MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL

Buena Vista – June 15, 2012

Attendance:

Member	Present
S. Bhatt	Yes
J. Bullock	Yes
L. Davis Burnham	No
R. Byrd	Yes
J. Casey	Yes
N. Cook	Yes
T. Cook	Yes
R. Cordrey	No
R. Davis	Yes
J. DiPinto	Yes
F. Dixon	Yes
B. Fasy	No
C. Flowers	No
R. Gilligan	Yes
R. Glen	Yes
G. Hindes	No
J. Horty	Yes

Member	Present
D. Hudson	Yes
R. Larson	No
A. Levin	No
K. Lewis	Yes
D. Link	No
A. Lubin	No
J. Martin	No
C. Morgan	Yes
J. Polidori	Yes
E. Ratledge	Yes
T. Shopa	Yes
G. Simpson	No
A. Staton	Yes
D. Swayze	Yes
J. Twilley	No
A. Visalli	Yes
D. Williams	No

Members in Attendance: 21
Members Absent: 13

Others Present: P. Carter, M. Casey, J. Craig, R. Geisenberger, D. Gregor, C. Heiks, B. Maxwell, S. McVay, B. Motyl, A. Penny, B. Scogletti, S. Scolia, C. Stewart and members of the press.

Opening Business: Mr. Lewis called the meeting to order at 12:15 p.m.

The minutes from the May meeting were approved as submitted.

Expenditure Subcommittee:

Mr. Ratledge presented the Expenditure Subcommittee's report. In his review of the Balance Sheet estimate, he noted that the Reversion estimate was increased from $65.0 million to $70.3 million; the Continuing estimate was increased from $256.8 million to $259.8 million. (See Table 1a for complete details).

Mr. Ratledge reviewed the Function Sheet estimate. He reported that, since May, Grants decreased from $376.7 million to $369.0 million. Medicaid increased from $629.5 million to $631.2 million. Contractual Services decreased from $463.0 million to $461.0 million. Supplies and Materials decreased from $67.0 million to $65.5 million. Capital Outlay increased from $15.0 million to $16.2 million. (See Table 1b for complete details.)

For informational purposes, Mr. Ratledge presented a series of charts which tracked the long-term revenue forecast and expenditure forecast. Due, in part, to sun-setting revenue increases, the growth in expenditures is projected to rise above the growth in revenues. Charts were also presented that disaggregated expenditures by Fund type and Department.

A motion was made, seconded and approved to accept $3,602.7 million as the expenditure estimate for FY2012. This represents a decrease of $8.3 million from May's estimate.

Revenue Subcommittee:

Mr. Lewis noted that Revenue Subcommittee would meet concurrently with full Council.

Economic Outlook

Mr. Craig stated the Global Insight June forecast has worsened since the May forecast. Both U.S and global economic growth prospects have deteriorated. The expectation is that Greece will exit the Eurozone within the next 12 months and there will be a prolonged Eurozone recession stretching into 2013. In the U.S. there has been a significant deceleration in job growth over the past 3 months. The one positive from the global slowdown has been a sharp drop in the oil price forecast.

Mr. Craig noted that the most recent employment data for Delaware indicates that growth has come to a stop. Accordingly, the forecast for FY2012 shows no growth.

Mr. Morgan asked what the tax policy assumptions in the forecast were. Mr. Craig responded that Global Insight assumes that the scheduled expiration of tax cuts in 2013 will be delayed one year.

Mr. Dixon concurred that the economy has gotten worse. He noted that real GDP for the most recent quarter is below 2.0%.

Mr. Lewis stated that the root of these difficulties was the financial crisis and it can take 5 to 10 years to recover.

Mr. Ratledge added that housing sector continues to struggle and the attendant loss of construction employment has been a drag on the economy.

Mr. Gregor stated that revenue growth rates of economically sensitive categories have not been adjusted as a result of this more pessimistic economic outlook. Mr. Gregor noted that since December a number of the forecasted economic indicators were raised and revenue growth rates were not simultaneously increased.

