

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

**Buena Vista – June 15, 2009**

**Attendance:**

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

<b>Member</b>	<b>Present</b>
V. Jones-Potter	Yes
R. Larson	No
A. Levin	Yes
K. Lewis	Yes
D. Link	No
A. Lubin	Yes
J. Martin	Yes
C. Morgan	Yes
W. Oberle	No
G. Pfeiffer	Yes
E. Ratledge	Yes
T. Shopa	Yes
G. Simpson	Yes
D. Swayze	Yes
A. Visalli	No
C. Wicks	Yes

**Members in Attendance: 24**

**Members Absent: 8**

**Others Present:** N. Adams, P. Carter, M. Casey, Z. Chaudhry, T. Cook, J. Craig, C. Erickson, D. Gregor, P. Jackson, R. Morris, B. Motyl, B. Scoglietti, and members of the press.

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

The minutes from the May meeting were approved as submitted.

**Expenditure Subcommittee:**

Mr. Ratledge presented the Expenditure Subcommittee's report.

Mr. Ratledge reported that on the Balance Sheet estimate, Reversions had increased from \$216.4 million in May to \$239.9 million. He noted that Salaries are essentially flat over the previous year and that Medicaid is \$68.8 million lower than FY2008. This largely reflects the \$87.0 million in stimulus payments from the federal government for Medicaid relief. Overall, FY2009 expenditures are \$128.1 million lower than FY2008 expenditures. This reflects an increase in Reversions and the federal stimulus assistance.

A motion was made, seconded and approved to accept \$3,293.6 million as the expenditure estimate for FY2009. This represents a decrease of \$22.8 million from May's estimate. (See Tables 1a and 1b.)

**Revenue Subcommittee:**

Mr. Lewis presented the Revenue Subcommittee's report. He noted that the Committee met earlier in the day and that the greatest debate centered on the Bank Franchise estimate.

**Economic Outlook**

Mr. Craig reviewed the Global Insight June macro forecast. The outlook remains little changed since the May forecast. The economy is bottoming out of the severe recession. The first quarter measure of GDP was revised upward from -6.1% to -5.7%. The current quarter is expected to contract by -2.7% and then positive growth will reappear in the second half of CY2009. May's employment report reflected the smallest job losses in 8 months. The Blue Chip Consensus of economic forecasts reported in June its first upward revision in 18 months.

Mr. Lewis stated that Mr. Dixon had attended the Subcommittee meeting and had largely concurred with the Global Insight forecast. Mr. Dixon had expressed concern about household debt levels and the dampening effect this might place on the economy going forward.

### General Fund Revenues - Fiscal Year 2009:

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

Revenue Category	May-09	Jun-09	Change
Other Revenues	118.3	126.8	8.5
Bank Franchise Tax	90.0	81.9	(8.1)
Corporation Income Tax	164.0	170.0	6.0
PIT Refunds	(198.0)	(193.0)	5.0
Gross Receipts Tax	169.0	164.0	(5.0)
Lottery	243.7	247.0	3.3
Franchise Tax	577.0	575.0	(2.0)
Other Refunds	(61.9)	(63.2)	(1.3)
Cigarette Taxes	126.0	124.7	(1.3)
Personal Income Tax	1,107.0	1,106.0	(1.0)
CIT Refunds	(35.0)	(35.7)	(0.7)
Public Utility Tax	57.0	56.3	(0.7)
Limited Partnerships & LLC's	138.1	137.6	(0.5)
Hospital Board and Treatment	76.0	76.4	0.4
Dividends and Interest	8.7	8.9	0.2

For a complete listing of FY 2009 estimates, see Table 2.

### Discussion of FY 2009 Estimates:

**Personal Income Tax:** Mr. Lewis stated that there were tracking changes made to Withholding and Estimated payments. Refunds were lowered by \$5.0 million.

**Bank Franchise Tax:** Mr. Lewis said that there was concern about this estimate at the May meeting. Subsequently, the June 1<sup>st</sup> payments were half of what had been expected. The estimate was lowered to \$81.9 million.

**Gross Receipts Tax:** Mr. Lewis noted that the decrease was attributed both to weaker tracking and the outcome of an audit being moved to FY2010.

**Other Revenue:** The increase is largely attributed to enactment of the latest mini bond bill.

Other changes were attributed to tracking adjustments.

### FY2009 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,147.0 million as the revenue estimate for FY2009.

The estimate represents an increase of \$2.8 million from DEFAC's May estimate.

