

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

**Buena Vista – May 15, 2006**

**Attendance:**

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

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

**Members in Attendance: 23**  
**Members Absent: 8**

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

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

The minutes from the April meeting were approved as submitted.

**Expenditure Subcommittee:**

Ms. Davis Burnham presented the Expenditure Subcommittee's report. She noted that the final format of the \$20.0 million Christina School district loan was not known on Friday at the time of the Expenditure Subcommittee meeting. She stated that it would be addressed at the June meeting. She also noted that an additional \$2.0 million energy supplemental was not included in this month's forecast but will also be recognized in June.

Total FY2006 spending authority is \$3,507.3 million, a 10.8% increase from FY2005's \$3,165.6 million.

A motion was made, seconded and approved to accept \$3,225.2 million as the expenditure estimate for FY2006. This represents a decrease of \$16.0 million from the April meeting. (See Tables 1a and 1b.) This represents an increase of 14.3% over FY2005's expenditures.

**Revenue Subcommittee:**

Mr. Lewis presented the Revenue Subcommittee's report.

**Economic Outlook**

Mr. Craig reviewed Global Insight's May economic forecast for the U.S. He noted that the forecast was largely unchanged from the April forecast. A slight slowdown is expected in FY2007 as a result of higher interest rates, higher energy costs, a cooling housing market and slower consumer spending. Business investment and exports are expected to be positive contributors to economic growth.

Mr. Dixon concurred with the outlook, although he noted that the slowdown hasn't arrived yet as the most recent economic reports remain strong.

**General Fund Revenues - Fiscal Year 2006:**

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

Revenue Category	Apr-06	May-06	Change
Personal Income Tax	1,144.0	1,164.7	20.7
CIT Refunds	(32.5)	(24.0)	8.5
Bank Franchise Tax	138.7	133.4	(5.3)
Franchise Tax	523.3	528.4	5.1
Abandoned Property	310.0	315.0	5.0
Corporation Income Tax	185.0	180.5	(4.5)
Franchise Tax Refunds	(17.0)	(13.0)	4.0
Realty Transfer Tax	117.5	115.0	(2.5)
Gross Receipts Tax	175.0	177.0	2.0
Cigarette Taxes	89.0	87.0	(2.0)
Dividends and Interest	15.5	14.0	(1.5)
Lottery	245.8	246.8	1.0
Other Refunds	(24.2)	(23.2)	1.0
Public Utility Tax	40.0	39.2	(0.8)
Limited Partnerships & LLC's	74.5	75.0	0.5
Hospital Board and Treatment	58.1	58.5	0.4
Estate Tax	4.5	4.8	0.3

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

**Discussion of FY 2006 Estimates:**

**Personal Income Tax:** Mr. Lewis stated that there has been tremendous tracking strength in Final Payments, which is growing at nearly 25%. This strength is also being experienced at the federal level and in other states. Mr. Gregor reported that the likely source of these large payments is capital gains, business income and passive income. There is also tracking strength in Withholding payments. The adjusted growth rate is 12.9%

**Corporate Income Tax:** Mr. Lewis stated that, due to reduction in the amount and shift in the timing of refund payments, this category is tracking upward.

**Bank Franchise Tax:** Mr. Lewis stated that \$5.0 million was shifted into FY2007.

**Realty Transfer Tax:** Mr. Lewis noted that tracking continues to slow down and explains the estimate decrease.

Updates in other categories were attributed to tracking changes.

Mr. Lewis noted that the Subcommittee had an excellent discussion and the consensus was that the strong economy will continue into next fiscal year.

#### **FY2006 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,159.7 million as the revenue estimate for FY 2006.

The estimate represents an increase of \$31.9 million from DEFAC's April's estimate. Mr. Lewis noted that the nominal growth rate is 9.8% and that the adjusted growth rate is 9.7%.

