

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

**Buena Vista – December 20, 2010**

**Attendance:**

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

<b>Member</b>	<b>Present</b>
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
J. Polidori	Yes
E. Ratledge	Yes
T. Shopa	Yes
G. Simpson	Yes
D. Swayze	Yes
A. Visalli	No
C. Wicks	Yes
D. Williams	No

**Members in Attendance: 23**

**Members Absent: 11**

**Others Present:** N. Adams, K. Callahan, P. Carter, M. Casey, Z. Chaudhry, J. Craig, C. Erickson, P. Flora, C. Flowers, R. Geisenberger, D. Gregor, C. Heiks, P. Jackson, S. Kubico, B. Maxwell, S. McVay, P. Mervine, S. Mervine, B. Motyl, H. Roberts, B. Scoglietti, S. Scola and members of the press.

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

The minutes from the September meeting were approved as submitted.

Mr. Swayze introduced two guests to the meeting, Ms. Polly Adams Mervine and her son, Mr. Steven Mervine.

**Expenditure Subcommittee:**

Mr. Ratledge presented the Expenditure Subcommittee's report. He reviewed the Balance Sheet estimate of \$3,299.7 million. The Reversion estimate is \$40.0 million; Encumbered is \$36.0 million and Continuing is \$240.6 million. (See Table 1a for complete details.)

Mr. Ratledge reviewed the Functional method. He noted that the Salary amount had increased from FY2010 due to the 2.5% pay increase. The Fringe Benefits and Pension had increased due to higher rates. The increase in Medicaid was attributed to a larger population receiving the benefits and the reduction in Federal support. Mr. Ratledge noted that there was \$14.0 million in Grants for the Department of Transportation. (See Table 1b for complete details.)

A motion was made, seconded and approved to accept \$3,299.7 million as the expenditure estimate for FY2011. This represents a decrease of \$16.6 million from September's estimate.

**Revenue Subcommittee:**

Mr. Lewis presented the Revenue Subcommittee's report.

**Economic Outlook**

Mr. Craig reviewed that the Global Insight December forecast. Since September, the FY2011 Real GDP growth rate has been increased from 2.2% to 2.7%. Third Quarter Real GDP grew at 2.5%, this was better than the 1.3% forecasted in September. The out year economic outlook remained relatively unchanged as concern remains about the recovery in the job market and the housing market.

Mr. Morgan expressed a concern that sustained high oil prices could adversely affect the economy's growth and bears watching.

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

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

## FY 2011

Revenue Category	Sep-10	Dec-10	Change
CIT Refunds	(35.0)	(65.0)	(30.0)
Corporation Income Tax	149.8	175.8	26.0
Other Refunds	(34.7)	(52.7)	(18.0)
Lottery	254.8	272.8	18.0
Franchise Tax	612.5	622.5	10.0
Personal Income Tax	1,145.1	1,136.7	(8.4)
Bank Franchise Tax	82.4	76.3	(6.1)
PIT Refunds	(190.0)	(185.0)	5.0
Cigarette Taxes	136.9	133.0	(3.9)
Corporate Fees	76.8	79.8	3.0
Realty Transfer Tax	45.0	42.5	(2.5)
Other Revenues	125.1	126.9	1.8
Uniform Commercial Code	14.5	16.2	1.7
Limited Partnerships & LLC's	154.9	156.5	1.6
Estate Tax	25.0	24.0	(1.0)
Hospital Board and Treatment	71.9	71.4	(0.5)

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

### Discussion of FY 2011 Estimates:

Mr. Gregor reviewed the impact on Delaware revenue of the recently enacted Federal Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010. Mr. Gregor noted that the changes to rates and credits for the most part do not impact Delaware's revenue. The largest impact derives from the new 100% business expensing provision. This is estimated to reduce Delaware General Fund revenue by \$5.0 million in FY2011, \$15.0 million in both FY2012 and FY2013. Changes to the Estate tax are estimated to reduce Delaware revenue by \$1.0 million in FY2011 and \$1.5 million in FY2012 and FY2013.

