

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

Buena Vista – March 16, 2015

Attendance:

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

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

Members in Attendance: 24

Members Absent: 9

Others Present: A. Aka, M. Brennan, P. Carter, J. Eisenbrey, R. Geisenberger, D. Gregor, M. Jackson, J. Johnstone, B. Maxwell, B. Motyl, B. Scoglietti, C. Stewart, K. Urso and members of the press.

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

Mr. Martin welcomed the newest DEFAC members, Ms. Jennifer Cohan and Mr. Ken Simpler. Ms. Cohan is DelDOT Secretary and Mr. Simpler is the State Treasurer.

The minutes from the December meeting were approved as submitted.

Expenditure Subcommittee:

Mr. Ratledge presented the Expenditure Subcommittee's report. He first reviewed the Balance Sheet estimate, noting that the FY 2015 spending authority was \$4,073.5 million. Mr. Ratledge indicated that both the Reversions and Encumbered estimates have remained unchanged since December at \$35.0 million, while the Continuing estimate stood at \$188.0 million. (See Table 1a for complete details).

Mr. Ratledge also reviewed the Functional method. He reported that estimates for Salaries, Fringe Benefits, Pension and Medicaid were unchanged from December. He said that the number of individuals eligible for Medicaid averages 222,806 per month in the current fiscal year, which represents 2.4% growth over the previous year. He indicated that newly eligible enrollees— whose costs are currently funded 100% by the Federal government— averages 10,873. The state's share for newly eligible enrollees will be 10% in 2017.

Mr. Ratledge reported a \$5 million-increase in the Grants estimate due to higher funds for early childhood education. He noted that the Contractual Services estimate was up \$3 million due to tracking. Finally, the increase in the estimate for Supplies and Materials is offset by a similar decrease in the Capital Outlay estimate. (See Table 1b for complete details).

A motion was made, seconded and approved to accept \$3,815.5 million as the expenditure estimate for FY 2015. This represents an \$8.0 million increase from the December 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. In terms of assumptions, IHS expects the Fed's first tightening action will occur in June, with small increases in a key interest rate at every other meeting. In terms of forecasts, Mr. Aka noted that data revisions in the third and fourth quarters have led to an increase in the FY 2015 GDP growth estimate from 2.6% in December to 2.9% in March. The current short and medium term outlook is better than in December, owing to higher consumption spending estimates and improvements in the housing market.

Mr. Aka pointed out that IHS economic growth estimates remain slightly below the consensus forecast and much below Moody's Analytics forecasts. He mentioned that

stronger additional data have led to better U.S. employment outlook and higher Wages and Salaries forecast, while sharper declines in energy prices have prompted IHS to reduce its inflation forecast.

Mr. Aka also presented the economic forecasts for Delaware. The state's employment growth forecast has been reduced in the current fiscal year owing to benchmarking and additional data. The outlook has improved, when compared to December, because of greater economic development "wins" and improved outlook at the national level. Mr. Aka noted that changes in Delaware's Wages and Salaries estimate are based on additional data.

Mr. Lewis recalled a discussion in the Subcommittee meeting in which Ms. Davis Burnham asked whether IHS interest rate assumption was reasonable. IHS has assumed the Fed funds rate would hit 3.75% by the end of 2017. Mr. Lewis noted that such a rate can be reached if Moody's more optimistic growth forecasts proved to be accurate.

Mr. Dixon added that a 3.75% rate was high for two reasons: first there is no indication that the Fed will move aggressively on a rate hike. In addition the strong U.S. dollar prevents the Fed from setting such a high interest rate. Mr. Dixon noted that the trade-weighted dollar index is up by approximately 20% in the past 4 years, and such an increase—while not unprecedented—is not inconsequential in light of easy monetary policy in the rest of the world. He indicated that a stronger dollar would put a constraint not only on the Fed's policies but also on the national economy.

