

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

Buena Vista – April 20, 2015

Attendance:

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

Member	Present
D. Link	No
A. Lubin	Yes
G. Marcozzi	No
J. Martin	Yes
C. Morgan	No
M. Morton	Yes
J. Polidori	Yes
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: 20

Members Absent: 13

Others Present: A. Aka, B. Boettcher, P. Carter, J. Eisenbrey, T. Frey, D. Gregor, J. Hoover, M. Jackson, J. Johnstone, K. Knight, S. McVay, B. Motyl, A. Penney, B. Scoglietti, S. Scola, C. Stewart and members of the press.

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

The minutes from the March meeting were approved as submitted.

Expenditure Subcommittee:

Mr. Ratledge presented the Expenditure Subcommittee's report. He noted that authorized expenditures for the fiscal year amounted to \$4,073.5 million.

Mr. Ratledge reviewed the Balance Sheet estimate. He indicated that both the Reversions and Encumbered estimates have remained unchanged since last year. He said that the Continuing estimate has been reduced to \$184.0 million because some of the continuing funds have been spent. (See Table 1a for complete details).

Mr. Ratledge also reviewed the Functional method. He said that most of the estimates have not changed: Salaries, Fringe Benefits, Pension, Debt Service, Grants, Supplies and Materials, and Medicaid were unchanged from March. On the other hand, Contractual Services estimate has increased by \$5.0 million, to \$515.0 million, an amount that is similar to last year. Mr. Ratledge noted that the estimate for Capital Outlay was reduced to \$15.0 million, which is substantially smaller than the \$18.8 million recorded last year. He added that the number of individuals eligible for Medicaid average 229,200 per month in the current fiscal year, while newly eligible enrollees average 11,099. Mr. Ratledge said that the economic slowdown in the first quarter could be a factor behind the increase in the Medicaid numbers (See Table 1b for complete details).

A motion was made, seconded and approved to accept \$3,819.5 million as the expenditure estimate for FY 2015. This represents an increase of \$4.0 million from the March 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, as well as the economic forecasts for Delaware. Macroeconomic assumptions include revision of long-term productivity growth by IHS and change in the date for the Fed's first tightening action. IHS now expects the Federal Reserve to begin implementing a tight policy in September, instead of June.

Mr. Aka pointed out that two series have seen important changes to their forecasts. First, IHS has reduced its estimates of the nation's job growth for the next 2 fiscal years to bring them in line with past forecasts. In addition, the FY 2015 estimate of Delaware Wages and Salaries has been raised to 3.8% on the back of additional historical data. All other economic series have seen little change to their forecasts.

Mr. Dixon noted that IHS Fed funds rate forecast has remained unchanged at 3.75% for end-2017. He said that such an optimistic assumption could be hard to achieve on the back of a strengthening dollar. Any rate hike by the Federal Reserve, coupled with rate decrease in the rest of the world will only put upward pressures on the U.S. dollar. Mr. Dixon added that first-quarter GDP is expected to grow at 1.0% owing to temporary factors, but the economy should rebound only moderately in the second quarter. He expected real GDP growth to remain weak for the rest of the year and, as a result, a strengthening dollar could lead to lower-than-anticipated economic expansion.

General Fund Revenues - Fiscal Year 2015:

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

Revenue Category	Mar-14	Apr-15	Change
Gross Receipts Tax	224.9	217.9	(7.0)
Franchise Tax	668.5	674.8	6.3
Dividends and Interest	8.5	2.6	(5.9)
Other Refunds	(81.7)	(86.7)	(5.0)
PIT Refunds	(209.8)	(205.0)	4.8
Personal Income Tax	1,430.2	1,426.2	(4.0)
Other Revenues	115.6	119.0	3.4
Estate Tax	4.0	6.0	2.0
Insurance Taxes	54.5	52.8	(1.7)
Public Utility Tax	49.5	48.0	(1.5)
Realty Transfer Tax	72.2	73.2	1.0
Lottery	203.7	203.1	(0.6)
Corporate Fees	102.3	102.8	0.5
Uniform Commercial Code	17.5	17.7	0.2

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

Discussion of FY 2015 Estimates:

Net Personal Income Tax: Mr. Lewis indicated that the estimate was increased from March. He said that gross PIT has been reduced by \$4.0 million due to weaker-than-expected Withholding tracking. In addition, PIT Refunds estimate has been reduced by \$4.8 million.

