

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

**Buena Vista – June 17, 2010**

**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
T. Cook	Yes
R. Cordrey	Yes
R. Davis	Yes
R. Derrickson	Yes
J. DiPinto	Yes
F. Dixon	Yes
B. Fasy	No
R. Gilligan	No
R. Glen	Yes
G. Hindes	No
J. Horty	Yes

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

**Members in Attendance: 21**

**Members Absent: 13**

**Others Present:** N. Adams, J. Bilbrough, P. Carter, M. Casey, Z. Chaudhry, J. Craig, C. Erickson, A. Fletcher, D. Gregor, C. Kempista, B. Maxwell, S. McVay, R. Moore, R. Morris, B. Motyl, K. Muller, H. Roberts, B. Scoglietti, E. Simpson 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. He reviewed the Balance Sheet estimate of \$3,076.7 million. The Reversion estimate remained unchanged at \$48.9 million; Encumbered remained unchanged at \$36.0 million and Continuing increased from \$134.0 million to \$149.0 million.

(See Table 1a for complete details.)

Mr. Ratledge reviewed the Functional method. He noted that there are two more quarters of federal assistance for Medicaid. (See Table 1b for complete details.)

Mr. Ratledge reviewed the long-range charts which illustrated the levels of federal stimulus funds and special funds and general funds. Mr. Ratledge noted that this demonstrated the amounts of funding that will have to be made up in the future as the AARA funding disappears.

A motion was made, seconded and approved to accept \$3,076.7 million as the expenditure estimate for FY2010. This represents a decrease of \$15.0 million from the May estimate.

**Revenue Subcommittee:**

Mr. Lewis presented the Revenue Subcommittee's report.

**Economic Outlook**

Mr. Craig noted that the Global Insight June forecast was essentially unchanged from the May outlook. A modest recovery is forecast going forward into FY2011 and FY2012. Real GDP growth will be 3.3% and 2.8% in those years. Employment growth will be slow, with 1.2% expected in FY2011 and 2.4% in FY2012. There was somewhat more pessimism in the outlook since the last meeting due to raised concerns about European debt issues and a weaker than expected payroll employment report.

Mr. Dixon stated that his outlook was similar, if slightly lower than Global Insight. He said that the concern with the most recent employment report was that 90% of the new jobs were temporary census workers. When the effects of the federal stimulus wears off, it will be incumbent for growth of private sector jobs to carry the economy.

### General Fund Revenues - Fiscal Year 2010:

The Revenue Subcommittee recommended the following updates to May's estimates:  
**FY 2010**

Revenue Category	May-10	Jun-10	Change
Bank Franchise Tax	41.4	53.9	12.5
Insurance Taxes	55.0	48.0	(7.0)
PIT Refunds	(214.0)	(210.0)	4.0
Other Refunds	(34.1)	(37.9)	(3.8)
CIT Refunds	(38.0)	(41.5)	(3.5)
Limited Partnerships & LLC's	147.8	144.6	(3.2)
Realty Transfer Tax	43.5	46.0	2.5
Cigarette Taxes	134.2	132.2	(2.0)
Franchise Tax	635.2	637.2	2.0
Gross Receipts Tax	195.0	193.5	(1.5)
Dividends and Interest	8.8	10.2	1.4
Corporate Fees	73.3	74.4	1.1
Hospital Board and Treatment	75.2	74.4	(0.8)
Estate Tax	1.0	0.3	(0.7)
Personal Income Tax	1,058.0	1,058.6	0.6
Uniform Commercial Code	14.0	14.1	0.1

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

### Discussion of FY 2010 Estimates:

**Personal Income Tax:** Mr. Lewis stated that there were tracking changes in Withholding and Estimated and Refunds were lowered.

**Franchise Tax:** Mr. Lewis said that the increase of \$2.0 million was attributed to tracking.

**Corporate Income Tax:** Mr. Lewis said that there was an increase of \$3.5 million in refunds.

**Bank Franchise Tax:** Mr. Lewis said that the June 1<sup>st</sup> payments were double the amount expected. Mr. Lewis characterized this as good news for the economy. In response to a question from Ms. Davis Burnham, Mr. Glen noted that there are 77 taxpayers in this category and the majority of the revenue is derived from 10 or less of these taxpayers. He stated that on June 1<sup>st</sup> a couple of these taxpayers made payments larger than expected and a couple of taxpayers who had not paid previously now made payments. This resulted in upward revisions to estimated CY2010 tax liability and increases to both the FY2010 and FY2011 revenue estimate. Mr. Hoarty asked if pending financial reform legislation in Congress would have an impact. Mr. Glen responded that

it would depend on what the final legislation looks like, but that there is some uncertainty.