General Fund Revenues - Fiscal Year 2015:

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

Revenue Category	Dec-14	Mar-15	Change
Abandoned Property	554.0	529.0	(25.0)
Franchise Tax	656.2	668.5	12.3
Other Refunds	(70.6)	(81.7)	(11.1)
Bank Franchise Tax	101.7	92.6	(9.1)
CIT Refunds	(42.6)	(39.0)	3.6
Lottery	206.2	203.7	(2.5)
Gross Receipts Tax	226.9	224.9	(2.0)
Personal Income Tax	1,432.1	1,430.2	(1.9)
Dividends and Interest	10.0	8.5	(1.5)
Cigarette Taxes	106.5	105.5	(1.0)
Hospital Board and Treatment	46.1	45.4	(0.7)
Public Utility Tax	50.0	49.5	(0.5)

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

Discussion of FY 2015 Estimates:

Personal Income Tax: Mr. Lewis indicated that the estimate was reduced from December. He noted that weak tracking for Withholding and not-so-strong early bonus payments have led to a decrease in the estimate for PIT Withholding by \$16.0 million. Mr. Lewis also said that Estimated PIT payments have been raised due to tracking changes. He mentioned a discussion in the Subcommittee meeting in which Ms. Davis Burnham argued that Final PIT payments could also be raised, and the Subcommittee recommended a \$2 million increase in the estimate. Mr. Shopa agreed that the estimate for Final payments needs to be increased.

Corporate Franchise Tax: Mr. Lewis noted an increase in the estimate on the back of record number of business formations. Mr. Geisenberger explained that the 6.9% growth estimate in Franchise Tax can be split as follows: 2.9% of that rate can be attributed to a tax law change and the remaining 4.0% represents organic growth. The latter is the highest growth rate since 2008 when it stood at 4.8% and the second highest since 2001. Mr. Geisenberger added that this year's number of IPOs (at 185) was the highest since 2000 and that the best year ever for IPOs was back in 1998 when the number of IPOs reached 450.

Corporate Income Tax: Mr. Lewis said that the estimate was unchanged from December. He pointed out that this revenue category is tracking well. Given some uncertainties surrounding an audit, some funds that were expected this year back in December have been moved to the following fiscal year, boosting the FY 2016 CIT estimate.

Bank Franchise Tax: Mr. Lewis noted a large decrease in the estimate from December. Mr. Glen explained in the Subcommittee meeting that the estimate was affected by lower final payments, large refund claims and restructuring of a large taxpayer.

Gross Receipts Tax: Mr. Lewis said that the estimate was decreased from December.

Lottery: Mr. Lewis stated that the estimate was reduced from December due to bad weather.

Abandoned Property: Mr. Lewis stated that the decrease in the estimate was due to lower-than-anticipated annual filings. He indicated that the latest federal court ruling, which allowed a challenge to Delaware's Abandoned Property program to move forward, should be monitored closely.

Hospital Board and Treatment: Mr. Lewis said that the reduction in the estimate was due to patients' reallocation to private beds.

Dividends and Interest: Mr. Lewis said that the decrease in the estimate was due to interest reductions.

Other Refunds: Mr. Lewis noted that the increase in the estimate was due to an increase in the refunds for Bank Franchise and 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 \$3,888.5 million as the revenue estimate for FY 2015.

The estimate represents a \$39.4 million reduction from DEFAC's December estimate. Mr. Lewis said that the decrease in Net Receipts can be mostly attributed to lower estimate for Abandoned Property as well as an increase in the refunds for the same revenue category.

General Fund Revenues - Fiscal Year 2016:

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

Revenue Category	Dec-14	Mar-15	Change
Franchise Tax	660.1	675.2	15.1
Corporation Income Tax	197.0	210.0	13.0
Bank Franchise Tax	99.7	88.9	(10.8)
Other Refunds	(57.9)	(64.9)	(7.0)
Gross Receipts Tax	237.8	233.4	(4.4)
CIT Refunds	(42.6)	(46.2)	(3.6)
Lottery	207.3	204.8	(2.5)
Personal Income Tax	1,500.5	1,498.4	(2.1)
Hospital Board and Treatment	45.9	44.4	(1.5)
Dividends and Interest	8.0	6.5	(1.5)
Cigarette Taxes	104.4	103.4	(1.0)
Public Utility Tax	47.9	47.4	(0.5)
Other Revenues	96.5	96.4	(0.1)

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. He indicated that \$2.0 million in Final PIT payments were carried across to FY 2016.