Corporate Franchise Tax: Mr. Lewis said that the estimate was increased from March, with 5.0% of the new 7.9% growth estimate representing real growth for the revenue category. The remaining 2.9% growth is due to a tax law change.

Business Entity Fees and UCC: Mr. Lewis indicated that the estimate was increased from March, partly due to good formation activity.

Gross Receipts Tax: Mr. Lewis said that the reduction in the estimate can be attributed to tracking. The estimate has been affected by the lower oil price environment. Mr. Lewis suggested that Gross Receipts revenue category should be modeled more finely in terms of its components for each industry.

Dividends and Interest: Mr. Lewis stated that the estimate was reduced from March. He noted that a large portion of the decrease was due to a reclassification of a settlement to "Other Income".

Estate Tax: Mr. Lewis stated that the increase in the estimate was due to new collection from an estate.

Other Revenues: Mr. Lewis noted that the increase in the estimate was mainly due to the reclassification of a settlement to "Other Income" from the Treasury office.

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 \$3,881.0 million as the revenue estimate for FY 2015.

The estimate represents a \$7.5 million reduction from DEFAC's March estimate.

General Fund Revenues - Fiscal Year 2016:

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

Revenue Category	Mar-14	Apr-15	Change
Gross Receipts Tax	233.4	226.2	(7.2)
CIT Refunds	(46.2)	(53.0)	(6.8)
Franchise Tax	675.2	681.5	6.3
PIT Refunds	(223.4)	(218.3)	5.1
Other Refunds	(64.9)	(69.9)	(5.0)
Personal Income Tax	1,498.4	1,494.2	(4.2)
Dividends and Interest	6.5	5.0	(1.5)
Public Utility Tax	47.4	46.0	(1.4)
Realty Transfer Tax	64.0	64.9	0.9
Other Revenues	96.4	95.5	(0.9)
Lottery	204.8	204.2	(0.6)
Corporate Fees	106.4	106.9	0.5
Uniform Commercial Code	17.7	17.9	0.2

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

Discussion of FY 2016 Estimates:

Net Corporate Income Tax: Mr. Lewis reported that the decrease in the estimate reflects an increase in CIT Refunds estimate.

Mr. Simpson asked why the FY 2016 CIT revenue level was significantly lower than in FY 2015. Mr. Cook answered that the majority of an \$85 million federal tax audit due to the State of Delaware is expected to be received this fiscal year, and not in FY 2016.

Dividends and Interest: Mr. Lewis stated that the decrease in the estimate reflects tracking weakness. Monetary policy uncertainty and continued low balances are also affecting the estimate.

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 \$3,863.5 million as the revenue estimate for FY 2016.

The estimate represents a reduction of \$14.6 million from the March estimate.

For information purposes, Mr. Lewis reported that the FY 2017 revenue estimate is \$3,962.9 million. The estimate represents a reduction of \$81.5 million from

DEFAC's March estimate. Mr. Lewis pointed that most of the decrease can be attributed to a reduction in the estimate for Abandoned Property.

Abandoned Property Outlook: In his discussion of the State's escheat outlook, Mr. Gregor said that collections for that revenue category come from cash annual filings, equity/stock annual filings and enforcement. He said that from FY 2011 to FY 2013 General Ledger enforcement, which includes VDAs, averaged \$195 million per year. Fiscal year 2013 is the first year that saw collections from Equity securities enforcement. In the same year, however, no revenue was collected as a result of annual filings for securities. Mr. Gregor said that the Department of Finance was so busy with the outreach program, due diligence, and transfer agent projects that it could only do due diligence on annual filings in FY 2014. As a result the Department was in a position to conduct two stock sales during FY 2014, boosting that year's collection from annual filings for securities to \$218.0 million. Mr. Gregor pointed that half of this amount can be considered one-time money.

