

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

Buena Vista – December 15, 2008

Attendance:

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

Member	Present
J. Horty	Yes
D. Hudson	No
R. Larson	Yes
K. Lewis	Yes
D. Link	Yes
A. Lubin	Yes
J. Markell	Yes
J. McKinney Cherry	Yes
C. Morgan	Yes
W. Oberle	No
E. Ratledge	Yes
T. Shopa	Yes
G. Simpson	Yes
H. Smith-Windsor	Yes
D. Swayze	Yes
C. Wicks	Yes

Members in Attendance: 25
Members Absent: 6

Others Present: P. Carter, M. Casey, J. Craig, C. Erickson, R. Geisenberger, D. Gregor, M. Jackson, P. Jackson, S. Kubico, J. Miro, B. Motyl, G. Pfeiffer, B. Scoglietti, S. Scola, A. Shepard-Visalli, B. Taylor, J. Viola, H. Weinberg and members of the press.

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

Mr. Byrd recognized the attendance of State Representatives Mr. Miro and Mr. Viola.

Mr. Markell introduced Mr. Gary Pfeiffer as his nominee to be the next Secretary of Finance. Mr. Pfeiffer served 32 years with the DuPont Company, including nine years as the Chief Financial Officer.

The minutes from the September meeting were approved as submitted.

Expenditure Subcommittee:

Mr. Davis presented the Expenditure Subcommittee's report. He reported that state agencies are working to make budget cuts and that there is a statewide hiring freeze in place. He noted that there has been increased retirements occurring and there are additional expenses associated with that. There is an expectation that the Reversion estimate will increase during the year as further budget cuts are made. The June Medicaid payment will be made in July, saving \$23.0 million for FY2009.

A motion was made, seconded and approved to accept \$3,424.8 million as the expenditure estimate for FY2009. (See Tables 1a and 1b.)

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Lewis noted that the macro forecast has deteriorated since the Subcommittee's special meeting in November. Mr. Lewis reported that the December Global Insight forecast is now providing nearly as much weight to its pessimistic scenario as to its baseline scenario.

Mr. Craig reviewed Global Insight's December economic outlook. Since the September meeting, the outlook has deteriorated from a mild recession of two quarters of slight GDP contraction, to a more severe recession that began in December 2007, which is expected to continue until the second half of CY2009. Current quarter GDP is expected to contract by 5.0%.

The pessimistic scenario forecasts GDP contraction of 2.0% in FY2010, as opposed to a "no growth" projection reflected in both the November and December baseline forecasts. The November payroll report saw a loss of 533,000 jobs, the worse report in 34 years. This resulted in a lower forecast for employment, personal income and consumer expenditures.

Mr. Gregor noted that the increased probability of the low growth scenario lead to some lower shading in the revenue forecast. Mr. Gregor added that Global Insight's November baseline forecast is similar to the December Blue Chip Consensus forecast, indicating that Global Insight has been slightly ahead of the forecasting curve.

Mr. Harty inquired about the outlook for the unemployment rate. Mr. Gregor responded that Global Insight has the national rate peaking at 8.8% in CY2010. This could indicate that there will be weak growth in withholding for some time.

Mr. Markell asked for an update on the outlook for housing prices. Mr. Craig responded that, nationally, prices were down 12.0% and Global Insight forecast another annual drop of 9.0%.

Mr. Fasy questioned the S&P500 forecast coming out of recession. Mr. Gregor noted that the recession stretches into FY2010 and that there is a forecasted rebound in the S&P500 forecast of 22.5% in FY2011.

Mr. Lewis noted that there are many uncertainties in the forecast, particularly when you look out as far as FY2011.

Mr. Dixon stated that it is clear that economists have been behind the curve of current economic events. Mr. Dixon does not believe that the numbers in the current forecast reflect the assessment that this is the worst post-war recession. Mr. Dixon also sees a problem in the recovery that will have to reckon with effects of the stimulus being employed to get out of the recession. He reasoned that, if the stimulus is removed too soon, the economy could fall back into recession, and if the stimulus remains too long, inflation will become a problem.

Mr. Dixon also noted that our revenue outlook is more conservative than the macroeconomic outlook. He observed that by FY2011 the revenue forecast remains below the FY2008 level, while the forecasted economic levels are higher. Mr. Gregor stated that this reflected the weight given to the pessimistic scenario.