Corporate Franchise Tax: Mr. Lewis said that the increase in the estimate reflected an increase in the growth rate to previous levels.

Corporate Income Tax: Mr. Lewis reported that the increase in the estimate reflects expected revenue from an audit carried over from the previous year.

Bank Franchise Tax: Mr. Lewis stated that the decrease in the estimate reflects an adjustment in the growth rate.

Gross Receipts Tax: Mr. Lewis said that \$2.3 million was taken out of the initial estimate during the Subcommittee meeting, reducing the growth rate from 4.8% to 3.8%. He said that the Department of Finance will conduct research to assess the size of the portion of that revenue category that is directly affected by oil price changes.

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 \$3,878.1 million as the revenue estimate for FY 2016.

The estimate represents a reduction of \$6.9 million from the December estimate.

For information purposes, Mr. Lewis reported that the FY 2017 revenue estimate is \$3,944.4 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: Increased from \$346.6 million in December to \$349.5 million. Mr. Motyl indicated that the estimate for Personal Costs has been reduced by \$0.8 million because of savings on personal costs, which were transferred to the Operations/Capital Outlay category. He also said that the estimate for Transit Operations (DTC) was raised by \$1.1 million to reflect a recent agreement pertaining to union contracts.

State Capital Expenditure: There was no change from the December estimate of \$159.5 million. However, Mr. Motyl indicated that tracking was off because of the cold weather in February and that the estimate could be changed in future meetings.

Federal Capital Expenditure: Reduced from \$329.6 million to \$299.6 million. Mr. Motyl explained that many projects may not be completed this year, which led to a movement of funds into the next fiscal year.

GARVEE – US301 Capital Expenditure: Reduced from \$23.2 million to \$8.2 million. Mr. Motyl explained that funds have moved from this fiscal year into the next, as only 2 out of 14 parcels will be purchased this year.

A motion was made, seconded, and approved to accept \$816.8 million as the FY 2015 TTF expenditure estimate. The estimate represents a decrease of \$42.1 million from December's estimate. (See Table 4.)

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

FY 2015 Estimates:

Toll Road Revenues: There was no change from the December estimate of \$178.4 million.

Motor Fuel Tax Administration: There was no change from the December estimate of \$119.8 million.

Division of Motor Vehicles: Increased from \$167.7 million in December to \$172.7 million. Mr. Motyl reported that vehicle sales remain strong, leading to increases in both Document and Registration Fees.

Other Transportation Revenue: There was no change from the December estimate of \$13.8 million.

A motion was made, seconded, and approved to accept \$484.7 million as the FY 2015 TTF revenue estimate. The estimate represents an increase of \$5.0 million from December's estimate.

FY 2016 Estimates:

The following changes were made from the December estimate.

Toll Road Revenues: There was no change from the December estimate of \$180.6 million.

Motor Fuel Tax Administration: There was no change from the December estimate of \$118.8 million.

Division of Motor Vehicles: Increased from \$172.7 million in December to \$177.8 million. Mr. Motyl said that the increase in the estimate reflected the carrying forward of changes made in FY 2015.

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

A motion was made, seconded, and approved to accept \$491.2 million as the FY 2016 TTF revenue estimate. The estimate represents an increase of \$5.1 million from the December estimate. (See Table 5.)

Other Business:

Mr. Martin announced the next scheduled DEFAC meeting dates:

- April 20, 2015
- May 18, 2015
- June 15, 2015

Structural Revenue Review: Mr. Gregor said that the Structural Revenue Review Advisory Council is composed of DEFAC members, members of the General Assembly and former Cabinet officials. He indicated that the Council has met several times, and he welcomes DEFAC members to attend the next meeting that is scheduled for Friday (March 20, 2015) at 1:00 pm.

