

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

**Hybrid Event – March 18, 2024**

**Attendance:**

Member	Present
P. Anderson	No
N. Batta	No
C. Bo	No
S. Bravo	Yes
J. Bullock	No
L. Davis Burnham	Yes
R. Byrd	Yes
C. Cade	Yes
N. Cook	Yes
C. Davis	Yes
K. Dwyer	Yes
R. Geisenberger	Yes
D. Gillan	Yes
R. Glen	Yes
G. Hindes	No
M. Houghton	Yes

Member	Present
M. Jackson	Yes
P. Key	Yes
A. Lubin	Yes
N. Majeski	Yes
J. Manning	No
G. Marcozzi	Yes
I. McConnel	Yes
R.A. Miller	Yes
C. Morgan	No
B. Pettyjohn	Yes
E. Ratledge	Yes
T. Shopa	No
D. Short	No
D. Sokola	Yes
K. Williams	Yes

**Members in Attendance: 22**

**Members Absent: 9**

**Others Present:** K. Baranski, S. Bolden, C. Cassell-Carter, R. Chase, L. Clymer, S. Constantino, F. Cooke, J. Coverdale, T. Croce, B. DiVirgilio, C. Engelsiepen, N. Freedman, A. Godfrey, R. Goldsmith, S. Gonzalez, B. Greenlee, C. Hall, D. Haw-Young, J. Heller, A. Hodges, J. Johnstone, K. Knight, R. Larson, J. Maddox, K. Makanjuola, M. Marlin, V. McCartan, M. McConnell, L. Mitchell, S. Muller, E. Nestlerode, J. Noel, J. Nutter, J. Owens, T. Paradee, B. Price, D. Roose, B. Scoglietti, J. Seemans, A. Shields, B. Short, M. Smith, S. Sokolowski, C. Stewart, T. Strayer, B. Sullivan, K. Tabeling, A. Willey, C. Wright.

**Opening Business:** Mr. Houghton called the meeting to order at 1:30 p.m.

The minutes from the December meeting were approved as submitted.

**Expenditure Forecasts:**

Mr. Ratledge and Ms. Engelsiepen presented the General Fund Expenditure forecasts.

### **General Fund Expenditures - Fiscal Year 2024:**

Mr. Ratledge first reviewed the balance sheet method. He noted the FY 2024 spending authority is \$8,201.7 million. Expected reversions and encumbered remain unchanged from the December estimate, standing at \$54.6 million and \$60 million, respectively for FY 2024.

Upon review of the functional method, Mr. Ratledge highlighted a significant increase in fringe benefits, noting an 18.0% rise from the previous year. This increase is primarily attributed to health care expenditures, which grew by 21.9% compared to the prior year, far surpassing the five-year annual average of 6.2%. While pension expenditures have decreased by \$98.4 million from last year, health care and contribution expenditures within this category have increased by \$52.1 million and \$69.9 million, respectively. Additionally, contractual services are up by 7.4%, standing at \$935.8 million but down from the December estimate of \$1,096.9 million. Capital outlay increased by 15.5% compared to the previous year, representing a notably lower growth rate than the average annual growth of 33.7% observed over the last five years. (See Table 1a and Table 1b for complete details.)

Ms. Williams inquired about the almost 15% decline in pension expenditures, particularly noting the 86% decrease in expenditures in the "Other" category. Ms. Engelsiepen explained that last year included a pensioner bonus of around \$70 million as well as a post-retirement increase (PRI) supplement of about \$150 million, both of which were not recurring for this year. Ms. Williams asked about the factors driving the rise in capital outlay. Ms. Engelsiepen responded that this increase is attributed to expenditures associated with the Kent and Sussex family courthouses.

A motion was made, seconded and approved to accept \$6,258.2 million as the Expenditure estimate for FY 2024. The estimate represents an increase of \$397.5 million from FY 2023 and a decrease of \$98.6 million from the December estimate.

### **General Fund Expenditures - Fiscal Year 2025:**

Mr. Ratledge reviewed the FY 2025 expenditure estimates, which total \$7,059.9 million. He noted that Medicaid expenditures are estimated to increase by roughly \$100 million and fringe benefits are anticipated to increase by \$130 million.

A motion was made, seconded and approved to accept \$7,059.9 million as the Expenditure estimate for FY 2025. The estimate represents an increase of \$801.7 million from FY 2024 and an increase of \$652.0 million from the December estimate.

**Revenue Forecasts:**

Ms. Davis Burnham and Mr. Roose presented the General Fund Revenue forecasts.