Mr. Byrd asked if there was an impact due to the 2.0% reduction in the payroll tax. Mr. Gregor responded that it did not because, as a rate reduction, it did not affect the definition of taxable income for Delaware tax purposes.

**Personal Income Tax:** Mr. Lewis stated that due to tracking and the improved economic outlook, the growth rate for Withholding was increased to 5.9%. Offsetting that was a reduction in Estimated payments based on tracking.

**Franchise Tax:** Mr. Lewis noted that there was good news in the increase of this estimate and the related categories.

**Corporate Income Tax:** Mr. Lewis said that the decrease was the result of federal legislation and the new 100% expensing provision. Mr. Lewis also noted that there was a large audit settlement that resulted in an equal increase to both estimates for refunds and receipts. In addition, there was some underlying tracking strength.

**Bank Franchise Tax:** Mr. Lewis stated that the latest tracking information resulted in the decrease in this category and a large increase in the Other Refund estimate.

**Lottery:** Mr. Lewis said that the increase in this category largely reflected that new competition from neighboring states were not reducing Delaware's revenue as much as originally estimated.

**Abandoned Property:** Mr. Lewis noted that because of \$70 million in earmarks attached to this category there is virtually no upside to the General Fund for the rest of the year.

**Realty Transfer Tax:** Weaker underlying tracking reduced the estimate by \$2.5 million.

**Cigarette Tax:** Mr. Gilligan asked why this estimate was reduced. Mr. Lewis stated that this was a tracking adjustment. Mr. Ratledge noted that there has been a long-term, gradual decline in smoking.

Other changes were attributed to tracking.

### **FY2011 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,359.7 million as the revenue estimate for FY2011.

The estimate represents a decrease of \$3.3 million from DEFAC's September estimate.

Mr. Lewis stated that \$6.0 million of the decrease was due to the recently enacted federal legislation.

**General Fund Revenues - Fiscal Year 2012:**

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

**FY 2012**

<b>Revenue Category</b>	<b>Sep-10</b>	<b>Dec-10</b>	<b>Change</b>
Lottery	235.9	252.1	16.2
Corporation Income Tax	162.9	150.9	(12.0)
Franchise Tax	624.7	634.9	10.2
Personal Income Tax	1,221.1	1,214.0	(7.1)
Other Revenues	110.6	116.4	5.8
Corporate Fees	78.7	83.8	5.1
PIT Refunds	(191.4)	(186.3)	5.1
Cigarette Taxes	136.9	133.0	(3.9)
Realty Transfer Tax	33.6	31.7	(1.9)
Uniform Commercial Code	14.9	16.7	1.8
Bank Franchise Tax	82.8	84.3	1.5
Estate Tax	26.5	25.0	(1.5)
Limited Partnerships & LLC's	165.7	164.3	(1.4)
Hospital Board and Treatment	73.7	72.7	(1.0)

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

**Discussion of FY2012 Estimates:**

**Personal Income Tax:** Mr. Lewis stated that due to the improved economic outlook, the growth rate for Withholding was increased from 5.0% to 5.5%.

**Corporate Income Tax:** Mr. Lewis said that the decrease of \$12.0 million was the result of federal legislation and the new 100% expensing provision.

**Bank Franchise Tax:** The decreases made in FY2011 were not carried forward into FY2012.

Mr. Lewis reported that all other changes reflected the carrying forward of changes made in FY2011.

**FY 2012 Estimate Adopted:**

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,444.9 million as the revenue estimate for FY2012.

The estimate represents an increase of \$16.9 million from the September estimate.

Mr. Lewis stated that the estimate was decreased by \$16.5 million due to the recently enacted federal legislation.

Mr. Lewis stated that the FY2013 estimate is \$3,574.2 million and represents growth of 3.8%. Mr. Lewis said that the adjusted growth rates for FY2011 – FY2013 were in the 4.0% - 4.5% range.

