

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

Buena Vista – December 21, 2009

Attendance:

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

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

Members in Attendance: 22

Members Absent: 11

Others Present: M. Casey, Z. Chaudhry, J. Craig, C. Erickson, R. Geisenberger, D. Gregor, P. Jackson, S. McVay, R. Morris, B. Motyl, N. Rao, H. Roberts, B. Scoglietti, S. Scola, J. Stewart and members of the press.

Opening Business: Mr. Lewis called the meeting to order at 3:05 p.m.

Mr. Lewis introduced the newest member of DEFAC, Mr. Dennis P. Williams. Mr. Williams stated that he has been a member of the Legislature for the past fourteen years and currently serves as the chair of the Joint Finance Committee.

The minutes from the September meeting were approved as submitted.

Expenditure Subcommittee:

Mr. Ratledge presented the Expenditure Subcommittee's report. He noted that the Subcommittee took a special look at Medicaid. These expenditures have been increasing by 6.0% per year. Mr. Ratledge also noted that, in the interest of providing a more comprehensive understanding of the State's finances, the Subcommittee will assess Non-Appropriated Special Funds and Appropriated Special Funds. Mr. Ratledge also indicated that the Subcommittee will continue to refine its initial work toward the production of some form of the long-term expenditure outlook.

Mr. Ratledge reported that, according to the Functional method, the estimate for Salaries was decreased by \$49.8 million. He reported that Medicaid is up \$15.4 million from FY2009. Total FY2010 Expenditures is estimated at \$3,094.5 million. This represents a decrease of \$201.0 million from FY2009.

The Balance Sheet estimate is \$3,094.5 million. The Reversion estimate increased from \$8.9 million in September to \$45.0 million, Encumbered increased from \$20.0 million to \$33.0 million and Continuing increased from \$45.0 million to \$138.1 million.

Mr. Byrd asked for comment on the Medicaid difference between September and December. Mr. Ratledge indicated that there was a change in the payment pattern.

A motion was made, seconded and approved to accept \$3,094.5 million as the expenditure estimate for FY2010. This represents a decrease of \$142.4 million from September's estimate. (See Tables 1a and 1b for complete details.)

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Craig reviewed the Global Insight December forecast, which remains largely unchanged from September's outlook. The recession ended during the past summer. The recovery is expected to be slow due to job uncertainties and credit constraints. Trend growth will not return until FY2012. Mr. Craig noted that the forecast was released two days before the strong November payroll report was published. Delaware personal income has been revised significantly lower. Delaware employment is expected to contract by 3.2% in FY2010 compounded by the recent closing of the oil refinery.

Mr. Gregor noted that Global Insight forecast was in the bottom quarter of the Blue Chip Consensus. Mr. Dixon added that the recovery could be stronger than expected. He said that the economy is healing and that there is some hopeful news. He noted that the

revenue forecast for FY2012 was still below the peak of FY2008. In comparison, by FY2012, GDP is expected to have more than made up the output lost during the recession. Mr. Dixon acknowledged that there are structural elements of Delaware's revenue portfolio that restrain growth. Nonetheless, with reasonable growth in the economy, Mr. Dixon concluded that we could be adjusting the revenue outlook upwards.

Mr. Derrickson reported that some large employers don't expect to rehire employees that have been laid off during the recent recession. Mr. Lewis noted that at a University symposium the CEO of Gore made the point that laying off employees was so painful that there would be careful consideration given before hiring new employees so as not to repeat the experience.

Ms. Davis Burnham inquired about whether there was sufficient credit to fuel the recovery. Mr. Dixon observed that there has been an enormous amount of debt floated in the bond market in the past year. Mr. Shopa added that the growth may come from small businesses.