### General Fund Revenues - Fiscal Year 2010:

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

Revenue Category	May-09	Jun-09	Change
Abandoned Property	330.0	350.0	20.0
Bank Franchise Tax	51.6	34.1	(17.5)
PIT Refunds	(198.0)	(181.5)	16.5
Personal Income Tax	1,103.6	1,089.8	(13.8)
Gross Receipts Tax	184.0	180.0	(4.0)
Lottery	293.7	297.6	3.9
Corporation Income Tax	94.1	97.0	2.9
Franchise Tax	502.5	504.5	2.0
Cigarette Taxes	119.4	118.2	(1.2)
Public Utility Tax	58.2	57.5	(0.7)
Other Revenues	91.7	91.2	(0.5)
Limited Partnerships & LLC's	147.7	148.2	0.5
Hospital Board and Treatment	80.7	81.1	0.4

For a complete listing of FY 2010 estimates, see Table 2.

### Discussion of FY2010 Estimates:

**Personal Income Tax:** Mr. Lewis stated that the Withholding growth rate was reduced due to the impact of the GM plant closure and the overall lower employment outlook. The estimate for Refunds was lowered by \$16.5 million. This reflected both the lower FY2009 estimate and the realization that lower Withholding and Estimated payments reduced the likelihood of high Refunds.

**Franchise Tax:** Mr. Lewis reported that there was a discussion about the growth rate forecast for this estimate. The -12.3% reflects the lags in this category as it responds to the recession and the drop in the stock market.

In response to a question from Mr. Morgan, Mr. Lewis explained that the analysis done by the Department of State in November concluded that the

response to a serious market downturn would translate to a revenue decline of 15.0% - 20.0% spread out over 12 to 18 months. Adjusting for a rate increase in FY2009, revenue is down 3.0% - 4.0% in FY2009 and forecast to fall another 12.3% in FY2010. Mr. Bulloch noted that this decline is largely attributed to an expected increase in merger and acquisition activity which reduces the number of taxpayers.

**Bank Franchise Tax:** Mr. Lewis noted that there was much debate about the growth rate for 2011. The weakness in 2010 reflects the sharp drop off in tentative payments just received June 1<sup>st</sup>. Mr. Lewis argued that if the economy is forecasted to rebound, this recovery should extend to the banking industry. The contrary argument noted that the banking industry is in turmoil, facing a structural change. Under these circumstances, it is prudent to be cautious with the estimate. Ms. Davis Burnham referred to banking as an industry with a "target on its back." Mr. Ratledge and Mr. Swayze concurred with the cautious approach, adding that higher lending costs and a more cautious consumer makes it more difficult to forecast when the banking industry will rebound.

**Gross Receipts Tax:** Mr. Lewis noted that the prospect of higher gasoline prices could provide some upside to this estimate.

**Abandoned Property:** Mr. Lewis attributed the \$20.0 million increase to the recent settlement of one case.

Mr. Lewis reported that all other changes reflected the carrying forward of changes made in FY2009.

#### **FY 2010 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$2,946.8 million as the revenue estimate for FY2010.

The estimate represents an increase of \$8.5 million from the May estimate.

Mr. Lewis stated that the FY2011 estimate is \$3,012.2 million and represents growth of 2.2%.

Ms. Davis Burnham raised a question regarding next year's reported shortfall. She stated that she did not understand how the widely cited \$800 million figure was determined. Mr. Cook responded that the combination of reduced revenues and

increased door openers leads to the \$800 million shortfall. Mr. Cook indicated that a detailed accounting of this would be prepared and sent to DEFAC members.

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

#### **FY2009 Estimates:**

Mr. Motyl stated that all categories were tracking on the estimates approved at the May meeting.

A motion was made, seconded, and approved to accept \$426.6 million as the FY2009 revenue estimate. This represents no change from the May estimate.

#### **FY2010 Estimates:**

Mr. Motyl noted that all categories were tracking on the estimates approved at the May meeting.

A motion was made, seconded, and approved to accept \$433.7 million as the FY2010 revenue estimate. This represents no change from the May estimate. (See Table 4.)

**TTF -- Expenditures:** Mr. Motyl presented the Transportation Trust Fund's expenditure forecast. The following changes were made from the May forecast.

State Capital Road System expenditures were decreased by \$28.3 million.

State Capital Grants & Allocations were decreased by \$7.0 million.

State Capital Support System expenditures were increased by \$5.8 million.

Federal Support Systems expenditures were increased by \$2.3 million.

Federal Transit expenditures were decreased by \$2.3 million.