**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.

The following changes were made from the September estimate.

**Debt Service:** Decreased from \$129.5 million to \$123.1 million. Mr. Motyl attributed these savings to the most recent bond sale. Mr. Motyl noted that the interest cost was the lowest since the TTF began issuing bonds in 1988.

**State Capital Expenditure:** Decreased from \$218.9 million to \$206.2 million.

**Federal Capital Expenditure:** Decreased from \$329.3 million to \$283.6 million.

**GARVEE Capital Expenditure:** Decreased from \$71.9 million to \$43.0 million. Mr. Motyl said that this was the result of delayed real estate purchases for US301.

A motion was made, seconded, and approved to accept \$881.1 million as the FY2011 TTF expenditure estimate. The estimate represents a decrease of \$93.7 million from the September estimate. (See Table 4.)

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

**FY2011 Estimates:**

The following changes were made from the September estimate.

**Toll Road – I95:** Decreased from \$116.1 million to \$113.0 million. Mr. Motyl noted that this reflects decreased passenger and commercial traffic.

After a discussion about traffic volume, Mr. Lewis requested that Mr. Motyl prepare a short document that summarizes traffic composition.

**Motor Vehicle Document Fees:** Increased from \$60.1 million to \$62.2 million. Mr. Motyl noted that this reflects increased sales of both new and used vehicles.

**Motor Vehicle Registration Fees:** Increased from \$45.9 million to \$47.0 million. Mr. Motyl noted that this also reflects increased sales.

A motion was made, seconded, and approved to accept \$427.6 million as the FY2011 revenue estimate. This represents an increase of \$0.1 million from the September estimate.

**FY2012 Estimates:**

The following changes were made from the September estimate.

**Toll Road – I95:** Decreased from \$117.2 million to \$114.0 million.

**Motor Vehicle Document Fees:** Increased from \$61.9 million to \$64.0 million.

**Motor Vehicle Registration Fees:** Increased from \$47.2 million to \$48.4 million.

The FY2012 revenue estimate is \$437.5 million. This represents an increase of \$0.1 million from the September estimate. (See Table 5)

**Other Business:**

**FY2012 Debt Limit:** Mr. Gregor presented the debt limit for FY2012. This amount is equal to 5% of projected FY2012 revenues or \$172.2 million.

**FY2010 Fiscal Notebook:** Mr. Gregor noted that the most recent update to the Fiscal Notebook is available on line at the Department of Finance's web site.

Mr. Lewis announced the next scheduled DEFAC meeting dates:

- March 21, 2011
- April 18, 2011

Mr. Gilligan stated that at the March meeting he intended to make a motion to change the June meeting date. He indicated that the objective of the change would be to provide the General Assembly with additional time to craft the budget at the conclusion of the legislative session.

There being no further business, Mr. Lewis adjourned the meeting at 4:10 p.m.

Respectfully submitted,

James A. Craig

Table 1a.

## DEFAC Expenditures Forecast for General Fund Disbursements FY2011 (\$ in millions)

Dec. 2010

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010							FY2011
	<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	3,091.5							3,305.3
Cash to Bond Bill	142.0	235.0	281.6	243.3	77.9	83.4	0.0							91.0
Grant-in-Aid	38.4	40.0	42.4	50.0	47.7	45.2	35.4							35.2
Continuing & Encumbered (from prior years)	173.3	240.1	327.8	342.5	335.8	234.8	183.7							184.9
Supplementals	24.9	50.0	48.0	0.0	0.0	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>3,616.3</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	247.0	49.3	10.0	40.0					
Encumbered to next fiscal year	29.1	32.8	32.2	36.4	33.0	36.3	37.7	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	254.0	240.6					
Subtotal	269.9	343.2	355.3	347.8	325.4	430.7	234.1	300.0	316.6	0.0	0.0	0.0	0.0	(316.6)
<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>3,076.5</b>							<b>3,299.7</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>-6.65%</b>							<b>7.25%</b>