General Fund Revenues - Fiscal Year 2010:

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

FY 2010

Revenue Category	Sep-09	Dec-09	Change
Personal Income Tax	1,095.7	1,066.0	(29.7)
Abandoned Property	374.0	400.0	26.0
Franchise Tax	601.9	624.9	23.0
Other Revenues	110.7	100.8	(9.9)
Public Utility Tax	63.1	56.0	(7.1)
Insurance Taxes	66.0	60.2	(5.8)
Limited Partnerships & LLC's	153.4	147.8	(5.6)
CIT Refunds	(50.0)	(45.0)	5.0
Gross Receipts Tax	186.6	190.5	3.9
Bank Franchise Tax	39.4	42.2	2.8
Estate Tax	5.0	2.5	(2.5)
PIT Refunds	(184.5)	(187.0)	(2.5)
Lottery	286.7	288.7	2.0
Dividends and Interest	9.0	10.0	1.0
Other Refunds	(32.7)	(33.3)	(0.6)
Uniform Commercial Code	12.6	13.1	0.5

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

Discussion of FY 2010 Estimates:

Personal Income Tax: Mr. Lewis stated that Withholding is tracking well below

original expectations and the estimate was lowered by \$25.0 million. Estimated payments and Final payments were also reduced due to tracking.

Franchise Tax: Mr. Lewis said that the increase of \$23.0 million was attributed to tracking. Mr. Geisenberger added that there has been a decline in merger activity, which has positively impacted this category.

Limited Partnerships & LLC's: Mr. Lewis said that the decrease of \$5.6 million was attributed to tracking.

Corporate Income Tax Refund: Mr. Lewis said that the estimate decrease of \$5.0 million reflected negotiations with one taxpayer.

Bank Franchise Tax: Mr. Lewis said that the increase of \$2.8 million was attributed to a one-time event.

Gross Receipts Tax: Mr. Lewis said that the increase of \$3.9 million was attributed to a number of factors: tracking, the tax amnesty program and the refinery closing are all included in the new estimate. In response to a question from Mr. Gilligan, Mr. Gregor noted that 2/3's of the amnesty collections were attributed to this category. He also noted that there is half a year impact of the refinery closure and half a year impact of new tax increases. Underlying growth is near zero.

Lottery: Mr. Lewis attributed the \$2.0 million increase to the traditional lottery. Mr. Gilligan asked if table games were included in the estimate. Mr. Gregor responded absolutely not.

Abandoned Property: Mr. Lewis said that the increase of \$26.0 million was attributed to strong collections and was net of \$10.0 million transfer out of the General Fund that is expected to occur when gross collections reach \$374.0 million.

Insurance Tax: Mr. Lewis said that the decrease of \$5.8 million was attributed to tracking.

Public Utility Tax: Mr. Lewis said that the decrease of \$7.1 million was attributed to weak commercial use.

Other Revenues: Mr. Lewis said that the decrease of \$9.9 million represents the outcome of the amnesty program. The initial estimate was originally assigned to this category. With the completion of the program, the collections have been allocated to the appropriate revenue categories.

FY2010 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,143.6 million as the revenue estimate for FY2010.

The estimate represents an increase of \$0.5 million from DEFAC's September estimate.

General Fund Revenues - Fiscal Year 2011:

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

FY 2011

Revenue Category	Sep-09	Dec-09	Change
Personal Income Tax	1,174.0	1,135.7	(38.3)
Other Revenues	95.8	111.1	15.3
Abandoned Property	365.0	380.0	15.0
Gross Receipts Tax	202.5	190.5	(12.0)
Public Utility Tax	67.2	59.6	(7.6)
Insurance Taxes	69.5	63.4	(6.1)
Limited Partnerships & LLC's	163.8	158.1	(5.7)
Bank Franchise Tax	38.8	35.6	(3.2)
PIT Refunds	(181.5)	(184.0)	(2.5)
Lottery	224.1	226.2	2.1
Uniform Commercial Code	12.9	13.5	0.6
Franchise Tax	591.5	591.4	(0.1)
Corporate Fees	74.7	74.8	0.1

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

Discussion of FY2011 Estimates:

Personal Income Tax: Mr. Lewis stated that the decreased estimate reflects a lowered base and a full-year impact of the refinery closure. Mr. Lewis noted that there was discussion in the Subcommittee about raising the growth rate but it was decided to hold off for now.

Franchise Tax: Mr. Lewis said that the increase in FY2010 was a re-allocation of revenue and did not carry into FY2011.

Limited Partnerships & LLC's: Mr. Lewis said that the decrease of \$5.7 million was attributed to carrying the change made in FY2010.

Bank Franchise Tax: Mr. Lewis said that the estimate was decreased by \$3.2 million.