**Gross Receipts Tax:** Mr. Lewis attributed the \$1.5 million decrease as a tracking change.

**Realty Transfer Tax:** Mr. Lewis attributed the \$2.5 million increase to stronger tracking possibly related to expiring federal tax credits for homebuyers.

Other changes were attributed to tracking.

### **FY2010 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,233.0 million as the revenue estimate for FY2010.

The estimate represents an increase of \$1.7 million from DEFAC's May estimate.

Mr. Lewis stated that it was encouraging to see some positive revisions upward in economically sensitive categories.

Mr. Lewis noted that the forecast for FY2010 presented June, 2009, when adjusted for the Revenue Resolution, was 1.3% lower than today's estimate.

### **General Fund Revenues - Fiscal Year 2011:**

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

## FY 2011

Revenue Category	May-10	Jun-10	Change
Abandoned Property	435.0	400.0	(35.0)
Bank Franchise Tax	33.3	59.2	25.9
Franchise Tax	601.5	612.5	11.0
Insurance Taxes	57.9	50.5	(7.4)
Corporation Income Tax	134.4	138.4	4.0
PIT Refunds	(197.0)	(193.3)	3.7
Limited Partnerships & LLC's	158.1	154.9	(3.2)
Realty Transfer Tax	30.6	33.1	2.5
Cigarette Taxes	140.3	138.2	(2.1)
Hospital Board and Treatment	77.3	75.7	(1.6)
Corporate Fees	75.1	76.3	1.2
Other Revenues	111.4	112.1	0.7
Personal Income Tax	1,162.6	1,163.2	0.6
Uniform Commercial Code	14.4	14.5	0.1

For a complete listing of FY 2011 estimates, see Table 2.

#### Discussion of FY2011 Estimates:

**Personal Income Tax:** Mr. Lewis noted that there was no change in growth rate assumptions.

**Franchise Tax:** Mr. Lewis said that in addition to carrying forward the increase from FY2010, the growth rate was increased for FY2011.

**Corporate Income Tax:** Mr. Lewis said that the growth rate assumption was increased for this category. Estimates of corporate profits continue to be raised and recent receipts have been stronger than expected.

**Bank Franchise Tax:** Mr. Lewis noted that based on the strong June 1<sup>st</sup> payment, the estimate for the full fiscal year was raised.

**Gross Receipts Tax:** Mr. Lewis said that the implied growth rate was increased slightly.

**Lottery:** Mr. Lewis noted that there was no change in this estimate but that there is much uncertainty about the estimate because of the uncertain impact of table games and competition from Maryland and Pennsylvania.

**Abandoned Property:** Mr. Lewis said that the estimate has been decreased by \$35.0 million due to pending litigation. He noted that in the small arena that

comprises this revenue source, even the suggestion of legislation can influence behavior and affect collections. Mr. Lewis added that the Subcommittee had a lively discussion surrounding this issue and it was agreed that a primer to be given at a future meeting would help to better understand this category. Mr. Lewis said that this is a sensitive category as it relates to the corporate community and it is important for the State to carefully calibrate its actions in this area. Mr. Lewis referred to this as principal agent.

**Realty Transfer Tax:** Mr. Lewis said that the implied growth rate was increased slightly.

Mr. Lewis reported that all other changes reflected the carrying forward of changes made in FY2010.

#### **FY 2011 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,300.4 million as the revenue estimate for FY2011.

The estimate represents an increase of \$0.4 million from the May estimate.

Mr. Lewis stated that the FY2012 estimate is \$3,440.5 million and represents growth of 4.3% and a decrease of \$1.0 million from May's estimate.

**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.

Mr. Motyl stated that there was no change in the Operations estimate. He noted that State Capital spending was moving forward and the total FY2010 estimate was raised from \$180.3 million to \$180.4 million.

Mr. Motyl noted that in the category of Federal Capital spending the estimate had been reduced from \$328.8 million to \$235.6 million as certain large expenditures were moved into FY2011.