Ms. Davis Burnham noted that the TTF recently went to the bond market and obtained the second lowest interest rate in ten years.

Mr. Davis noted that the reduction in the FY2009 expenditure estimate reflected spending that is being pushed into FY2010.

A motion was made, seconded, and approved to accept \$769.2 million as the FY2009 TTF expenditure estimate. This represents a decrease of \$29.5 million from May's estimate. (See Table 5.)

**FY2010 Debt Limit:** Mr. Gregor presented the debt limit for FY2010. A motion was made, seconded and approved to accept \$147.3 as the debt limit for FY2010.

**Other Business:**

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

- September 21, 2009
- December 21, 2009

Mr. Martin also noted that the Expenditure and Revenue Subcommittees will continue to hold their meetings on the morning of the DEFAC meeting. Further details will be forthcoming when the meeting announcements are sent out.

There being no further business, Mr. Martin wished everyone a good summer and adjourned the meeting at 3:50 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

**DEFAC Expenditures Forecast for General Fund Disbursements FY2009 (\$ in millions)**  
**June, 2009**

	FY2004	FY2005	FY2006	FY2007	FY2008							FY2009
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>							<u>Appropriation</u>
Budget Act	2,445.1	2,600.4	2,836.0	3,101.9	3,285.6							3,362.9
Cash to Bond Bill	142.0	235.0	281.6	243.3	77.9							83.4
Grant-in-Aid	38.4	40.0	42.4	50.0	47.7							45.2
Continuing & Encumbered (from prior years)	173.3	240.1	327.8	342.5	335.8							234.8
Supplementals	24.9	50.0	48.0	0.0								
<b><i>Fiscal Year Spending Authority</i></b>	<b>2,823.7</b>	<b>3,165.5</b>	<b>3,535.8</b>	<b>3,737.7</b>	<b>3,747.0</b>							<b>3,726.3</b>
<b><u>LESS:</u></b>												
						<i>Dec</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>June</i>		
Reversions to the General Fund	29.8	15.4	12.8	12.0	90.6	53.0	188.8	197.4	216.4	239.9		
Encumbered to next fiscal year	29.1	32.8	32.2	36.4	33.0	32.0	32.0	32.0	32.0	32.0		
Continuing to next fiscal year												
Operating Budget						126.2	112.8	112.5	97.3	98.8		
Bond Bill						90.3	78.0	74.0	64.2	62.0		
Total Continuing	211.0	295.0	310.3	299.4	201.8	216.5	190.8	186.5	161.5	160.8		
Subtotal	269.9	343.2	355.3	347.8	325.4	301.5	411.6	415.9	409.9	432.7		<b>(432.7)</b>
<b><i>Fiscal Year Budgetary Expenditures</i></b>	<b>2,553.8</b>	<b>2,822.3</b>	<b>3,180.5</b>	<b>3,389.9</b>	<b>3,421.6</b>							<b>3,293.6</b>
% increase/(decrease)		10.51%	12.69%	6.58%	0.94%							-3.74%

**Comments:**

1. Stimulus estimate for Medicaid reduced from \$89.9m to \$87.8m because of federal timing issue.
2. Only 11 months of Medicaid payments in 2009. \$23.9 paid in FY2010

Table 1b.