Gross Receipts Tax: Mr. Lewis said that the decrease of \$12.0 million was attributed to a lower FY2010 base and the full-year impact of the refinery's closure.

Lottery: Mr. Lewis said that the increase of \$2.1 million was attributed to carrying the change made in FY2010.

Abandoned Property: Mr. Lewis said noted that on an adjusted basis, this estimate is \$6.0 million lower than FY2010.

Insurance Tax: Mr. Lewis said that the decrease of \$6.1 million was attributed to carrying the change made in FY2010.

Public Utility Tax: Mr. Lewis said that the decrease of \$7.6 million was attributed to carrying the change made in FY2010.

Other Revenues: Mr. Lewis said that the increase of \$15.3 million represents a change in school district debt service.

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

Mr. Lewis noted that consideration was given to Mr. Dixon's comments that there is more potential upside rather than downside at this time.

Mr. Bullock asked how much had the revenue forecast been reduced since June? Ms. Visalli responded that the two year drop off is \$136.4 million. Mr. Bullock speculated that all the tax policy done in June had been erased.

FY 2011 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,176.3 million as the revenue estimate for FY2011.

The estimate represents a decrease of \$42.4 million from the September estimate.

Mr. Lewis stated that the FY2012 estimate is \$3,309.1 million and represents growth of 4.2% and a decrease of \$61.4 million from September's estimate. Mr. Lewis noted that previous growth rates remained intact and that there is great

uncertainty as to how good those growth rates are at this time.

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

A motion was made, seconded and approved to accept \$3,209.9 million as the 98% Appropriation Limit for FY2011.

Transportation Trust Fund (TTF)

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

Mr. Motyl stated that there were two offsetting changes in State Capital spending.

A motion was made, seconded, and approved to accept \$987.1 million as the FY2010 TTF expenditure estimate. The estimate represents no change from the September 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 September estimate.

Motor Fuel Tax: Decreased from \$121.6 million to \$118.6 million.

Mr. Motyl noted that this reflects a decrease in consumption and the closing of the I-95 service station.

Investment Income: Decreased from \$4.5 million to \$3.4 million.

Mr. Motyl stated that this decrease reflected poorer yields.

A motion was made, seconded, and approved to accept \$425.2 million as the FY2010 revenue estimate. This represents a decrease of \$4.1 million from the September estimate.

FY2011 Estimates:

The following changes were made from the September estimate.

Motor Fuel Tax: Decreased from \$124.0 million to \$121.0 million.

Mr. Motyl noted that this reflects the changes made in FY2010.

Investment Income: Decreased from \$6.0 million to \$5.0 million.

Mr. Motyl noted that this reflects the changes made in FY2010.

A motion was made, seconded, and approved to accept \$436.1 million as the FY2011 revenue estimate. This represents a decrease of \$4.0 million from the September estimate. (See Table 5.)

Other Business:

Mr. Gregor stated that the annual Fiscal Notebook is available on line. He noted if it was necessary to obtain a bound copy to contact the Department of Finance.

Mr. Gregor stated that every two years a Tax Preference Report is prepared and presented to DEFAC. Mr. Derrickson noted that he is in the process of reading it.

Mr. Lewis announced the next scheduled DEFAC meeting date:

- March 15, 2010

There being no further business, Mr. Lewis wished everyone Happy Holidays and adjourned the meeting at 4:10 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

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

December, 2009

	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								
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
LESS:														
							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						
Encumbered to next fiscal year	29.1	32.8	32.2	36.4	33.0	36.3	20	33.0						
Continuing to next fiscal year														
Operating Budget														
Bond Bill														
Total Continuing	211.0	295.0	310.3	299.4	201.8	201.8	45	138.1						
Subtotal	269.9	343.2	355.3	347.8	325.4	485.1	73.9	216.1	0.0	0.0	0.0	0.0		(216.1)
Fiscal Year Budgetary Expenditures	2,553.8	2,822.3	3,180.5	3,389.9	3,421.6	3,241.2								3,094.5
% increase/(decrease)		10.51%	12.69%	6.58%	0.94%	-5.27%								-9.56%

Comments:

Table 1b.