General Fund Revenues - Fiscal Year 2009:

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

Revenue Category	Nov-08	Dec-08	Change
Personal Income Tax	1,185.7	1,171.2	(14.5)
Other Refunds	(28.7)	(41.7)	(13.0)
Corporation Income Tax	132.0	140.0	8.0
Bank Franchise Tax	120.7	113.0	(7.7)
Realty Transfer Tax	55.0	50.0	(5.0)
Corporate Fees	52.6	50.4	(2.2)
Other Revenues	90.9	92.6	1.7
Hospital Board and Treatment	78.1	76.6	(1.5)
Gross Receipts Tax	182.6	181.6	(1.0)
Uniform Commercial Code	11.3	10.5	(0.8)
Public Utility Tax	56.5	57.0	0.5

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

Discussion of FY 2009 Estimates:

Personal Income Tax: Mr. Lewis stated that withholding has continued to be weak and coupled with the weaker economic news, the Revenue Subcommittee decided to lower the PIT estimate by \$14.5 million from the November estimate.

Franchise Tax: The estimate reflects no change from the estimate made at the November special meeting.

Corporation Income Tax: Mr. Lewis reported that a one-time payment of \$13.0 million occurred since the November meeting. Otherwise, the category continues to track lower.

Bank Franchise Tax: Mr. Lewis reported that this estimate was lowered further since the November meeting.

Gross Receipts Tax: Mr. Lewis stated that an expected one-time payment of \$4.0 million has been factored into the estimate. Otherwise, the category continues to track lower.

Realty Transfer Tax: Mr. Lewis reported that the estimate reflects tracking that continues to be lower.

There was a discussion about the need to have a special meeting before the regularly scheduled meeting in March. The consensus was if circumstances warrant, a meeting would be called in February.

FY2009 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,224.5 million as the revenue estimate for FY2009.

The estimate represents a decrease of \$35.5 million from DEFAC's November estimate.

The estimate represents a decrease of \$187.2 million from DEFAC's September estimate.

General Fund Revenues - Fiscal Year 2010:

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

Revenue Category	Nov-08	Dec-08	Change
Personal Income Tax	1,217.8	1,196.4	(21.4)
Gross Receipts Tax	210.0	197.8	(12.2)
Corporation Income Tax	113.8	102.0	(11.8)
Realty Transfer Tax	45.0	37.5	(7.5)
Lottery	234.3	231.3	(3.0)
Corporate Fees	54.2	51.9	(2.3)
Bank Franchise Tax	99.4	98.1	(1.3)
Hospital Board and Treatment	82.5	81.4	(1.1)
Uniform Commercial Code	11.6	10.8	(0.8)
Public Utility Tax	57.7	58.2	0.5
Other Revenues	94.7	94.3	(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 expectation that the recession will last longer prompted the Subcommittee to further lower growth rates. Net Personal Income Tax was reduced from 2.2% in November to 1.6%.

Franchise Tax: There was no change from the November lowering, but Mr. Lewis cautioned that there is a great amount of uncertainty under the current conditions.

Corporate Income Tax: Mr. Lewis stated that there was some discussion about an additional reduction of this estimate.

Gross Receipts Tax: Based on the lower economic outlook, the growth was reduced in this category.

Realty Transfer Tax: Based on the lower economic outlook, the growth was reduced in this category.

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 \$3,085.9 million as the revenue estimate for FY2010.

The estimate represents a decrease of \$61.3 million from the November estimate.

The estimate represents a decrease of \$365.0 million from the September estimate.

Mr. Lewis stated that the FY2011 estimate is \$3,182.3 million and represents growth of 3.1%. He noted that the growth rate had been lowered from 3.4% in November.

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

Transportation Trust Fund (TTF)

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

FY2009 Estimates:

The following changes were made from the September estimate.

MV Document Fees: Decreased from \$70.6 million to \$64.0 million.

MV Registration Fees: Decreased from \$47.9 million to \$45.4 million.

Investment Income: Decreased from \$10.0 million to \$8.4 million.

A motion was made, seconded, and approved to accept \$444.2 million as the FY2009 revenue estimate. This represents a decrease of \$10.7 million from the September estimate.

