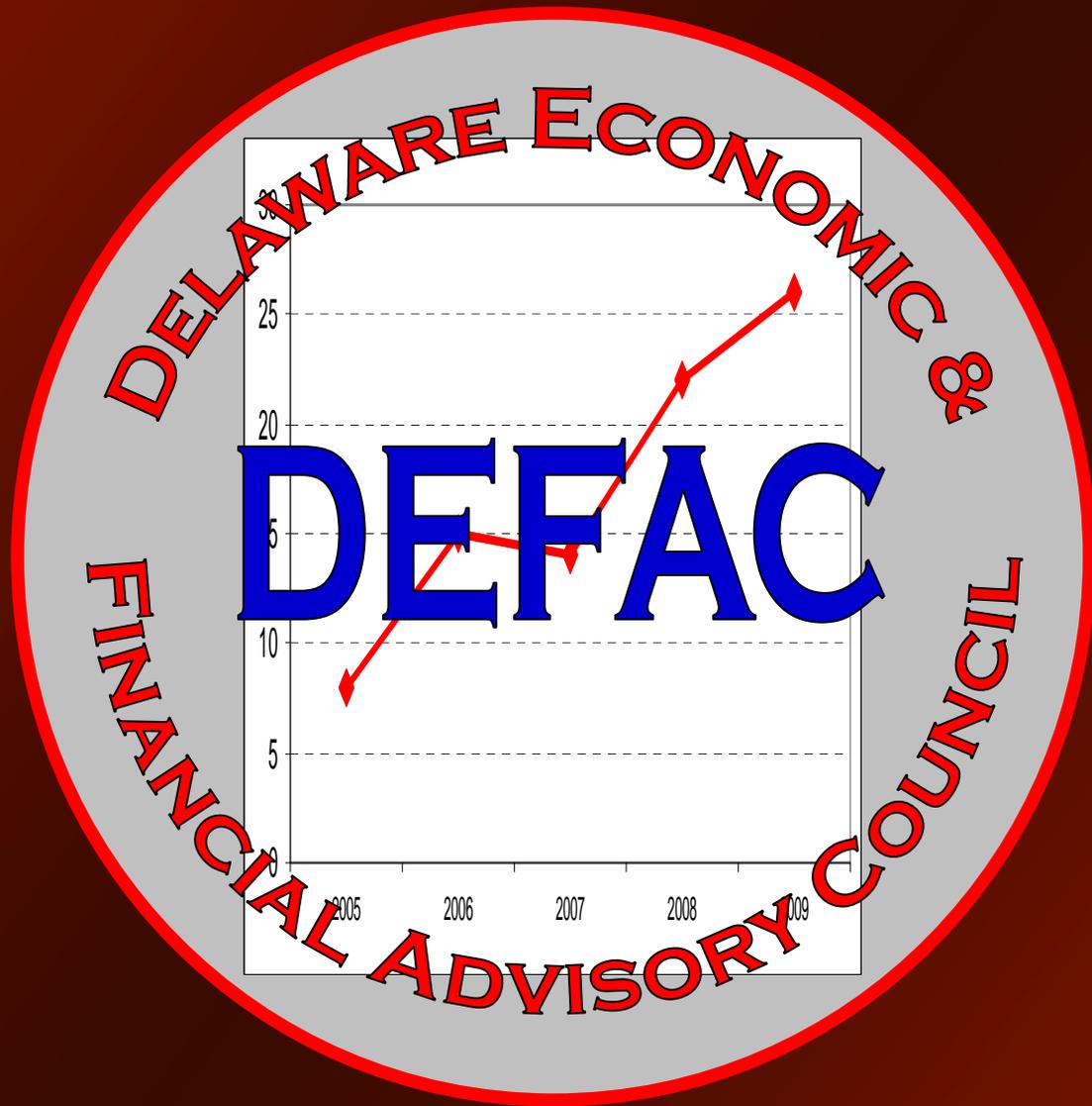


ANNUAL REPORT



FY 2008

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Purpose

The purpose of DEFAC 's FY 2008 Annual Report is to provide its members and other interested parties with a review of the analyses and events that were instrumental in the preparation of the Council's estimates. By summarizing the previous year's estimates, the report provides context for the development of estimates throughout FY 2008. Additionally, the report shows how well DEFAC performed in FY 2008, given the evolution of economic conditions and forecasts over the course of the year.

Overview

FY 2008 revenues were 1.7% less than the Revenue Resolution, the amount upon which the budget is based. It was the first year since 2001 that actual General Fund revenue collections failed to exceed the Revenue Resolution. (See table below.)

Revenue Forecasts vs. Actual Collections
(\$ Millions)

Fiscal Year	Revenue Resolution	Actual Collections	Actual minus Resolution	Percent Difference
2001	2,343.4	2,329.0	-14.4	-0.6%
2002	2,364.5	2,425.7	+61.2	+2.6%
2003	2,364.8	2,436.4	+71.6	+3.0%
2004	2,514.0	2,735.5	+221.5	+8.8%
2005	2,765.1	2,877.6	+112.5	+4.1%
2006(1)	3,008.3	3,169.9	+161.6	+5.4%
2007	3,276.7	3,290.2	+13.5	+0.4%
2008	3,414.1	3,356.7	-57.4	-1.7%

(1) The FY 2006 Revenue Resolution figure is adjusted for legislation passed in January 2006.

The variances highlighted in the table above cannot be attributed to legislative changes. The Revenue Resolutions already include the results of legislative changes. In most years, the difference between actual collections and the amount of the Revenue Resolution is a good indicator of DEFAC's forecasting accuracy.

For a complete chronological overview of the FY 2008's legislative changes and forecasting updates, see Table 1 on page A-1. For a summary of DEFAC's FY 2008 and 2009 forecast accuracy, see Table 2 on page A-2.

FY 2008 Economic Forecasts

FY 2008 saw the economy slow dramatically. Housing, credit markets and energy prices all contributed to an economic performance that may ultimately be classified as a recession. Most important, Delaware job growth essentially ceased, registering a very modest 0.2% gain over FY 2007. For a complete chronological overview of the FY 2008's economic forecasts, see Table 3 on page A-3.