A motion was made, seconded, and approved to accept \$772.6 million as the FY2010 TTF expenditure estimate. The estimate represents a decrease of \$93.1 million from the May estimate. (See Table 4.)

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

**FY2010 Estimates:**

The following changes were made from the May estimate.

**Motor Vehicle Document Fees:** Increased from \$55.3 million to \$58.0 million. Mr. Motyl noted that this reflects increased sales.

**Motor Vehicle Registration Fees:** Increased from \$43.2 million to \$44.2 million. Mr. Motyl noted that this also reflects increased sales.

**Other DMV Revenues:** Increased from \$21.4 million to \$21.9 million. Mr. Motyl noted that this reflects a tracking change.

A motion was made, seconded, and approved to accept \$418.5 million as the FY2010 revenue estimate. This represents an increase of \$4.2 million from the May estimate.

Mr. Motyl noted that FY2010 revenues are still at a level below previous years.

**FY2011 Estimates:**

The following changes were made from the May estimate.

**Motor Vehicle Document Fees:** Increased from \$57.0 million to \$59.8 million.

**Motor Vehicle Registration Fees:** Increased from \$44.5 million to \$45.5 million.

**Other DMV Revenues:** Increased from \$22.0 million to \$22.6 million.

A motion was made, seconded, and approved to accept \$429.6 million as the FY2011 revenue estimate. This represents an increase of \$4.4 million from the

May estimate. (See Table 5)

**FY2011 Debt Limit:** Mr. Gregor presented the debt limit for FY2011. This amount is equal to 5% of projected FY2011 revenues or \$165.0 million.

**Other Business:**

Mr. Martin announced the next scheduled DEFAC meeting date:

- September 20, 2010
- December 20, 2010

Mr. Martin noted that the Sub-committee meetings would return to being held on Fridays. Details will be forthcoming over the summer. All meetings will be held at Buena Vista.

There being no further business, Mr. Martin adjourned the meeting at 3:55 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

## DEFAC Expenditures Forecast for General Fund Disbursements FY2010 (\$ in millions)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009							FY2010
	<u>Actual</u>	<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	3362.9							3,091.5
Cash to Bond Bill	142.0	235.0	281.6	243.3	77.9	83.4							0.0
Grant-in-Aid	38.4	40.0	42.4	50.0	47.7	45.2							35.4
Continuing & Encumbered (from prior years)	173.3	240.1	327.8	342.5	335.8	234.8							183.7
Supplementals	24.9	50.0	48.0	0.0	0.0	0.0							
<b>Fiscal Year Spending Authority</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>3,310.6</b>
<b>LESS:</b>													
							Sep	Dec	Mar	Apr	May	June	
Reversions to the General Fund	29.8	15.4	12.8	12.0	90.6	247	8.9	45.0	48.9	48.9	48.9	48.9	
Encumbered to next fiscal year	29.1	32.8	32.2	36.4	33.0	36.3	20	33.0	33.0	36.0	36.0	36.0	
Continuing to next fiscal year													
Operating Budget													
Bond Bill													
Total Continuing	211.0	295.0	310.3	299.4	201.8	147.4	45	138.1	146.5	159.1	134.0	149.0	
Subtotal	269.9	343.2	355.3	347.8	325.4	430.7	73.9	216.1	228.4	244.0	218.9	233.9	(233.9)
<b>Fiscal Year Budgetary Expenditures</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>3,295.5</b>							<b>3,076.7</b>
<b>% increase/(decrease)</b>		<b>10.51%</b>	<b>12.69%</b>	<b>6.58%</b>	<b>0.94%</b>	<b>-3.69%</b>							<b>-10.08%</b>

## Comments:

Table 1b.

