaries has been revised down from the September estimate on the back of data revisions.

Mr. Aka also presented the economic forecasts for Delaware. The state's employment was an all-time high in October. Strong momentum in the labor market, coupled with larger economic development wins, has led to an increase in the employment growth forecast for the current fiscal year. Mr. Aka pointed that, unlike the U.S., Delaware's Wages and Salaries estimate has remained broadly stable.

In response to a question from Swayze, Mr. Gregor said that the income and employment

series come from two different organizations, and can thus be apart at any given point of time. He added that the two series will usually align better when the Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) release their final data for a given year.

Mr. Ratledge added that the BEA has had problems resolving wages in cross-border activities for decades. Mr. Lewis also added that preliminary employment numbers are usually not very helpful. Mr. Gregor noted that the more frequent a data is released the more likely one would see big swings in the figures.

In response to a question from Ms. Davis Burnham, Mr. Ratledge said that cross-border activities have an impact on Delaware's labor force participation rate, with as much as 20% of the labor force coming from out of the state.

Mr. Dixon did not agree with the downward revisions to GDP growth made by IHS. He does not believe that household formation will have a severe adverse impact on the national economy. Mr. Dixon expects that the higher household saving resulting from lower gas prices will outweigh the negative effects on GDP from lower capital investment. He noted that leading indicators are currently at peak levels. He indicated that one important downside risk facing the U.S. economy has to do with the poor performances of major world economies.

Mr. Lewis noted that the Department of Finance (DOF) had not incorporated the latest IHS revisions into their own revenue forecasts. Mr. Gregor added that DOF is waiting for consistency in IHS forecasts and would also like to compare IHS view against Moody's and the Blue Chip Consensus.

General Fund Revenues - Fiscal Year 2015:

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

Revenue Category	Sep-14	Dec-14	Change
Other Refunds	(50.6)	(70.6)	(20.0)
Other Revenues	109.7	115.6	5.9
Realty Transfer Tax	77.2	72.2	(5.0)
Gross Receipts Tax	231.9	226.9	(5.0)
Dividends and Interest	5.0	10.0	5.0
Personal Income Tax	1,436.1	1,432.1	(4.0)
Franchise Tax	652.6	656.2	3.6
Limited Partnerships & LLC's	239.2	242.1	2.9
Corporate Fees	99.8	102.3	2.5
Cigarette Taxes	108.7	106.5	(2.2)
Corporation Income Tax	260.0	262.0	2.0
Public Utility Tax	51.6	50.0	(1.6)
Estate Tax	5.0	4.0	(1.0)
Franchise Tax Refunds	(10.0)	(9.0)	1.0
Hospital Board and Treatment	46.7	46.1	(0.6)
Bank Franchise Tax	102.1	101.7	(0.4)

For a complete listing of FY 2015 estimates, see Table 2.

Discussion of FY 2015 Estimates:

Before discussing the revenue forecasts, Ms. Davis Burnham explained why a combination of higher tax rates and stock market prices could lead to higher FY 2015 Estimated and Final payments than is currently projected by DEFAC. Mr. Shopa largely agrees with Ms. Davis Burnham's assessment, although he is not expecting a dramatic increase with year-end accounts.

Personal Income Tax: Mr. Lewis indicated that the estimate was reduced from September. He noted that Estimated PIT payments have strengthened from September but the rise was offset by a decrease in PIT Withholding.

Franchise Tax & LP/LLC: Mr. Lewis noted an increase in the estimate on the back of record number of business formations.

Bank Franchise Tax: Mr. Lewis noted a small decrease in the estimate. He pointed out that this revenue category could be volatile because of its small base.

Gross Receipts Tax: Mr. Lewis said that the estimate was decreased from September because of underreporting and lower oil prices.

Lottery: Mr. Lewis stated that the estimate was unchanged from September.

Abandoned Property: Mr. Lewis stated that the estimate was unchanged from September.

Dividends and Interest: Mr. Lewis said that the rise in the estimate was due to an asset settlement.

Realty Transfer Tax: Mr. Lewis noted that the decrease in the estimate was due to an unexpected drop in collections.

Estate Tax: Mr. Lewis said that the estimate was decreased from September.

Other Refunds: Mr. Lewis noted that the increase in the estimate was due to an increase in the refunds for Abandoned Property. He indicated that the net change in Receipts can be mostly attributed to the increase in the refunds for Abandoned Property.