<b>Comments:</b>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>7-Yr Avg</u>	<u>FY 2011</u>
Expenditures / Spending Authority	90.4%	89.2%	90.0%	90.7%	91.3%	88.4%	92.9%	90.4%	91.2%
Reversions / Spending Authority	1.1%	0.5%	0.4%	0.3%	2.4%	6.6%	1.5%	1.8%	1.1%
Encumbered / Spending Authority	1.0%	1.0%	0.9%	1.0%	0.9%	1.0%	1.1%	1.0%	1.0%
Total Continuing / Spending Authority	7.5%	9.3%	8.8%	8.0%	5.4%	4.0%	4.4%	6.8%	6.7%

Table 1b.

## DEFAC Expenditures Forecast for General Fund Disbursements FY2011 (\$ in millions)

Dec. 2010

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	Dec FY2011	Difference		FY2011 YTD	% spent		% of	% of
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>10 vs. '11</u>		<u>(5 mo actual)</u>	<u>FY2011 YTD</u>		<u>FY2011 total</u>	<u>FY2010 total</u>
Salaries	1,023.1	1,108.3	1,167.3	1,222.9	1,225.5	1154.7	1,193.3	38.6		528.5	44.3%		36.2%	37.5%
Fringe Benefits	263.2	298.4	323.5	332.7	332.9	330.9	373.7	42.8		154.4	41.3%		11.3%	10.8%
Pension	147.1	180.7	201.5	218.6	211.1	196.7	223.4	26.7		99.1	44.4%		6.8%	6.4%
Debt Service	153.5	132.5	131.2	151.1	156.4	174.3	172.0	(2.3)		56.0	32.6%		5.2%	5.7%
Grants	294.1	403.1	365.1	259.1	265.8	276.6	340.5	63.9		162.2	47.6%		10.3%	9.0%
Medicaid	339.1	381.4	441.6	494.2	419.4	428.6	539.6	111.0		203.4	37.7%		16.4%	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%
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%
Contractual Services	228.9	252.2	289.5	296.7	286.8	435.7	379.4	(56.3)		161.6	42.6%		11.5%	14.2%
Supplies & Materials	66.5	73.6	72.1	72.1	66.6	58.9	50.9	(8.0)		24.5	48.1%		1.5%	1.9%
Capital Outlay	<u>61.9</u>	<u>77.6</u>	<u>87.2</u>	<u>66.5</u>	<u>41.5</u>	<u>20.1</u>	<u>26.9</u>	<u>6.8</u>		<u>15.6</u>	<u>58.0%</u>		<u>0.8%</u>	<u>0.7%</u>
<b>FY Budgetary Expenditures</b>	2,822.3	3,180.5	3,389.9	3,421.7	3,295.5	3,076.5	3,299.7	223.2		<b>1,405.3</b>	<b>42.6%</b>		<b>100.0%</b>	<b>100.0%</b>