#### **General Fund Revenues - Fiscal Year 2007:**

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

<b>Revenue Category</b>	<b>Apr-06</b>	<b>May-06</b>	<b>Change</b>
Personal Income Tax	1,189.5	1,225.3	35.8
Abandoned Property	300.0	315.0	15.0
Franchise Tax	544.3	554.8	10.5
Gross Receipts Tax	155.7	161.1	5.4
Bank Franchise Tax	144.6	148.8	4.2
Franchise Tax Refunds	(17.0)	(13.0)	4.0
Limited Partnerships & LLC's	83.4	86.3	2.9
CIT Refunds	(32.5)	(35.0)	(2.5)
Corporation Income Tax	194.4	196.7	2.3
Dividends and Interest	17.6	16.1	(1.5)
Lottery	256.7	258.2	1.5
Insurance Taxes	67.7	69.0	1.3
Other Revenues	88.4	89.6	1.2
Corporate Fees	65.4	65.9	0.5
Hospital Board and Treatment	60.6	61.0	0.4

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

#### **Discussion of FY2007 Estimates:**

**Personal Income Tax:** Mr. Lewis stated that in addition to carrying the increases made in the FY2006 estimate, the net growth rate was raised from 3.3% to 4.7%. The adjusted growth rate is 8.0%.

**Franchise Tax:** Mr. Lewis stated that in addition to carrying the increases made in the FY2006 estimate, the growth rate was raised from 4.0% to 5.0%.

**Gross Receipts Tax:** Mr. Lewis stated that in addition to carrying the increases made in the FY2006 estimate, the growth rate was increased by 2.0%.

**Lottery:** Mr. Lewis stated that in addition to carrying the increases made in the FY2006 estimate, the growth rate was increased by 0.2%.

**Abandoned Property:** Mr. Lewis stated that in addition to carrying the increase made in the FY2006 estimate, it was decided not to have any drop off in this category.

Mr. Lewis reported that growth rates in virtually every category were increased from the April level.

Mr. Lewis noted that the adjusted General Fund growth rate was raised from 4.9% in April to 6.1%. This reflected the Subcommittee's perspective that the strong current economy will continue into FY2007.

Mr. Dixon noted that there was still a larger drop off in the adjusted revenue growth rate than there is in the broad economic indicators.

#### **FY 2007 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,281.6 million as the revenue estimate for FY2007.

The estimate represents an increase of \$81.0 million from the April estimate. Mr. Lewis noted that the nominal growth rate is 3.9% and that the adjusted growth rate is 6.1%.

Mr. Lewis noted that \$332.5 million has been added since last June's Revenue Resolution.

Mr. Lewis presented the estimate for FY2008. The estimate is \$3,401.0 million.

This represents an increase of \$87.5 million from the April estimate. The adjusted growth rate is just above 5.0%.

Mr. Lewis concluded by recognizing and thanking the Revenue Subcommittee for the good work that they have done.

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

### **Transportation Trust Fund (TTF)**

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

Ms. English reported that the FY2006 Department of Transportation Debt Service and Operation Expenditures was estimated at \$343.3 million, unchanged from April's estimate. The Department of Transportation's State Capital Expenditure estimate of \$266.0 million remains the same as April's estimate. The Federal Capital Spending was reduced by \$25.0 million, to \$115.0 million. This was attributed to a decrease in federal funds for the Indian River Inlet Bridge, real estate purchases and the I-95 interchange.

A motion was made, seconded, and approved to accept \$343.3 million as the FY2006 TTF expenditure estimate. (See Tables 4.)

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

Mr. Markell asked about the effect of higher fuel prices on TTF revenues. Ms. English responded that it is an issue of concern and the forecast for Motor Fuel Tax is flat in the out year forecast. Ms. Davis raised the point that larger trucks are carrying heavier loads and making fewer trips through the toll plazas, thus decreasing revenues.

**FY2006 Estimates:**

A motion was made, seconded, and approved to accept \$380.9 million as the FY2006 revenue estimate. This represents no change from the April estimate. (See Table 5.)

Ms. English introduced the new Transportation Trust Fund Administrator, Mr. Brian Motyl.

**Other Business:**

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

- June 19, 2006
- September 18, 2006

Mr. Byrd noted that Grass Dale is the site for September's meeting. There being no further business, Mr. Byrd adjourned the meeting at 4:05.