FY 2008 General Fund Revenue Forecasts

The impact of June 2007's legislative changes on FY 2008 revenue estimates is found in Table 4 on page A-4.

Actual net revenues were \$3,356.7 million, \$57.4 million or 1.7% below the Revenue Resolution. Together, collections in the personal income, bank franchise income, cigarette, and realty transfer taxes fell short of their aggregate estimate by nearly \$110 million.

Table 5 on page A-5 contains of a comprehensive history of the estimates as they evolved over the course of FY 2008.

Actual FY 2008 net General Fund collections exceeded FY 2007 collections by 2.0%.

FY 2009 Economic Forecasts

FY 2009's outlook calls for tepid growth as the economy struggles to gain momentum after FY 2008's slowdown. Nationally, for example, Global Insight forecasts real GDP growth of just 0.7%. In Delaware, too, FY 2009 is expected to be marked by a weakness, with the forecast calling for no growth in employment. Over the course of FY 2008, the economic outlook for FY 2009 was revised downward for most key indicators. For a complete chronological overview of the FY 2009 economic forecasts, see Table 6 on page A-6.

FY 2009 General Fund Revenue Forecasts

The impact of the June 2007's legislative changes on FY 2009 revenue estimates is found in Table 7 on page A-7.

After the legislative changes to its FY 2009 estimates, DEFAC, over the course of FY 2008, cut \$271.0 million or 7.6% from its estimates. Generally speaking, these downward adjustments to the FY 2009 revenue forecast reflect the weak economic outlook for FY 2009 discussed above.

Table 8 on page A-8 contains of a comprehensive history of the FY 2009 estimates as they evolved over the course of FY 2008.

FY 2008 General Fund Expenditure Forecasts

The first FY 2008 expenditure estimate was prepared in December 2007. DEAC adopted an estimate of \$3,454.0 million.

Actual spending was \$3,421.6 million, a decrease of \$34.2 million from the original estimate.

The amount of money reverted to the General Fund was \$90.6 million, \$80.6 million more than the \$10.0 million forecast in December 2007. Most of the increase in reversions is due to budget cuts in response to FY 2008's economic slowdown.

Continuing appropriations and encumbrances were originally pegged at \$283.0 million in December 2007. The actual amount ended up at \$234.8 million, a decrease of \$48.2 million. This represents a 17.0% decrease vs. December 2007's \$283.0 million estimate.

Actual FY 2008 expenditures were 0.9% more than FY 2007 expenditures.

Table 9 on page A-9 contains of a comprehensive history of the FY 2008 General Fund expenditure estimates as they evolved over the course of the year.

Progression of FY 2009 Appropriation Limit Estimates

The first estimate for the FY 2009 appropriation limit was developed in December 2007 and stood at \$3,501.4 million. Actual FY 2009 appropriations were \$3,491.5 million, \$9.9 million or 0.3% less than the December 2007 estimate. It should be noted that prior to the adoption of the FY 2009 budget a tax and revenue package with a FY 2009 impact of \$144.1 million was adopted.

Chart 1 on page A-10 contains of a comprehensive history of the FY 2009 General Fund appropriation limit estimates as they evolved over the course of the year.

General Fund Budgets: FY 2004 – FY 2009

Total FY 2009 appropriations increased 2.4% vs. FY 2008. The FY 2008 operating budget, at \$3,362.9 million, grew 2.4%. Supplemental appropriations grew 7.1% to \$83.4 million. Grants, at \$45.2 million, were 5.2% lower than FY 2007. A special fund known as the "K-12 School Construction Prioritization Fund" was created and is slated to receive up to \$75 million in abandoned property receipts.

A history from FY 2004 – FY 2009 of General Fund budgets is available in Table 10 on page A-11.

Transportation Trust Fund

FY 2008 Revenue Estimates

FY 2008 Transportation Trust Fund (TTF) revenues were originally estimated at \$392.8 million in June 2007. A revenue package, which was passed subsequent to this estimate's adoption, added \$57.1 million – making the base estimate against which actual collections should be compared \$449.9 million. Actual revenues were \$433.1 million, \$16.8 million or 0.8% below the base estimate. Table 11 on page A-12 contains of a comprehensive history of the FY 2008 TTF estimates as they evolved over the course of the year.

Actual FY 2008 net TTF collections exceeded FY 2007 collections by 9.6%.

FY 2009 Revenue Estimates

FY 2009 TTF revenues were originally estimated at \$400.5 million in June 2007. A revenue package, which was passed subsequent to this estimate's adoption, added \$88.6 million – making the base estimate (against which DEFAC's most recent forecast should be compared) \$489.1 million. As of June 2008, revenues were pegged at \$468.8 million, a decrease of \$20.3 million or 4.2%. Table 12 on page A-13 contains a comprehensive history of the FY 2009 TTF estimates as they evolved over the course of the year.

FY 2008 Expenditure Estimates

FY 2008 TTF expenditures were originally estimated at \$764.7 million in December 2007. Actual expenditures were \$727.7 million, \$36.0 million or 4.7% below the original estimate. Table 13 on page A-14 contains a comprehensive history of the FY 2008 TTF expenditure estimates as they evolved over the course of the year.

FY 2008 TTF expenditures were \$90.7 million or 14.2% more than FY 2007 expenditures.

Attendance

The FY 2008 attendance records are available in Table 14 on page A-15.

Table 1.