**Comments:**

## DEFAC General Fund Revenue Worksheet

December-10 DEFAC Meeting	FY 2010 A Actual Collections	FY 2011					FY 2012				
		B DEFAC Sep-10	C % B over A	D DEFAC Dec-10	E % D over A	F \$ Increase D over B	G DEFAC Sep-10	H % G over B	I DEFAC Dec-10	J % I over D	K \$ Increase I over G
Revenue Category											
<b>Personal Income Tax</b>	1,061.5	1,145.1	7.9%	1,136.7	7.1%	(8.4)	1,221.1	6.6%	1,214.0	6.8%	(7.1)
Less: Refunds	<u>(208.4)</u>	<u>(190.0)</u>	-8.8%	<u>(185.0)</u>	-11.2%	<u>5.0</u>	<u>(191.4)</u>	0.7%	<u>(186.3)</u>	0.7%	<u>5.1</u>
<b>PIT Less Refunds</b>	853.1	955.1	12.0%	951.7	11.6%	(3.4)	1,029.7	7.8%	1,027.7	8.0%	(2.0)
Franchise Tax	633.1	612.5	-3.3%	622.5	-1.7%	10.0	624.7	2.0%	634.9	2.0%	10.2
Limited Partnerships & LLC's	145.0	154.9	6.8%	156.5	7.9%	1.6	165.7	7.0%	164.3	5.0%	(1.4)
Subtotal Franchise + LP/LLC	778.1	767.4	-1.4%	779.0	0.1%	11.6	790.4	3.0%	799.2	2.6%	8.8
Less: Refunds	<u>(13.0)</u>	<u>(12.0)</u>	-7.7%	<u>(12.0)</u>	-7.7%	<u>0.0</u>	<u>(12.0)</u>	0.0%	<u>(12.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	765.1	755.4	-1.3%	767.0	0.3%	11.6	778.4	3.0%	787.2	2.6%	8.8
<b>Business Entity Fees</b>	74.9	76.8	2.6%	79.8	6.6%	3.0	78.7	2.5%	83.8	5.0%	5.1
<b>Uniform Commercial Code</b>	14.1	14.5	2.6%	16.2	14.6%	1.7	14.9	2.8%	16.7	3.1%	1.8
Corporation Income Tax	125.6	149.8	19.3%	175.8	40.0%	26.0	162.9	8.7%	150.9	-14.2%	(12.0)
Less: Refunds	<u>(37.7)</u>	<u>(35.0)</u>	-7.2%	<u>(65.0)</u>	72.4%	<u>(30.0)</u>	<u>(36.8)</u>	5.1%	<u>(36.8)</u>	-43.4%	<u>0.0</u>
CIT Less Refunds	87.9	114.8	30.6%	110.8	26.1%	(4.0)	126.1	9.8%	114.1	3.0%	(12.0)
<b>Bank Franchise Tax</b>	54.0	82.4	52.6%	76.3	41.3%	(6.1)	82.8	0.5%	84.3	10.5%	1.5
<b>Gross Receipts Tax</b>	194.6	195.0	0.2%	195.0	0.2%	0.0	214.5	10.0%	214.5	10.0%	0.0
<b>Lottery</b>	275.5	254.8	-7.5%	272.8	-1.0%	18.0	235.9	-7.4%	252.1	-7.6%	16.2
Abandoned Property	493.2	424.0	-14.0%	424.0	-14.0%	0.0	390.0	-8.0%	390.0	-8.0%	0.0
Hospital Board and Treatment	74.7	71.9	-3.7%	71.4	-4.4%	(0.5)	73.7	2.5%	72.7	1.8%	(1.0)
Dividends and Interest	10.9	11.0	0.9%	11.0	0.9%	0.0	12.1	10.0%	12.1	10.0%	0.0
<b>Realty Transfer Tax</b>	46.9	45.0	-4.0%	42.5	-9.3%	(2.5)	33.6	-25.3%	31.7	-25.4%	(1.9)
<b>Estate Tax</b>	0.3	25.0	8403.4%	24.0	8063.3%	(1.0)	26.5	6.0%	25.0	4.2%	(1.5)
<b>Insurance Taxes</b>	51.8	50.5	-2.6%	50.5	-2.6%	0.0	53.1	5.1%	53.1	5.1%	0.0
Public Utility Tax	56.7	59.5	4.9%	59.5	4.9%	0.0	62.5	5.0%	62.5	5.0%	0.0
Cigarette Taxes	132.3	136.9	3.5%	133.0	0.5%	(3.9)	136.9	0.0%	133.0	0.0%	(3.9)
Other Revenues	86.5	125.1	44.7%	126.9	46.7%	1.8	110.6	-11.6%	116.4	-8.3%	5.8
<b>Less: Other Refunds</b>	<u>(37.3)</u>	<u>(34.7)</u>	-6.9%	<u>(52.7)</u>	41.4%	<u>(18.0)</u>	<u>(32.0)</u>	-7.8%	<u>(32.0)</u>	-39.3%	<u>0.0</u>
<b>Net Receipts</b>	3,235.1	3,363.0	4.0%	3,359.7	3.9%	(3.3)	3,428.0	1.9%	3,444.9	2.5%	16.9