FY2010 Estimates:

The following changes were made from the September estimate.

MV Document Fees: Decreased from \$75.6 million to \$68.8 million.

MV Registration Fees: Decreased from \$49.3 million to \$46.8 million.

A motion was made, seconded, and approved to accept \$457.5 million as the FY2010 revenue estimate. This represents a decrease of \$9.3 million from the September estimate. (See Table 4.)

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

Debt Service was decreased by \$9.9 million.

Operations Capital Outlay was decreased by \$5.0 million.

Transit Operations was decreased by \$0.7 million.

State Capital Road System expenditures was decreased by \$20.4 million.

State Grants and Allocations expenditures were decreased by \$4.6 million.

State Support Systems expenditures were decreased by \$7.6 million.

State Transit expenditures were decreased by \$2.3 million.

A motion was made, seconded, and approved to accept \$801.9 million as the FY2009 expenditure estimate. (See Table 5.)

FY2010 Debt Limit:

Mr. Gregor presented \$154.3 million as the debt limit for FY2010.

Other Business:

Mr. Gregor reported that the FY2008 Fiscal Notebook is available online at:

http://finance.delaware.gov/publications/fiscal_notebook_08/front/greetings.shtml.

Mr. Byrd announced that he would be stepping down as DEFAC Chairman at the conclusion of this meeting. He thanked the DEFAC membership and staff for the good work and support.

Mr. Cordrey also announced that this was his final meeting. He noted that he has served on DEFAC since Governor Tribbett was in office.

Mr. Byrd noted that February 17, 2009 is being reserved for a special meeting if it is deemed necessary.

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

- March 16, 2009
- April 20, 2009

There being no further business, Mr. Byrd adjourned the meeting at 4:00 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2009 (\$ in millions)
December, 2008

	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			
<i>Fiscal Year Spending Authority</i>	2,823.7	3,165.5	3,535.8	3,737.7	3,747.0		3,726.3
<u>LESS:</u>							
Reversions to the General Fund	29.8	15.4	12.8	12.0	90.6	<i>Dec</i> 53.0	
Encumbered to next fiscal year	29.1	32.8	32.2	36.4	33.0	32.0	
Continuing to next fiscal year							
Operating Budget						126.2	
Bond Bill						<u>90.3</u>	
Total Continuing	211.0	295.0	310.3	299.4	201.8	216.5	
Subtotal	269.9	343.2	355.3	347.8	325.4	301.5	
<i>Fiscal Year Budgetary Expenditures</i>	2,553.8	2,822.3	3,180.5	3,389.9	3,421.6		3,424.8
% increase/(decrease)		10.51%	12.69%	6.58%	0.94%		0.09%

Comments:

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2009 (\$ in millions)
December, 2008

	FY2004	FY2005	FY2006	FY2007	FY2008	Dec FY2009 Forecast	FY2009 YTD (5 mo actual)	% spent YTD	% of total
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>				
Salaries	971.6	1,023.1	1,108.3	1,167.3	1,222.9	1,229.9	538.7	43.8%	35.9%
Fringe Benefits	233.3	263.2	298.4	323.5	332.7	329.6	138.6	42.1%	9.6%
Pension	127.8	147.1	180.7	201.5	218.6	212.2	93.7	44.2%	6.2%
Debt Service	134.3	153.5	132.5	131.2	151.1	156.4	72.6	46.4%	4.6%
Grants	224.2	294.1	403.1	365.1	259.1	265.0	129.6	48.9%	7.7%
Medicaid	327.2	339.1	381.4	441.6	494.2	519.8	210.5	40.5%	15.2%
Public Assistance Programs	62.8	83.6	91.7	94.1	97.2	94.7	38.4	40.5%	2.8%
Professional Services	143.7	161.3	181.0	216.8	210.6	204.3	84.9	41.6%	6.0%
Contractual Services	223.9	228.9	252.2	289.5	296.7	295.1	122.2	41.4%	8.6%
Supplies & Materials	62.1	66.5	73.6	72.1	72.1	68.1	33.7	49.5%	2.0%
Capital Outlay	<u>42.9</u>	<u>61.9</u>	<u>77.6</u>	<u>87.2</u>	<u>66.5</u>	<u>49.7</u>	<u>24.3</u>	<u>48.9%</u>	1.5%
FY Budgetary Expenditures	2,553.8	2,822.3	3,180.5	3,389.9	3,421.7	3,424.8	1,487.2	43.4%	