FY 2008 General Fund Revenue Forecast & Legislative Overview

(Millions)

	FY 2008		FY 2009	Two-Year Total
June 2007 DEFAC Estimate	\$ 3,365.4		\$ 3,511.3	
Revenue Resolution (June 2007)	48.7		66.2	
Adjusted June 2007 DEFAC Forecast (Starting point for review DEFAC estimates made in FY 2008.)	3,414.1		3,577.5	
DEFAC Changes				
September-07	(24.1)		(24.5)	(48.6)
December-07	(12.3)		(28.9)	(41.2)
March-08	(125.9)		(200.5)	(326.4)
April-08	(34.6)		(12.7)	(47.3)
May-08	78.5		(0.5)	78.0
June-08	70.4		(3.9)	66.5
Total DEFAC Changes vs. Revenue Resolution	<u>(48.0)</u>		<u>(271.0)</u>	(319.0)
June 2008 DEFAC Estimate	3,366.1		3,306.5	
Actual FY 2008 Net General Fund Revenues	3,356.7		NA	
June 2007 DEFAC Estimate	<u>3,365.4</u>		<u>3,511.3</u>	
Difference from June 2007 Estimate	<u>\$ (8.7)</u>		<u>\$ (204.8)</u>	<u>\$ (213.5)</u>
Reconciliation: Amount of Difference Due to:				
Revenue Resolution (June 2007)	\$ 48.7		\$ 66.2	\$ 114.9
Total DEFAC Changes	(48.0)		(271.0)	(319.0)
FY 2008 Actual vs. June 2008 Estimate	<u>(9.4)</u>		<u>-</u>	<u>(9.4)</u>
Difference from June 2007 Estimate	<u>\$ (8.7)</u>		<u>\$ (204.8)</u>	<u>\$ (213.5)</u>

Table 2.

DEFAC General Fund Revenue Forecast Accuracy

(Millions)

FY 2008

Adjusted June 2007 DEFAC Forecast (Starting point for review of FY 2008 DEFAC estimates made in FY 2008.)	\$ 3,414.1
Actual FY 2008 Net General Fund Revenues	<u>3,356.7</u>
Difference	\$ (57.4)
Percent Difference	-1.7%

FY 2009

Adjusted June 2007 DEFAC Forecast (Starting point for review of FY 2009 DEFAC estimates made in FY 2008.)	\$ 3,577.5
June 2008 DEFAC Estimate for FY 2009	<u>3,306.5</u>
Difference	\$ (271.0)
Percent Difference	-7.6%

Table 3.

FY 2008 Economic Indicators

(Annual Percentage Growth vs FY 2007; Except Ten-Year T-Bond, which is annual interest rate.)

Indicator	FY 2008 Forecast as of:					Increase (Decrease)
	June 2007	September 2007	December 2007	March 2008	June 2008	
Real GDP	2.4	2.1	2.3	2.2	2.4	0.0
U.S. Employment	1.1	1.0	1.0	0.7	0.7	(0.4)
U.S. Personal Income	5.7	5.8	5.5	5.4	5.7	0.0
Real Consumer Expenditures	2.7	2.5	2.1	2.1	2.3	(0.4)
Consumer Price Index	1.9	2.3	2.9	3.5	3.7	1.8
Ten-Year T-Bond Rate	5.1	4.6	4.1	4.0	4.1	(1.0)
S&P 500	9.4	5.0	4.9	1.2	2.2	(7.2)
Crude Oil Prices	(1.2)	15.1	26.0	41.9	52.1	53.3
Delaware Employment	0.9	0.8	0.6	0.4	0.2	(0.7)
Delaware Income	4.7	5.4	4.7	5.3	5.8	1.1

Table 4.

DEFAC ESTIMATES OF FY 2008 GENERAL FUND REVENUES:

Impact of Legislative and Other Changes

(\$ millions)

Revenue Category	June 2007	FY 2008 Legislative Changes	FY 2008 Revenue Resolution
Personal Income Tax	1,227.5		1,227.5
Less: Refunds	<u>(172.3)</u>		<u>(172.3)</u>
PIT Less Refunds	1,055.2		1,055.2
Franchise Tax	554.1		554.1
Limited Partnerships & LLC's	<u>107.0</u>		<u>107.0</u>
Subtotal Franchise + LP/LLC	661.1		661.1
Less: Refunds	<u>(12.0)</u>		<u>(12.0)</u>
Net Franchise + LP/LLC	649.1		649.1
Business Entity Fees	66.8		66.8
Uniform Commercial Code	13.2		13.2
Corporation Income Tax	190.8		190.8
Less: Refunds	<u>(35.0)</u>		<u>(35.0)</u>
CIT Less Refunds	155.8		155.8
Bank Franchise Tax	154.8		154.8
Gross Receipts Tax	170.0		170.0
Lottery	262.8		262.8
Abandoned Property	369.0		369.0
Hospital Board and Treatment	71.0		71.0
Dividends and Interest	26.7		26.7
Realty Transfer Tax	89.5		89.5
Estate Tax	0.0		0.0
Insurance Taxes	77.1		77.1
Public Utility Tax	48.3		48.3
Cigarette Taxes	88.4	48.7	137.1
Other Revenues	89.3		89.3
Less: Other Refunds	<u>(21.6)</u>		<u>(21.6)</u>
Net Receipts	3,365.4		3,414.1

Table 5.

DEFAC ESTIMATES OF FY 2008 GENERAL FUND REVENUES
(\$ millions)