Respectfully submitted,

James A. Craig

Table 1.a

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

	FY2003	FY2004	FY2005					FY2006
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>					<u>Appropriation</u>
Budget Act	2,392.2	2,445.1	2,600.4					2,836.0
Cash to Bond Bill	19.3	142.0	235.0					281.6
Grant-in-Aid	38.5	38.4	40.0					42.4
Continuing & Encumbered (from prior years)	216.6	173.3	240.1					327.8
Supplemental for Salary		22.3						
Supplemental for Veteran's Home		2.6						
Supplemental for Class Instruction			10.0					
Supplemental for Post Retirement			10.0					
Supplemental for Federal Contingency			10.0					
Supplemental for Market Pressure			20.0					
Supplemental for County Seat								6.5
Supplemental for Energy for Schools								5.0
Supplemental for Energy Efficiency Program								8.0
	2,666.6	2,823.7	3,165.5					3,507.3
<b><i>Fiscal Year Spending Authority</i></b>								<b>3,507.3</b>
<b><u>LESS:</u></b>								
				<i>December</i>	<i>March</i>	<i>April</i>	<i>May</i>	
Reversions to the General Fund	39.3	29.8	15.4	10.0	8.0	8.0	10.0	
Encumbered to next fiscal year	33.1	29.1	32.8	30.0	30.0	30.0	30.0	
Continuing to next fiscal year								
Operating Budget				62.9	63.4	60.6	70.4	
Bond Bill				<u>131.1</u>	<u>162.2</u>	<u>159.5</u>	<u>171.7</u>	
Total Continuing	140.2	211.0	295.0	194.0	225.6	220.1	242.1	
Subtotal	212.6	269.9	343.2	234.0	263.6	258.1	282.1	(282.1)
<b><i>Fiscal Year Budgetary Expenditures</i></b>								<b>3,225.2</b>

Table 1b.

## DEFAC Expenditures Forecast for General Fund Disbursements FY2006 (\$ in millions)

May, 2006

	FY2003	FY2004	FY2005	April FY2006	May FY2006	\$ difference May vs April	FY2006 YTD (10 mo actual)	% spent YTD
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>			
<b>Salaries</b>	966.3	971.6	1,023.1	<b>1,124.6</b>	<b>1,108.4</b>	<b>(16.2)</b>	<b>944.2</b>	<b>85.2%</b>
<b>Fringe Benefits</b>	221.2	233.3	263.2	<b>303.1</b>	<b>298.1</b>	<b>(5.0)</b>	<b>249.8</b>	<b>83.8%</b>
<b>Pension</b>	106.3	127.8	147.1	<b>182.8</b>	<b>181.5</b>	<b>(1.3)</b>	<b>157.0</b>	<b>86.5%</b>
<b>Debt Service</b>	116.2	134.3	153.5	<b>162.8</b>	<b>162.8</b>	<b>0.0</b>	<b>127.5</b>	<b>78.3%</b>
<b>Grants</b>	196.2	224.2	294.1	<b>375.0</b>	<b>380.0</b>	<b>5.0</b>	<b>350.8</b>	<b>92.3%</b>
<b>Medicaid</b>	312.9	327.2	339.1	<b>401.6</b>	<b>401.1</b>	<b>(0.5)</b>	<b>334.4</b>	<b>83.4%</b>
<b>Public Assistance Programs</b>	62.4	62.8	83.6	<b>92.4</b>	<b>96.7</b>	<b>4.3</b>	<b>68.5</b>	<b>70.8%</b>
<b>Professional Services &amp; Travel</b>	157.5	143.7	161.3	<b>177.9</b>	<b>183.2</b>	<b>5.3</b>	<b>145.2</b>	<b>79.3%</b>
<b>Contractual Services</b>	216.1	223.9	228.9	<b>258.3</b>	<b>257.9</b>	<b>(0.4)</b>	<b>223.0</b>	<b>86.5%</b>
<b>Supplies &amp; Materials</b>	57.8	62.1	66.5	<b>73.6</b>	<b>72.1</b>	<b>(1.5)</b>	<b>60.5</b>	<b>83.9%</b>
<b>Capital Outlay</b>	<u>41.2</u>	<u>42.9</u>	<u>61.9</u>	<u><b>89.1</b></u>	<u><b>83.4</b></u>	<u><b>(5.7)</b></u>	<u><b>65.8</b></u>	<u><b>78.9%</b></u>
<b>FY2006 Budgetary Expenditures</b>	2,454.1	2,553.8	2,822.3	<b>3,241.2</b>	<b>3,225.2</b>	<b>(16.0)</b>	<b>2,726.7</b>	<b>84.5%</b>