General Fund Revenues - Fiscal Year 2012:

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

FY 2012

Revenue Category	May-12	Jun-12	Change
Abandoned Property	310.0	318.0	8.0
Bank Franchise Tax	110.1	112.7	2.6
Corporation Income Tax	140.0	142.0	2.0
Franchise Tax	608.3	610.3	2.0
Other Revenues	85.7	83.9	(1.8)
Dividends and Interest	9.2	10.6	1.4
Realty Transfer Tax	31.5	32.5	1.0
Cigarette Taxes	125.0	126.0	1.0
Personal Income Tax	1,232.3	1,233.0	0.7
Insurance Taxes	59.1	59.7	0.6
Hospital Board and Treatment	63.4	64.0	0.6
Estate Tax	11.5	12.0	0.5
Lottery	267.9	268.3	0.4
Corporate Fees	84.8	85.2	0.4
Public Utility Tax	45.0	45.3	0.3

For a complete listing of FY 2012 estimates, see Table 2.

Discussion of FY 2012 Estimates:

Personal Income Tax: Mr. Gregor noted that Withholding and Estimated payments were unchanged. He said that there were upward tracking adjustments made in Final payments and Prior Year collections.

Corporate Franchise **Tax:** Mr. Geisenberger stated that the June 1st payment was slightly higher than expected and resulted in the $2.0 million estimate increase.

Corporate Income Tax: Mr. Gregor stated that a quarterly payment date for CIT coincided with the meeting. In the morning prior to the meeting, the estimate stood at $136.0 million, but based on a wire transfer received mid-day, the Department recommended revising the estimate up to $142.0 million.

Bank Franchise Tax: Mr. Glen stated that the June 1st payment was slightly higher than expected and resulted in the $2.6 million estimate increase.

Lottery: Mr. Gregor stated that the increase reflected a tracking change. It is too early to assess the impact of competition from the new facility in Maryland.

Abandoned Property: Mr. Gregor stated that the increase in the estimate was attributed to one large settlement.

Hospital Board & Treatment: Mr. Scogletti stated that the change in the estimate reflected a change in the timing of some payments.

Dividends & Interest: Mr. McVay stated that the change in the estimate reflected a realization of capital gains. He also mentioned that the estimate has risen over the course of the year in part due to the decision to allocate more into the intermediate portfolio.

Realty Transfer Tax: Mr. Gregor stated that the increase reflected a tracking change.

Insurance Tax: Mr. Gregor reported that there is a June 1st payment for this category. He also noted that the agency reported that it had received an unexpected payment of $1.8 million.

Other changes were attributed to tracking.

FY2012 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of $3,357.1 million as the revenue estimate for

FY2012.

The estimate represents an increase of $19.7 million from DEFAC's May estimate.

General Fund Revenues - Fiscal Year 2013:

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

FY 2013

Revenue Category	May-12	Jun-12	Change
Insurance Taxes	61.6	55.1	(6.5)
Abandoned Property	561.5	566.5	5.0
Bank Franchise Tax	109.7	113.2	3.5
Gross Receipts Tax	240.3	237.8	(2.5)
Corporation Income Tax	212.5	214.7	2.2
Franchise Tax	602.2	604.2	2.0
Corporate Fees	89.0	87.3	(1.7)
Hospital Board and Treatment	66.7	65.5	(1.2)
Realty Transfer Tax	33.1	34.1	1.0
Cigarette Taxes	123.8	124.7	0.9
Personal Income Tax	1,285.0	1,285.7	0.7
Lottery	247.7	248.1	0.4
Public Utility Tax	45.4	45.7	0.3
Other Revenues	89.8	90.0	0.2

For a complete listing of FY 2013 estimates, see Table 2.

Discussion of FY 2013 Estimates:

Personal Income Tax: Mr. Gregor stated that there was no change in growth rate assumptions since last meeting. He added that the FY2013 estimate reflected a full year of a tax cut. He also noted that the adjusted growth rate of 5.1% was below the historical growth of around 6.5%. This reflects the lower growth trajectory forecast.

Business Entity Fees: Mr. Geisenberger stated that based on recent experience and the economic outlook, the growth rate for this category was reduced from 5.0% to 2.5%.