Revenue Category	Revenue Resolution	September 2007	December 2007	March 2008	April 2008	May 2008	June 2008	Actual	Actual vs Corrected Resolution	
									Increase (Decrease)	% Ch from Rev. Resolution
Personal Income Tax	1,227.5	1,218.2	1,210.2	1,183.0	1,183.0	1,202.5	1,201.5	1,198.8	(28.7)	-2.3%
Less: Refunds	<u>(172.3)</u>	<u>(175.5)</u>	<u>(177.0)</u>	<u>(180.0)</u>	<u>(185.0)</u>	<u>(185.0)</u>	<u>(191.0)</u>	<u>(191.9)</u>	<u>(19.6)</u>	<u>11.4%</u>
PIT Less Refunds	1,055.2	1,042.7	1,033.2	1,003.0	998.0	1,017.5	1,010.5	1,006.9	(48.3)	-4.6%
Franchise Tax	554.1	562.7	567.4	567.4	567.4	567.4	566.7	566.3	12.2	2.2%
Limited Partnerships & LLC's	<u>107.0</u>	<u>107.6</u>	<u>107.6</u>	<u>105.9</u>	<u>105.9</u>	<u>105.9</u>	<u>108.0</u>	<u>107.6</u>	<u>0.6</u>	<u>0.5%</u>
Subtotal Franchise + LP/LLC	661.1	670.3	675.0	673.3	673.3	673.3	674.7	673.9	12.8	1.9%
Less: Refunds	<u>(12.0)</u>	<u>(12.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(10.0)</u>	<u>(9.0)</u>	<u>(8.7)</u>	<u>3.3</u>	<u>-27.3%</u>
Net Franchise + LP/LLC	649.1	658.3	664.0	662.3	662.3	663.3	665.7	665.1	16.0	2.5%
Business Entity Fees	66.8	68.4	69.9	64.6	62.5	62.5	63.5	63.4	(3.4)	-5.1%
Uniform Commercial Code	13.2	14.3	14.3	14.3	14.0	14.0	13.6	13.6	0.4	3.1%
Corporation Income Tax	190.8	178.8	185.8	160.0	155.0	163.0	226.3	227.8	37.0	19.4%
Less: Refunds	<u>(35.0)</u>	<u>(35.0)</u>	<u>(40.0)</u>	<u>(50.0)</u>	<u>(50.0)</u>	<u>(50.0)</u>	<u>(50.0)</u>	<u>(49.3)</u>	<u>(14.3)</u>	<u>40.9%</u>
CIT Less Refunds	155.8	143.8	145.8	110.0	105.0	113.0	176.3	178.5	22.7	14.6%
Bank Franchise Tax	154.8	146.4	143.9	120.5	120.5	131.0	130.3	129.7	(25.1)	-16.2%
Gross Receipts Tax	170.0	163.0	158.0	158.0	158.0	160.0	163.1	162.1	(7.9)	-4.6%
Lottery	262.8	262.8	257.0	257.0	257.0	257.0	254.0	252.5	(10.3)	-3.9%
Abandoned Property	369.0	369.0	369.0	369.0	340.0	364.0	374.0	375.6	6.6	1.8%
Hospital Board and Treatment	71.0	71.0	71.5	71.5	71.1	70.6	71.2	71.3	0.3	0.4%
Dividends and Interest	26.7	26.8	25.3	28.3	28.3	30.1	32.9	32.9	6.2	23.4%
Realty Transfer Tax	89.5	84.1	84.1	82.6	80.6	79.0	78.0	76.0	(13.5)	-15.1%
Estate Tax	0.0	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	NA
Insurance Taxes	77.1	85.1	90.1	88.3	88.3	88.3	85.3	80.8	3.7	4.8%
Public Utility Tax	48.3	48.3	47.5	47.8	47.8	47.8	48.0	48.1	(0.2)	-0.4%
Cigarette Taxes	137.1	137.1	133.0	125.0	125.0	125.0	124.0	125.3	(11.8)	-8.6%
Other Revenues	89.3	91.4	90.6	91.7	101.4	115.7	118.8	116.3	27.0	30.3%
Less: Other Refunds	(21.6)	(22.6)	(19.6)	(42.3)	(42.8)	(43.3)	(43.4)	(41.9)	(20.3)	93.8%
Net Receipts	3,414.1	3,390.0	3,377.7	3,251.8	3,217.2	3,295.7	3,366.1	3,356.7	(57.4)	-1.7%

Table 6.

FY 2009 Economic Indicators

(Annual Percentage Growth vs FY 2008; Except Ten-Year T-Bond, which is annual interest rate.)

Indicator	FY 2009 Forecast as of:					Increase (Decrease)
	June 2007	September 2007	December 2007	March 2008	June 2008	
Real GDP	3.1	2.3	2.2	1.2	0.7	(2.4)
U.S. Employment	1.3	0.9	1.0	0.1	(0.2)	(1.5)
U.S. Personal Income	5.5	4.7	4.6	3.7	3.5	(2.0)
Real Consumer Expenditures	3.0	2.5	2.2	1.5	0.8	(2.2)
Consumer Price Index	1.8	1.7	1.5	2.1	4.4	2.6
Ten-Year T-Bond Rate	5.4	4.8	4.1	3.5	3.8	(1.6)
S&P 500	5.6	6.3	4.8	1.4	(0.6)	(6.2)
Crude Oil Prices	(3.3)	0.0	(7.5)	(7.7)	30.7	34.0
Delaware Employment	0.9	0.7	0.5	0.0	0.0	(0.9)
Delaware Income	5.3	4.8	4.1	3.6	3.7	(1.6)

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Table 7.

DEFAC ESTIMATES OF FY 2009 GENERAL FUND REVENUES
Impact of Legislative Changes
(\$ millions)

Revenue Category	June 2007	FY 2009 Legislative Changes	Adjusted June-07 Estimate
Personal Income Tax	1,300.4		1,300.4
Less: Refunds	<u>(180.9)</u>		<u>(180.9)</u>
PIT Less Refunds	1,119.5		1,119.5
Franchise Tax	570.7		570.7
Limited Partnerships & LLC's	<u>119.8</u>		<u>119.8</u>
Subtotal Franchise + LP/LLC	690.5		690.5
Less: Refunds	<u>(11.0)</u>		<u>(11.0)</u>
Net Franchise + LP/LLC	679.5		679.5
Business Entity Fees	69.5		69.5
Uniform Commercial Code	12.2		12.2
Corporation Income Tax	186.0		186.0
Less: Refunds	<u>(35.0)</u>		<u>(35.0)</u>
CIT Less Refunds	151.0		151.0
Bank Franchise Tax	156.9		156.9
Gross Receipts Tax	181.1		181.1
Lottery	270.5		270.5
Abandoned Property	380.0		380.0
Hospital Board and Treatment	78.0		78.0
Dividends and Interest	27.3		27.3
Realty Transfer Tax	93.0		93.0
Estate Tax	0.0		0.0
Insurance Taxes	82.2		82.2
Public Utility Tax	50.7		50.7
Cigarette Taxes	90.3	66.2	156.5
Other Revenues	92.5		92.5
Less: Other Refunds	<u>(22.9)</u>		<u>(22.9)</u>
Net Receipts	3,511.3		3,577.5

Table 8.