**DEFAC Expenditures Forecast for General Fund Disbursements FY2010 (\$ in millions)**  
**Jun, 2010**

	FY2005	FY2006	FY2007	FY2008	FY2009	Sep FY2010	Dec FY2010	Mar FY2010	Apr FY2010	May FY2010	Jun FY2010	Difference 09 vs. '10	FY2010 YTD (11 mo actual)	% spent FY2010 YTD
	<u>Actual</u>	<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>	<u>Forecast</u>			
<b>Salaries</b>	1,023.1	1,108.3	1,167.3	1,222.9	1,225.5	1,223.0	1175.7	1168.3	1157.1	1158.6	1156.5	(69.0)	<b>1,072.7</b>	<b>92.8%</b>
<b>Fringe Benefits</b>	263.2	298.4	323.5	332.7	332.9	336.3	325.0	335.2	331.2	331.7	329.6	(3.3)	<b>301.2</b>	<b>91.4%</b>
<b>Pension</b>	147.1	180.7	201.5	218.6	211.1	203.3	198.0	197.2	196.8	197.5	195.9	(15.2)	<b>183.0</b>	<b>93.4%</b>
<b>Debt Service</b>	153.5	132.5	131.2	151.1	156.4	171.0	176.3	176.3	176.3	176.3	176.3	19.9	<b>174.3</b>	<b>98.9%</b>
<b>Grants</b>	294.1	403.1	365.1	259.1	265.8	177.5	178.8	178.8	178.2	197.2	196.0	(69.8)	<b>180.1</b>	<b>91.9%</b>
<b>Medicaid</b>	339.1	381.4	441.6	494.2	419.4	469.2	434.8	434.1	435.4	437.7	438.7	19.3	<b>421.8</b>	<b>96.1%</b>
<b>Public Assistance Programs</b>	83.6	91.7	94.1	97.2	85.3	75.0	77.6	78.2	75.4	77.8	78.6	(6.7)	<b>71.2</b>	<b>90.6%</b>
<b>Professional Services</b>	161.3	181.0	216.8	210.6	204.2	218.9	195.8	186.3	185.8	184.0	175.5	(28.7)	<b>167.2</b>	<b>95.3%</b>
<b>Contractual Services</b>	228.9	252.2	289.5	296.7	286.8	278.9	253.7	251.5	253.8	254.5	252.2	(34.6)	<b>232.5</b>	<b>92.2%</b>
<b>Supplies &amp; Materials</b>	66.5	73.6	72.1	72.1	66.6	58.6	56.7	56.4	56.5	57.0	57.9	(8.7)	<b>52.1</b>	<b>90.0%</b>
<b>Capital Outlay</b>	<u>61.9</u>	<u>77.6</u>	<u>87.2</u>	<u>66.5</u>	<u>41.5</u>	<u>25.2</u>	<u>22.3</u>	<u>19.9</u>	<u>20.1</u>	<u>19.4</u>	<u>19.5</u>	(22.0)	<b>18.3</b>	<b>93.8%</b>
<b>FY Budgetary Expenditures</b>	2,822.3	3,180.5	3,389.9	3,421.7	3,295.5	3,236.9	3094.5	3082.2	3066.6	3091.7	3076.7	(218.8)	<b>2,874.4</b>	<b>93.4%</b>