Mr. Gregor said that Delaware has a very centralized system compared to other states, as the local government provides relatively fewer services and generates

relatively less revenues. He mentioned that the state exports a very large share of its revenue burden. Mr. Gregor also mentioned that Delaware is always looking for the next big revenue generator in periods of economic difficulties (so-called "silver bullet mentality"). He stressed that, although the Council understands that the next big revenue source should be explored, it also realizes the limitations of such an approach. As a consequence, it has focused its efforts on how to improve the core elements of Delaware's revenue portfolio.

Mr. Gregor said there was a lot of discussion in the Council regarding what metrics should be used as a measure of volatility and elasticity, and how such metrics can be tied to actual state expenditures. He added that Delaware has put in place regulations such as the 98% rule, rainy day funds, and borrowing limits that help the state's finances in difficult economic periods. However, Mr. Gregor reported that the Council concluded that similar provisions should be considered on the upside. As an example he said that a surplus could be used to strengthen the balance sheet and eliminate long-term liabilities.

Mr. Gregor said that the Council spent considerable time analyzing the structure and history of individual revenues sources. The elasticity and volatility of each source are discussed, as well as their tax rates and tax base. Cyclical and structural factors that affect a revenue category are also discussed, along with various policy levers. With respect to the personal income tax, demographics were also analyzed. Mr. Gregor stated that the Council is tasked with developing recommendations for making the state's revenue system less volatile and less inelastic in a way that also maintains the state's economic competitiveness.

Thus far, the Council has covered large revenue sources such as Personal Income Tax, Franchise Tax and associated fees, Corporate Income Tax and Gross Receipts Tax. Mr. Gregor added that Lottery and Abandoned Property will also be presented so the Council understands the nature of these two sources, but not to retrace the efforts of other task forces that are currently studying them. He indicated that recommendations will most likely be formulated in short, intermediate and medium terms formats.

Mr. Cook added that 56% of Delaware's revenue is inelastic. He mentioned that Personal Income Tax is up 4.5% next year but this year's revenue is down across the board. He noted that Bank Franchise and Abandoned Property, both of which are inelastic, are down this year. According to Mr. Cook, the state's revenue portfolio should move toward greater elasticity, so as to post positive growth rates when the economy grows.

Mr. Bullock added that the trend in most of the state's revenue categories is either negative or slightly positive. He added that there is more appetite nowadays for government services than they are revenues coming into government coffers.

Mr. Ratledge said that various policy levers were discussed at past Council meetings, and different policy levers differentially affect individuals and businesses. As a result, one needs to find ways of implementing changes that also give time for people to adapt to them. He added that ingenuity may be needed, and insisted that the problems affecting the state's revenue portfolio needed to be solved.

Mr. Simpson asked whether the Council has investigated sources of revenues other than taxes that currently exist in other states but not in Delaware. Mr. Cook answered that the Council has not done so to date but could cover it in the future. In response to a question from Ms. Davis Burnham, Mr. Simpson submitted that policies such as the Financial Center Development Act adopted in the 1980's should be considered. He suggested that the insurance industry might be a logical target for a similar approach today.

There being no further business, Mr. Martin adjourned the meeting at 4:02 p.m.