DEFAC ESTIMATES OF FY 2009 GENERAL FUND REVENUES
(\$ millions)

Revenue Category	Adjusted Jun-07 Estimate	September 2007	December 2007	March 2008	April 2008	May 2008	June 2008	June 2008 vs June 2007	
								Increase (Decrease)	Percent Change
Personal Income Tax	1,300.4	1,284.9	1,266.6	1,225.2	1,225.2	1,239.7	1,239.0	(61.4)	-4.7%
Less: Refunds	(180.9)	(184.3)	(185.9)	(189.0)	(194.3)	(194.3)	(200.6)	(19.7)	10.9%
PIT Less Refunds	1,119.5	1,100.6	1,080.7	1,036.2	1,030.9	1,045.4	1,038.4	(81.1)	-7.2%
Franchise Tax	570.7	585.3	590.2	561.7	561.7	561.7	561.0	(9.7)	-1.7%
Limited Partnerships & LLC's	119.8	120.6	120.6	113.9	113.9	113.9	115.3	(4.5)	-3.8%
Subtotal Franchise + LP/LLC	690.5	705.9	710.8	675.6	675.6	675.6	676.3	(14.2)	-2.1%
Less: Refunds	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(11.0)</u>	<u>(10.0)</u>	<u>(10.0)</u>	1.0	-9.1%
Net Franchise + LP/LLC	679.5	694.9	699.8	664.6	664.6	665.6	666.3	(13.2)	-1.9%
Business Entity Fees	69.5	71.2	72.7	64.6	62.5	63.4	64.5	(5.0)	-7.2%
Uniform Commercial Code	12.2	13.3	13.3	13.3	13.0	13.0	12.6	0.4	3.3%
Corporation Income Tax	186.0	174.3	176.5	133.0	128.8	131.3	136.6	(49.4)	-26.6%
Less: Refunds	<u>(35.0)</u>	<u>(35.0)</u>	<u>(40.0)</u>	<u>(45.0)</u>	<u>(45.0)</u>	<u>(45.0)</u>	<u>(45.0)</u>	<u>(10.0)</u>	<u>28.6%</u>
CIT Less Refunds	151.0	139.3	136.5	88.0	83.8	86.3	91.6	(59.4)	-39.3%
Bank Franchise Tax	156.9	152.7	159.7	128.2	128.2	147.2	145.2	(11.7)	-7.5%
Gross Receipts Tax	181.1	171.2	164.8	163.2	163.2	165.3	166.7	(14.4)	-8.0%
Lottery	270.5	270.5	264.5	264.5	264.5	262.0	258.1	(12.4)	-4.6%
Abandoned Property	380.0	380.0	380.0	380.0	380.0	340.0	348.0	(32.0)	-8.4%
Hospital Board and Treatment	78.0	79.5	80.1	79.5	79.7	79.5	80.0	2.0	2.6%
Dividends and Interest	27.3	27.4	25.9	18.9	18.9	18.9	18.9	(8.4)	-30.8%
Realty Transfer Tax	93.0	84.1	82.0	76.4	74.6	73.1	72.2	(20.8)	-22.4%
Estate Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Insurance Taxes	82.2	89.9	95.1	92.4	92.4	92.4	89.2	7.0	8.5%
Public Utility Tax	50.7	50.7	49.9	49.5	49.5	49.5	49.7	(1.0)	-2.0%
Cigarette Taxes	156.5	156.5	151.8	137.5	137.5	137.5	132.1	(24.4)	-15.6%
Other Revenues	92.5	94.6	93.7	93.2	95.0	93.7	95.4	2.9	3.1%
Less: Other Refunds	(22.9)	(23.4)	(26.4)	(26.4)	(27.4)	(22.4)	(22.4)	0.5	-2.2%
Net Receipts	3,577.5	3,553.0	3,524.1	3,323.6	3,310.9	3,310.4	3,306.5	(271.0)	-7.6%

Table 9.