**DEFAC Expenditures Forecast for General Fund Disbursements FY2009 (\$ in millions)**  
**June, 2009**

	FY2005	FY2006	FY2007	FY2008	Dec FY2009	Mar FY2009	Apr FY2009	May FY2009	June FY2009	Difference 08 vs. '09	FY2009 YTD (10 mo actual)	% spent YTD	% of total
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>				
<b>Salaries</b>	1,023.1	1,108.3	1,167.3	1,222.9	1,229.9	1,225.4	1,224.3	1,226.9	<b>1,226.3</b>	3.4	<b>1,139.4</b>	<b>92.9%</b>	<b>37.2%</b>
<b>Fringe Benefits</b>	263.2	298.4	323.5	332.7	329.6	323.1	326.1	329.9	<b>332.0</b>	(0.7)	<b>304.6</b>	<b>91.7%</b>	<b>10.1%</b>
<b>Pension</b>	147.1	180.7	201.5	218.6	212.2	211.3	210.8	210.9	<b>211.2</b>	(7.4)	<b>197.3</b>	<b>93.4%</b>	<b>6.4%</b>
<b>Debt Service</b>	153.5	132.5	131.2	151.1	156.4	156.4	156.4	156.4	<b>156.4</b>	5.3	<b>156.4</b>	<b>100.0%</b>	<b>4.7%</b>
<b>Grants</b>	294.1	403.1	365.1	259.1	265.0	265.0	265.0	265.0	<b>265.0</b>	5.9	<b>250.6</b>	<b>94.6%</b>	<b>8.0%</b>
<b>Medicaid</b>	339.1	381.4	441.6	494.2	519.8	427.6	425.3	426.0	<b>425.4</b>	(68.8)	<b>421.4</b>	<b>99.1%</b>	<b>12.9%</b>
<b>Public Assistance Programs</b>	83.6	91.7	94.1	97.2	94.7	87.8	87.7	87.5	<b>82.8</b>	(14.4)	<b>77.8</b>	<b>94.0%</b>	<b>2.5%</b>
<b>Professional Services</b>	161.3	181.0	216.8	210.6	204.3	210.1	208.3	209.5	<b>200.9</b>	(9.7)	<b>185.9</b>	<b>92.5%</b>	<b>6.1%</b>
<b>Contractual Services</b>	228.9	252.2	289.5	296.7	295.1	291.5	290.8	290.3	<b>286.3</b>	(10.4)	<b>264.4</b>	<b>92.4%</b>	<b>8.7%</b>
<b>Supplies &amp; Materials</b>	66.5	73.6	72.1	72.1	68.1	68.2	68.1	67.7	<b>65.5</b>	(6.6)	<b>61.2</b>	<b>93.4%</b>	<b>2.0%</b>
<b>Capital Outlay</b>	<u>61.9</u>	<u>77.6</u>	<u>87.2</u>	<u>66.5</u>	<u>49.7</u>	<u>48.3</u>	<u>47.6</u>	<u>46.3</u>	<b>41.8</b>	(24.7)	<b>39.3</b>	<b>94.0%</b>	<b>1.3%</b>
<b>FY Budgetary Expenditures</b>	2,822.3	3,180.5	3,389.9	3,421.7	3,424.8	3,314.7	3,310.4	3,316.4	<b>3,293.6</b>	(128.1)	<b>3,098.3</b>	<b>94.1%</b>	<b>100.0%</b>

**Comments:**

1. Top 3 grants are: Univ of DE \$126.7m; Schools \$124.5m; DSU \$37.2m
2. Medicaid forecast reflects \$87.8m stimulus funds State share now 39.81% versus the usual 50%