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

December, 2009

	FY2005	FY2006	FY2007	FY2008	FY2009	Sep FY2010	Dec FY2010	Difference 09 vs. '10	FY2010 YTD (5 mo actual)	% spent YTD	% of total
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>				
Salaries	1,023.1	1,108.3	1,167.3	1,222.9	1,225.5	1,223.0	1175.70	(49.8)	515.6	37.8%	43.9%
Fringe Benefits	263.2	298.4	323.5	332.7	332.9	336.3	324.95	(7.9)	135.2	9.9%	41.6%
Pension	147.1	180.7	201.5	218.6	211.1	203.3	198.00	(13.1)	87.5	6.4%	44.2%
Debt Service	153.5	132.5	131.2	151.1	156.4	171.0	176.25	19.9	73.6	5.4%	41.8%
Grants	294.1	403.1	365.1	259.1	265.8	177.5	178.75	(87.1)	92.4	6.8%	51.7%
Medicaid	339.1	381.4	441.6	494.2	419.4	469.2	434.80	15.4	197.3	14.4%	45.4%
Public Assistance Programs	83.6	91.7	94.1	97.2	85.3	75.0	77.60	(7.7)	34.7	2.5%	44.7%
Professional Services	161.3	181.0	216.8	210.6	204.2	218.9	195.80	(8.4)	81.3	6.0%	41.5%
Contractual Services	228.9	252.2	289.5	296.7	286.8	278.9	253.70	(33.1)	107.5	7.9%	42.4%
Supplies & Materials	66.5	73.6	72.1	72.1	66.6	58.6	56.70	(9.9)	28.0	2.1%	49.4%
Capital Outlay	<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>22.25</u>	(19.3)	12.6	0.9%	56.6%
FY Budgetary Expenditures	2,822.3	3,180.5	3,389.9	3,421.7	3,295.5	3,236.9	3094.50	(201.0)	1,365.7	100.0%	44.1%

Comments:

DEFAC General Fund Revenue Worksheet

December-09 DEFAC Meeting	FY 2009 A Actual Collections	FY 2010					FY 2011				
		B DEFAC Sep-09	C % B over A	D DEFAC Dec-09	E % D over A	F \$ Increase D over B	G DEFAC Sep-09	H % G over B	I DEFAC Dec-09	J % I over D	K \$ Increase I over G
Revenue Category											
Personal Income Tax	1,105.2	1,095.7	-0.9%	1,066.0	-3.6%	(29.7)	1,174.0	7.1%	1,135.7	6.5%	(38.3)
Less: Refunds	<u>(194.6)</u>	<u>(184.5)</u>	-5.2%	<u>(187.0)</u>	-3.9%	<u>(2.5)</u>	<u>(181.5)</u>	-1.6%	<u>(184.0)</u>	-1.6%	<u>(2.5)</u>
PIT Less Refunds	910.7	911.2	0.1%	879.0	-3.5%	(32.2)	992.5	8.9%	951.7	8.3%	(40.8)
Franchise Tax	574.2	601.9	4.8%	624.9	8.8%	23.0	591.5	-1.7%	591.4	-5.4%	(0.1)
Limited Partnerships & LLC's	137.1	<u>153.4</u>	11.9%	<u>147.8</u>	7.8%	(5.6)	<u>163.8</u>	6.8%	<u>158.1</u>	7.0%	(5.7)
Subtotal Franchise + LP/LLC	711.3	755.3	6.2%	772.7	8.6%	17.4	755.3	0.0%	749.5	-3.0%	(5.8)
Less: Refunds	<u>(7.0)</u>	<u>(12.0)</u>	71.6%	<u>(12.0)</u>	71.6%	<u>0.0</u>	<u>(12.0)</u>	0.0%	<u>(12.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	704.3	743.3	5.5%	760.7	8.0%	17.4	743.3	0.0%	737.5	-3.0%	(5.8)
Business Entity Fees	50.8	73.0	43.6%	73.0	43.6%	0.0	74.7	2.3%	74.8	2.5%	0.1
Uniform Commercial Code	11.2	12.6	12.8%	13.1	17.3%	0.5	12.9	2.4%	13.5	3.1%	0.6
Corporation Income Tax	162.1	92.5	-42.9%	92.5	-42.9%	0.0	103.6	12.0%	103.6	12.0%	0.0
Less: Refunds	<u>(35.6)</u>	<u>(50.0)</u>	40.4%	<u>(45.0)</u>	26.3%	<u>5.0</u>	<u>(35.0)</u>	-30.0%	<u>(35.0)</u>	-22.2%	<u>0.0</u>
CIT Less Refunds	126.5	42.5	-66.4%	47.5	-62.5%	5.0	68.6	61.4%	68.6	44.4%	0.0
Bank Franchise Tax	81.8	39.4	-51.8%	42.2	-48.4%	2.8	38.8	-1.5%	35.6	-15.6%	(3.2)
Gross Receipts Tax	164.1	186.6	13.7%	190.5	16.1%	3.9	202.5	8.5%	190.5	0.0%	(12.0)
Lottery	248.0	286.7	15.6%	288.7	16.4%	2.0	224.1	-21.8%	226.2	-21.6%	2.1
Abandoned Property	392.1	374.0	-4.6%	400.0	2.0%	26.0	365.0	-2.4%	380.0	-5.0%	15.0
Hospital Board and Treatment	77.0	78.1	1.5%	78.1	1.5%	0.0	81.3	4.1%	81.3	4.1%	0.0
Dividends and Interest	8.9	9.0	1.2%	10.0	12.5%	1.0	15.5	72.2%	15.5	55.0%	0.0
Realty Transfer Tax	44.6	40.4	-9.4%	40.4	-9.4%	0.0	27.4	-32.2%	27.4	-32.2%	0.0
Estate Tax	0.1	5.0	6310.3%	2.5	3105.1%	(2.5)	25.0	400.0%	25.0	900.0%	0.0
Insurance Taxes	77.3	66.0	-14.6%	60.2	-22.1%	(5.8)	69.5	5.3%	63.4	5.3%	(6.1)
Public Utility Tax	55.9	63.1	13.0%	56.0	0.3%	(7.1)	67.2	6.5%	59.6	6.4%	(7.6)
Cigarette Taxes	125.7	134.2	6.8%	134.2	6.8%	0.0	140.3	4.5%	140.3	4.5%	0.0
Other Revenues	130.3	110.7	-15.1%	100.8	-22.7%	(9.9)	95.8	-13.5%	111.1	10.2%	15.3
Less: Other Refunds	<u>(61.1)</u>	<u>(32.7)</u>	-46.4%	<u>(33.3)</u>	-45.5%	<u>(0.6)</u>	<u>(25.7)</u>	-21.4%	<u>(25.7)</u>	-22.8%	<u>0.0</u>
Net Receipts	3,148.0	3,143.1	-0.2%	3,143.6	-0.1%	0.5	3,218.7	2.4%	3,176.3	1.0%	(42.4)

FY 2011 Debt Limit: **\$158.8**

DEFAC General Fund Revenue Worksheet

<i>December-09 DEFAC Meeting</i>	FY 2012				
	L	M	N	O	P
Revenue Category	DEFAC Sep-09	% L over G	DEFAC Dec-09	% N over I	\$ Increase N over L
Personal Income Tax	1,260.0	7.3%	1,221.6	7.6%	(38.4)
Less: Refunds	<u>(190.6)</u>	5.0%	<u>(193.2)</u>	5.0%	<u>(2.6)</u>
PIT Less Refunds	1,069.4	7.7%	1,028.4	8.1%	(41.0)
Franchise Tax	603.3	2.0%	603.3	2.0%	0.0
Limited Partnerships & LLC's	<u>175.3</u>	7.0%	<u>169.2</u>	7.0%	(6.1)
Subtotal Franchise + LP/LLC	778.6	3.1%	772.5	3.1%	(6.1)
Less: Refunds	<u>(12.0)</u>	0.0%	<u>(12.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	766.6	3.1%	760.5	3.1%	(6.1)
Business Entity Fees	76.4	2.3%	76.7	2.5%	0.3
Uniform Commercial Code	13.3	3.1%	13.9	3.0%	0.6
Corporation Income Tax	119.1	15.0%	119.1	15.0%	0.0
Less: Refunds	<u>(36.8)</u>	5.1%	<u>(36.8)</u>	5.1%	<u>0.0</u>
CIT Less Refunds	82.3	20.0%	82.3	20.0%	0.0
Bank Franchise Tax	40.8	5.2%	37.4	5.1%	(3.4)
Gross Receipts Tax	214.7	6.0%	201.9	6.0%	(12.8)
Lottery	215.2	-4.0%	217.3	-3.9%	2.1
Abandoned Property	380.0	4.1%	380.0	0.0%	0.0
Hospital Board and Treatment	84.1	3.4%	84.1	3.4%	0.0
Dividends and Interest	17.5	12.9%	17.5	12.9%	0.0
Realty Transfer Tax	30.2	10.2%	30.2	10.2%	0.0
Estate Tax	26.5	6.0%	26.5	6.0%	0.0
Insurance Taxes	74.4	7.1%	67.8	6.9%	(6.6)
Public Utility Tax	70.6	5.1%	62.6	5.0%	(8.0)
Cigarette Taxes	141.7	1.0%	141.7	1.0%	0.0
Other Revenues	93.5	-2.4%	107.0	-3.7%	13.5
Less: Other Refunds	<u>(26.7)</u>	3.9%	<u>(26.7)</u>	3.9%	0.0
Net Receipts	3,370.5	4.7%	3,309.1	4.2%	(61.4)