FY 2012 Debt Limit: \$172.2

Federal Tax Legislation

(\$6.0)

(\$16.5)

Change Absent Federal Tax Law  
Amendments

\$2.7

\$33.4

## DEFAC General Fund Revenue Worksheet

<b>December-10 DEFAC Meeting</b>	<b>FY 2013</b>				
	<b>L</b>	<b>M</b>	<b>N</b>	<b>O</b>	<b>P</b>
Revenue Category	<b>DEFAC Sep-10</b>	<b>% L over G</b>	<b>DEFAC Dec-10</b>	<b>% N over I</b>	<b>\$ Increase N over L</b>
<b>Personal Income Tax</b>	<b>1,286.9</b>	<b>5.4%</b>	<b>1,279.7</b>	<b>5.4%</b>	<b>(7.2)</b>
<b>Less: Refunds</b>	<b>(200.9)</b>	<b>5.0%</b>	<b>(195.7)</b>	<b>5.0%</b>	<b>5.2</b>
<b>PIT Less Refunds</b>	<b>1,086.0</b>	<b>5.5%</b>	<b>1,084.0</b>	<b>5.5%</b>	<b>(2.0)</b>
Franchise Tax	637.2	2.0%	647.6	2.0%	10.4
Limited Partnerships & LLC's	177.3	7.0%	172.5	5.0%	(4.8)
Subtotal Franchise + LP/LLC	814.5	3.0%	820.1	2.6%	5.6
Less: Refunds	(12.0)	0.0%	(12.0)	0.0%	0.0
Net Franchise + LP/LLC	802.5	3.1%	808.1	2.7%	5.6
<b>Business Entity Fees</b>	<b>80.7</b>	<b>2.5%</b>	<b>88.0</b>	<b>5.0%</b>	<b>7.3</b>
<b>Uniform Commercial Code</b>	<b>15.4</b>	<b>3.4%</b>	<b>17.2</b>	<b>3.0%</b>	<b>1.8</b>
Corporation Income Tax	169.4	4.0%	157.4	4.3%	(12.0)
Less: Refunds	(38.6)	4.9%	(38.6)	4.9%	0.0
CIT Less Refunds	130.8	3.7%	118.8	4.1%	(12.0)
<b>Bank Franchise Tax</b>	<b>87.0</b>	<b>5.1%</b>	<b>88.4</b>	<b>4.9%</b>	<b>1.4</b>
<b>Gross Receipts Tax</b>	<b>225.2</b>	<b>5.0%</b>	<b>225.2</b>	<b>5.0%</b>	<b>0.0</b>
<b>Lottery</b>	<b>245.0</b>	<b>3.9%</b>	<b>261.8</b>	<b>3.8%</b>	<b>16.8</b>
Abandoned Property	390.0	0.0%	390.0	0.0%	0.0
Hospital Board and Treatment	75.7	2.7%	75.0	3.2%	(0.7)
Dividends and Interest	13.5	11.6%	13.5	11.6%	0.0
<b>Realty Transfer Tax</b>	<b>35.3</b>	<b>5.1%</b>	<b>33.3</b>	<b>5.0%</b>	<b>(2.0)</b>
<b>Estate Tax</b>	<b>28.0</b>	<b>5.7%</b>	<b>26.5</b>	<b>6.0%</b>	<b>(1.5)</b>
<b>Insurance Taxes</b>	<b>55.8</b>	<b>5.1%</b>	<b>55.8</b>	<b>5.1%</b>	<b>0.0</b>
Public Utility Tax	65.6	5.0%	65.6	5.0%	0.0
Cigarette Taxes	136.9	0.0%	133.0	0.0%	(3.9)
Other Revenues	117.1	5.9%	122.8	5.5%	5.7
<b>Less: Other Refunds</b>	<b>(32.8)</b>	<b>2.5%</b>	<b>(32.8)</b>	<b>2.5%</b>	<b>0.0</b>
<b>Net Receipts</b>	<b>3,557.7</b>	<b>3.8%</b>	<b>3,574.2</b>	<b>3.8%</b>	<b>16.5</b>

Federal Tax Legislation

(\$16.5)

Change Absent Federal Tax Law  
Amendments

\$33.0

Table 3.