**Comments:**

## DEFAC General Fund Revenue Worksheet

<b>June-10 DEFAC Meeting</b>	<b>FY 2009 A Actual Collections</b>	<b>FY 2010</b>					<b>FY 2011</b>				
		<b>B DEFAC May-10</b>	<b>C % B over A</b>	<b>D DEFAC Jun-10</b>	<b>E % D over A</b>	<b>F \$ Increase D over B</b>	<b>G DEFAC May-10</b>	<b>H % G over B</b>	<b>I DEFAC Jun-10</b>	<b>J % I over D</b>	<b>K \$ Increase I over G</b>
Revenue Category											
<b>Personal Income Tax</b>	1,105.2	1,058.0	-4.3%	1,058.6	-4.2%	0.6	1,162.6	9.9%	1,163.2	9.9%	0.6
<b>Less: Refunds</b>	<u>(194.6)</u>	<u>(214.0)</u>	10.0%	<u>(210.0)</u>	7.9%	4.0	<u>(197.0)</u>	-7.9%	<u>(193.3)</u>	-8.0%	3.7
<b>PIT Less Refunds</b>	910.7	844.0	-7.3%	848.6	-6.8%	4.6	965.6	14.4%	969.9	14.3%	4.3
Franchise Tax	574.2	635.2	10.6%	637.2	11.0%	2.0	601.5	-5.3%	612.5	-3.9%	11.0
Limited Partnerships & LLC's	137.1	147.8	7.8%	144.6	5.5%	(3.2)	158.1	7.0%	154.9	7.1%	(3.2)
Subtotal Franchise + LP/LLC	711.3	783.0	10.1%	781.8	9.9%	(1.2)	759.6	-3.0%	767.4	-1.8%	7.8
Less: Refunds	<u>(7.0)</u>	<u>(13.0)</u>	85.9%	<u>(13.0)</u>	85.9%	0.0	<u>(12.0)</u>	-7.7%	<u>(12.0)</u>	-7.7%	0.0
Net Franchise + LP/LLC	704.3	770.0	9.3%	768.8	9.2%	(1.2)	747.6	-2.9%	755.4	-1.7%	7.8
<b>Business Entity Fees</b>	50.8	73.3	44.2%	74.4	46.4%	1.1	75.1	2.5%	76.3	2.6%	1.2
<b>Uniform Commercial Code</b>	11.2	14.0	25.3%	14.1	26.2%	0.1	14.4	2.9%	14.5	2.8%	0.1
Corporation Income Tax	162.1	120.0	-26.0%	120.0	-26.0%	0.0	134.4	12.0%	138.4	15.3%	4.0
Less: Refunds	<u>(35.6)</u>	<u>(38.0)</u>	6.7%	<u>(41.5)</u>	16.5%	(3.5)	<u>(40.0)</u>	5.3%	<u>(40.0)</u>	-3.6%	0.0
CIT Less Refunds	126.5	82.0	-35.2%	78.5	-38.0%	(3.5)	94.4	15.1%	98.4	25.4%	4.0
<b>Bank Franchise Tax</b>	81.8	41.4	-49.4%	53.9	-34.1%	12.5	33.3	-19.6%	59.2	9.8%	25.9
<b>Gross Receipts Tax</b>	164.1	195.0	18.8%	193.5	17.9%	(1.5)	195.0	0.0%	195.0	0.8%	0.0
<b>Lottery</b>	248.0	275.0	10.9%	275.0	10.9%	0.0	256.3	-6.8%	256.3	-6.8%	0.0
Abandoned Property	392.1	495.0	26.3%	495.0	26.3%	0.0	435.0	-12.1%	400.0	-19.2%	(35.0)
Hospital Board and Treatment	77.0	75.2	-2.3%	74.4	-3.3%	(0.8)	77.3	2.8%	75.7	1.7%	(1.6)
Dividends and Interest	8.9	8.8	-1.0%	10.2	14.7%	1.4	13.1	48.9%	13.1	28.4%	0.0
<b>Realty Transfer Tax</b>	44.6	43.5	-2.4%	46.0	3.2%	2.5	30.6	-29.7%	33.1	-28.0%	2.5
<b>Estate Tax</b>	0.1	1.0	1182.1%	0.3	284.6%	(0.7)	25.0	2400.0%	25.0	8233.3%	0.0
<b>Insurance Taxes</b>	77.3	55.0	-28.8%	48.0	-37.9%	(7.0)	57.9	5.3%	50.5	5.2%	(7.4)
Public Utility Tax	55.9	56.5	1.2%	56.5	1.2%	0.0	60.2	6.5%	60.2	6.5%	0.0
Cigarette Taxes	125.7	134.2	6.8%	132.2	5.2%	(2.0)	140.3	4.5%	138.2	4.5%	(2.1)
Other Revenues	130.3	101.5	-22.1%	101.5	-22.1%	0.0	111.4	9.8%	112.1	10.4%	0.7
<b>Less: Other Refunds</b>	<u>(61.1)</u>	<u>(34.1)</u>	-44.1%	<u>(37.9)</u>	-37.9%	(3.8)	<u>(32.7)</u>	-4.1%	<u>(32.7)</u>	-13.7%	0.0
<b>Net Receipts</b>	3,148.0	3,231.3	2.6%	3,233.0	2.7%	1.7	3,299.8	2.1%	3,300.2	2.1%	0.4