Comments:

1. Top 3 grants are: Univ of DE \$126.7; Schools \$124.5; Child Welfare/Dept of Services for Children & Families \$22.2
2. Figures do not reflect impact of 7% cutbacks requested of agencies

DEFAC General Fund Revenue Worksheet

December-08 DEFAC Meeting	FY 2008 A Actual Collections	FY 2009					
		DEFAC Sept '08	B Rev Sub Nov-08	C % B over A	D DEFAC Dec-08	E % D over A	F \$ Increase D over B
Revenue Category							
Personal Income Tax	1,198.8	1,226.0	1,185.7	-1.1%	1,171.2	-2.3%	(14.5)
Less: Refunds	<u>(191.9)</u>	<u>(194.0)</u>	<u>(198.0)</u>	3.2%	<u>(198.0)</u>	3.2%	<u>0.0</u>
PIT Less Refunds	1,006.9	1,032.0	987.7	-1.9%	973.2	-3.3%	(14.5)
Franchise Tax	566.3	589.1	565.1	-0.2%	565.1	-0.2%	0.0
Limited Partnerships & LLC's	107.6	<u>139.3</u>	<u>138.1</u>	28.4%	<u>138.1</u>	28.4%	0.0
Subtotal Franchise + LP/LLC	673.9	728.4	703.2	4.4%	703.2	4.4%	0.0
Less: Refunds	<u>(8.7)</u>	<u>(10.0)</u>	<u>(10.0)</u>	14.7%	<u>(10.0)</u>	14.7%	<u>0.0</u>
Net Franchise + LP/LLC	665.1	718.4	693.2	4.2%	693.2	4.2%	0.0
Business Entity Fees	63.4	57.7	52.6	-17.1%	50.4	-20.5%	(2.2)
Uniform Commercial Code	13.6	12.4	11.3	-16.9%	10.5	-22.8%	(0.8)
Corporation Income Tax	227.8	156.8	132.0	-42.1%	140.0	-38.5%	8.0
Less: Refunds	<u>(49.3)</u>	<u>(45.0)</u>	<u>(50.0)</u>	1.4%	<u>(50.0)</u>	1.4%	<u>0.0</u>
CIT Less Refunds	178.5	111.8	82.0	-54.1%	90.0	-49.6%	8.0
Bank Franchise Tax	129.7	128.7	120.7	-6.9%	113.0	-12.9%	(7.7)
Gross Receipts Tax	162.1	183.1	182.6	12.6%	181.6	12.0%	(1.0)
Lottery	252.5	262.7	240.5	-4.8%	240.5	-4.8%	0.0
Abandoned Property	375.6	390.4	390.4	3.9%	390.4	3.9%	0.0
Hospital Board and Treatment	71.3	78.1	78.1	9.5%	76.6	7.4%	(1.5)
Dividends and Interest	32.9	18.9	17.7	-46.3%	17.7	-46.3%	0.0
Realty Transfer Tax	76.0	62.5	55.0	-27.6%	50.0	-34.2%	(5.0)
Estate Tax	0.3	0.0	0.0	-100.0%	0.0	-100.0%	0.0
Insurance Taxes	80.8	99.5	99.5	23.1%	99.5	23.1%	0.0
Public Utility Tax	48.1	54.0	56.5	17.4%	57.0	18.5%	0.5
Cigarette Taxes	125.3	130.0	130.0	3.7%	130.0	3.7%	0.0
Other Revenues	116.3	94.2	90.9	-21.9%	92.6	-20.4%	1.7
Less: Other Refunds	<u>(41.9)</u>	<u>(22.7)</u>	<u>(28.7)</u>	-31.4%	<u>(41.7)</u>	-0.4%	(13.0)
Net Receipts	3,356.7	3,411.7	3,260.0	-2.9%	3,224.5	-3.9%	(35.5)