Other changes were attributed to tracking.

FY 2015 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,927.9 million as the revenue estimate for FY 2015.

The estimate represents a \$16.9 million reduction from DEFAC's September estimate.

General Fund Revenues - Fiscal Year 2016:

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

Revenue Category	Sep-14	Dec-14	Change
Abandoned Property	495.0	514.0	19.0
Other Refunds	(44.9)	(57.9)	(13.0)
Gross Receipts Tax	243.0	237.8	(5.2)
Franchise Tax	655.8	660.1	4.3
Personal Income Tax	1,504.7	1,500.5	(4.2)
Limited Partnerships & LLC's	251.1	254.2	3.1
Corporate Fees	103.8	106.4	2.6
Cigarette Taxes	106.5	104.4	(2.1)
Corporation Income Tax	195.0	197.0	2.0
Realty Transfer Tax	65.8	64.0	(1.8)
Public Utility Tax	49.4	47.9	(1.5)
Estate Tax	5.0	4.0	(1.0)
Other Revenues	95.8	96.5	0.7
Hospital Board and Treatment	46.5	45.9	(0.6)
Bank Franchise Tax	100.2	99.7	(0.5)

For a complete listing of FY 2016 estimates, see Table 2.

Discussion of FY 2016 Estimates:

Personal Income Tax: Mr. Lewis stated that the decrease in the estimate reflected the carrying forward of changes made in FY 2015.

Abandoned Property: Mr. Lewis stated that the large increase in the estimate reflects an adjustment between FY 2016 and FY 2017, when the estimate is reduced significantly.

Hospital Board and Treatment: Mr. Lewis stated that the decrease in the estimate was due to tracking.

Mr. Lewis reported that all other changes reflected the carrying forward of changes made in FY 2015 and maintaining previous growth rates.

FY 2016 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,885.0 million as the revenue estimate for FY 2016.

The estimate represents an increase of \$1.8 million from the September estimate.

For information purposes, Mr. Lewis said that the FY 2017 revenue estimate is \$3,965.4 million.

Balance and Appropriations Worksheet: Mr. Gregor presented the Balance and Appropriations worksheet. The result of this exercise is attached as Table 3.

Transportation Trust Fund (TTF)

TTF -- Expenditures: Mr. Motyl presented the Transportation Trust Fund's expenditure forecast.

State Operations Expenditure: There was no change from the September estimate of \$346.6 million.

State Capital Expenditure: There was no change from the September estimate of \$159.5 million.

Federal Capital Expenditure: There was no change from the September estimate of \$329.6 million.

GARVEE – US301 Capital Expenditure: There was no change from the September estimate of \$23.2 million.

A motion was made, seconded, and approved to accept \$858.9 million as the FY 2015 TTF expenditure estimate. The estimate was unchanged from the September estimate. (See Table 4.)

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast.

FY 2015 Estimates:

Toll Road Revenues: Increased from \$176.4 million in September to \$178.4 million. Mr. Motyl explained that the increase in the estimate is due to improving commercial traffic.

Motor Fuel Tax Administration: Increased from \$115.2 million in September to \$119.8 million. Mr. Motyl explained that the increase in the estimate is due to strong consumption on the back of lower fuel prices.

Division of Motor Vehicles: There was no change from the September estimate of \$167.7 million.

Other Transportation Revenue: There was no change from the September

estimate of \$13.8 million.

In response from a question from Ms. Davis Burnham, Mr. Motyl indicated that secondary-roads enforcement seems to have played a role in boosting revenues.

A motion was made, seconded, and approved to accept \$479.7 million as the FY 2015 TTF revenue estimate. The estimate represents an increase of \$6.6 million from September's estimate.

FY 2016 Estimates:

The following changes were made from the September estimate.

Toll Road Revenues: Increased from \$178.6 million to \$180.6 million.

Motor Fuel Tax Administration: Increased from \$114.3 million to \$118.8 million.

Division of Motor Vehicles: There was no change from the September estimate of \$172.7 million.

Other Transportation Revenue: There was no change from the September estimate of \$14.0 million.

A motion was made, seconded, and approved to accept \$486.2 million as the FY 2016 TTF revenue estimate. The estimate represents an increase of \$6.6 million from the September estimate. (See Table 5.)

Other Business:

FY 2016 Debt Limit: Mr. Gregor presented the debt limit for FY 2016. This amount is equal to 5% of projected FY 2016 revenues or \$194.25 million.