FY 2008 General Fund Expenditure Estimates

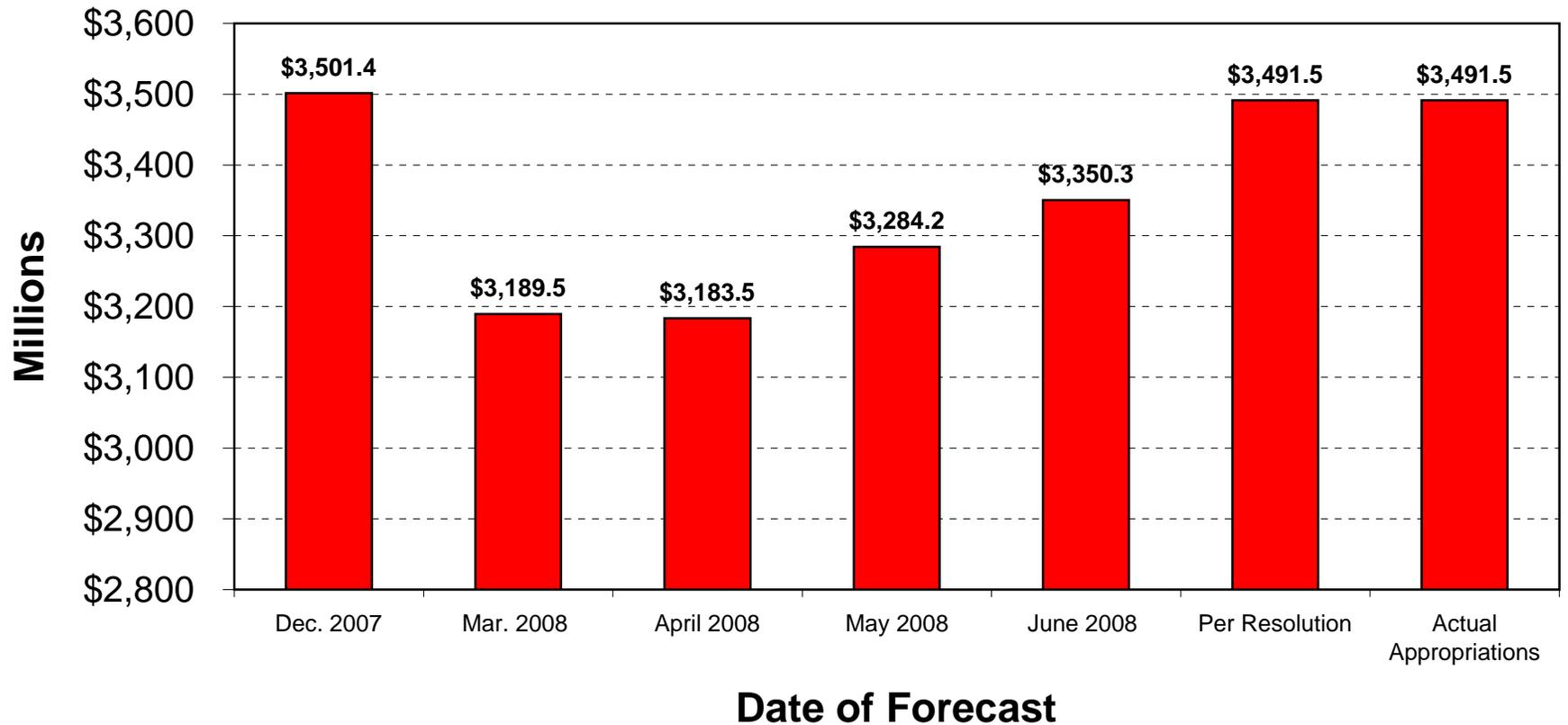
Components of Expenditure Estimates (1)	Estimated as of December-07	Estimated as of March-08	Estimated April-08	Estimated as of May-08	Estimated as of June-08	Actual Actual	\$ Ch vs. Dec.	% Ch vs. Dec.
FY 2008 Appropriations	3,411.2	3,411.2	3,411.2	3,411.2	3,411.2	3,411.2	-	0.0%
Continuing Appropriations and Encumbrances from Prior Years	335.8	335.8	335.8	335.8	335.8	335.8	-	0.0%
	3,747.0	3,747.0	3,747.0	3,747.0	3,747.0	3,747.0	-	0.0%
Less: Continuing Appropriations and Encumbrances from FY 2008	(283.0)	(284.9)	(268.1)	(248.9)	(245.3)	(234.8)	48.2	-17.0%
Less: Reversions	(10.0)	(18.0)	(59.3)	(84.0)	(85.0)	(90.6)	(80.6)	806.0%
Expenditures	3,454.0	3,444.1	3,419.6	3,414.1	3,416.7	3,421.6	(32.4)	-0.9%

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(1) Total FY 2008 expenditures of \$3,421.6 million were 0.9% higher than FY 2007.

Chart 1.

FY 2009 Appropriation Limits Approved by DEFAC (during FY 2008)



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Note: The Revenue Resolution included \$144.1 million in revenue increases that were adopted subsequent to the June 2008, DEFAC meeting. In addition to the \$144.1 million added to the General Fund, up to \$75 million in anticipated abandoned property revenues are designated for a special fund known as the "K-12 School Construction Prioritization Fund."

Table 10.

General Fund Budget Appropriations

Budget Element	FY 2004	FY 2005	FY05 / 04	FY 2006	FY06 / 05	FY 2007	FY 07 / 06
Operating Budget	2,445.1	2,600.4	6.4%	2,836.0	9.1%	3,101.9	9.4%
Grant-in-Aid	38.4	40.0	4.1%	42.4	6.0%	50.0	17.9%
Supplemental	166.9	285.0	70.8%	329.6	15.6%	243.3	-26.2%
Total Appropriations	2,650.4	2,925.4	10.4%	3,208.0	9.7%	3,395.2	5.8%

Budget Element	FY 2008	FY 08 / 08	FY 2009	FY 09 / 08
Operating Budget	3,285.6	5.9%	3,362.9	2.4%
Grant-in-Aid	47.7	-4.6%	45.2	-5.2%
Supplemental	77.9	-68.0%	83.4	7.1%
Total Appropriations	3,411.2	0.5%	3,491.5	2.4%

Table 11.