Naturally one would expect that more enforcement actions in the still-untapped equity area combined with minimum, trend-level, collections from the General Ledger would lead to robust Abandoned Property revenues in FY 2015 - 2017. However, Mr. Gregor noted that the General Ledger side has been affected by controversies as well as more adversarial approach taken by some advocates, leading to a slowdown in that sub-category. Moreover, the pace of return of General Ledger enforcement revenues to FY 2011 - 2013 range will be affected by the latest federal court ruling, which allowed a challenge to Delaware's Abandoned Property program to move forward and involved the specific technique used in General Ledger estimation.

Mr. Gregor said that the case will be tried in January 2016 and a decision might be forthcoming in the late spring, with one of the two parties expected to file an appeal at the Third Circuit. Such a timetable is expected to have an impact on General Ledger audits through FY 2017. Mr. Gregor noted that the General Ledger audit estimate could be increased if judicial issues are resolved earlier.

In response to a question from Mr. Martin, Mr. Gregor confirmed that results of the litigation are not factored into the estimates and that the impact of the litigation will start from FY 2018. Mr. Bullock added that the current level of Abandoned Property, which is north of \$500 million, is not sustainable in the long term. He said security sales will be good this year and next, but could drop quickly in subsequent years. Mr. Bullock believes that Escheat revenue could settle to more realistic annual levels of \$400 million, which could lead to very difficult budgetary decisions.

Ms. Visalli noted that, based on this meeting, there is already a \$67 million budgetary shortfall, when compared to the budget recommended by the Governor in January. Taking into account FY 2017 estimates and assuming no growth in the recommended budget, that shortfall rises to over \$100 million. Growing the budget

by 3% will push to shortfall to \$117 million. In response to a question from Mr. Horthy, Ms. Visalli said that the state is preparing to make further cuts and is open to any suggestions for items to cut. She indicated that over half of the state budget has to do with personnel costs. Except for the department of Education that cost has been driven down through attrition. Ms. Visalli mentioned that unpopular cuts were proposed in January, and proposing further cuts will be extremely challenging.

In response to a series of questions from Mr. Horthy about federally-funded employees, Ms. Visalli said that very few federal employees have been picked up in her tenure. Mr. Cook added that the Clearinghouse committee that evaluates grants on the federal side always makes sure that employees understand that there will be no state support once the federal grant is over. Ms. Visalli added that, depending on the situation, an employee can find employment with the state after the federal government discontinues its funding.

Mr. Swayze asked whether the recent attention to the state's Abandoned Property program has led to an increase in the demand for refunds. Mr. Gregor answered that demand has not increased but the state has become better at reuniting owners with their properties. He added that the Department of Finance used to process roughly 3,000 to 3,500 claims a year in the past, but is now processing over 1,000 claims per month.

In response to another question from Mr. Swayze, Mr. Gregor said that the state no longer assesses interest on late payments, as such assessments have been taken out of the Statute. Mr. Bullock reiterated that the biggest challenge to the Abandoned Property program has to do the long-term risks to escheat revenue due to the loss of one-time security amounts.

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 \$349.5 million in March to \$351.0 million. Mr. Motyl indicated that the estimate for Operations/Capital Outlay has been raised by \$1.5 million, since the original budget of \$10.0 million for the Storm account has been exceeded.

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

Federal Capital Expenditure: There was no change from the March estimate of to \$299.6 million.

GARVEE – US301 Capital Expenditure: There was no change from the March estimate of to \$8.2 million.

A motion was made, seconded, and approved to accept \$818.3 million as the FY 2015 TTF expenditure estimate. The estimate represents an increase of \$1.5 million from March'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 March estimate of \$178.4 million.

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

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

Other Transportation Revenue: There was no change from the March 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 is unchanged from March.

FY 2016 Estimates:

The following changes were made from the March estimate.

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

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

Division of Motor Vehicles: There was no change from the March estimate of

\$177.8 million.