Table 3.

Balance and Appropriations Worksheet

FY 2010 EXPENDITURES		FY 2010 BALANCES		FY 2011 APPROPRIATION LIMITS	
Total Spending Authority	\$3,310.6	Total Expenditures	\$3,094.5	FY 2011 Revenue Estimate	\$3,176.3
Less: Continuing Appropriations & Encumbrances from FY 2010	(\$171.1)	vs. FY 2010 Revenues	3,143.6	Unencumbered Cash Balance from FY 10	<u>\$70.1</u>
Less: Reversions	<u>(\$45.0)</u>	Operating Balance	49.1	100% Appropriation Limit	\$3,246.4
Total Expenditures	\$3,094.5	Prior Year Cash Balance	<u>\$378.5</u>	98% Appropriation Limit	<u>\$3,181.5</u>
		Cumulative Cash Balance	427.6	Prior 98% Appropriation Limit	\$3,186.3
		Less: Continuing Appropriations & Encumbrances from FY 2010	(171.1)	Increase (Decrease) from Prior Meeting	(\$4.8) -0.2%
		Less: Budgetary Reserve Account	<u>(\$186.4)</u>	Sept. 2009 98% Appropriation Limit	\$3,186.3
		Unencumbered Cash Balance 6/30	<u>\$70.1</u>	Increase (Decrease) from September 2009	(\$4.8)

Table 4.

Delaware Department of Transportation
 FY 2010 EXPENDITURES , November 30, 2009

42%

	FY2007 <u>Actual</u>	FY2008 <u>Actual</u>	FY2009 <u>Actual</u>	FY2010 <u>Appropriation</u>	September FY2010 <u>Forecast</u>	December FY2010 <u>Forecast</u>	\$ difference December V. <u>September</u>	\$ difference Forecast V. FY2009 Actual	FY2010 YTD <u>Spend</u>	% spent <u>YTD</u>
Operations										
Debt Service	115.1	119.2	122.3	125.3	121.5	121.5	0.0	(0.8)	51.2	42.1%
Personnel Costs	106.1	93.7	87.2	88.6	88.6	88.6	0.0	1.4	31.5	35.6%
Operations/Capital Outlay	49.5	53.6	50.6	56.5	56.5	56.5	0.0	5.9	20.0	35.4%
Transit Operations (DTC)	79.3	85.8	87.7	90.0	90.0	90.0	0.0	2.3	37.6	41.8%
Total Expenditures - Operations	350.0	352.3	347.8	360.4	356.6	356.6	0.0	8.8	140.3	39.3%
Capital (State)										
				CTP						
Road System	121.3	145.9	127.5	133.3	140.8	165.2	24.4	37.7	47.7	28.9%
Grants & Allocations	30.5	24.2	23.0	37.7	29.3	29.3	0.0	6.3	6.3	21.5%
Support Systems	28.3	41.4	58.3	51.4	51.6	27.2	(24.4)	(31.1)	6.6	24.3%
Transit	3.5	9.2	14.7	13.2	12.6	12.6	0.0	(2.1)	3.3	26.2%
Total Expenditures- State Capital	183.6	220.7	223.5	235.6	234.3	234.3	0.0	10.8	63.9	27.3%
Capital (Federal)										
Road System	83.7	118.3	168.1	337.9	337.6	337.6	0.0	169.5	79.9	23.7%
Grants & Allocations	0.0	1.0	0.3	0.0	0.0	0.0	0.0	(0.3)	0.1	0.0%
Support Systems	8.5	15.0	12.0	17.6	15.4	15.4	0.0	3.4	4.3	27.9%
Transit	12.2	21.4	21.1	42.5	43.2	43.2	0.0	22.1	7.7	17.8%
Sub-Total - Federal Capital	104.4	155.7	201.5	398.0	396.2	396.2	0.0	194.7	92.0	23.2%
Total Expenditures - Capital	288.0	376.4	425.0	633.6	630.5	630.5	0.0	205.5	155.9	24.7%
TOTAL EXPENDITURES	638.0	728.7	772.8	994.0	987.1	987.1	0.0	214.3	296.2	30.0%