## Balance and Appropriations Worksheet

FY 2011 EXPENDITURES		FY 2011 BALANCES		FY 2012 APPROPRIATION LIMITS	
Total Spending Authority	\$3,616.3	Total Expenditures	\$3,299.7	FY 2012 Revenue Estimate	\$3,444.9
Less: Continuing Appropriations & Encumbrances from FY 2011	(\$276.6)	vs. FY 2011 Revenues	3,359.7	Unencumbered Cash Balance from FY 11	<u>\$134.1</u>
Less: Reversions	<u>(\$40.0)</u>	Operating Balance	60.0	100% Appropriation Limit	\$3,579.0
Total Expenditures	\$3,299.7	Prior Year Cash Balance	<u>\$537.1</u>	98% Appropriation Limit	<u>\$3,507.4</u>
		Cumulative Cash Balance	597.1	Prior 98% Appropriation Limit	\$3,464.7
		Less: Continuing Appropriations & Encumbrances from FY 2011	(276.6)	Increase (Decrease) from Prior Meeting	\$42.7
		Less: Budgetary Reserve Account	<u>(\$186.4)</u>	Sept. 2010 98% Appropriation Limit	\$3,464.7
		Unencumbered Cash Balance 6/30	\$134.1	Increase (Decrease) from September 2010	\$42.7

Table 4.

Delaware Department of Transportation									
FY 2011 Expenditures , November 30, 2010									
42%									
	FY2009 Actual	FY2010 Actual	FY2011 Appropriation	SEPTEMBER FY2010 Forecast	DECEMBER FY2010 Forecast	\$ difference	\$ difference Forecast V. FY2010 Actual	FY2011 YTD Spend	% spent YTD
<b>Operations</b>									
Debt Service	122.3	121.5	129.5	129.5	123.1	(6.4)	1.6	50.3	40.9%
Personnel Costs	87.2	83.4	86.3	86.3	86.3	0.0	2.9	35.4	41.0%
Operations/Capital Outlay	50.6	59.6	55.5	55.5	55.5	0.0	(4.1)	12.8	23.1%
Transit Operations (DTC)	<u>87.7</u>	<u>90.0</u>	<u>90.4</u>	<u>90.4</u>	<u>90.4</u>	<u>0.0</u>	<u>0.4</u>	<u>37.6</u>	41.6%
Total Expenditures - Operations	347.8	354.5	361.7	361.7	355.3	(6.4)	0.8	136.1	38.3%
<b>Capital (State)</b>									
<u>CTP</u>									
Road System	127.5	124.0	142.4	142.4	130.1	(12.3)	6.1	35.3	27.1%
Grants & Allocations	23.0	13.5	40.7	40.7	40.7	0.0	27.2	6.0	14.7%
Support Systems	58.3	24.0	25.5	25.5	25.5	0.0	1.5	2.3	9.0%
Transit	<u>14.7</u>	<u>8.8</u>	<u>10.3</u>	<u>10.3</u>	<u>9.9</u>	<u>(0.4)</u>	<u>1.1</u>	1.7	<u>17.2%</u>
Total Expenditures- State Capital	223.5	170.3	218.9	218.9	206.2	(12.7)	35.9	45.3	22.0%
<b>Capital (Federal)</b>									
<u>CTP</u>									
Federal Capital	201.5	239.1	329.3	329.3	283.6	(45.7)	44.5	77.2	27.2%
<b>Capital (GARVEE)</b>									
<u>CTP</u>									
GARVEE - US301	<u>0.0</u>	<u>0.0</u>	<u>71.9</u>	<u>71.9</u>	<u>43.0</u>	<u>(28.9)</u>	<u>43.0</u>	<u>0.0</u>	<u>0.1%</u>
Total Expenditures - Capital	425.0	409.4	620.1	620.1	532.8	(87.3)	123.4	122.5	23.0%
<b>TOTAL EXPENDITURES</b>	<b>772.8</b>	<b>763.9</b>	<b>981.8</b>	<b>981.8</b>	<b>888.1</b>	<b>(93.7)</b>	<b>124.2</b>	<b>258.6</b>	<b>29.1%</b>