Other Transportation Revenue: There was no change from the March 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 is unchanged from the March estimate. (See Table 5.)

Other Business:

Mr. Martin announced the next scheduled DEFAC meeting dates:

- May 18, 2015
- June 15, 2015

Structural Revenue Review: Mr. Martin said that the Structural Revenue Review Advisory Council intends to have a report that will be ready for the Governor and the General Assembly on May 1st. Ms. Davis Burnham asked whether the report can be received by e-mail. Mr. Cook answers that it will be sent to DEFAC members. Mr. Martin reminded DEFAC members that they are welcome to attend the meetings of the Structural Revenue Review Advisory Council. The next meeting is tentatively scheduled for May 1st.

There being no further business, Mr. Martin adjourned the meeting at 3:54 p.m.

Respectfully submitted,

Arsene Aka

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2015 (\$ in millions)

Salaries	FY2010		FY2011		FY2012		FY2013		FY2014		Sep		Dec		Mar		Apr		Difference 15 vs. '14	% change 15 vs. 14	FY2015 YTD (actual 02/28/15)	% spent FY2015 YTD	% of forecast FY2015 total	% of FY2014 total	% of FY2013 total	% of FY2012 total	% of FY2011 total	
	Actual	Forecast																										
	1154.7	1200.1	330.9	365.4	379.5	379.0	379.0	379.0	396.0	396.0	400.2	400.2	400.2	400.2	400.2	400.2	400.2	400.2	33.4	2.6%	999.6	34.2%	35.1%	34.4%	35.1%	35.6%	36.7%	
Fringe Benefits	218.9	253.0	218.9	253.0	260.6	261.7	261.7	261.7	279.1	279.1	281.1	281.1	281.1	281.1	281.1	281.1	281.1	281.1	4.2	1.1%	301.3	10.3%	10.5%	10.4%	10.4%	10.6%	11.2%	
Health Care	112.0	112.4	112.0	112.4	118.9	117.3	117.3	116.9	116.9	116.9	119.1	119.1	119.1	119.1	119.1	119.1	119.1	119.1	2.0	0.7%	211.8	7.3%	7.4%	7.4%	7.2%	7.3%	7.7%	
Other	196.7	222.2	196.7	222.2	252.9	271.9	271.9	285.8	285.8	286.2	286.2	286.2	286.2	286.2	286.2	286.2	286.2	286.2	2.2	1.9%	89.5	3.1%	3.1%	3.1%	3.2%	3.3%	3.4%	
Pension	174.3	169.5	174.3	169.5	144.4	144.8	144.8	158.0	158.0	164.0	164.0	164.0	164.0	164.0	164.0	164.0	164.0	164.0	6.0	3.8%	145.6	5.0%	4.3%	4.2%	4.0%	4.0%	5.2%	
Debt Service	276.6	327.3	276.6	327.3	364.0	372.8	372.8	379.6	379.6	365.0	365.0	365.0	365.0	365.0	365.0	365.0	365.0	365.0	(14.6)	-3.8%	293.2	10.0%	9.6%	10.0%	10.2%	10.1%	10.0%	
Grants	428.6	466.2	428.6	466.2	637.3	637.0	637.0	661.8	661.8	664.9	664.9	664.9	664.9	664.9	664.9	664.9	664.9	664.9	3.1	0.5%	510.3	17.5%	17.4%	17.4%	17.4%	17.7%	14.3%	
Medicaid	435.7	434.5	435.7	434.5	455.1	484.0	484.0	517.3	517.3	507.0	507.0	507.0	507.0	507.0	510.0	515.0	515.0	515.0	(2.3)	-0.4%	387.2	13.3%	13.5%	13.6%	13.2%	12.7%	13.3%	
Contractual Services	58.9	59.1	58.9	59.1	65.5	63.7	63.7	69.9	69.9	68.0	68.0	68.0	68.0	68.0	69.0	69.0	69.0	69.0	(0.9)	-1.3%	53.1	1.8%	1.8%	1.8%	1.7%	1.8%	1.8%	
Supplies & Materials	20.1	26.4	20.1	26.4	16.3	19.6	19.6	18.8	18.8	17.0	17.0	17.0	17.0	17.0	16.0	15.0	15.0	15.0	(3.8)	-20.2%	8.9	0.3%	0.4%	0.5%	0.5%	0.5%	0.8%	
Capital Outlay	3,076.5	3,270.7	3,076.5	3,270.7	3,592.4	3,658.5	3,658.5	3,784.0	3,784.0	3,807.5	3,807.5	3,807.5	3,807.5	3,807.5	3,815.5	3,819.5	3,819.5	3,819.5	25.5	0.7%	2,918.7	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
FY Budgetary Expenditures																												