FY 2011 Debt Limit:     **\$165.0**

## DEFAC General Fund Revenue Worksheet

<b>June-10 DEFAC Meeting</b>	<b>FY 2012</b>				
	<b>L</b>	<b>M</b>	<b>N</b>	<b>O</b>	<b>P</b>
Revenue Category	<b>DEFAC May-10</b>	<b>% L over G</b>	<b>DEFAC Jun-10</b>	<b>% N over I</b>	<b>\$ Increase N over L</b>
<b>Personal Income Tax</b>	<b>1,250.6</b>	<b>7.6%</b>	<b>1,251.1</b>	<b>7.6%</b>	<b>0.5</b>
<b>Less: Refunds</b>	<b>(198.5)</b>	<b>0.8%</b>	<b>(194.7)</b>	<b>0.7%</b>	<b>3.8</b>
<b>PIT Less Refunds</b>	<b>1,052.1</b>	<b>9.0%</b>	<b>1,056.4</b>	<b>8.9%</b>	<b>4.3</b>
Franchise Tax	613.6	2.0%	624.7	2.0%	11.1
Limited Partnerships & LLC's	<u>169.2</u>	7.0%	<u>165.7</u>	7.0%	(3.5)
Subtotal Franchise + LP/LLC	782.8	3.1%	790.4	3.0%	7.6
Less: Refunds	<u>(12.0)</u>	0.0%	<u>(12.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	770.8	3.1%	778.4	3.0%	7.6
<b>Business Entity Fees</b>	<b>77.0</b>	<b>2.5%</b>	<b>78.2</b>	<b>2.5%</b>	<b>1.2</b>
<b>Uniform Commercial Code</b>	<b>14.9</b>	<b>3.5%</b>	<b>14.9</b>	<b>2.8%</b>	<b>0.0</b>
Corporation Income Tax	154.5	15.0%	150.5	8.7%	(4.0)
Less: Refunds	<u>(36.8)</u>	-8.0%	<u>(36.8)</u>	-8.0%	<u>0.0</u>
CIT Less Refunds	117.7	24.7%	113.7	15.5%	(4.0)
<b>Bank Franchise Tax</b>	<b>35.0</b>	<b>5.1%</b>	<b>63.9</b>	<b>7.9%</b>	<b>28.9</b>
<b>Gross Receipts Tax</b>	<b>211.7</b>	<b>8.6%</b>	<b>216.0</b>	<b>10.8%</b>	<b>4.3</b>
<b>Lottery</b>	<b>237.4</b>	<b>-7.4%</b>	<b>237.4</b>	<b>-7.4%</b>	<b>0.0</b>
Abandoned Property	425.0	-2.3%	390.0	-2.5%	(35.0)
Hospital Board and Treatment	79.6	3.0%	78.5	3.7%	(1.1)
Dividends and Interest	16.2	23.7%	16.2	23.7%	0.0
<b>Realty Transfer Tax</b>	<b>33.6</b>	<b>9.8%</b>	<b>36.5</b>	<b>10.3%</b>	<b>2.9</b>
<b>Estate Tax</b>	<b>26.5</b>	<b>6.0%</b>	<b>26.5</b>	<b>6.0%</b>	<b>0.0</b>
<b>Insurance Taxes</b>	<b>62.0</b>	<b>7.1%</b>	<b>53.1</b>	<b>5.1%</b>	<b>(8.9)</b>
Public Utility Tax	63.2	5.0%	63.2	5.0%	0.0
Cigarette Taxes	141.7	1.0%	139.6	1.0%	(2.1)
Other Revenues	107.3	-3.7%	108.2	-3.5%	0.9
<b>Less: Other Refunds</b>	<b>(30.2)</b>	<b>-7.6%</b>	<b>(30.2)</b>	<b>-7.6%</b>	<b>0.0</b>
<b>Net Receipts</b>	<b>3,441.5</b>	<b>4.3%</b>	<b>3,440.5</b>	<b>4.3%</b>	<b>(1.0)</b>

Table 3.

## Balance and Appropriations Worksheet

Thursday, June 17, 2010

FY 2010 EXPENDITURES		FY 2010 BALANCES		FY 2011 APPROPRIATION LIMITS	
Total Spending Authority	\$3,310.6	Total Expenditures	\$3,076.7	FY 2011 Revenue Estimate	\$3,300.2
Less: Continuing Appropriations & Encumbrances from FY 2010	(\$185.0)	vs. FY 2010 Revenues	3,233.0	Unencumbered Cash Balance from FY 10	<u>\$163.4</u>
Less: Reversions	<u>(\$48.9)</u>	Operating Balance	156.3	100% Appropriation Limit	\$3,463.6
Total Expenditures	\$3,076.7	Prior Year Cash Balance	<u>\$378.5</u>	98% Appropriation Limit	<u>\$3,394.3</u>
		Cumulative Cash Balance	534.8	Prior 98% Appropriation Limit	\$3,392.3
		Less: Continuing Appropriations & Encumbrances from FY 2010	(185.0)	Increase (Decrease) from Prior Meeting	\$2.0 0.1%
		Less: Budgetary Reserve Account	<u>(\$186.4)</u>	Sept. 2009 98% Appropriation Limit	\$3,186.3
		Unencumbered Cash Balance 6/30	\$163.4	Increase (Decrease) from September 2009	\$208.0

Table 4.