Respectfully submitted,

Arsene Aka

Table 2. DEFAC General Fund Revenue Worksheet

Revenue Category	FY 2014			FY 2015				FY 2016			
	A Actual Collections	B DEFAC Dec-14	C % B over A	D DEFAC Mar-15	E % D over A	F \$ Increase D over B	G DEFAC Dec-14	H % G over B	I DEFAC Mar-15	J % I over D	K \$ Increase I over G
Personal Income Tax	1,385.0	1,432.1	3.4%	1,430.2	3.3%	(1.9)	1,500.5	4.8%	1,498.4	4.8%	(2.1)
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	1,222.3	2.9%	1,220.4	2.8%	(1.9)	1,277.1	4.5%	1,275.0	4.5%	(2.1)
Franchise Tax	625.6	656.2	4.9%	668.5	6.9%	12.3	660.1	0.6%	675.2	1.0%	15.1
Limited Partnerships & LLC's	195.8	242.1	23.7%	242.1	23.7%	0.0	254.2	5.0%	254.2	5.0%	0.0
Subtotal Franchise + LP/LLC	821.4	898.3	9.4%	910.6	10.9%	12.3	914.3	1.8%	929.4	2.1%	15.1
Less: Refunds	(6.8)	(9.0)	32.2%	(9.0)	32.2%	0.0	(10.0)	11.1%	(10.0)	11.1%	0.0
Net Franchise + LP/LLC	814.6	889.3	9.2%	901.6	10.7%	12.3	904.3	1.7%	919.4	2.0%	15.1
Business Entity Fees	96.0	102.3	6.6%	102.3	6.6%	0.0	106.4	4.0%	106.4	4.0%	0.0
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	262.0	49.3%	262.0	49.3%	0.0	197.0	-24.8%	210.0	-19.8%	13.0
Less: Refunds	(73.5)	(42.6)	-42.0%	(39.0)	-46.9%	3.6	(42.6)	0.0%	(46.2)	18.5%	(3.6)
CIT Less Refunds	102.0	219.4	115.0%	223.0	118.6%	3.6	154.4	-29.6%	163.8	-26.5%	9.4
Bank Franchise Tax	102.7	101.7	-1.0%	92.6	-9.8%	(9.1)	99.7	-2.0%	88.9	-4.0%	(10.8)
Gross Receipts Tax	226.5	226.9	0.2%	224.9	-0.7%	(2.0)	237.8	4.8%	233.4	3.8%	(4.4)
Lottery	214.6	206.2	-3.9%	203.7	-5.1%	(2.5)	207.3	0.5%	204.8	0.5%	(2.5)
Abandoned Property	474.9	554.0	16.7%	529.0	11.4%	(25.0)	514.0	-7.2%	514.0	-2.8%	0.0
Hospital Board and Treatment	48.9	46.1	-5.8%	45.4	-7.2%	(0.7)	45.9	-0.4%	44.4	-2.2%	(1.5)
Dividends and Interest	2.8	10.0	251.4%	8.5	198.7%	(1.5)	8.0	-20.0%	6.5	-23.5%	(1.5)
Realty Transfer Tax	60.3	72.2	19.6%	72.2	19.6%	0.0	64.0	-11.4%	64.0	-11.4%	0.0
Estate Tax	1.3	4.0	214.3%	4.0	214.3%	0.0	4.0	0.0%	4.0	0.0%	0.0
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	50.0	5.4%	49.5	4.3%	(0.5)	47.9	-4.2%	47.4	-4.2%	(0.5)
Cigarette Taxes	114.7	106.5	-7.1%	105.5	-8.0%	(1.0)	104.4	-2.0%	103.4	-2.0%	(1.0)
Other Revenues	88.4	115.6	30.7%	115.6	30.7%	0.0	96.5	-16.5%	96.4	-16.6%	(0.1)
Less: Other Refunds	(80.4)	(70.6)	-12.2%	(81.7)	-12.2%	(11.1)	(57.9)	-18.0%	(64.9)	-20.6%	(7.0)
Net Receipts	3,572.7	3,927.9	9.9%	3,888.5	8.8%	(39.4)	3,885.0	-1.1%	3,878.1	-0.3%	(6.9)