Corporate Income Tax: Mr. Gregor stated that the increase made in FY2012 is carried forward into FY2013. Mr. Gregor reminded the Council that a $65.0 million tax settlement announced at the May meeting accounts for the large increase in the FY2013 estimate.

Bank Franchise Tax: Mr. Glen stated that the increase made in FY2012 is carried forward into FY2013. In addition, an adjustment was made for the historic tax credit.

Gross Receipts Tax: Mr. Gregor stated that the sharp decrease in the forecast for the price of oil is a concern for this category. Mr. Lewis asked what the basis was for the decrease. Mr. Gregor said it reflected lower demand due to a slowing global economy. After a discussion, the Council reduced the estimate by $2.5 million.

Abandoned Property: Mr. Gregor stated that the increase is attributed to a shift of $5.0 million from FY2012 to FY2013.

Hospital Board & Treatment: Mr. Scogletti stated that the change in the estimate reflected a change in the timing of some payments.

Insurance Tax: Mr. Casey stated that the agency explained that the decrease in the growth rate was based on COLI payments. Mr. Gregor noted that COLI payments bounce around from year-to-year. There was discussion about accepting the agency's estimate, which was considerably lower than its May estimate. Mr. Swayze recommended that the agency estimate be accepted until a clearer explanation is provided. A motion was made and approved to accept $55.1 million as the estimate.

Mr. Lewis reported that all other changes reflected the carrying forward of changes made in FY2012 and maintaining previous growth rates.

FY 2013 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of $3,697.1 million as the revenue estimate for FY2013.

The estimate represents an increase of $4.3 million from the May estimate.

Mr. Lewis stated that the FY2014 estimate is $3,641.9 million.

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

Transportation Trust Fund (TTF)

TTF -- Expenditures: Mr. Motyl presented the Transportation Trust Fund's expenditure forecast.

State Operations Expenditure: There was no change from May's estimate.

State Capital Expenditure: There were several tracking changes from Mays's estimate which resulted in an increase from $185.0 million to $190.0 million.

Federal Capital Expenditure: The estimate was increased from $195.0 million to $200.0 million.

GARVEE – US301 Capital Expenditure: The estimate was decreased from $39.0 million to $36.5 million.

A motion was made, seconded, and approved to accept $787.3 million as the FY2012 TTF expenditure estimate. The estimate represents an increase of $7.5 million from May's estimate. (See Table 4.)

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

FY2012 Estimates:

Motor Fuel Tax: Increased from $113.2 million to $114.2 million. Mr. Motyl noted that diesel fuel sales have been exceptionally strong. Overall, gasoline sales are lagging about 2.0% behind last year.

A motion was made, seconded, and approved to accept $434.1 million as the FY2012 revenue estimate. The estimate represents an increase of $1.0 million from the May estimate.

FY2013 Estimates:

Motor Fuel Tax: Increased from $115.5 million to $116.0 million.

A motion was made, seconded, and approved to accept $442.7 million as the

FY2013 revenue estimate. The estimate represents an increase of $0.5 million from the May estimate. (See Table 5.)

Other Business:

FY2013 Debt Limit: Mr. Gregor presented the debt limit for FY2013. This amount is equal to 5% of projected FY2013 revenues or $184.9 million.

Mr. Lewis announced the next scheduled DEFAC meeting dates:

- September 17, 2012
- December 17, 2012

There being no further business, Mr. Lewis adjourned the meeting at 1:55 p.m.

Respectfully submitted,

James A. Craig

James A. Craig

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2012 ($ in millions)
June 2012 (as of 06/15/12)