Delaware Department of Transportation  
FY 2010 EXPENDITURES ,May 31, 2010

(\$ in millions)

92%

	FY2008 Actual	FY2009 Actual	FY2010 Appropriation	DEFAC Recommendation						\$ difference May V. June	\$ difference Forecast V. FY2009 Actual	FY2010 YTD Spend	% spent YTD
				September FY2010 Forecast	December FY2010 Forecast	March FY2010 Forecast	April FY2010 Forecast	May FY2010 Forecast	June FY2010 Forecast				
<b>Operations</b>													
Debt Service	119.2	122.3	125.3	121.5	121.5	121.5	121.5	121.5	121.5	0.0	(0.8)	111.4	91.7%
Personnel Costs	93.7	87.2	88.6	88.6	88.6	88.6	88.6	88.6	88.6	0.0	1.4	77.1	87.0%
Operations/Capital Outlay	53.6	50.6	56.5	56.5	56.5	56.5	56.5	56.5	56.5	0.0	5.9	52.4	92.7%
Transit Operations (DTC)	<u>85.8</u>	<u>87.7</u>	<u>90.0</u>	<u>90.0</u>	<u>90.0</u>	<u>90.0</u>	<u>90.0</u>	<u>90.0</u>	<u>90.0</u>	<u>0.0</u>	<u>2.3</u>	<u>82.7</u>	<u>91.9%</u>
Total Expenditures - Operations	352.3	347.8	360.4	356.6	356.6	356.6	356.6	356.6	356.6	0.0	8.8	323.6	90.7%
<b>Capital (State)</b>													
			<u>CTP</u>										
Road System	145.9	127.5	133.3	140.8	165.2	144.2	124.2	124.2	134.4	10.2	6.9	104.3	77.6%
Grants & Allocations	24.2	23.0	37.7	29.3	29.3	16.4	16.4	16.4	14.0	(2.4)	(9.0)	12.7	90.7%
Support Systems	41.4	58.3	51.4	51.6	27.2	31.3	31.3	31.3	22.6	(8.7)	(35.7)	16.6	73.5%
Transit	<u>9.2</u>	<u>14.7</u>	<u>13.2</u>	<u>12.6</u>	<u>12.6</u>	<u>8.4</u>	<u>8.4</u>	<u>8.4</u>	<u>9.4</u>	<u>1.0</u>	<u>(5.3)</u>	<u>8.7</u>	<u>92.6%</u>
Total Expenditures- State Capital	220.7	223.5	235.6	234.3	234.3	200.3	180.3	180.3	180.4	0.1	(43.1)	142.3	78.9%
<b>Capital (Federal)</b>													
Road System	118.3	168.1	337.9	337.6	337.6	329.6	279.6	279.6	195.0	(84.6)	26.9	165.4	84.8%
Grants & Allocations	1.0	0.3	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.0	(0.1)	0.2	-
Support Systems	15.0	12.0	17.6	15.4	15.4	15.4	15.4	15.4	15.4	0.0	3.4	11.1	72.1%
Transit	<u>21.4</u>	<u>21.1</u>	<u>42.5</u>	<u>43.2</u>	<u>43.2</u>	<u>41.6</u>	<u>33.6</u>	<u>33.6</u>	<u>25.0</u>	<u>(8.6)</u>	<u>3.9</u>	<u>18.0</u>	<u>72.0%</u>
Sub-Total - Federal Capital	155.7	201.5	398.0	396.2	396.2	386.8	328.8	328.8	235.6	(93.2)	34.1	194.7	82.6%
Total Expenditures - Capital	376.4	425.0	633.6	630.5	630.5	587.1	509.1	509.1	416.0	(93.1)	(9.0)	337.0	81.0%
<b>TOTAL EXPENDITURES</b>	<b>728.7</b>	<b>772.8</b>	<b>994.0</b>	<b>987.1</b>	<b>987.1</b>	<b>943.7</b>	<b>865.7</b>	<b>865.7</b>	<b>772.6</b>	<b>(93.1)</b>	<b>(0.2)</b>	<b>660.6</b>	<b>85.5%</b>

Table 5.