Comments:

Table 2: DEFAC General Fund Revenue Worksheet

Revenue Category	FY 2014	FY 2015					FY 2016				
	A Actual Collections	B DEFAC Mar-14	C % B over A	D DEFAC Apr-15	E % D over A	F \$ Increase D over B	G DEFAC Mar-14	H % G over B	I DEFAC Apr-15	J % I over D	K \$ Increase I over G
Personal Income Tax	1,385.0	1,430.2	3.3%	1,426.2	3.0%	(4.0)	1,498.4	4.8%	1,494.2	4.8%	(4.2)
Less: Refunds	(197.3)	(209.8)	6.3%	(205.0)	3.9%	4.8	(223.4)	6.5%	(218.3)	6.5%	5.1
PIT Less Refunds	1,187.7	1,220.4	2.8%	1,221.2	2.8%	0.8	1,275.0	4.5%	1,275.9	4.5%	0.9
Franchise Tax	625.6	668.5	6.9%	674.8	7.9%	6.3	675.2	1.0%	681.5	1.0%	6.3
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	910.6	10.9%	916.9	11.6%	6.3	929.4	2.1%	935.7	2.1%	6.3
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	901.6	10.7%	907.9	11.5%	6.3	919.4	2.0%	925.7	2.0%	6.3
Business Entity Fees	96.0	102.3	6.6%	102.8	7.1%	0.5	106.4	4.0%	106.9	4.0%	0.5
Uniform Commercial Code	17.2	17.5	2.0%	17.7	3.2%	0.2	17.7	1.1%	17.9	1.1%	0.2
Corporation Income Tax	175.5	262.0	49.3%	262.0	49.3%	0.0	210.0	-19.8%	210.0	-19.8%	0.0
Less: Refunds	(73.5)	(39.0)	-46.9%	(39.0)	-46.9%	0.0	(46.2)	18.5%	(53.0)	35.9%	(6.8)
CIT Less Refunds	102.0	223.0	118.6%	223.0	118.6%	0.0	163.8	-26.5%	157.0	-29.6%	(6.8)
Bank Franchise Tax	102.7	92.6	-9.8%	92.6	-9.8%	0.0	88.9	-4.0%	88.9	-4.0%	0.0
Gross Receipts Tax	226.5	224.9	-0.7%	217.9	-3.8%	(7.0)	233.4	3.8%	226.2	3.8%	(7.2)
Lottery	214.6	203.7	-5.1%	203.1	-5.3%	(0.6)	204.8	0.5%	204.2	0.5%	(0.6)
Abandoned Property	474.9	529.0	11.4%	529.0	11.4%	0.0	514.0	-2.8%	514.0	-2.8%	0.0
Hospital Board and Treatment	48.9	45.4	-7.2%	45.4	-7.2%	0.0	44.4	-2.2%	44.4	-2.2%	0.0
Dividends and Interest	2.8	8.5	198.7%	2.6	-8.6%	(5.9)	6.5	-23.5%	5.0	92.3%	(1.5)
Realty Transfer Tax	60.3	72.2	19.6%	73.2	21.3%	1.0	64.0	-11.4%	64.9	-11.3%	0.9
Estate Tax	1.3	4.0	214.3%	6.0	371.5%	2.0	4.0	0.0%	4.0	-33.3%	0.0
Insurance Taxes	53.0	54.5	2.9%	52.8	-0.3%	(1.7)	53.5	-1.8%	53.5	1.3%	0.0
Public Utility Tax	47.4	49.5	4.3%	48.0	1.2%	(1.5)	47.4	-4.2%	46.0	-4.2%	(1.4)
Cigarette Taxes	114.7	105.5	-8.0%	105.5	-8.0%	0.0	103.4	-2.0%	103.4	-2.0%	0.0
Other Revenues	88.4	115.6	30.7%	119.0	34.6%	3.4	96.4	-16.6%	95.5	-19.7%	(0.9)
Less: Other Refunds	(80.4)	(81.7)	1.6%	(86.7)	7.9%	(5.0)	(64.9)	-20.6%	(69.9)	-19.4%	(5.0)
Net Receipts	3,572.7	3,888.5	8.8%	3,881.0	8.6%	(7.5)	3,878.1	-0.3%	3,863.5	-0.5%	(14.6)