Adj Growth Rate

3.75%

1.50%

Table 2. DEFAC General Fund Revenue Worksheet

Revenue Category	FY 2017						P \$ Increase N over L
	L DEFAC Dec-14	M % L over G	N DEFAC Mar-15	O % N over I			
Personal Income Tax	1,575.8	5.0%	1,573.4	5.0%		(2.4)	
Less: Refunds	(234.6)	5.0%	(234.6)	5.0%		0.0	
PIT Less Refunds	1,341.2	5.0%	1,338.8	5.0%		(2.4)	
Franchise Tax	660.1	0.0%	675.2	0.0%		15.1	
Limited Partnerships & LLC's	267.0	5.0%	267.0	5.0%		0.0	
Subtotal Franchise + LP/LLC	927.1	1.4%	942.2	1.4%		15.1	
Less: Refunds	(10.0)	0.0%	(10.0)	0.0%		0.0	
Net Franchise + LP/LLC	917.1	1.4%	932.2	1.4%		15.1	
Business Entity Fees	110.7	4.0%	110.7	4.0%		0.0	
Uniform Commercial Code	18.0	1.7%	18.0	1.7%		0.0	
Corporation Income Tax	202.9	3.0%	202.9	-3.4%		0.0	
Less: Refunds	(42.6)	0.0%	(42.6)	-7.8%		0.0	
CIT Less Refunds	160.3	3.8%	160.3	-2.1%		0.0	
Bank Franchise Tax	101.7	2.0%	87.9	-1.1%		(13.8)	
Gross Receipts Tax	249.7	5.0%	242.3	3.8%		(7.4)	
Lottery	209.0	0.8%	206.4	0.8%		(2.6)	
Abandoned Property	475.0	-7.6%	475.0	-7.6%		0.0	
Hospital Board and Treatment	46.4	1.1%	44.8	0.9%		(1.6)	
Dividends and Interest	11.0	37.5%	11.0	69.2%		0.0	
Realty Transfer Tax	67.2	5.0%	67.2	5.0%		0.0	
Estate Tax	4.0	0.0%	4.0	0.0%		0.0	
Insurance Taxes	54.6	2.1%	54.6	2.1%		0.0	
Public Utility Tax	49.6	3.5%	49.1	3.6%		(0.5)	
Cigarette Taxes	102.3	-2.0%	101.3	-2.0%		(1.0)	
Other Revenues	105.7	9.5%	105.7	9.6%		0.0	
Less: Other Refunds	(57.9)	0.0%	(54.9)	0.0%		(7.0)	
Net Receipts	3,965.6	2.1%	3,944.4	1.7%		(21.2)	

Adj Growth Rate

5.25%

Table 3. Balance and Appropriations Worksheet

FY 2015 EXPENDITURES		FY 2015 BALANCES		FY 2016 APPROPRIATION LIMITS	
Total Spending Authority	\$4,073.5	Total Expenditures	\$3,815.5	FY 2016 Revenue Estimate	\$3,878.1
Less: Continuing Appropriations & Encumbrances from FY 2015	(\$223.0)	vs. FY 2015 Revenues	3,888.5	Unencumbered Cash Balance from FY 15	\$51.9
Less: Reversions	<u>(\$35.0)</u>	Operating Balance	73.0	100% Appropriation Limit	\$3,930.0
Total Expenditures	\$3,815.5	Prior Year Cash Balance	<u>\$414.4</u>	98% Appropriation Limit	<u>\$3,651.3</u>
		Cumulative Cash Balance	487.4	Prior 98% Appropriation Limit	\$3,896.7
		Less: Continuing Appropriations & Encumbrances from FY 2015	(223.0)	Increase (Decrease) from Prior Meeting	(\$45.4)
		Less: Budgetary Reserve Account	<u>(\$212.5)</u>	Sept. 2014 98% Appropriation Limit	\$3,887.0
		Unencumbered Cash Balance 6/30	\$51.9	Increase (Decrease) from September 2014	(\$35.7)

Table 4.