**Economic Outlook**

Ms. Davis Burnham began by noting that although wage and salary growth is anticipated to improve this year, Delaware's employment figures are slightly below prior expectations. Ms. Davis Burnham mentioned the Governor's statement from the State of the State address, wherein he stated that there are 21,000 people seeking employment in Delaware and there are 31,000 job openings available. She then asked Mr. Roose if these figures have been studied. Mr. Roose replied that the Department of Labor is currently examining these figures. He pointed out that the majority of the 31,000 job openings are typically for higher income positions and highlighted a mismatch between the skill levels of individuals seeking employment and the qualifications required for the available jobs. A subsequent discussion between Mr. Cade, Mr. Byrd, and Mr. Geisenberger took place.

Turning to the economic outlook presentation, Mr. Roose noted that the S&P forecast was notably better than the December forecast, and GDP in the fourth quarter of CY 2023 grew stronger than predicted. S&P continues to predict a general slowing of the economy over the calendar year to 1.3% growth in the fourth quarter. This low growth trend is reflective of the Federal Reserve's 2% inflation growth target, which will require low trend growth for some time.

Mr. Roose then discussed the potential impact of the Tax Relief for American Families and Workers Act on Delaware should it be passed. The bill proposes to temporarily reinstate full expensing for domestic R&D, reversing the policy of spreading deductions for R&D investments over five years since 2022. This change would apply retroactively for the 2022 and 2023 tax years and remain in effect until the end of 2025, allowing companies to deduct R&D expenses in the year they occur. Additionally, this bill would retroactively extend 100% bonus depreciation. Mr. Roose explained that these changes would flow through the Delaware tax calculation resulting in an estimated revenue loss of \$135.5 million for FY 2024 and \$74.6 million for FY 2025. Ms. Williams, Mr. Ratledge, Ms. Davis, and Mr. Geisenberger discussed the ramifications of the proposed federal bill, the challenges federal changes present to balancing the State budget, and the pros and cons of rolling conformity versus decoupling.

**General Fund Revenues:**

Mr. Roose noted that with the economy doing noticeably better, several revenues have accelerated since the December meeting.

The Revenue Subcommittee recommended the following updates to December’s estimates:

FY 2024

FY 2025

Revenue Category	Dec-23	Mar-24	Change
Corporation Income Tax	400.0	434.0	34.0
Personal Income Tax	2,400.4	2,435.7	35.3
Realty Transfer Tax	205.0	194.0	(11.0)
Unclaimed Property Refunds	(160.0)	(145.0)	15.0
Gross Receipts Tax	358.7	367.4	8.7
Dividends and Interest	127.1	123.0	(4.1)
Bank Franchise Tax	101.0	97.2	(3.8)
Lottery	243.0	240.0	(3.0)
Other Refunds	(15.7)	(15.2)	0.5
Hospital Board and Treatment	22.1	22.0	(0.1)

Revenue Category	Dec-23	Mar-24	Change
CIT Refunds	(75.0)	(109.3)	(34.3)
Personal Income Tax	2,487.6	2,529.9	42.3
Gross Receipts Tax	368.0	381.4	13.4
Realty Transfer Tax	223.2	211.3	(11.9)
Unclaimed Property Refunds	(160.0)	(150.0)	10.0
Bank Franchise Tax	109.9	105.6	(4.3)
Dividends and Interest	150.6	151.4	0.8
Lottery	247.8	247.2	(0.6)
Hospital Board and Treatment	21.9	21.3	(0.6)

For a complete listing of FY 2024 estimates, see Table 2.

Mr. Roose recommended a \$35.3 million increase to Personal Income Tax, citing that Withholding was up 5.1% YTD in December and has risen to 7.0% YTD. He mentioned that this increase is partially attributed to strong bonus growth from the finance industry. However, he added that the current outlook anticipates a deceleration this year with somewhat stronger growth projected for the following year.

Mr. Roose recommended increasing the Gross Receipts Tax estimate by \$8.7 for FY 2024, noting that price of oil at refineries is expected to rise throughout the year. He also recommended increasing the FY 2025 and FY 2025 estimate by \$13.4 million and \$13.8, respectively.

When discussing Lottery collections, Mr. Roose noted that iGaming and sports experienced a surge following the launch of the new mobile app. However, Mr. Roose stated that both traditional and video lottery revenues have remained relatively flat, prompting him to recommend a \$3.0 million decrease for FY 2024.

Mr. Roose mentioned a \$34.0 million increase in Net Corporate Income Tax collections for this year, followed by a \$34.3 and \$4.8 million decrease in FY 2025 and FY 2026, respectively. The decline in FY 2025 is largely due to an increase in refunds from several large expected claims.