Adj Growth Rate

3.25%2.00%

Table 2: DEFAC General Fund Revenue Worksheet

Revenue Category	FY 2017					P \$ Increase N over L
	L DEFAC Mar-14	M % L over G	N DEFAC Apr-15	O % N over I		
Personal Income Tax	1,573.4	5.0%	1,569.0	5.0%	(4.4)	
Less: Refunds	(234.6)	5.0%	(229.2)	5.0%	5.4	
PIT Less Refunds	1,338.8	5.0%	1,339.8	5.0%	1.0	
Franchise Tax	675.2	0.0%	681.5	0.0%	6.3	
Limited Partnerships & LLC's	267.0	5.0%	267.0	5.0%	0.0	
Subtotal Franchise + LP/LLC	942.2	1.4%	948.5	1.4%	6.3	
Less: Refunds	(10.0)	0.0%	(10.0)	0.0%	0.0	
Net Franchise + LP/LLC	932.2	1.4%	938.5	1.4%	6.3	
Business Entity Fees	110.7	4.0%	111.2	4.0%	0.5	
Uniform Commercial Code	18.0	1.7%	18.2	1.7%	0.2	
Corporation Income Tax	202.9	-3.4%	202.9	-3.4%	0.0	
Less: Refunds	(42.6)	-7.8%	(42.6)	-19.6%	0.0	
CIT Less Refunds	160.3	-2.1%	160.3	2.1%	0.0	
Bank Franchise Tax	87.9	-1.1%	87.9	-1.1%	0.0	
Gross Receipts Tax	242.3	3.8%	234.8	3.8%	(7.5)	
Lottery	206.4	0.8%	205.8	0.8%	(0.6)	
Abandoned Property	475.0	-7.6%	400.0	-22.2%	(75.0)	
Hospital Board and Treatment	44.8	0.9%	44.8	0.9%	0.0	
Dividends and Interest	11.0	69.2%	11.0	120.0%	0.0	
Realty Transfer Tax	67.2	5.0%	68.2	5.1%	1.0	
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	49.1	3.6%	47.6	3.5%	(1.5)	
Cigarette Taxes	101.3	-2.0%	101.3	-2.0%	0.0	
Other Revenues	105.7	9.6%	104.8	9.7%	(0.9)	
Less: Other Refunds	(64.9)	0.0%	(69.9)	0.0%	(5.0)	
Net Receipts	3,944.4	1.7%	3,862.9	0.0%	(81.5)	