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

				Fiscal 2010			Fiscal 2011		
	FY 08 Actual	FY 09 Actual	% Chg. FY 08	09/21/2009 Approved	12/21/2009 Recomm	% Chg. FY 09	09/21/2009 Approved	12/21/2009 Recomm	% Chg. FY 10
<u>TOLL ROAD REVENUES:</u>									
I95 Newark Plaza	\$115.4	\$118.8	2.9%	\$120.9	\$120.9	1.8%	\$122.6	\$122.6	1.4%
Route 1 Toll Road	40.5	44.5	9.9%	\$45.2	\$45.2	1.5%	\$46.3	\$46.3	2.4%
Concessions	<u>2.5</u>	<u>2.4</u>	<u>-4.0%</u>	<u>\$2.1</u>	<u>\$2.1</u>	<u>-12.5%</u>	<u>\$2.3</u>	<u>\$2.3</u>	<u>9.5%</u>
Total Toll Road Revenues	158.4	165.7	4.6%	\$168.2	\$168.2	1.5%	\$171.2	\$171.2	1.8%
<u>MOTOR FUEL TAX ADMIN.</u>	122.9	119.5	-2.8%	\$121.6	\$118.6	-0.8%	\$124.0	\$121.0	2.0%
<u>DIVISION OF MOTOR VEHICLES</u>									
Motor Vehicle Document Fees	64.6	56.2	-13.0%	\$55.3	\$55.3	-1.6%	\$57.0	\$57.0	3.1%
Motor Vehicle Registration Fees	41.3	43.3	4.8%	\$44.6	\$44.6	3.0%	\$46.0	\$46.0	3.1%
Other DMV Revenues	<u>23.6</u>	<u>22.5</u>	<u>-4.7%</u>	<u>\$23.2</u>	<u>\$23.2</u>	<u>3.2%</u>	<u>\$23.9</u>	<u>\$23.9</u>	<u>2.8%</u>
Total DMV Revenues	<u>129.5</u>	<u>122.0</u>	-5.8%	<u>\$123.1</u>	<u>\$123.1</u>	0.9%	<u>\$126.9</u>	<u>\$126.9</u>	3.0%
<u>OTHER TRANSPORTATION REV.</u>									
Other Transportation Rev	11.5	8.3	-27.8%	\$11.9	\$11.9	43.5%	\$12.0	\$12.0	0.8%
Investment Income(Net)	<u>10.8</u>	<u>4.7</u>	<u>-56.5%</u>	<u>\$4.5</u>	<u>\$3.4</u>	<u>-27.5%</u>	<u>\$6.0</u>	<u>\$5.0</u>	<u>47.1%</u>
Total Other Transp. Revenue	<u>22.3</u>	<u>13.0</u>	-41.7%	<u>\$16.4</u>	<u>\$15.3</u>	17.7%	<u>\$18.0</u>	<u>\$17.0</u>	11.1%
GRAND TOTAL	<u>\$433.1</u>	<u>\$420.2</u>	<u>-3.0%</u>	<u>\$429.3</u>	<u>\$425.2</u>	<u>1.2%</u>	<u>\$440.1</u>	<u>\$436.1</u>	<u>2.6%</u>

(\$4.1)

(\$4.0)