Ms. Davis recommended a \$4.1 million decrease to the FY 2024 Dividends and Interests estimate.

**Fiscal Year 2024 Estimate Adopted:**

A motion was made, seconded and approved to accept \$6,248.8 million as the revenue estimate for FY 2024. The estimate represents an increase of \$71.5 million from the December estimate.

**Fiscal Year 2025 Estimate Adopted:**

A motion was made, seconded and approved to accept \$6,307.1 million as the revenue estimate for FY 2025. The estimate represents an increase of \$14.8 million from the December estimate.

**Transportation Trust Fund (TTF):**

**TTF -- Expenditures:** Ms. Haw-Young presented the Transportation Trust Fund's expenditure forecast. She recommended an increase of \$23.3 million to FY 2024 expenditure estimate. Of the changes, there was an increase in capital outlay and road systems as well as a decrease in the transit estimate.

A motion was made, seconded, and approved to accept \$1,058.7 million as the FY 2024 TTF expenditure estimate (see Table 4).

**TTF -- Revenues:** Ms. Haw-Young presented the Transportation Trust Fund's revenue forecast.

**Fiscal Year 2024 Estimates:**

The following changes were made from the December estimates.

**Toll Road Revenues:** There was a \$700,000 increase to \$212.5 million.

**Motor Fuel Tax Administration:** There was no change to the estimate of \$136.2 million.

**Division of Motor Vehicles:** There was a \$700,000 increase to \$251.6 million.

**Other Transportation Revenues:** There was a \$9.0 million increase to \$27.2 million.

**U.S. 301 Revenues:** There was no change to the estimate of \$25.2 million.

A motion was made, seconded, and approved to accept \$652.7 million as the FY 2024 TTF revenue estimate. The estimate represents an increase of \$10.4 million from the December estimate.

**Fiscal Year 2025 Estimates:**

There was no change to the December estimate of \$649.5.

A motion was made, seconded, and approved to accept \$649.5 million as the FY 2025 TTF revenue estimate (See Table 5).

**Balance and Appropriations Worksheet:**

Mr. Roose presented the Balance and Appropriations worksheet. The result of this exercise is attached as Table 3.

**Other Business:**

Mr. Houghton announced the next (tentative) scheduled DEFAC meeting dates:

- Monday, May 20, 2024
- Monday, June 17, 2024

**Public Comment:**

Mr. Houghton said that no member of the public has signed up for comment.

There being no further business, Mr. Houghton adjourned the meeting at 2:42 p.m.