Fiscal Notebook: Mr. Gregor indicated that the most recent edition of the Delaware Fiscal Notebook can be accessed at the Department of Finance webpage.

http://finance.delaware.gov/publications/fiscal_notebook_14/front/toc_3.shtml

Structural Revenue Review: Mr. Martin announced the formation of a special group to study Delaware's revenue system. More specifically, the group is tasked with developing recommendations for making the state's revenue system less volatile and

inelastic. Mr. Martin mentioned that many of Delaware's revenue sources are not truly aligned to the economy. In addition, many of the revenue categories are becoming very difficult to forecast and manage. Mr. Martin indicated that any discussion from the taskforce will be transparent, inclusive, bipartisan and objective. The special group, whose effort will begin in January 2015 and conclude sometime in spring, will consist of 5 DEFAC members, 4 legislators (one member from each legislative caucus) and 2 former cabinet officials. DEFAC members are Mr. Martin, who will serve as the Chair of the group, Mr. Lewis, Mr. Ratledge, Secretary Cook and Secretary Bullock. The 2 former cabinet officials are Glen Kenton, Governor DuPont's Secretary of State and Pete Ross, Budget Director in both the Carper and Minner administrations.

Mr. Martin announced the next scheduled DEFAC meeting dates:

- March 16, 2015
- April 20, 2015

Mr. Cook indicated that State Treasurer-elect Ken Simpler attended the DEFAC meeting.

There being no further business, Mr. Martin adjourned the meeting at 4:01 p.m.

Respectfully submitted,

Arsene Aka

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2015 (\$ in millions)												
Decemrber 2014 (as of 11/30/14) DRAFT												
	FY2010	FY2011	FY2012	FY2013	FY2014							FY2015
	Actual	Actual	Actual	Actual	Actual							Appropriation
Budget Act	3,091.5	3,305.3	3,508.6	3,586.8	3,718.2							3,809.5
Cash to Bond Bill	0.0	91.0	115.3	53.4	60.9							23.8
Grant-in-Aid	35.4	35.2	41.2	44.2	44.8							45.4
Continuing & Encumbered (from prior years)	183.7	184.9	303.7	301.1	276.4							194.8
Supplementals	0.0	0.0	0.0	0.0	0.0							0.0
Fiscal Year Spending Authority	3,310.6	3,616.4	3,968.8	3,985.5	4,100.2							4,073.5
LESS:												
Reversions to the General Fund	49.3	42.1	75.3	50.5	111.3	Sep	Dec	Mar	Apr	May	June	
Encumbered to next fiscal year	37.7	35.2	39.3	35.6	40.2		10.0	35.0				
Continuing to next fiscal year							35.0	35.0				
Operating Budget												
Bond Bill												
Total Continuing	147.2	268.4	261.8	240.9	154.6		197.6	196.0				
	Subtotal	234.1	345.7	376.4	327.0		242.6	266.0	0.0	0.0	0.0	(266.0)
Fiscal Year Budgetary Expenditures	3,076.5	3,270.7	3,592.4	3,658.5	3,794.1							3,807.5
% Increase/(decrease)	6.31%	9.84%	1.84%	3.71%								0.4%
Comments:												
Expenditures / Spending Authority	FY2010 92.9%	FY2011 90.4%	FY2012 90.5%	FY2013 91.8%	FY2014 92.5%	5-Yr Avg 91.6%					FY2015 93.5%	
Reversions / Spending Authority	1.5%	1.2%	1.9%	1.3%	2.7%							0.9%
Encumbered / Spending Authority	1.1%	1.0%	1.0%	0.9%	1.0%							0.9%
Total Continuing / Spending Authority	4.4%	7.4%	6.6%	6.0%	3.8%							4.8%