## DEFAC General Fund Revenue Worksheet

<b>June-09 DEFAC Meeting</b>	<b>FY 2008 A Actual Collections</b>	<b>FY 2009</b>					<b>FY 2010</b>				
		<b>B DEFAC May-09</b>	<b>C % B over A</b>	<b>D DEFAC Jun-09</b>	<b>E % D over A</b>	<b>F \$ Increase D over B</b>	<b>G DEFAC May-09</b>	<b>H % G over B</b>	<b>I DEFAC Jun-09</b>	<b>J % I over D</b>	<b>K \$ Increase I over G</b>
Revenue Category											
<b>Personal Income Tax</b>	1,198.8	1,107.0	-7.7%	1,106.0	-7.7%	(1.0)	1,103.6	-0.3%	1,089.8	-1.5%	(13.8)
Less: Refunds	(191.9)	(198.0)	3.2%	(193.0)	0.6%	5.0	(198.0)	0.0%	(181.5)	-6.0%	16.5
<b>PIT Less Refunds</b>	<b>1,006.9</b>	<b>909.0</b>	<b>-9.7%</b>	<b>913.0</b>	<b>-9.3%</b>	<b>4.0</b>	<b>905.6</b>	<b>-0.4%</b>	<b>908.3</b>	<b>-0.5%</b>	<b>2.7</b>
Franchise Tax	566.3	577.0	1.9%	575.0	1.5%	(2.0)	502.5	-12.9%	504.5	-12.3%	2.0
Limited Partnerships & LLC's	107.6	138.1	28.4%	137.6	27.9%	(0.5)	147.7	7.0%	148.2	7.7%	0.5
Subtotal Franchise + LP/LLC	673.9	715.1	6.1%	712.6	5.7%	(2.5)	650.2	-9.1%	652.7	-8.4%	2.5
Less: Refunds	(8.7)	(7.0)	-19.7%	(7.0)	-19.7%	0.0	(12.0)	71.4%	(12.0)	71.4%	0.0
Net Franchise + LP/LLC	665.1	708.1	6.5%	705.6	6.1%	(2.5)	638.2	-9.9%	640.7	-9.2%	2.5
<b>Business Entity Fees</b>	<b>63.4</b>	<b>50.8</b>	<b>-19.9%</b>	<b>50.8</b>	<b>-19.9%</b>	<b>0.0</b>	<b>52.3</b>	<b>3.0%</b>	<b>52.3</b>	<b>3.0%</b>	<b>0.0</b>
<b>Uniform Commercial Code</b>	<b>13.6</b>	<b>11.0</b>	<b>-19.2%</b>	<b>11.0</b>	<b>-19.2%</b>	<b>0.0</b>	<b>11.3</b>	<b>2.7%</b>	<b>11.3</b>	<b>2.7%</b>	<b>0.0</b>
Corporation Income Tax	227.8	164.0	-28.0%	170.0	-25.4%	6.0	94.1	-42.6%	97.0	-42.9%	2.9
Less: Refunds	(49.3)	(35.0)	-29.0%	(35.7)	-27.6%	(0.7)	(50.0)	42.9%	(50.0)	40.1%	0.0
CIT Less Refunds	178.5	129.0	-27.7%	134.3	-24.8%	5.3	44.1	-65.8%	47.0	-65.0%	2.9
<b>Bank Franchise Tax</b>	<b>129.7</b>	<b>90.0</b>	<b>-30.6%</b>	<b>81.9</b>	<b>-36.9%</b>	<b>(8.1)</b>	<b>51.6</b>	<b>-42.7%</b>	<b>34.1</b>	<b>-58.4%</b>	<b>(17.5)</b>
<b>Gross Receipts Tax</b>	<b>162.1</b>	<b>169.0</b>	<b>4.2%</b>	<b>164.0</b>	<b>1.2%</b>	<b>(5.0)</b>	<b>184.0</b>	<b>8.9%</b>	<b>180.0</b>	<b>9.8%</b>	<b>(4.0)</b>
<b>Lottery</b>	<b>252.5</b>	<b>243.7</b>	<b>-3.5%</b>	<b>247.0</b>	<b>-2.2%</b>	<b>3.3</b>	<b>293.7</b>	<b>20.5%</b>	<b>297.6</b>	<b>20.5%</b>	<b>3.9</b>
Abandoned Property	375.6	390.4	3.9%	390.4	3.9%	0.0	330.0	-15.5%	350.0	-10.3%	20.0
Hospital Board and Treatment	71.3	76.0	6.6%	76.4	7.1%	0.4	80.7	6.2%	81.1	6.2%	0.4
Dividends and Interest	32.9	8.7	-73.6%	8.9	-73.0%	0.2	11.5	32.2%	11.5	29.2%	0.0
<b>Realty Transfer Tax</b>	<b>76.0</b>	<b>44.0</b>	<b>-42.1%</b>	<b>44.0</b>	<b>-42.1%</b>	<b>0.0</b>	<b>30.4</b>	<b>-30.9%</b>	<b>30.4</b>	<b>-30.9%</b>	<b>0.0</b>
<b>Estate Tax</b>	<b>0.3</b>	<b>0.1</b>	<b>-70.1%</b>	<b>0.1</b>	<b>-70.1%</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0%</b>	<b>0.0</b>	<b>-100.0%</b>	<b>0.0</b>
<b>Insurance Taxes</b>	<b>80.8</b>	<b>75.0</b>	<b>-7.2%</b>	<b>75.0</b>	<b>-7.2%</b>	<b>0.0</b>	<b>65.0</b>	<b>-13.3%</b>	<b>65.0</b>	<b>-13.3%</b>	<b>0.0</b>
Public Utility Tax	48.1	57.0	18.5%	56.3	17.0%	(0.7)	58.2	2.1%	57.5	2.1%	(0.7)
Cigarette Taxes	125.3	126.0	0.5%	124.7	-0.5%	(1.3)	119.4	-5.2%	118.2	-5.2%	(1.2)
Other Revenues	116.3	118.3	1.7%	126.8	9.0%	8.5	91.7	-22.5%	91.2	-28.1%	(0.5)
<b>Less: Other Refunds</b>	<b>(41.9)</b>	<b>(61.9)</b>	<b>47.9%</b>	<b>(63.2)</b>	<b>51.0%</b>	<b>(1.3)</b>	<b>(29.4)</b>	<b>-52.5%</b>	<b>(29.4)</b>	<b>-53.5%</b>	<b>0.0</b>
<b>Net Receipts</b>	<b>3,356.7</b>	<b>3,144.2</b>	<b>-6.3%</b>	<b>3,147.0</b>	<b>-6.2%</b>	<b>2.8</b>	<b>2,938.3</b>	<b>-6.5%</b>	<b>2,946.8</b>	<b>-6.4%</b>	<b>8.5</b>