	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Actual	FY2011 Actual							FY2012 Appropriation
Budget Act	2,445.1	2,600.4	2,836.0	3,101.9	3,285.6	3,362.9	3,091.5	3,305.3							**3,508.6**
Cash to Bond Bill	142.0	235.0	281.6	243.3	77.9	83.4	0.0	91.0							**115.3**
Grant-in-Aid	38.4	40.0	42.4	50.0	47.7	45.2	35.4	35.2							**41.2**
Continuing & Encumbered (from prior years)	173.3	240.1	327.8	342.5	335.8	234.8	183.7	184.9							**303.7**
Supplementals	24.9	50.0	48.0	0.0	0.0	0.0	0.0	0.0							**0.0**
Fiscal Year Spending Authority	**2,823.7**	**3,165.5**	**3,535.8**	**3,737.7**	**3,747.0**	**3,726.3**	**3,310.6**	**3,616.3**							**3,968.8**
LESS:									*Sep*	*Dec*	*Mar*	*Apr*	*May*	*June*	
Reversions to the General Fund	29.8	15.4	12.8	12.0	90.6	247.0	49.3	41.9	10.0	50.0	60.0	60.0	65.0	70.3	
Encumbered to next fiscal year	29.1	32.8	32.2	36.4	33.0	36.3	37.7	35.3	36.0	36.0	36.0	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	147.2	268.3	188.0	229.2	246.7	256	256.8	259.8	
Subtotal	269.9	343.2	355.3	347.8	325.4	430.7	234.1	345.6	234.0	315.2	342.7	352.0	357.8	366.1	**(366.1)**
Fiscal Year Budgetary Expenditures	**2,553.8**	**2,822.3**	**3,180.5**	**3,389.9**	**3,421.6**	**3,295.5**	**3,076.5**	**3,270.7**							**3,602.7**
% increase/(decrease)		**10.51%**	**12.69%**	**6.58%**	**0.94%**	**-3.69%**	**-6.65%**	**6.31%**							**10.15%**

Comments:	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	8-Yr Avg	FY 2012
Expenditures / Spending Authority	90.4%	89.2%	90.0%	90.7%	91.3%	88.4%	92.9%	90.4%	90.4%	90.8%
Reversions / Spending Authority	1.1%	0.5%	0.4%	0.3%	2.4%	6.6%	1.5%	1.2%	1.7%	1.8%
Encumbered / Spending Authority	1.0%	1.0%	0.9%	1.0%	0.9%	1.0%	1.1%	1.0%	1.0%	0.9%
Total Continuing / Spending Authority	7.5%	9.3%	8.8%	8.0%	5.4%	4.0%	4.4%	7.4%	6.8%	6.5%

Recommended by Expenditures Subcommittee;
June 15, 2012

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2012 ($ in millions)
June 2012 (as of 06/15/12)

	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Actual	FY2010 Actual	FY2011 Actual	Sep FY2012 Forecast	Dec FY2012 Forecast	Mar FY2012 Forecast	Apr FY2012 Forecast	May FY2012 Forecast	June FY2012 Forecast	Difference vs May	Difference 11 vs. '12	FY2012 YTD (actual 05/30/12)	% spent FY2012 YTD	% forecast FY2012 total	% of FY2011 total	% of FY2010 total