Recommended by Expenditures Subcommittee:
September 15, 2014

DEFFAC General Fund Revenue Worksheet

December-14 DEFFAC Meeting	FY 2014		FY 2015				FY 2016				
	A Actual Collections	B DEFFAC Sep-14	C % B over A	D DEFFAC Dec-14	E % D over A	F \$ Increase D over B	G DEFFAC Sep-14	H % G over B	I DEFFAC Dec-14	J % I over D	K \$ Increase I over G
Personal Income Tax	1,385.0	1,436.1	3.7%	1,432.1	3.4%	(4.0)	1,504.7	4.8%	1,500.5	4.8%	(4.2)
Less: Refunds	(197.3)	(209.8)	6.3%	(209.8)	6.3%	0.0	(223.4)	6.5%	(223.4)	6.5%	0.0
PIT Less Refunds	1,187.7	1,226.3	3.2%	1,222.3	2.9%	(4.0)	1,281.3	4.5%	1,277.1	4.5%	(4.2)
Franchise Tax	625.6	652.6	4.3%	656.2	4.9%	3.6	655.8	0.5%	660.1	0.6%	4.3
Limited Partnerships & LLC's	195.8	239.2	22.2%	242.1	23.7%	2.9	251.1	5.0%	254.2	5.0%	3.1
Subtotal Franchise + LP/LLC	821.4	891.8	8.6%	898.3	9.4%	6.5	906.9	1.7%	914.3	1.8%	7.4
Less: Refunds	(6.8)	(10.0)	46.9%	(9.0)	32.2%	1.0	(10.0)	0.0%	(10.0)	11.1%	0.0
Net Franchise + LP/LLC	814.6	881.8	8.2%	889.3	9.2%	7.5	896.9	1.7%	904.3	1.7%	7.4
Business Entity Fees	96.0	99.8	4.0%	102.3	6.6%	2.5	103.8	4.0%	106.4	4.0%	2.6
Uniform Commercial Code	17.2	17.5	2.0%	17.5	2.0%	0.0	17.7	1.1%	17.7	1.1%	0.0
Corporation Income Tax	175.5	260.0	48.1%	262.0	49.3%	2.0	195.0	-25.0%	197.0	-24.8%	2.0
Less: Refunds	(73.5)	(42.6)	-42.0%	(42.6)	-42.0%	0.0	(42.6)	0.0%	(42.6)	0.0%	0.0
CIT Less Refunds	102.0	217.4	113.1%	219.4	115.0%	2.0	152.4	-29.9%	154.4	-29.6%	2.0
Bank Franchise Tax	102.7	102.1	-0.6%	101.7	-1.0%	(0.4)	100.2	-1.9%	99.7	-2.0%	(0.5)
Gross Receipts Tax	226.5	231.9	2.4%	226.9	0.2%	(5.0)	243.0	4.8%	237.8	4.8%	(5.2)
Lottery	214.6	206.2	-3.9%	206.2	-3.9%	0.0	207.3	0.5%	207.3	0.5%	0.0
Abandoned Property	474.9	554.0	16.7%	554.0	16.7%	0.0	495.0	-10.6%	514.0	-7.2%	19.0
Hospital Board and Treatment	48.9	46.7	-4.6%	46.1	-5.8%	(0.6)	46.5	-0.4%	45.9	-0.4%	(0.6)
Dividends and Interest	2.8	5.0	75.7%	10.0	251.4%	5.0	8.0	60.0%	8.0	-20.0%	0.0
Realty Transfer Tax	60.3	77.2	27.9%	72.2	19.6%	(5.0)	65.8	-14.8%	64.0	-11.4%	(1.8)
Estate Tax	1.3	5.0	292.9%	4.0	214.3%	(1.0)	5.0	0.0%	4.0	0.0%	(1.0)
Insurance Taxes	53.0	54.5	2.9%	54.5	2.9%	0.0	53.5	-1.8%	53.5	-1.8%	0.0
Public Utility Tax	47.4	51.6	8.8%	50.0	5.4%	(1.6)	49.4	-4.3%	47.9	-4.2%	(1.5)
Cigarette Taxes	114.7	108.7	-5.2%	106.5	-7.1%	(2.2)	106.5	-2.0%	104.4	-2.0%	(2.1)
Other Revenues	88.4	109.7	24.1%	115.6	30.7%	5.9	95.8	-12.7%	96.5	-16.5%	0.7
Less: Other Refunds	(80.4)	(50.6)	-37.0%	(70.6)	-12.2%	(20.0)	(44.9)	-11.3%	(57.9)	-18.0%	(13.0)
Net Receipts	3,572.7	3,944.8	10.4%	3,927.9	9.9%	(16.9)	3,883.2	-1.6%	3,885.0	-1.1%	1.8