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION Transportation Trust Fund Revenues									
	FY 09	FY 10	% Chg.	Fiscal 2011			Fiscal 2012		
				09/20/2010 Approved	12/20/2010 Recomm	% Chg. FY 10	09/20/2010 Approved	12/20/2010 Recomm	% Chg. FY 11
<b><u>TOLL ROAD REVENUES:</u></b>									
I95 Newark Plaza	\$118.8	\$117.2	-1.3%	\$116.1	<b>\$113.0</b>	-3.6%	\$117.2	<b>\$114.0</b>	0.9%
Route 1 Toll Road	44.5	45.5	2.2%	\$45.7	<b>\$45.7</b>	0.0%	\$46.0	<b>\$46.0</b>	0.7%
Concessions	<u>2.4</u>	<u>2.2</u>	<u>-8.3%</u>	<u>\$2.3</u>	<b><u>\$2.3</u></b>	<u>5.3%</u>	<u>\$2.5</u>	<b><u>\$2.5</u></b>	<u>8.7%</u>
<b>Total Toll Road Revenues</b>	165.7	164.9	-0.5%	\$164.1	<b>\$161.0</b>	-2.4%	\$165.7	<b>\$162.5</b>	0.9%
<b>MOTOR FUEL TAX ADMIN.</b>	119.5	115.7	-3.2%	\$117.9	<b>\$117.9</b>	1.9%	\$120.3	<b>\$120.3</b>	2.0%
<b><u>DIVISION OF MOTOR VEHICLES</u></b>									
Motor Vehicle Document Fees	56.2	58.4	3.9%	\$60.1	<b>\$62.2</b>	6.6%	\$61.9	<b>\$64.0</b>	3.0%
Motor Vehicle Registration Fees	43.3	44.5	2.8%	\$45.9	<b>\$47.0</b>	5.6%	\$47.2	<b>\$48.4</b>	3.0%
Other DMV Revenues	<u>22.5</u>	<u>22.8</u>	<u>1.3%</u>	<u>\$23.5</u>	<b><u>\$23.5</u></b>	<u>3.0%</u>	<u>\$24.2</u>	<b><u>\$24.2</u></b>	<u>3.0%</u>
<b>Total DMV Revenues</b>	122.0	125.7	3.0%	\$129.5	<b>\$132.7</b>	5.6%	\$133.3	<b>\$136.6</b>	3.0%
<b><u>OTHER TRANSPORTATION REV.</u></b>									
Other Transportation Rev	8.3	11.0	32.5%	\$12.0	<b>\$12.0</b>	8.8%	\$12.1	<b>\$12.1</b>	0.8%
Investment Income(Net)	<u>4.7</u>	<u>2.3</u>	<u>-51.1%</u>	<u>\$4.0</u>	<b><u>\$4.0</u></b>	<u>73.8%</u>	<u>\$6.0</u>	<b><u>\$6.0</u></b>	<u>50.0%</u>
<b>Total Other Transp. Revenue</b>	13.0	13.3	2.3%	\$16.0	<b>\$16.0</b>	20.3%	\$18.1	<b>\$18.1</b>	13.1%
<b>GRAND TOTAL</b>	\$420.2	\$419.6	-0.1%	\$427.5	<b>\$427.6</b>	1.9%	\$437.4	<b>\$437.5</b>	2.3%

\$0.1

\$0.1