**DELAWARE DEPARTMENT OF TRANSPORTATION
FY 2008 Transportation Trust Fund Revenue Estimates**

Revenue Category	June-07	TTF	Adjusted	Sep-07	Dec-07	March-08	April-08	May-08	June-08	Actual	Actual Collections vs. Adjusted Base	
	DEFAC Estimate	Revenue Package	Base Estimate	DEFAC Estimate	DEFAC Estimate	DEFAC Estimate	DEFAC Estimate	DEFAC Estimate	DEFAC Estimate	FY 2008 Revenues	Increase (Decrease)	Percent Change
<u>TOLL ROAD REVENUES:</u>												
I95 Newark Plaza	\$96.0	\$19.7	\$115.7	\$115.7	\$115.7	\$115.7	\$115.7	\$115.7	\$115.7	\$115.4	(\$0.3)	-0.3%
Route 1 Toll Road	\$33.7	\$9.1	\$42.8	\$42.8	\$40.7	\$40.7	\$40.7	\$40.7	\$40.7	\$40.5	(\$2.3)	-5.4%
Concessions	<u>\$2.7</u>	<u>\$0.0</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.5</u>	<u>\$2.5</u>	<u>(\$0.2)</u>	<u>-7.4%</u>
Total Toll Road Revenues	\$132.4	\$28.8	\$161.2	\$161.2	\$159.1	\$159.1	\$159.1	\$159.1	\$158.9	\$158.4	(\$2.8)	-1.7%
<u>MOTOR FUEL TAX ADMIN.</u>	\$122.4	\$0.0	\$122.4	\$122.4	\$126.0	\$124.0	\$124.0	\$124.0	\$123.5	\$122.9	\$0.5	0.4%
<u>DIVISION OF MOTOR VEHICLES</u>												
Motor Vehicle Document Fees	\$64.1	\$8.7	\$72.8	\$72.8	\$68.0	\$65.2	\$65.2	\$65.2	\$64.8	\$64.6	(\$8.2)	-11.3%
Motor Vehicle Registration Fees	\$32.1	\$15.5	\$47.6	\$47.6	\$44.4	\$43.1	\$41.9	\$41.9	\$41.9	\$41.3	(\$6.3)	-13.2%
Other DMV Revenues	<u>\$21.1</u>	<u>\$4.1</u>	<u>\$25.2</u>	<u>\$25.2</u>	<u>\$25.2</u>	<u>\$24.1</u>	<u>\$24.1</u>	<u>\$24.1</u>	<u>\$24.1</u>	<u>\$23.6</u>	<u>(\$1.6)</u>	<u>-6.3%</u>
Total DMV Revenues	<u>\$117.3</u>	<u>\$28.3</u>	<u>\$145.6</u>	<u>\$145.6</u>	<u>\$137.6</u>	<u>\$132.4</u>	<u>\$131.2</u>	<u>\$131.2</u>	<u>\$130.8</u>	<u>\$129.5</u>	<u>(\$16.1)</u>	<u>-11.1%</u>
<u>OTHER TRANSPORTATION REV.</u>												
Other Transportation Rev	\$10.2	\$0.0	\$10.2	\$10.2	\$10.2	\$10.2	\$10.2	\$10.2	\$10.2	\$11.5	\$1.3	12.7%
Investment Income(Net)	<u>\$10.5</u>	<u>\$0.0</u>	<u>\$10.5</u>	<u>\$10.5</u>	<u>\$13.1</u>	<u>\$13.1</u>	<u>\$12.5</u>	<u>\$12.5</u>	<u>\$12.0</u>	<u>\$10.8</u>	<u>\$0.3</u>	<u>2.9%</u>
Total Other Transp. Revenue	<u>\$20.7</u>	<u>\$0.0</u>	<u>\$20.7</u>	<u>\$20.7</u>	<u>\$23.3</u>	<u>\$23.3</u>	<u>\$22.7</u>	<u>\$22.7</u>	<u>\$22.2</u>	<u>\$22.3</u>	<u>\$1.6</u>	<u>7.7%</u>
GRAND TOTAL	<u>\$392.8</u>	<u>\$57.1</u>	<u>\$449.9</u>	<u>\$449.9</u>	<u>\$446.0</u>	<u>\$438.8</u>	<u>\$437.0</u>	<u>\$437.0</u>	<u>\$435.4</u>	<u>\$433.1</u>	<u>(\$16.8)</u>	<u>-3.7%</u>

Totals may not add due to rounding

Table 12.

**DELAWARE DEPARTMENT OF TRANSPORTATION
FY 2009 Transportation Trust Fund Revenue Estimates**

Revenue Category	June-07	TTF	Adjusted	Sep-07	Dec-07	March-08	April-08	May-08	June-08	Actual Collections vs. Adjusted Base	
	DEFAC Estimate	Revenue Package	Base Estimate	DEFAC Estimate	DEFAC Estimate	DEFAC Estimate	DEFAC Estimate	DEFAC Estimate	DEFAC Estimate	Increase (Decrease)	Percent Change
<u>TOLL ROAD REVENUES:</u>											
I95 Newark Plaza	\$97.8	\$27.6	\$125.4	\$125.4	\$125.4	\$125.4	\$125.4	\$125.4	\$125.4	\$0.0	0.0%
Route 1 Toll Road	\$35.0	\$13.7	\$48.7	\$48.7	\$46.3	\$46.3	\$46.3	\$46.3	\$46.3	(\$2.4)	-4.9%
Concessions	<u>\$2.7</u>	<u>\$0.0</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.7</u>	<u>\$2.6</u>	<u>(\$0.1)</u>	<u>-3.7%</u>
Total Toll Road Revenues	\$135.5	\$41.3	\$176.8	\$176.8	\$174.4	\$174.4	\$174.4	\$174.4	\$174.3	(\$2.5)	-1.4%
<u>MOTOR FUEL TAX ADMIN.</u>											
	\$124.8	\$0.0	\$124.8	\$124.8	\$128.5	\$126.5	\$126.5	\$126.5	\$124.7	(\$0.1)	-0.1%
<u>DIVISION OF MOTOR VEHICLES</u>											
Motor Vehicle Document Fees	\$66.0	\$20.9	\$86.9	\$86.9	\$81.2	\$77.9	\$77.9	\$77.9	\$75.9	(\$11.0)	-12.7%
Motor Vehicle Registration Fees	\$33.1	\$21.3	\$54.4	\$54.4	\$50.7	\$49.2	\$47.9	\$47.9	\$47.9	(\$6.5)	-11.9%
Other DMV Revenues	<u>\$21.7</u>	<u>\$5.1</u>	<u>\$26.8</u>	<u>\$26.8</u>	<u>\$26.8</u>	<u>\$25.6</u>	<u>\$25.6</u>	<u>\$25.6</u>	<u>\$25.6</u>	<u>(\$1.2)</u>	<u>-4.5%</u>
Total DMV Revenues	\$120.8	\$47.3	\$168.1	\$168.1	\$158.7	\$152.7	\$151.4	\$151.4	\$149.4	(\$18.7)	-11.1%
<u>OTHER TRANSPORTATION REV.</u>											
Other Transportation Rev	\$10.4	\$0.0	\$10.4	\$10.4	\$10.4	\$10.4	\$10.4	\$10.4	\$10.4	\$0.0	0.0%
Investment Income(Net)	<u>\$9.0</u>	<u>\$0.0</u>	<u>\$9.0</u>	<u>\$9.0</u>	<u>\$10.0</u>	<u>\$10.0</u>	<u>\$10.0</u>	<u>\$10.0</u>	<u>\$10.0</u>	<u>\$1.0</u>	<u>11.1%</u>
Total Other Transp. Revenue	\$19.4	\$0.0	\$19.4	\$19.4	\$20.4	\$20.4	\$20.4	\$20.4	\$20.4	\$1.0	5.2%
GRAND TOTAL	<u>\$400.5</u>	<u>\$88.6</u>	<u>\$489.1</u>	<u>\$489.1</u>	<u>\$482.0</u>	<u>\$474.0</u>	<u>\$472.7</u>	<u>\$472.7</u>	<u>\$468.8</u>	<u>(\$20.3)</u>	<u>-4.2%</u>

Totals may not add due to rounding

Table 13.