Adj Growth Rate

3.75%

2.00%

Table 2.
DEFAC General Fund Revenue Worksheet

December-14 DEFAC Meeting	FY 2017				
	L DEFAC Sep-14	M % L over G	N DEFAC Dec-14	O % N over I	P \$ Increase N over L
Revenue Category					
Personal Income Tax	1,580.1	5.0%	1,575.6	5.0%	(4.5)
Less: Refunds	<u>(234.6)</u>	5.0%	<u>(234.6)</u>	5.0%	<u>0.0</u>
PIT Less Refunds	1,345.5	5.0%	1,341.0	5.0%	(4.5)
Franchise Tax	655.8	0.0%	660.1	0.0%	4.3
Limited Partnerships & LLC's	<u>263.7</u>	5.0%	<u>267.0</u>	5.0%	3.3
Subtotal Franchise + LP/LLC	919.5	1.4%	927.1	1.4%	7.6
Less: Refunds	<u>(10.0)</u>	0.0%	<u>(10.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	909.5	1.4%	917.1	1.4%	7.6
Business Entity Fees	108.0	4.0%	110.7	4.0%	2.7
Uniform Commercial Code	18.0	1.7%	18.0	1.7%	0.0
Corporation Income Tax	200.9	3.0%	202.9	3.0%	2.0
Less: Refunds	<u>(42.6)</u>	0.0%	<u>(42.6)</u>	0.0%	<u>0.0</u>
CIT Less Refunds	158.3	3.9%	160.3	3.8%	2.0
Bank Franchise Tax	102.2	2.0%	101.7	2.0%	(0.5)
Gross Receipts Tax	255.2	5.0%	249.7	5.0%	(5.5)
Lottery	213.8	3.1%	209.0	0.8%	(4.8)
Abandoned Property	495.0	0.0%	475.0	-7.6%	(20.0)
Hospital Board and Treatment	46.8	0.6%	46.4	1.1%	(0.4)
Dividends and Interest	11.0	37.5%	11.0	37.5%	0.0
Realty Transfer Tax	69.1	5.0%	67.2	5.0%	(1.9)
Estate Tax	5.0	0.0%	4.0	0.0%	(1.0)
Insurance Taxes	54.6	2.1%	54.6	2.1%	0.0
Public Utility Tax	51.2	3.6%	49.6	3.5%	(1.6)
Cigarette Taxes	104.4	-2.0%	102.3	-2.0%	(2.1)
Other Revenues	104.8	9.4%	105.7	9.5%	0.9
Less: Other Refunds	(44.9)	0.0%	(57.9)	0.0%	(13.0)
Net Receipts	4,007.5	3.2%	3,965.4	2.1%	(42.1)

Adj Growth Rate

5.00%

**Table 3.
Balance and Appropriations Worksheet**

FY 2015 EXPENDITURES		FY 2015 BALANCES		FY 2016 APPROPRIATION LIMITS	
Total Spending Authority	\$4,073.5	Total Expenditures	\$3,807.5	FY 2016 Revenue Estimate	\$3,885.0
Less: Continuing Appropriations & Encumbrances from FY 2015	(\$231.0)	vs. FY 2015 Revenues	3,927.9	Unencumbered Cash Balance from FY 15	<u>\$91.3</u>
Less: Reversions	<u>(\$35.0)</u>	Operating Balance	120.4	100% Appropriation Limit	\$3,976.3
Total Expenditures	\$3,807.5	Prior Year Cash Balance	<u>\$414.4</u>	98% Appropriation Limit	<u>\$3,896.7</u>
		Cumulative Cash Balance	534.8	Prior 98% Appropriation Limit	\$3,887.0
		Less: Continuing Appropriations & Encumbrances from FY 2015	(231.0)	Increase (Decrease) from Prior Meeting	\$9.7
		Less: Budgetary Reserve Account	<u>(\$212.5)</u>	Sept. 2014 98% Appropriation Limit	\$3,887.0
		Unencumbered Cash Balance 6/30	\$91.3	Increase (Decrease) from September 2014	\$9.7

Table 4.