FY 2010 Debt Limit:       \$147.3

## DEFAC General Fund Revenue Worksheet

<i>June-09</i> <b>DEFAC Meeting</b>	FY 2011				
	L DEFAC May-09	M % L over G	N DEFAC Jun-09	O % N over I	P \$ Increase N over L
Revenue Category					
<b>Personal Income Tax</b>	1,135.3	2.9%	1,125.5	3.3%	(9.8)
<b>Less: Refunds</b>	<u>(204.9)</u>	3.5%	<u>(181.5)</u>	0.0%	<u>23.4</u>
<b>PIT Less Refunds</b>	<b>930.4</b>	<b>2.7%</b>	<b>944.0</b>	<b>3.9%</b>	<b>13.6</b>
Franchise Tax	512.5	2.0%	514.5	2.0%	2.0
Limited Partnerships & LLC's	<u>158.1</u>	7.0%	<u>158.6</u>	7.0%	0.5
Subtotal Franchise + LP/LLC	670.6	3.1%	673.2	3.1%	2.6
Less: Refunds	<u>(12.0)</u>	0.0%	<u>(12.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	658.6	3.2%	661.2	3.2%	2.6
<b>Business Entity Fees</b>	<b>53.9</b>	<b>3.1%</b>	<b>53.9</b>	<b>3.1%</b>	<b>0.0</b>
<b>Uniform Commercial Code</b>	<b>11.6</b>	<b>2.7%</b>	<b>11.6</b>	<b>2.7%</b>	<b>0.0</b>
Corporation Income Tax	105.4	12.0%	108.6	12.0%	3.2
Less: Refunds	<u>(35.0)</u>	-30.0%	<u>(35.0)</u>	-30.0%	<u>0.0</u>
CIT Less Refunds	70.4	59.6%	73.6	56.6%	3.2
<b>Bank Franchise Tax</b>	<b>56.7</b>	<b>9.9%</b>	<b>35.8</b>	<b>5.0%</b>	<b>(20.9)</b>
<b>Gross Receipts Tax</b>	<b>190.5</b>	<b>3.5%</b>	<b>186.5</b>	<b>3.6%</b>	<b>(4.0)</b>
<b>Lottery</b>	<b>231.5</b>	<b>-21.2%</b>	<b>234.6</b>	<b>-21.2%</b>	<b>3.1</b>
Abandoned Property	365.0	10.6%	365.0	4.3%	0.0
Hospital Board and Treatment	84.1	4.2%	84.4	4.1%	0.3
Dividends and Interest	16.5	43.5%	16.5	43.5%	0.0
<b>Realty Transfer Tax</b>	<b>31.5</b>	<b>3.6%</b>	<b>31.5</b>	<b>3.6%</b>	<b>0.0</b>
<b>Estate Tax</b>	<b>0.0</b>	<b>NA</b>	<b>0.0</b>	<b>NA</b>	<b>0.0</b>
<b>Insurance Taxes</b>	<b>67.0</b>	<b>3.1%</b>	<b>67.0</b>	<b>3.1%</b>	<b>0.0</b>
Public Utility Tax	60.2	3.4%	59.5	3.5%	(0.7)
Cigarette Taxes	120.6	1.0%	119.3	0.9%	(1.3)
Other Revenues	93.7	2.2%	93.2	2.2%	(0.5)
<b>Less: Other Refunds</b>	<u>(25.4)</u>	-13.6%	<u>(25.4)</u>	-13.6%	<b>0.0</b>
<b>Net Receipts</b>	<b>3,016.8</b>	<b>2.7%</b>	<b>3,012.2</b>	<b>2.2%</b>	<b>(4.6)</b>

Table 3.