Delaware Department of Transportation										67%
FY 2015 Expenditures, Through February 28, 2015										
	FY2013 Actual	FY2014 Actual	FY2015 Appropriation	SEPTEMBER FY2015 Forecast	DECEMBER FY2015 Forecast	MARCH FY2015 Forecast	\$ Difference	\$ Difference Forecast V. FY14 Actual	FY2015 YTD Spend	% spent YTD
<u>Operations</u>										
Debt Service	123.5	112.3	109.4	107.5	107.5	107.5	0.0	(4.8)	107.5	100%
Personnel Costs	86.5	86.4	86.8	86.8	86.8	86.0	(0.8)	(0.4)	56.0	65%
Operations/Capital Outlay	56.9	66.1	67.8	67.8	67.8	70.4	2.6	4.3	43.7	62%
Transit Operations (DTC)	83.0	83.9	84.5	84.5	84.5	85.6	1.1	1.7	57.4	67%
Total Expenditures - Operations	349.9	348.7	348.5	346.6	346.6	349.5	2.9	0.8	264.6	76%
<u>Capital (State)</u>			<u>CTP Spend</u>							
Road System	134.6	92.6	100.4	100.4	100.4	100.4	0.0	7.8	50.8	51%
Grants & Allocations	20.9	17.7	21.8	21.8	21.8	21.8	0.0	4.1	16.0	73%
Support Systems	27.0	47.2	25.3	25.3	25.3	25.3	0.0	(21.9)	13.5	53%
Transit	5.5	13.6	12.0	12.0	12.0	12.0	0.0	(1.6)	4.2	35%
Total Expenditures- State Capital	188.0	171.1	159.5	159.5	159.5	159.5	0.0	(11.6)	84.5	53%
<u>Capital (Federal)</u>			<u>CTP Spend</u>							
Federal Capital	214.5	201.3	329.6	329.6	329.6	299.6	(30.0)	98.3	168.5	56%
<u>Capital (GARVEE)</u>			<u>CTP Spend</u>							
GARVEE - US301	26.9	7.0	23.2	23.2	23.2	8.2	(15.0)	1.2	5.8	71%
Total Expenditures - Capital	429.4	379.4	512.3	512.3	512.3	467.3	(45.0)	87.9	258.8	55%
TOTAL EXPENDITURES	779.3	728.1	860.8	858.9	858.9	816.8	(42.1)	88.7	523.4	64%

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

	FY 13	FY 14	% Chg.	Fiscal 2015			Fiscal 2016					
				12/15/2014	3/16/2015	% Chg.	12/15/2014	3/16/2015	% Chg.			
				Approved	Recomm	FY 14	Approved	Recomm	FY 15			
<u>TOLL ROAD REVENUES:</u>												
195 Newark Plaza	\$117.7	\$119.9	1.9%	\$119.7	\$119.7	-0.2%	\$120.4	\$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	2.4	2.5	4.5%	\$2.6	\$2.6	4.7%	\$2.7	\$2.7	3.8%			
Total Toll Road Revenues	166.3	170.0	2.2%	\$178.4	\$178.4	4.9%	\$180.6	\$180.6	1.2%			
MOTOR FUEL TAX ADMIN.	115.0	116.9	1.7%	\$119.8	\$119.8	2.5%	\$118.8	\$118.8	(0.8%)			
<u>DIVISION OF MOTOR VEHICLES</u>												
Motor Vehicle Document Fees	77.6	84.8	9.3%	\$90.3	\$93.3	10.0%	\$93.0	\$96.1	3.0%			
Motor Vehicle Registration Fees	47.6	49.2	3.0%	\$50.0	\$52.0	5.6%	\$51.5	\$53.5	2.9%			
Other DMV Revenues	25.5	26.3	6.6%	\$27.4	\$27.4	4.3%	\$28.2	\$28.2	2.9%			
Total DMV Revenues	150.7	160.3	6.4%	\$167.7	\$172.7	7.7%	\$172.7	\$177.8	3.0%			
<u>OTHER TRANSPORTATION REV.</u>												
Other Transportation Rev	11.2	11.6	-1.6%	\$11.4	\$11.4	-1.5%	\$11.5	\$11.5	0.9%			
Investment Income(Net)	2.2	2.3	16.4%	\$2.4	\$2.4	6.3%	\$2.5	\$2.5	4.2%			
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%	\$479.7	\$484.7	5.1%	\$486.1	\$491.2	1.3%			

\$5.0

\$5.1