DEFAC General Fund Revenue Worksheet

December-08 DEFAC Meeting	FY 2010					
	DEFAC Sept '08	G Rev Sub Nov-08	H % G over B	I DEFAC Dec-08	J % I over D	K \$ Increase I over G
Revenue Category						
Personal Income Tax	1,283.3	1,217.8	2.7%	1,196.4	2.2%	(21.4)
Less: Refunds	<u>(203.7)</u>	<u>(207.9)</u>	5.0%	<u>(207.9)</u>	5.0%	<u>0.0</u>
PIT Less Refunds	1,079.6	1,009.9	2.2%	988.5	1.6%	(21.4)
Franchise Tax	590.5	497.3	-12.0%	497.3	-12.0%	0.0
Limited Partnerships & LLC's	153.2	<u>147.7</u>	7.0%	<u>147.7</u>	7.0%	0.0
Subtotal Franchise + LP/LLC	743.7	645.0	-8.3%	645.0	-8.3%	0.0
Less: Refunds	<u>(10.0)</u>	<u>(10.0)</u>	0.0%	<u>(10.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	733.7	635.0	-8.4%	635.0	-8.4%	0.0
Business Entity Fees	59.4	54.2	3.0%	51.9	3.0%	(2.3)
Uniform Commercial Code	12.8	11.6	2.7%	10.8	2.9%	(0.8)
Corporation Income Tax	137.8	113.8	-13.8%	102.0	-27.1%	(11.8)
Less: Refunds	<u>(35.0)</u>	<u>(45.0)</u>	-10.0%	<u>(45.0)</u>	-10.0%	<u>0.0</u>
CIT Less Refunds	102.8	68.8	-16.1%	57.0	-36.7%	(11.8)
Bank Franchise Tax	109.4	99.4	-17.6%	98.1	-13.2%	(1.3)
Gross Receipts Tax	215.9	210.0	15.0%	197.8	8.9%	(12.2)
Lottery	275.5	234.3	-2.6%	231.3	-3.8%	(3.0)
Abandoned Property	351.0	330.0	-15.5%	330.0	-15.5%	0.0
Hospital Board and Treatment	82.5	82.5	5.6%	81.4	6.3%	(1.1)
Dividends and Interest	20.6	19.0	7.3%	19.0	7.3%	0.0
Realty Transfer Tax	56.7	45.0	-18.2%	37.5	-25.0%	(7.5)
Estate Tax	0.0	0.0	NA	0.0	NA	0.0
Insurance Taxes	89.2	89.2	-10.4%	89.2	-10.4%	0.0
Public Utility Tax	55.0	57.7	2.1%	58.2	2.1%	0.5
Cigarette Taxes	131.3	131.3	1.0%	131.3	1.0%	0.0
Other Revenues	97.9	94.7	4.2%	94.3	1.8%	(0.4)
Less: Other Refunds	(22.4)	(25.4)	-11.5%	(25.4)	-39.1%	0.0
Net Receipts	3,450.9	3,147.2	-3.5%	3,085.9	-4.3%	(61.3)