## Balance and Appropriations Worksheet

FY 2009 EXPENDITURES		FY 2009 BALANCES		FY 2010 APPROPRIATION LIMITS	
Total Spending Authority	\$3,726.3	Total Expenditures	\$3,293.6	FY 2010 Revenue Estimate	\$2,946.8
Less: Continuing Appropriations & Encumbrances from FY 2009	(\$192.8)	vs. FY 2009 Revenues	3,147.0	Unencumbered Cash Balance from FY 09	<u>\$0.2</u>
Less: Reversions	<u>(\$239.9)</u>	Operating Balance	(146.6)	100% Appropriation Limit	\$2,947.0
Total Expenditures	\$3,293.6	Prior Year Cash Balance	<u>\$526.0</u>	98% Appropriation Limit	<u>\$2,888.1</u>
		Cumulative Cash Balance	379.4	Prior 98% Appropriation Limit	\$2,854.0
		Less: Continuing Appropriations & Encumbrances from FY 2009	(192.8)	Increase (Decrease) from Prior Meeting	\$34.1
		Less: Budgetary Reserve Account	<u>(\$186.4)</u>	Dec. 2008 98% Appropriation Limit	\$2,917.2
		Unencumbered Cash Balance 6/30	\$0.2	Increase (Decrease) from December 2008	(\$29.1)

Table 4.

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

				Fiscal 2009			Fiscal 2010		
	FY 07 Actual	FY 08 Actual	% Chg. FY 07	05/18/2009 Approved	06/15/2009 Recomm	% Chg. FY 08	05/18/2009 Approved	06/15/2009 Recomm	% Chg. FY 09
<b><u>TOLL ROAD REVENUES:</u></b>									
I95 Newark Plaza	\$93.9	\$115.4	22.8%	\$121.0	<b>\$121.0</b>	4.9%	\$122.6	<b>\$122.6</b>	1.3%
Route 1 Toll Road	32.6	40.5	24.2%	\$45.1	<b>\$45.1</b>	11.3%	\$45.8	<b>\$45.8</b>	1.6%
Concessions	<u>2.8</u>	<u>2.5</u>	<u>-10.7%</u>	<u>\$2.2</u>	<b><u>\$2.2</u></b>	<u>-12.0%</u>	<u>\$2.0</u>	<b><u>\$2.0</u></b>	<u>-9.1%</u>
<b>Total Toll Road Revenues</b>	<b>129.3</b>	<b>158.4</b>	<b>22.5%</b>	<b>\$168.3</b>	<b>\$168.3</b>	<b>6.2%</b>	<b>\$170.4</b>	<b>\$170.4</b>	<b>1.2%</b>
<b><u>MOTOR FUEL TAX ADMIN.</u></b>									
	120.8	122.9	1.7%	\$120.6	<b>\$120.6</b>	-1.9%	\$123.0	<b>\$123.0</b>	2.0%
<b><u>DIVISION OF MOTOR VEHICLES</u></b>									
Motor Vehicle Document Fees	62.7	64.6	3.1%	\$56.5	<b>\$56.5</b>	-12.5%	\$57.3	<b>\$57.3</b>	1.5%
Motor Vehicle Registration Fees	31.4	41.3	31.2%	\$44.0	<b>\$44.0</b>	6.5%	\$44.6	<b>\$44.6</b>	1.5%
Other DMV Revenues	<u>20.5</u>	<u>23.6</u>	<u>15.1%</u>	<u>\$23.0</u>	<b><u>\$23.0</u></b>	<u>-2.4%</u>	<u>\$23.3</u>	<b><u>\$23.3</u></b>	<u>1.5%</u>
<b>Total DMV Revenues</b>	<b><u>114.6</u></b>	<b><u>129.5</u></b>	<b>13.0%</b>	<b><u>\$123.5</u></b>	<b><u>\$123.5</u></b>	<b>-4.6%</b>	<b><u>\$125.3</u></b>	<b><u>\$125.3</u></b>	<b>1.5%</b>
<b><u>OTHER TRANSPORTATION REV.</u></b>									
Other Transportation Rev	15.7	11.5	-26.8%	\$8.8	<b>\$8.8</b>	-23.4%	\$9.0	<b>\$9.0</b>	2.3%
Investment Income(Net)	<u>14.8</u>	<u>10.8</u>	<u>-27.1%</u>	<u>\$5.4</u>	<b><u>\$5.4</u></b>	<u>-49.8%</u>	<u>\$6.0</u>	<b><u>\$6.0</u></b>	<u>11.1%</u>
<b>Total Other Transp. Revenue</b>	<b><u>30.5</u></b>	<b><u>22.3</u></b>	<b>-26.9%</b>	<b><u>\$14.2</u></b>	<b><u>\$14.2</u></b>	<b>-36.3%</b>	<b><u>\$15.0</u></b>	<b><u>\$15.0</u></b>	<b>5.6%</b>
<b>GRAND TOTAL</b>	<b><u>\$395.2</u></b>	<b><u>\$433.1</u></b>	<b><u>9.6%</u></b>	<b><u>\$426.6</u></b>	<b><u>\$426.6</u></b>	<b><u>-1.5%</u></b>	<b><u>\$433.7</u></b>	<b><u>\$433.7</u></b>	<b><u>1.7%</u></b>

\$0.0

\$0.0

Table 5.