## DEFAC Worksheet

<b>May-06 DEFAC Meeting</b>		<b>FY 2005 A Actual Collections</b>	<b>FY 2006</b>					<b>FY 2007</b>				
Revenue Category	<b>B DEFAC Apr-06</b>		<b>C % B over A</b>	<b>D DEFAC May-06</b>	<b>E % D over A</b>	<b>F \$ Increase D over B</b>	<b>G DEFAC Apr-06</b>	<b>H % G over B</b>	<b>I DEFAC May-06</b>	<b>J % I over D</b>	<b>K \$ Increase I over G</b>	
1	<b>Personal Income Tax</b>	1,015.6	1,144.0	12.6%	1,164.7	14.7%	20.7	1,189.5	4.0%	1,225.3	5.2%	35.8
	<b>Less: Refunds</b>	<u>(133.2)</u>	<u>(143.5)</u>	7.8%	<u>(143.5)</u>	7.8%	<u>0.0</u>	<u>(155.8)</u>	8.6%	<u>(155.8)</u>	8.6%	<u>0.0</u>
	<b>PIT Less Refunds</b>	882.5	1,000.5	13.4%	1,021.2	15.7%	20.7	1,033.7	3.3%	1,069.5	4.7%	35.8
2	Franchise Tax	508.1	523.3	3.0%	528.4	4.0%	5.1	544.3	4.0%	554.8	5.0%	10.5
	Less: Refunds	<u>(17.1)</u>	<u>(17.0)</u>	-0.5%	<u>(13.0)</u>	-23.9%	<u>4.0</u>	<u>(17.0)</u>	0.0%	<u>(13.0)</u>	0.0%	<u>4.0</u>
	Franchise Tax Less Refunds	491.0	506.3	3.1%	515.4	5.0%	9.1	527.3	4.1%	541.8	5.1%	14.5
3	<b>Business Entity Fees</b>	57.8	62.2	7.7%	62.2	7.7%	0.0	65.4	5.1%	65.9	5.9%	0.5
4	<b>Limited Partnerships &amp; LLC's</b>	63.4	74.5	17.6%	75.0	18.4%	0.5	83.4	11.9%	86.3	15.1%	2.9
4	<b>Uniform Commercial Code</b>	13.8	14.1	2.1%	14.1	2.1%	0.0	10.2	-27.7%	10.2	-27.7%	0.0
5	Corporation Income Tax	157.0	185.0	17.8%	180.5	15.0%	(4.5)	194.4	5.1%	196.7	9.0%	2.3
	Less: Refunds	<u>(43.1)</u>	<u>(32.5)</u>	-24.6%	<u>(24.0)</u>	-44.3%	<u>8.5</u>	<u>(32.5)</u>	0.0%	<u>(35.0)</u>	45.8%	<u>(2.5)</u>
	CIT Less Refunds	113.9	152.5	33.8%	156.5	37.4%	4.0	161.9	6.2%	161.7	3.3%	(0.2)
6	<b>Bank Franchise Tax</b>	134.8	138.7	2.9%	133.4	-1.0%	(5.3)	144.6	4.3%	148.8	11.5%	4.2
7	<b>Gross Receipts Tax</b>	176.6	175.0	-0.9%	177.0	0.2%	2.0	155.7	-11.0%	161.1	-9.0%	5.4
8	<b>Lottery</b>	234.0	245.8	5.0%	246.8	5.5%	1.0	256.7	4.4%	258.2	4.6%	1.5
9	Abandoned Property	264.9	310.0	17.0%	315.0	18.9%	5.0	300.0	-3.2%	315.0	0.0%	15.0
10	Hospital Board and Treatment	54.5	58.1	6.6%	58.5	7.4%	0.4	60.6	4.3%	61.0	4.3%	0.4
11	Dividends and Interest	9.1	15.5	70.2%	14.0	53.8%	(1.5)	17.6	13.5%	16.1	15.0%	(1.5)
12	<b>Realty Transfer Tax</b>	113.6	117.5	3.5%	115.0	1.3%	(2.5)	107.9	-8.2%	107.9	-6.2%	0.0
13	<b>Estate Tax</b>	6.4	4.5	-29.8%	4.8	-25.1%	0.3	0.0	-100.0%	0.0	-100.0%	0.0
14	<b>Insurance Taxes</b>	57.0	65.1	14.3%	65.1	14.3%	0.0	67.7	4.0%	69.0	6.0%	1.3
15	Public Utility Tax	36.5	40.0	9.6%	39.2	7.4%	(0.8)	51.0	27.5%	51.0	30.1%	0.0
16	Cigarette Taxes	80.7	89.0	10.3%	87.0	7.9%	(2.0)	91.0	2.2%	91.0	4.6%	0.0
17	Other Revenues	111.8	82.7	-26.0%	82.7	-26.0%	0.0	88.4	6.9%	89.6	8.3%	1.2
18	<b>Less: Other Refunds</b>	<u>(24.5)</u>	<u>(24.2)</u>	-1.1%	<u>(23.2)</u>	-5.2%	1.0	<u>(22.5)</u>	-7.0%	<u>(22.5)</u>	-3.0%	0.0
	<b>Net Receipts</b>	2,877.6	3,127.8	8.7%	3,159.7	9.8%	31.9	3,200.6	2.3%	3,281.6	3.9%	81.0