Delaware Department of Transportation
FY 2015 Expenditures, Through November 30, 2014

	FY2013 Actual	FY2014 Actual	FY2015 Appropriation	SEPTEMBER FY2015 Forecast	DECEMBER FY2015 Forecast	\$ Difference	\$ Difference Forecast V. FY14 Actual	FY2015 YTD Spend	% spent YTD
42%									
Operations									
Debt Service	123.5	112.3	109.4	107.5	107.5	0.0	(4.8)	88.0	82%
Personnel Costs	86.5	86.4	86.8	86.8	86.8	0.0	0.4	36.7	42%
Operations/Capital Outlay	56.9	66.1	67.8	67.8	67.8	0.0	1.7	26.7	39%
Transit Operations (DTC)	83.0	83.9	84.5	84.5	84.5	0.0	0.6	35.2	42%
Total Expenditures - Operations	349.9	348.7	348.5	346.6	346.6	0.0	(2.1)	186.6	54%
Capital (State)			CTP Spend						
Road System	134.6	92.6	100.4	100.4	100.4	0.0	7.8	34.4	34%
Grants & Allocations	20.9	17.7	21.8	21.8	21.8	0.0	4.1	9.1	42%
Support Systems	27.0	47.2	25.3	25.3	25.3	0.0	(21.9)	8.1	32%
Transit	5.5	13.6	12.0	12.0	12.0	0.0	(1.6)	3.6	30%
Total Expenditures- State Capital	188.0	171.1	159.5	159.5	159.5	0.0	(11.6)	55.2	35%
Capital (Federal)			CTP Spend						
Federal Capital	214.5	201.3	329.6	329.6	329.6	0.0	128.3	121.6	37%
Capital (GARVEE)			CTP Spend						
GARVEE - US301	26.9	7.0	23.2	23.2	23.2	0.0	16.2	3.6	16%
Total Expenditures - Capital	429.4	379.4	512.3	512.3	512.3	0.0	132.9	180.4	35%
TOTAL EXPENDITURES	779.3	728.1	860.8	858.9	858.9	0.0	130.8	367.0	43%

Table 5.

**DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues**

	FY 13	FY 14	% Chg.	Fiscal 2015		Fiscal 2016			
				9/15/2014 Approved	12/15/2014 Recomm	% Chg. FY 14	9/15/2014 Approved	12/15/2014 Recomm	% Chg. FY 15
TOLL ROAD REVENUES:									
195 Newark Plaza	\$117.7	\$119.9	1.9%	\$117.7	\$119.7	-0.2%	\$118.4	\$120.4	0.6%
Route 1 Toll Road	46.2	47.6	2.9%	\$56.1	\$56.1	18.0%	\$57.5	\$57.5	2.5%
Concessions	<u>2.4</u>	<u>2.5</u>	<u>4.5%</u>	<u>\$2.6</u>	<u>\$2.6</u>	<u>4.7%</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>3.8%</u>
Total Toll Road Revenues	166.3	170.0	2.2%	\$176.4	\$178.4	4.9%	\$178.6	\$180.6	1.2%
MOTOR FUEL TAX ADMIN.	115.0	116.9	1.7%	\$115.2	\$119.8	2.5%	\$114.3	\$118.8	(0.8%)
DIVISION OF MOTOR VEHICLES									
Motor Vehicle Document Fees	77.6	84.8	9.3%	\$90.3	\$90.3	6.4%	\$93.0	\$93.0	3.0%
Motor Vehicle Registration Fees	47.6	49.2	3.0%	\$50.0	\$50.0	1.5%	\$51.5	\$51.5	3.0%
Other DMV Revenues	<u>25.5</u>	<u>26.3</u>	<u>6.6%</u>	<u>\$27.4</u>	<u>\$27.4</u>	<u>4.3%</u>	<u>\$28.2</u>	<u>\$28.2</u>	<u>2.9%</u>
Total DMV Revenues	150.7	160.3	6.4%	\$167.7	\$167.7	4.6%	\$172.7	\$172.7	3.0%
OTHER TRANSPORTATION REV.									
Other Transportation Rev	11.2	11.6	-1.6%	\$11.4	\$11.4	-1.5%	\$11.5	\$11.5	0.9%
Investment Income(Net)	<u>2.2</u>	<u>2.3</u>	<u>16.4%</u>	<u>\$2.4</u>	<u>\$2.4</u>	<u>6.3%</u>	<u>\$2.5</u>	<u>\$2.5</u>	<u>4.2%</u>
Total Other Transp. Revenue	13.4	13.9	3.7%	\$13.8	\$13.8	-0.7%	\$14.0	\$14.0	1.4%
GRAND TOTAL	\$445.4	\$461.1	3.5%	\$473.1	\$479.7	4.0%	\$479.6	\$486.2	1.3%

\$6.6

\$6.6