Delaware Department of Transportation  
FY 2009 EXPENDITURES , May 31, 2009

(\$ in millions)

92%

	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Appropriation	December FY2009 Forecast	March FY2009 Forecast	April FY2009 Forecast	May FY2009 Forecast	June FY2009 Forecast	\$ difference May V. June	\$ difference Forecast V. Appropriation	\$ difference Forecast V. FY2008 Actual	FY2009 YTD Spend	% spent YTD
<b>Operations</b>														
Debt Service	146.2	115.1	119.2	132.2	122.3	122.3	122.3	122.3	122.3	0.0	(9.9)	3.1	111.3	91.0%
Personnel Costs	87.1	106.1	93.7	90.3	90.3	90.3	90.3	90.3	90.3	0.0	0.0	(3.4)	80.4	89.0%
Operations/Capital Outlay	42.7	49.5	53.6	57.9	52.9	52.9	52.9	52.9	52.9	0.0	(5.0)	(0.7)	46.1	87.1%
Transit Operations (DTC)	<u>74.3</u>	<u>79.3</u>	<u>85.8</u>	<u>88.4</u>	<u>87.7</u>	<u>87.7</u>	<u>87.7</u>	<u>87.7</u>	<u>87.7</u>	<u>0.0</u>	<u>(0.7)</u>	<u>1.9</u>	<u>81.2</u>	92.6%
Total Expenditures - Operations	350.3	350.0	352.3	368.8	353.2	353.2	353.2	353.2	353.2	0.0	(15.6)	0.9	319.0	90.3%
<b>Capital (State)</b>														
Road System	211.8	121.3	145.9	156.7	136.3	150.3	150.3	150.3	122.0	(28.3)	(34.7)	(23.9)	114.8	94.1%
Grants & Allocations	23.9	30.5	24.2	35.6	31.0	31.0	31.0	31.0	24.0	(7.0)	(11.6)	(0.2)	22.2	92.5%
Support Systems	26.7	28.3	41.4	58.8	51.2	51.2	51.2	51.2	57.0	5.8	(1.8)	15.6	54.2	95.1%
Transit	<u>4.1</u>	<u>3.5</u>	<u>9.2</u>	<u>16.7</u>	<u>14.4</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>	<u>(4.7)</u>	<u>2.8</u>	<u>11.3</u>	94.2%
Total Expenditures- State Capital	266.5	183.6	220.7	267.8	232.9	244.5	244.5	244.5	215.0	(29.5)	(52.8)	(5.7)	202.5	94.2%
<b>Capital (Federal)</b>														
Road System	101.3	83.7	118.3	181.2	181.2	168.8	168.8	168.8	168.8	0.0	(12.4)	50.5	142.1	84.2%
Grants & Allocations	0.0	0.0	1.0	0.0	0.0	0.2	0.2	0.2	0.2	0.0	0.2	(0.8)	0.2	100.0%
Support Systems	0.2	8.5	15.0	11.1	11.1	10.7	10.7	10.7	13.0	2.3	1.9	(2.0)	10.8	83.1%
Transit	<u>8.4</u>	<u>12.2</u>	<u>21.4</u>	<u>23.5</u>	<u>23.5</u>	<u>21.3</u>	<u>21.3</u>	<u>21.3</u>	<u>19.0</u>	<u>(2.3)</u>	<u>(4.5)</u>	<u>(2.4)</u>	<u>15.3</u>	80.5%
Sub-Total - Federal Capital	109.9	104.4	155.7	215.8	215.8	201.0	201.0	201.0	201.0	0.0	(14.8)	45.3	168.4	83.8%
Total Expenditures - Capital	376.4	288.0	376.4	483.6	448.7	445.5	445.5	445.5	416.0	(29.5)	(67.6)	39.6	370.9	89.2%
<b>TOTAL EXPENDITURES</b>	<b>726.7</b>	<b>638.0</b>	<b>728.7</b>	<b>852.4</b>	<b>801.9</b>	<b>798.7</b>	<b>798.7</b>	<b>798.7</b>	<b>769.2</b>	<b>(29.5)</b>	<b>(83.2)</b>	<b>40.5</b>	<b>689.9</b>	<b>89.7%</b>