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

				Fiscal 2010			Fiscal 2011		
	FY 08 Actual	FY 09 Actual	% Chg. FY 08	05/17/2010 Approved	06/17/2010 Recomm	% Chg. FY 09	05/17/2010 Approved	06/17/2010 Recomm	% Chg. FY 10
<b><u>TOLL ROAD REVENUES:</u></b>									
I95 Newark Plaza	\$115.4	\$118.8	2.9%	\$117.0	<b>\$117.0</b>	-1.5%	\$119.0	<b>\$119.0</b>	1.7%
Route 1 Toll Road	40.5	44.5	9.9%	\$44.4	<b>\$44.4</b>	-0.3%	\$45.5	<b>\$45.5</b>	2.5%
Concessions	<u>2.5</u>	<u>2.4</u>	<u>-4.0%</u>	<u>\$2.1</u>	<b><u>\$2.1</u></b>	<u>-12.5%</u>	<u>\$2.3</u>	<b><u>\$2.3</u></b>	<u>9.5%</u>
<b>Total Toll Road Revenues</b>	<u>158.4</u>	<u>165.7</u>	<u>4.6%</u>	<u>\$163.5</u>	<b><u>\$163.5</u></b>	<u>-1.3%</u>	<u>\$166.8</u>	<b><u>\$166.8</u></b>	<u>2.0%</u>
<b><u>MOTOR FUEL TAX ADMIN.</u></b>									
	122.9	119.5	-2.8%	\$115.6	<b>\$115.6</b>	-3.3%	\$117.9	<b>\$117.9</b>	2.0%
<b><u>DIVISION OF MOTOR VEHICLES</u></b>									
Motor Vehicle Document Fees	64.6	56.2	-13.0%	\$55.3	<b>\$58.0</b>	3.2%	\$57.0	<b>\$59.8</b>	3.0%
Motor Vehicle Registration Fees	41.3	43.3	4.8%	\$43.2	<b>\$44.2</b>	2.1%	\$44.5	<b>\$45.5</b>	3.0%
Other DMV Revenues	<u>23.6</u>	<u>22.5</u>	<u>-4.7%</u>	<u>\$21.4</u>	<b><u>\$21.9</u></b>	<u>-2.6%</u>	<u>\$22.0</u>	<b><u>\$22.6</u></b>	<u>3.0%</u>
<b>Total DMV Revenues</b>	<u>129.5</u>	<u>122.0</u>	<u>-5.8%</u>	<u>\$119.9</u>	<b><u>\$124.1</u></b>	<u>1.7%</u>	<u>\$123.5</u>	<b><u>\$127.9</u></b>	<u>3.0%</u>
<b><u>OTHER TRANSPORTATION REV.</u></b>									
Other Transportation Rev	11.5	8.3	-27.8%	\$11.9	<b>\$11.9</b>	43.5%	\$12.0	<b>\$12.0</b>	0.8%
Investment Income(Net)	<u>10.8</u>	<u>4.7</u>	<u>-56.5%</u>	<u>\$3.4</u>	<b><u>\$3.4</u></b>	<u>-27.5%</u>	<u>\$5.0</u>	<b><u>\$5.0</u></b>	<u>47.1%</u>
<b>Total Other Transp. Revenue</b>	<u>22.3</u>	<u>13.0</u>	<u>-41.7%</u>	<u>\$15.3</u>	<b><u>\$15.3</u></b>	<u>17.7%</u>	<u>\$17.0</u>	<b><u>\$17.0</u></b>	<u>11.1%</u>
<b>GRAND TOTAL</b>	<u>\$433.1</u>	<u>\$420.2</u>	<u>-3.0%</u>	<u>\$414.3</u>	<b><u>\$418.5</u></b>	<u>-0.4%</u>	<u>\$425.2</u>	<b><u>\$429.6</u></b>	<u>2.6%</u>

\$4.2

\$4.4