Salaries	1,023.1	1,108.3	1,167.3	1,222.9	1,225.5	1154.7	1200.1	1,282.5	1,273.2	1,273.2	1,282.0	1,282.0	1,282.0	0.0	81.9	**1,145.2**	**34.7%**	**35.6%**	**36.7%**	**37.5%**
Fringe Benefits	263.2	298.4	323.5	332.7	332.9	330.9	365.4	395.9	382.2	382.2	378.4	380.6	380.6	0.0	15.2	**345.6**	**10.5%**	**10.6%**	**11.2%**	**10.8%**
Health Care						218.9	253.0	270.6	257.8	257.8	257.8	260.0	260.0	0.0	7.0	**239.0**	**7.2%**	**7.2%**	**7.7%**	**7.1%**
Other						112.0	112.4	125.3	124.4	124.4	120.6	120.6	120.6	0.0	8.2	**106.6**	**3.2%**	**3.3%**	**3.4%**	**3.6%**
Pension	147.1	180.7	201.5	218.6	211.1	196.7	222.2	240.6	238.9	248.0	248.0	253.0	253.0	0.0	30.8	**228.7**	**6.9%**	**7.0%**	**6.8%**	**6.4%**
Debt Service	153.5	132.5	131.2	151.1	156.4	174.3	169.5	150.9	139.2	144.2	144.2	144.2	144.2	0.0	(25.3)	**144.4**	**4.4%**	**4.0%**	**5.2%**	**5.7%**
Grants	294.1	403.1	365.1	259.1	265.8	276.6	327.3	386.7	376.7	376.7	376.7	376.7	369.0	-7.7	41.7	**343.6**	**10.4%**	**10.2%**	**10.0%**	**9.0%**
Medicaid	339.1	381.4	441.6	494.2	419.4	428.6	466.2	671.3	639.0	639.0	629.5	629.5	631.2	1.7	165.0	**601.8**	**18.2%**	**17.5%**	**14.3%**	**13.9%**
Public Assistance Programs	83.6	91.7	94.1	97.2	85.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Professional Services	161.3	181.0	216.8	210.6	204.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Contractual Services	228.9	252.2	289.5	296.7	286.8	435.7	434.5	506.5	506.6	475.0	475.0	463.0	461.0	-2.0	26.5	**416.1**	**12.6%**	**12.8%**	**13.3%**	**14.2%**
Supplies & Materials	66.5	73.6	72.1	72.1	66.6	58.9	59.1	87.8	77.8	72.8	68.0	67.0	65.5	-1.5	6.4	**59.3**	**1.8%**	**1.8%**	**1.8%**	**1.9%**
Capital Outlay	61.9	77.6	87.2	66.5	41.5	20.1	26.4	12.5	20.0	15.0	15.0	15.0	16.2	1.2	(10.2)	**15.6**	**0.5%**	**0.4%**	**0.8%**	**0.7%**
FY Budgetary Expenditures	2,822.3	3,180.5	3,389.9	3,421.7	3,295.5	3,076.5	3,270.7	3,734.7	3,653.6	3,626.1	3,616.8	3,611.0	3,602.7	-8.3	332.0	**3,300.3**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Comments:

Recommended by Expenditures Subcommittee;
June 15, 2012

Table 2.

DEFAC General Fund Revenue Worksheet

June-12 DEFAC Meeting	FY 2011	FY 2012					FY 2013				
Revenue Category	A Actual Collections	B DEFAC May-12	C % B over A	D DEFAC Jun-12	E % D over A	F $ Increase D over B	G DEFAC May-12	H % G over B	I DEFAC Jun-12	J % I over D	K $ Increase I over G
Personal Income Tax	**1,175.9**	**1,232.3**	**4.8%**	**1,233.0**	**4.9%**	**0.7**	**1,285.0**	**4.3%**	**1,285.7**	**4.3%**	**0.7**
Less: Refunds	**(178.8)**	**(190.0)**	**6.3%**	**(190.0)**	**6.3%**	**0.0**	**(199.5)**	**5.0%**	**(199.5)**	**5.0%**	**0.0**
PIT Less Refunds	**997.2**	**1,042.3**	**4.5%**	**1,043.0**	**4.6%**	**0.7**	**1,085.5**	**4.1%**	**1,086.2**	**4.1%**	**0.7**
Franchise Tax	614.5	608.3	-1.0%	610.3	-0.7%	2.0	602.2	-1.0%	604.2	-1.0%	2.0
Limited Partnerships & LLC's	156.3	164.3	5.1%	164.3	5.1%	0.0	172.5	5.0%	172.5	5.0%	0.0
Subtotal Franchise + LP/LLC	770.7	772.6	0.2%	774.6	0.5%	2.0	774.7	0.3%	776.7	0.3%	2.0
Less: Refunds	(11.0)	(11.0)	-0.1%	(11.0)	-0.1%	0.0	(11.0)	0.0%	(11.0)	0.0%	0.0
Net Franchise + LP/LLC	759.7	761.6	0.2%	763.6	0.5%	2.0	763.7	0.3%	765.7	0.3%	2.0
Business Entity Fees	**83.1**	**84.8**	**2.0%**	**85.2**	**2.5%**	**0.4**	**89.0**	**5.0%**	**87.3**	**2.5%**	**(1.7)**
Uniform Commercial Code	**16.4**	**16.9**	**2.9%**	**16.9**	**2.9%**	**0.0**	**17.4**	**3.0%**	**17.4**	**3.0%**	**0.0**
Corporation Income Tax	221.2	140.0	-36.7%	142.0	-35.8%	2.0	212.5	51.8%	214.7	51.2%	2.2
Less: Refunds	(52.9)	(29.0)	-45.2%	(29.0)	-45.2%	0.0	(38.6)	33.1%	(38.6)	33.1%	0.0
CIT Less Refunds	168.3	111.0	-34.0%	113.0	-32.8%	2.0	173.9	56.7%	176.1	55.8%	2.2
Bank Franchise Tax	**119.7**	**110.1**	**-8.0%**	**112.7**	**-5.9%**	**2.6**	**109.7**	**-0.4%**	**113.2**	**0.4%**	**3.5**
Gross Receipts Tax	**201.1**	**238.0**	**18.3%**	**238.0**	**18.3%**	**0.0**	**240.3**	**1.0%**	**237.8**	**-0.1%**	**(2.5)**
Lottery	**287.0**	**267.9**	**-6.7%**	**268.3**	**-6.5%**	**0.4**	**247.7**	**-7.5%**	**248.1**	**-7.5%**	**0.4**
Abandoned Property	427.9	310.0	-27.6%	318.0	-25.7%	8.0	561.5	81.1%	566.5	78.1%	5.0
Hospital Board and Treatment	70.5	63.4	-10.1%	64.0	-9.2%	0.6	66.7	5.2%	65.5	2.3%	(1.2)
Dividends and Interest	8.9	9.2	3.8%	10.6	19.5%	1.4	8.5	-7.6%	8.5	-19.8%	0.0
Realty Transfer Tax	**44.1**	**31.5**	**-28.5%**	**32.5**	**-26.2%**	**1.0**	**33.1**	**5.1%**	**34.1**	**4.9%**	**1.0**
Estate Tax	**16.2**	**11.5**	**-28.9%**	**12.0**	**-25.8%**	**0.5**	**15.0**	**30.4%**	**15.0**	**25.0%**	**0.0**
Insurance Taxes	**62.9**	**59.1**	**-6.0%**	**59.7**	**-5.1%**	**0.6**	**61.6**	**4.2%**	**55.1**	**-7.7%**	**(6.5)**
Public Utility Tax	57.2	45.0	-21.3%	45.3	-20.8%	0.3	45.4	0.9%	45.7	0.9%	0.3
Cigarette Taxes	129.1	125.0	-3.2%	126.0	-2.4%	1.0	123.8	-1.0%	124.7	-1.0%	0.9
Other Revenues	131.3	85.7	-34.8%	83.9	-36.1%	(1.8)	89.8	4.8%	90.0	7.3%	0.2
Less: Other Refunds	**(49.1)**	**(35.6)**	**-27.5%**	**(35.6)**	**-27.5%**	**0.0**	**(39.8)**	**11.8%**	**(39.8)**	**11.8%**	**0.0**
Net Receipts	**3,531.4**	**3,337.4**	**-5.5%**	**3,357.1**	**-4.9%**	**19.7**	**3,692.8**	**10.6%**	**3,697.1**	**10.1%**	**4.3**

FY 2013 Debt Limit: $184.9

Table 2.