DEFAC General Fund Revenue Worksheet

December-08 DEFAC Meeting	FY 2011					
	DEFAC Sept '08	L DEFAC Nov-08	M % L over G	N DEFAC Dec-08	O % N over I	P \$ Increase N over L
Revenue Category						
Personal Income Tax	1,353.8	1,272.6	4.5%	1,244.2	4.0%	(28.4)
Less: Refunds	<u>(213.9)</u>	<u>(218.3)</u>	5.0%	<u>(218.3)</u>	5.0%	<u>0.0</u>
PIT Less Refunds	1,139.9	1,054.3	4.4%	1,025.9	3.8%	(28.4)
Franchise Tax	602.3	507.2	2.0%	507.2	2.0%	0.0
Limited Partnerships & LLC's	168.5	<u>158.1</u>	7.0%	<u>158.1</u>	7.0%	0.0
Subtotal Franchise + LP/LLC	770.8	665.3	3.1%	665.3	3.1%	0.0
Less: Refunds	<u>(10.0)</u>	<u>(10.0)</u>	0.0%	<u>(10.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	760.8	655.3	3.2%	655.3	3.2%	0.0
Business Entity Fees	61.2	55.8	3.0%	53.5	3.1%	(2.3)
Uniform Commercial Code	13.2	12.0	3.4%	11.2	3.7%	(0.8)
Corporation Income Tax	144.7	124.5	9.4%	111.6	9.4%	(12.9)
Less: Refunds	<u>(35.0)</u>	<u>(35.0)</u>	-22.2%	<u>(35.0)</u>	-22.2%	<u>0.0</u>
CIT Less Refunds	109.7	89.5	30.1%	76.6	34.4%	(12.9)
Bank Franchise Tax	114.9	104.4	5.0%	102.9	4.9%	(1.5)
Gross Receipts Tax	227.8	219.5	4.5%	205.7	4.0%	(13.8)
Lottery	285.0	182.3	-22.2%	180.1	-22.1%	(2.2)
Abandoned Property	365.0	365.0	10.6%	365.0	10.6%	0.0
Hospital Board and Treatment	85.9	85.9	4.1%	84.7	4.1%	(1.2)
Dividends and Interest	27.8	24.5	28.9%	21.5	13.2%	(3.0)
Realty Transfer Tax	58.7	46.6	3.6%	39.3	4.8%	(7.3)
Estate Tax	0.0	0.0	NA	0.0	NA	0.0
Insurance Taxes	93.6	93.6	4.9%	93.6	4.9%	0.0
Public Utility Tax	56.9	59.7	3.5%	60.2	3.4%	0.5
Cigarette Taxes	132.6	132.6	1.0%	132.6	1.0%	0.0
Other Revenues	100.3	97.1	2.5%	96.6	2.4%	(0.5)
Less: Other Refunds	(22.4)	(22.4)	-11.8%	(22.4)	-11.8%	0.0
Net Receipts	3,610.9	3,255.7	3.4%	3,182.3	3.1%	(73.4)

Table 3.

Balance and Appropriations Worksheet

FY 2009 EXPENDITURES		FY 2009 BALANCES		FY 2010 APPROPRIATION LIMITS	
Total Spending Authority	\$3,726.3	Total Expenditures	\$3,424.8	FY 2009 Revenue Estimate	\$3,085.9
Less: Continuing Appropriations & Encumbrances from FY 2009	(\$248.5)	vs. FY 2009 Revenues	3,224.5	Unencumbered Cash Balance from FY 08	<u>(\$109.2)</u>
Less: Reversions	<u>(\$53.0)</u>	Operating Balance	(200.3)	100% Appropriation Limit	\$2,976.7
Total Expenditures	\$3,424.8	Prior Year Cash Balance	<u>\$526.0</u>	98% Appropriation Limit	<u>\$2,917.2</u>
		Cumulative Cash Balance	325.7	Prior 98% Appropriation Limit	NA
		Less: Continuing Appropriations & Encumbrances from FY 2009	(248.5)	Increase (Decrease) from Prior Meeting	NA
		Less: Budgetary Reserve Account	<u>(\$186.4)</u>	Dec. 2008 98% Appropriation Limit	\$2,917.2
		Unencumbered Cash Balance 6/30	(\$109.2)	Increase (Decrease) from December 2008	NA