Adj Growth Rate

4.75%

Table 3. Balance and Appropriations Worksheet

FY 2015 EXPENDITURES		FY 2015 BALANCES		FY 2016 APPROPRIATION LIMITS	
Total Spending Authority	\$4,073.5	Total Expenditures	\$3,819.5	FY 2016 Revenue Estimate	\$3,863.5
Less: Continuing Appropriations & Encumbrances from FY 2015	(\$219.0)	vs. FY 2015 Revenues	3,881.0	Unencumbered Cash Balance from FY 15	\$44.4
Less: Reversions	<u>(\$35.0)</u>	Operating Balance	61.5	100% Appropriation Limit	\$3,907.9
Total Expenditures	\$3,819.5	Prior Year Cash Balance	<u>\$414.4</u>	98% Appropriation Limit	<u>\$3,829.6</u>
		Cumulative Cash Balance	475.9	Prior 98% Appropriation Limit	\$3,851.3
		Less: Continuing Appropriations & Encumbrances from FY 2015	(219.0)	Increase (Decrease) from Prior Meeting	(\$21.7)
		Less: Budgetary Reserve Account	<u>(\$212.5)</u>	Sept. 2014 98% Appropriation Limit	\$3,887.0
		Unencumbered Cash Balance 6/30	\$44.4	Increase (Decrease) from September 2014	(\$57.4)

Table 4.

Delaware Department of Transportation											
FY 2015 Expenditures, Through March 31, 2015											
	FY2013 Actual	FY2014 Actual	FY2015 Appropriation	SEPTEMBER FY2015 Forecast	DECEMBER FY2015 Forecast	MARCH FY2015 Forecast	APRIL FY2015 Forecast	\$ Difference	\$ Difference Forecast V. FY14 Actual	FY2015 YTD Spend	75% % spent YTD
Operations											
Debt Service	123.5	112.3	109.4	107.5	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	86.0	0.0	(0.4)	82.5	73%
Operations/Capital Outlay	56.9	66.1	67.8	67.8	67.8	70.4	71.9	1.5	5.8	55.8	78%
Transit Operations (DTC)	83.0	83.9	84.5	84.5	84.5	85.6	85.6	0.0	1.7	64.5	75%
Total Expenditures - Operations	349.9	348.7	348.5	346.6	346.6	349.5	351.0	1.5	2.3	290.3	83%
Capital (State)			<u>CIP Spend</u>								
Road System	134.6	92.6	100.4	100.4	100.4	100.4	100.4	0.0	7.8	56.4	56%
Grants & Allocations	20.9	17.7	21.8	21.8	21.8	21.8	21.8	0.0	4.1	16.6	76%
Support Systems	27.0	47.2	25.3	25.3	25.3	25.3	25.3	0.0	(21.9)	14.8	58%
Transit	5.5	13.6	12.0	12.0	12.0	12.0	12.0	0.0	(1.6)	4.4	37%
Total Expenditures- State Capital	188.0	171.1	159.5	159.5	159.5	159.5	159.5	0.0	(11.6)	92.2	58%
Capital (Federal)			<u>CIP Spend</u>								
Federal Capital	214.5	201.3	329.6	329.6	329.6	299.6	299.6	0.0	98.3	179.2	60%
Capital (GARVEE)			<u>CIP Spend</u>								
GARVEE - US301	26.9	7.0	23.2	23.2	23.2	8.2	8.2	0.0	1.2	6.1	74%
Total Expenditures - Capital	429.4	379.4	512.3	512.3	512.3	467.3	467.3	0.0	87.9	277.5	59%
TOTAL EXPENDITURES	779.3	728.1	860.8	858.9	858.9	816.8	818.3	1.5	90.2	567.8	69%

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION									
Transportation Trust Fund Revenues									
	FY 13	FY 14	% Chg.	Fiscal 2015			Fiscal 2016		
				3/16/2014 Approved	4/20/2015 Recomm	% Chg. FY 14	3/16/2014 Approved	4/20/2015 Recomm	% Chg. FY 15
<u>TOLL ROAD REVENUES:</u>									
I95 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	<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%	\$178.4	\$178.4	4.9%	\$180.6	\$180.6	1.2%
<u>MOTOR FUEL TAX ADMIN.</u>									
	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%	\$93.3	\$93.3	10.0%	\$96.1	\$96.1	3.0%
Motor Vehicle Registration Fees	47.6	49.2	3.0%	\$52.0	\$52.0	5.6%	\$53.5	\$53.5	2.9%
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%	\$172.7	\$172.7	7.7%	\$177.8	\$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)	<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%	\$484.7	\$484.7	5.1%	\$491.2	\$491.2	1.3%

(\$0.0)

(\$0.0)