Delaware Department of Transportation
FY 2008 Expenditure Estimates
(\$ in millions)

	December FY 2008 <u>Forecast</u>	March FY 2008 <u>Forecast</u>	April FY 2008 <u>Forecast</u>	May FY 2008 <u>Forecast</u>	June FY 2008 <u>Forecast</u>	FY 2008 <u>Actual</u>	\$ difference Actual vs. December	% difference Actual vs. December
Operations								
Debt Service	123.5	119.4	119.4	119.4	119.2	119.2	(4.3)	-3.5%
Personnel Costs	95.9	95.9	95.9	95.9	95.9	93.7	(2.2)	-2.3%
Operations/Capital Outlay	53.1	53.1	53.1	53.1	53.1	53.6	0.5	0.9%
Transit Operations (DTC)	<u>85.8</u>	<u>85.8</u>	<u>85.8</u>	<u>85.8</u>	<u>85.8</u>	<u>85.8</u>	0.0	0.0%
Total Expenditures - Operations	358.3	354.2	354.2	354.2	354.0	352.3	(6.0)	-1.7%
Capital (State)								
Road System	144.7	135.7	130.7	130.7	135.9	145.9	1.2	0.8%
Grants & Allocations	28.1	21.1	21.1	21.1	24.9	24.2	(3.9)	-13.9%
Support Systems	45.1	43.1	33.1	33.1	37.1	41.4	(3.7)	-8.2%
Transit	<u>17.1</u>	<u>15.1</u>	<u>10.1</u>	<u>10.1</u>	<u>12.1</u>	<u>9.2</u>	(7.9)	-46.2%
Total Expenditures- State Capital	235.0	215.0	195.0	195.0	210.0	220.7	(14.3)	-6.1%
Capital (Federal)								
Road System	114.2	88.8	88.8	101.9	107.2	118.3	4.1	3.6%
Grants & Allocations	0.8	0.8	0.8	0.9	0.9	1.0	0.2	25.0%
Support Systems	17.4	17.4	17.4	17.4	17.4	15.0	(2.4)	-13.8%
Transit	<u>39.0</u>	<u>23.0</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>	<u>21.4</u>	(17.6)	-45.1%
Total Expenditures - Federal Capital	171.4	130.0	123.0	136.2	141.5	155.7	(15.7)	-9.2%
Total Expenditures - Capital	406.4	345.0	318.0	331.2	351.5	376.4	(30.0)	-7.4%
TOTAL EXPENDITURES	764.7	699.2	672.2	685.4	705.5	728.7	(36.0)	-4.7%

Table 14.

ATTENDANCE RECORDS

(For Members as of 6/30/2008)

	9/17/2007	12/17/2007	3/17/2008	4/21/2008	5/19/2008	6/16/2008	Total
1 H. Beckler	Y	N	Y	Y	Y	N	4 / 6
2 J. Bullock	N	Y	Y	Y	Y	Y	5 / 6
3 R. Byrd	N	Y	Y	Y	Y	Y	5 / 6
4 J. Casey	NA	NA	NA	NA	NA	Y	1 / 1
5 J. M. Cherry	N	N	Y	Y	N	Y	3 / 6
6 N. Cook	Y	Y	Y	Y	N	N	4 / 6
7 R. Cordrey	Y	Y	Y	Y	Y	Y	6 / 6
8 J. W. Davis	Y	Y	Y	Y	N	N	4 / 6
9 L. Davis-Burnham	Y	Y	Y	Y	Y	Y	6 / 6
10 R. Davis	Y	Y	Y	N	Y	Y	5 / 6
11 R. Derrickson	Y	Y	Y	N	N	Y	4 / 6
12 J. DiPinto	N	Y	N	Y	Y	Y	4 / 6
13 F. Dixon	Y	Y	N	Y	Y	Y	5 / 6
14 B. Fasy	N	Y	N	Y	N	Y	3 / 6
15 R. Gilligan	N	N	Y	Y	Y	N	3 / 6
16 R. Glen	Y	Y	Y	Y	Y	Y	6 / 6
17 J. Horty	N	Y	Y	Y	Y	Y	5 / 6
18 D. Hudson	N	N	N	Y	N	N	1 / 6
19 R. Larson	Y	N	Y	Y	N	N	3 / 6
20 K. Lewis	Y	Y	Y	Y	Y	Y	6 / 6
21 D. Link	N	N	N	Y	N	Y	2 / 6
22 A. Lubin	Y	Y	Y	Y	Y	Y	6 / 6
23 J. Markell	Y	Y	Y	Y	Y	Y	6 / 6
24 C. Morgan	N	Y	Y	Y	Y	Y	5 / 6
25 W. Obrele	NA	NA	NA	NA	NA	N	0 / 1
26 E. Ratledge	Y	Y	Y	Y	Y	Y	6 / 6
27 G. Simpson	Y	Y	Y	Y	Y	Y	6 / 6
28 T. Shopa	Y	Y	Y	Y	Y	Y	6 / 6
29 H. Smith-Windsor	N	N	Y	Y	N	N	2 / 6
30 D. Swayze	Y	Y	Y	Y	Y	Y	6 / 6
31 C. Wicks	N	Y	Y	Y	Y	Y	5 / 6

Y = Present at Meeting; N = Not Present