FY 2007 Debt Limit:

\$164.1

## DEFAC Worksheet

<b>May-06 DEFAC Meeting</b>		<b>FY 2008</b>				
Revenue Category		<b>L DEFAC Apr-06</b>	<b>M % L over G</b>	<b>N DEFAC May-06</b>	<b>O % N over I</b>	<b>P \$ Increase N over L</b>
1	<b>Personal Income Tax</b>	1,263.2	6.2%	1,301.1	6.2%	37.9
	<b>Less: Refunds</b>	<u>(163.6)</u>	5.0%	<u>(163.6)</u>	5.0%	<u>0.0</u>
	<b>PIT Less Refunds</b>	1,099.6	6.4%	1,137.5	6.4%	37.9
2	Franchise Tax	565.9	4.0%	582.6	5.0%	16.7
	Less: Refunds	<u>(17.0)</u>	0.0%	<u>(13.0)</u>	0.0%	<u>4.0</u>
	Franchise Tax Less Refunds	548.9	4.1%	569.6	5.1%	20.7
3	<b>Business Entity Fees</b>	<b>68.6</b>	<b>4.9%</b>	<b>69.9</b>	<b>6.1%</b>	<b>1.3</b>
4	<b>Limited Partnerships &amp; LLC's</b>	<b>93.4</b>	<b>12.0%</b>	<b>96.6</b>	<b>11.9%</b>	<b>3.2</b>
4	<b>Uniform Commercial Code</b>	<b>10.5</b>	<b>2.9%</b>	<b>10.5</b>	<b>2.9%</b>	<b>0.0</b>
5	Corporation Income Tax	204.4	5.1%	206.8	5.1%	2.4
	Less: Refunds	<u>(32.5)</u>	0.0%	<u>(32.5)</u>	-7.1%	<u>0.0</u>
	CIT Less Refunds	171.9	6.2%	174.3	7.8%	2.4
6	<b>Bank Franchise Tax</b>	<b>146.2</b>	<b>1.1%</b>	<b>145.4</b>	<b>-2.3%</b>	<b>(0.8)</b>
7	<b>Gross Receipts Tax</b>	<b>165.1</b>	<b>6.0%</b>	<b>170.7</b>	<b>6.0%</b>	<b>5.6</b>
8	<b>Lottery</b>	<b>238.1</b>	<b>-7.2%</b>	<b>239.6</b>	<b>-7.2%</b>	<b>1.5</b>
9	Abandoned Property	300.0	0.0%	315.0	0.0%	15.0
10	Hospital Board and Treatment	63.3	4.5%	63.7	4.4%	0.4
11	Dividends and Interest	18.7	6.2%	17.1	6.2%	(1.6)
12	<b>Realty Transfer Tax</b>	<b>107.9</b>	<b>0.0%</b>	<b>107.9</b>	<b>0.0%</b>	<b>0.0</b>
13	<b>Estate Tax</b>	<b>0.0</b>	<b>NA</b>	<b>0.0</b>	<b>NA</b>	<b>0.0</b>
14	<b>Insurance Taxes</b>	<b>71.1</b>	<b>5.0%</b>	<b>72.5</b>	<b>5.1%</b>	<b>1.4</b>
15	Public Utility Tax	52.5	2.9%	52.5	2.9%	0.0
16	Cigarette Taxes	93.0	2.2%	93.0	2.2%	0.0
17	Other Revenues	87.1	-1.5%	87.6	-2.2%	0.5
18	<b>Less: Other Refunds</b>	<b><u>(22.4)</u></b>	<b>-0.4%</b>	<b><u>(22.4)</u></b>	<b>-0.4%</b>	<b>0.0</b>
	<b>Net Receipts</b>	<b>3,313.5</b>	<b>3.5%</b>	<b>3,401.0</b>	<b>3.6%</b>	<b>87.5</b>

Table 3.