DEFAC General Fund Revenue Worksheet

June-12 DEFAC Meeting	FY 2014				
Revenue Category	L DEFAC May-12	M % L over G	N DEFAC Jun-12	O % N over I	P $ Increase N over L
Personal Income Tax	**1,327.9**	**3.3%**	**1,328.7**	**3.3%**	**0.8**
Less: Refunds	**(209.5)**	**5.0%**	**(209.5)**	**5.0%**	**0.0**
PIT Less Refunds	**1,118.4**	**3.0%**	**1,119.2**	**3.0%**	**0.8**
Franchise Tax	602.2	0.0%	604.2	0.0%	2.0
Limited Partnerships & LLC's	181.2	5.0%	181.2	5.0%	0.0
Subtotal Franchise + LP/LLC	783.4	1.1%	785.4	1.1%	2.0
Less: Refunds	(11.0)	0.0%	(11.0)	0.0%	0.0
Net Franchise + LP/LLC	772.4	1.1%	774.4	1.1%	2.0
Business Entity Fees	**93.5**	**5.1%**	**89.5**	**2.5%**	**(4.0)**
Uniform Commercial Code	**17.9**	**2.9%**	**17.9**	**2.9%**	**0.0**
Corporation Income Tax	154.9	-27.1%	157.2	-26.8%	2.3
Less: Refunds	(40.6)	5.2%	(40.6)	5.2%	0.0
CIT Less Refunds	114.3	-34.3%	116.6	-33.8%	2.3
Bank Franchise Tax	**115.3**	**5.1%**	**120.7**	**6.6%**	**5.4**
Gross Receipts Tax	**247.6**	**3.0%**	**245.0**	**3.0%**	**(2.6)**
Lottery	**245.0**	**-1.1%**	**245.5**	**-1.0%**	**0.5**
Abandoned Property	514.0	-8.5%	514.0	-9.3%	0.0
Hospital Board and Treatment	64.3	-3.6%	64.3	-1.8%	0.0
Dividends and Interest	9.0	5.9%	9.0	5.9%	0.0
Realty Transfer Tax	**34.7**	**4.8%**	**35.8**	**5.0%**	**1.1**
Estate Tax	**12.0**	**-20.0%**	**12.0**	**-20.0%**	**0.0**
Insurance Taxes	**62.0**	**0.6%**	**60.2**	**9.3%**	**(1.8)**
Public Utility Tax	46.8	3.1%	47.1	3.1%	0.3
Cigarette Taxes	122.5	-1.1%	123.5	-1.0%	1.0
Other Revenues	86.8	-3.3%	87.0	-3.3%	0.2
Less: Other Refunds	**(39.8)**	**0.0%**	**(39.8)**	**0.0%**	**0.0**
Net Receipts	**3,636.7**	**-1.5%**	**3,641.9**	**-1.5%**	**5.2**

Table 3.

Balance and Appropriations Worksheet

FY 2012 EXPENDITURES

Total Spending Authority	$3,968.8
Less: Continuing Appropriations & Encumbrances from FY 2012	($295.8)
Less: Reversions	($70.3)
Total Expenditures	$3,602.7

FY 2012 BALANCES

Total Expenditures	$3,602.7
vs. FY 2012 Revenues	3,357.1
Operating Balance	(245.6)
Prior Year Cash Balance	$797.8
Cumulative Cash Balance	552.2
Less: Continuing Appropriations & Encumbrances from FY 2012	(295.8)
Less: Budgetary Reserve Account	($186.4)
Unencumbered Cash Balance 6/30	$70.0

FY 2013 APPROPRIATION LIMITS

FY 2013 Revenue Estimate	$3,697.1
Unencumbered Cash Balance from FY 12	$70.0
100% Appropriation Limit	$3,767.1
98% Appropriation Limit	$3,691.8
Prior 98% Appropriation Limit	$3,663.0
Increase (Decrease) from Prior Meeting	$28.8
Sept. 2011 98% Appropriation Limit	$3,519.9
Increase (Decrease) from September 2011	$171.9

Table 4.