Table 4.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

				Fiscal 2009			Fiscal 2010		
	FY 07 Actual	FY 08 Actual	% Chg. FY 07	9/15/2008 Approved	12/15/2008 Recomm	% Chg. FY 08	9/15/2008 Approved	12/15/2008 Recomm	% Chg. FY 09
<u>TOLL ROAD REVENUES:</u>									
I95 Newark Plaza	\$93.9	\$115.4	22.8%	\$121.0	\$121.0	4.9%	\$122.6	\$122.6	1.3%
Route 1 Toll Road	32.6	40.5	24.2%	\$45.1	\$45.1	11.3%	\$45.8	\$45.8	1.6%
Concessions	<u>2.8</u>	<u>2.5</u>	<u>-10.7%</u>	<u>\$2.2</u>	<u>\$2.2</u>	<u>-12.0%</u>	<u>\$2.0</u>	<u>\$2.0</u>	<u>-9.1%</u>
Total Toll Road Revenues	129.3	158.4	22.5%	\$168.3	\$168.3	6.2%	\$170.4	\$170.4	1.2%
<u>MOTOR FUEL TAX ADMIN.</u>	120.8	122.9	1.7%	\$124.7	\$124.7	1.5%	\$127.2	\$127.2	2.0%
<u>DIVISION OF MOTOR VEHICLES</u>									
Motor Vehicle Document Fees	62.7	64.6	3.1%	\$70.6	\$64.0	-0.9%	\$75.6	\$68.8	7.5%
Motor Vehicle Registration Fees	31.4	41.3	31.2%	\$47.9	\$45.4	9.9%	\$49.3	\$46.8	3.1%
Other DMV Revenues	<u>20.5</u>	<u>23.6</u>	<u>15.1%</u>	<u>\$25.6</u>	<u>\$25.6</u>	<u>8.6%</u>	<u>\$26.4</u>	<u>\$26.4</u>	<u>3.1%</u>
Total DMV Revenues	<u>114.6</u>	<u>129.5</u>	13.0%	\$144.1	\$135.0	4.2%	\$151.3	\$142.0	5.2%
<u>OTHER TRANSPORTATION REV.</u>									
Other Transportation Rev	15.7	11.5	-26.8%	\$7.8	\$7.8	-32.1%	\$7.9	\$7.9	1.3%
Investment Income(Net)	<u>14.8</u>	<u>10.8</u>	<u>-27.1%</u>	<u>\$10.0</u>	<u>\$8.4</u>	<u>-22.0%</u>	<u>\$10.0</u>	<u>\$10.0</u>	<u>19.0%</u>
Total Other Transp. Revenue	<u>30.5</u>	<u>22.3</u>	-26.9%	\$17.8	\$16.2	-27.4%	\$17.9	\$17.9	10.5%
GRAND TOTAL	<u>\$395.2</u>	<u>\$433.1</u>	9.6%	<u>\$454.9</u>	<u>\$444.2</u>	2.6%	<u>\$466.8</u>	<u>\$457.5</u>	3.0%
					(\$10.7)			(\$9.3)	

Totals may not add due to rounding

Table 5.

Delaware Department of Transportation
FY 2009 EXPENDITURES (through November)

(\$ in millions)

	FY2006	FY2007	FY2008	FY2009	December	\$ difference	\$ difference	FY2009	42%
	Actual	Actual	Actual	Appropriation	FY2009	Forecast V.	Forecast V.	YTD	% spent
Operations					Forecast	Appropriation	FY2008 Actual	Spend	YTD
Debt Service	146.2	115.1	119.2	132.2	122.3	(9.9)	3.1	49.5	40.5%
Personnel Costs	87.1	106.1	93.7	90.3	90.3	0.0	(3.4)	34.6	38.3%
Operations/Capital Outlay *	42.7	49.5	53.6	57.9	52.9	(5.0)	(0.7)	22.6	42.7%
Transit Operations (DTC) *	74.3	79.3	85.8	88.4	87.7	(0.7)	1.9	36.9	42.1%
Total Expenditures - Operations	350.3	350.0	352.3	368.8	353.2	(15.6)	0.9	143.6	40.7%
* Operating decrease a result of mandated budget reduction									
Capital (State)									
Road System	211.8	121.3	145.9	156.7	136.3	(20.4)	(9.6)	55.7	40.9%
Grants & Allocations	23.9	30.5	24.2	35.6	31.0	(4.6)	6.8	11.7	37.7%
Support Systems	26.7	28.3	41.4	58.8	51.2	(7.6)	9.8	26.6	52.0%
Transit	4.1	3.5	9.2	16.7	14.4	(2.3)	5.2	3.1	21.5%
Total Expenditures- State Capital	266.5	183.6	220.7	267.8	232.9	(34.9)	12.2	97.1	41.7%
Capital (Federal)									
Road System	101.3	83.7	118.3	181.2	181.2	0.0	62.9	71.2	39.3%
Grants & Allocations	0.0	0.0	1.0	0.0	0.0	0.0	(1.0)	0.0	
Support Systems	0.2	8.5	15.0	11.1	11.1	0.0	(3.9)	5.4	48.6%
Transit	8.4	12.2	21.4	23.5	23.5	0.0	2.1	3.6	15.3%
Total Expenditures - Federal Capital	109.9	104.4	155.7	215.8	215.8	0.0	60.1	80.2	37.2%
Total Expenditures - Capital	376.4	288.0	376.4	483.6	448.7	(34.9)	72.3	177.3	39.5%
TOTAL EXPENDITURES	726.7	638.0	728.7	852.4	801.9	(50.5)	73.2	320.9	40.0%