## Balance and Appropriations Worksheet

FY 2006 EXPENDITURES		FY 2006 BALANCES		FY 2007 APPROPRIATION LIMITS	
Total Spending Authority	\$3,507.3	Total Expenditures	\$3,225.2	FY 2007 Revenue Estimate	\$3,281.6
Less: Continuing Appropriations & Encumbrances from FY 2006	(\$272.1)	vs. FY 2006 Revenues	3,159.7	Unencumbered Cash Balance from FY 06	<u>\$202.6</u>
Less: Reversions	<u>(\$10.0)</u>	Operating Balance	(65.5)	100% Appropriation Limit	\$3,484.2
Total Expenditures	\$3,225.2	Prior Year Cash Balance	<u>\$701.3</u>	98% Appropriation Limit	<u>\$3,414.5</u>
		Cumulative Cash Balance	635.8	April 2006 98% Appropriation Limit	\$3,309.8
		Less: Continuing Appropriations & Encumbrances from FY 2006	(272.1)	Increase (Decrease) from Prior Meeting	\$104.7
		Less: Budgetary Reserve Account	<u>(\$161.1)</u>	Dec. 2005 98% Appropriation Limit	\$3,180.0
		Unencumbered Cash Balance 6/30	\$202.6	Increase (Decrease) from December 2005	\$234.5

Table 4.

**Delaware Department of Transportation - Operations Summary**  
**FY 2006 EXPENDITURES**  
**AT MONTH-END 4/2006**  
(\$ in millions)

	FY2003	FY2004	FY2005	April	May	\$ difference	FY2006 YTD	% spent
	Actual	Actual	Actual	FY2006	FY2006	May vs	(10 mo actual)	YTD
				Forecast	Forecast	April		
<b>Operations</b>								
Personnel Costs	58.8	69.0	74.8	87.6	87.2	(0.4)	65.9	75.6%
Operations/Capital Outlay	41.9	51.7	59.2	49.2	49.6	0.4	27.7	55.8%
Transit Operations*	<u>57.2</u>	<u>64.9</u>	<u>70.4</u>	<u>74.3</u>	<u>74.3</u>	<u>0.0</u>	<u>58.6</u>	<u>78.9%</u>
Subtotal Before Debt Service	157.9	185.6	204.4	211.1	211.1	0.0	152.2	72.1%
GF Main. & Operations Exp. Credit				(14.0)	(14.0)	0.0	(8.5)	60.7%
Debt Service	<u>84.2</u>	<u>95.0</u>	<u>99.2</u>	<u>146.2</u>	<u>146.2</u>	<u>0.0</u>	<u>61.0</u>	<u>41.7%</u>
<b>Total Expenditures-Operations</b>	242.1	280.6	303.6	<b>343.3</b>	<b>343.3</b>	<b>0.0</b>	<b>204.7</b>	<b>59.6%</b>
* Transit = DTC Subsidy + DTC Expenses								
<b>Capital</b>								
Road System	207.6	205.3	275.1	325.6	300.6	(25.0)	214.2	71.3%
Grants & Allocations	22.9	19.8	25.1	31.2	31.2	0.0	19.6	62.8%
Support Systems	51.8	55.7	66.0	37.2	37.2	0.0	21.6	58.1%
Transit	<u>14.7</u>	<u>19.7</u>	<u>24.2</u>	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>	<u>7.2</u>	<u>60.0%</u>
<b>Total Expenditures-Capital</b>	297.0	300.4	390.3	<b>406.0</b>	<b>381.0</b>	<b>(25.0)</b>	<b>262.6</b>	<b>68.9%</b>

10 months actual to full fiscal year: 83.3%