Delaware Department of Transportation
FY 2012 Expenditures, Thru May 31, 2012

92%

	FY2010 Actual	FY2011 Actual	FY2012 Appropriation	SEPTEMBER FY2012 Forecast	DECEMBER FY2012 Forecast	MARCH FY2012 Forecast	APRIL FY2012 Forecast	MAY FY2012 Forecast	JUNE FY2012 Forecast	$ difference	$ difference Forecast V. FY2011 Actual	FY2012 YTD Spend	% spent YTD
Operations													
Debt Service	121.5	123.8	134.6	126.7	126.7	126.7	123.8	123.8	123.8	0.0	0.0	123.8	100.0%
Personnel Costs	83.4	84.5	85.1	85.1	85.1	85.1	85.1	85.1	85.1	0.0	0.6	78.6	92.4%
Operations/Capital Outlay	59.6	55.3	56.7	56.7	56.7	56.7	56.7	56.7	56.7	0.0	1.4	52.4	92.4%
Transit Operations (DTC)	90.0	90.4	95.2	95.2	95.2	95.2	95.2	95.2	95.2	0.0	4.8	87.4	91.8%
Total Expenditures - Operations	354.5	354.0	371.6	363.7	363.7	363.7	360.8	360.8	360.8	0.0	6.8	342.2	94.8%
Capital (State)			CTP Spend										
Road System	124.0	90.1	278.7	197.2	165.7	144.7	144.7	144.7	146.2	1.5	56.1	120.7	82.6%
Grants & Allocations	13.5	13.5	40.1	18.1	14.5	14.5	14.5	14.5	15.7	1.2	2.2	14.4	91.7%
Support Systems	24.0	18.9	32.1	25.5	20.8	18.8	18.8	18.8	22.4	3.6	3.5	19.8	88.4%
Transit	8.8	5.0	14.8	10.3	9.0	7.0	7.0	7.0	5.7	(1.3)	0.7	4.3	75.4%
Total Expenditures- State Capital	170.3	127.5	365.7	251.1	210.0	185.0	185.0	185.0	190.0	5.0	62.5	159.2	83.8%
Capital (Federal)			CTP Spend										
Federal Capital	239.1	200.7	320.5	235.7	205.7	195.0	195.0	195.0	200.0	5.0	(0.7)	179.6	89.8%
Capital (GARVEE)			CTP Spend										
GARVEE - US301	0.0	13.8	87.2	47.8	47.8	39.0	39.0	39.0	36.5	(2.5)	22.7	35.3	96.7%
Total Expenditures - Capital	409.4	342.0	773.4	534.6	463.5	419	419	419	426.5	7.5	84.5	374.1	87.7%
TOTAL EXPENDITURES	763.9	696.0	1,145.0	898.3	827.2	782.7	779.8	779.8	787.3	7.5	91.3	716.3	91.0%

Debt-service is set-aside monthly and paid July 1st and January 1st.
Expenditures represent actual expenditures not monthly set-aside amounts.

DTC Budget is $77.5 + Farebox $17.7 (Total $95.2)

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

				Fiscal 2012			Fiscal 2013		
	FY 10	FY 11	% Chg.	5/21/2012 Approved	**6/15/2012 Recomm**	% Chg. FY 11	5/21/2012 Approved	**6/15/2012 Recomm**	% Chg. FY 12
TOLL ROAD REVENUES:									
I95 Newark Plaza	$117.2	$114.1	-2.6%	$115.4	**$115.4**	1.1%	$116.7	**$116.7**	1.1%
Route 1 Toll Road	45.5	44.4	-2.4%	$44.8	**$44.8**	0.0%	$45.5	**$45.5**	1.6%
Concessions	2.2	1.8	-18.4%	$2.0	**$2.0**	14.5%	$2.0	**$2.0**	-2.0%
Total Toll Road Revenues	164.9	160.3	-2.8%	$162.2	**$162.2**	1.2%	$164.2	**$164.2**	1.2%
MOTOR FUEL TAX ADMIN.	115.7	116.6	0.8%	$113.2	**$114.2**	-2.1%	$115.5	**$116.0**	1.6%
DIVISION OF MOTOR VEHICLES									
Motor Vehicle Document Fees	58.4	68.3	17.1%	$72.3	**$72.3**	5.8%	$74.5	**$74.5**	3.0%
Motor Vehicle Registration Fees	44.5	47.2	5.9%	$46.8	**$46.8**	-0.8%	$48.1	**$48.1**	2.8%
Other DMV Revenues	22.8	24.6	7.8%	$24.0	**$24.0**	-2.4%	$24.7	**$24.7**	2.9%
Total DMV Revenues	125.7	140.1	11.5%	$143.1	**$143.1**	2.1%	$147.3	**$147.3**	2.9%
OTHER TRANSPORTATION REV.									
Other Transportation Rev	11.0	11.8	6.9%	$11.1	**$11.1**	-5.9%	$11.2	**$11.2**	0.9%
Investment Income(Net)	2.3	3.6	57.5%	$3.5	**$3.5**	-3.4%	$4.0	**$4.0**	14.3%
Total Other Transp. Revenue	13.3	15.4	15.8%	$14.6	**$14.6**	-5.2%	$15.2	**$15.2**	4.1%
GRAND TOTAL	$419.6	$432.4	3.1%	$433.1	**$434.1**	0.4%	$442.2	**$442.7**	2.0%
					$1.0			$0.5	