Respectfully submitted,

Liz Mitchell



Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2024 (\$ in millions)																		
March 18, 2024																		
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Difference	% change	Annual Avg.	FY2024	% spent	% of	% of	% of	% of	% of		
	Actual	Actual	Actual	Actual	Actual	March	'24 vs. '23	'24 vs. '23	'24 vs. '19	2/29/2024	(actual 02/29/24)	FY2023	FY2022	FY2021	FY2020	FY2019		
<b>Salaries</b>	1,499.9	1,558.6	1,593.0	1,657.0	1,805.6	1,974.9	169.3	9.4%	5.66%	<b>1,283.4</b>	<b>29.9%</b>	<b>30.4%</b>	<b>32.8%</b>	<b>35.3%</b>	<b>34.5%</b>	<b>34.1%</b>		
<b>Fringe Benefits</b>	494.4	506.1	513.3	515.4	561.3	662.4	101.1	18.0%	6.03%	<b>414.0</b>	<b>9.7%</b>	<b>9.5%</b>	<b>10.2%</b>	<b>11.4%</b>	<b>11.2%</b>	<b>11.3%</b>		
<b>Health Care</b>	362.6	369.0	372.5	369.3	401.4	489.5	88.1	21.9%	6.19%	<b>301.9</b>	<b>7.0%</b>	<b>6.9%</b>	<b>7.3%</b>	<b>8.3%</b>	<b>8.2%</b>	<b>8.3%</b>		
<b>Other</b>	131.8	137.1	140.8	146.1	159.9	172.9	13.0	8.1%	5.58%	<b>112.1</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.9%</b>	<b>3.1%</b>	<b>3.0%</b>	<b>3.0%</b>		
<b>Pension</b>	360.8	360.1	360.8	421.0	664.7	566.3	(98.4)	-14.8%	9.43%	<b>360.5</b>	<b>8.4%</b>	<b>11.6%</b>	<b>8.3%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.2%</b>		
<b>Contribution</b>	201.5	205.0	201.5	239.7	240.1	309.9	69.9	29.1%	8.99%	<b>197.3</b>	<b>4.6%</b>	<b>6.2%</b>	<b>4.7%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.6%</b>		
<b>Health Care</b>	145.4	145.9	145.4	157.2	170.9	223.0	52.1	30.5%	8.92%	<b>141.9</b>	<b>3.3%</b>	<b>4.7%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.3%</b>		
<b>Other</b>	13.9	9.2	13.9	24.1	253.8	33.4	(220.3)	-86.8%	19.22%	<b>21.3</b>	<b>0.5%</b>	<b>0.7%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.3%</b>		
<b>Debt Service</b>	183.9	184.1	187.3	202.6	218.4	234.4	16.0	7.3%	4.97%	<b>220.9</b>	<b>5.1%</b>	<b>3.8%</b>	<b>4.0%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.2%</b>		
<b>Grants</b>	445.2	507.1	433.2	671.0	661.4	675.0	13.6	2.1%	8.68%	<b>559.1</b>	<b>13.0%</b>	<b>13.0%</b>	<b>13.3%</b>	<b>9.6%</b>	<b>11.2%</b>	<b>10.1%</b>		
<b>Medicaid</b>	733.4	702.0	734.1	823.6	932.7	1,042.4	109.7	11.8%	7.28%	<b>702.0</b>	<b>16.4%</b>	<b>15.3%</b>	<b>16.3%</b>	<b>16.3%</b>	<b>15.6%</b>	<b>16.7%</b>		
<b>Contractual Services</b>	589.0	600.5	607.5	674.7	871.6	935.8	64.2	7.4%	9.70%	<b>623.9</b>	<b>14.5%</b>	<b>14.4%</b>	<b>13.3%</b>	<b>13.5%</b>	<b>13.3%</b>	<b>13.4%</b>		
<b>Supplies &amp; Materials</b>	69.3	64.7	60.9	67.1	76.7	88.1	11.4	14.9%	4.92%	<b>55.6</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.6%</b>		
<b>Capital Outlay</b>	18.5	30.6	17.2	25.5	68.3	78.9	10.6	15.5%	33.65%	<b>70.6</b>	<b>1.6%</b>	<b>0.8%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.7%</b>	<b>0.4%</b>		
<b>FY Budgetary Expenditures</b>	4,394.3	4,513.9	4,507.3	5,057.9	5,860.8	6,258.2	397.5	7.9%	7.33%	<b>4,290.1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		



Table 1c.

DEFAC Expenditures Forecast for General Fund Disbursements FY2025-2029 (\$ in millions)													
<b>March 18, 2024</b>													
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Forecast				
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	March	FY2025	FY2026	FY2027	FY2028	FY2029
	June	June	June	June	June	June	June	June	June	June	June	June	June
Salaries	1,402.9	1,421.1	1,499.9	1,558.6	1593.0	1657.0	1,805.6	1,974.9	2,088.4	2,206.5	2,331.3	2,463.2	2,602.6
Fringe Benefits	480.5	479.6	494.4	506.1	513.3	515.4	561.3	662.4	792.4	840.3	891.1	945.0	1,002.1
Health Care	359.0	357.9	362.6	369.0	372.5	369.3	401.4	489.5	608.9	646.6	686.6	729.0	774.1
Other	121.5	121.7	131.8	137.1	140.8	146.1	159.9	172.9	183.5	193.7	204.5	216.0	228.0
Pension	317.7	316.7	360.8	360.1	360.8	421.0	664.7	566.3	615.5	674.5	739.4	811.1	890.2
Contribution	153.7	167.6	201.5	205.0	201.5	238.8	240.1	309.9	327.9	357.4	389.5	424.5	462.7
Health Care	131.3	136.0	145.4	145.9	145.4	170.6	170.9	223.0	250.6	273.0	297.4	323.9	352.8
Other	32.7	13.1	13.9	9.2	13.9	11.6	253.8	33.4	37.0	44.1	52.6	62.7	74.7
Debt Service	179.0	187.2	183.9	184.1	187.3	202.6	218.4	234.4	249.4	261.8	274.8	288.5	302.8
Grants	365.7	362.9	445.2	507.1	433.2	671.0	661.4	675.0	622.8	676.9	735.6	799.5	868.9
Medicaid	739.7	750.2	733.4	702.0	734.1	823.6	932.7	1,042.4	1,139.2	1,222.2	1,311.2	1,406.7	1,509.2
Contractual Services	537.6	526.1	589.0	600.5	607.5	674.7	871.6	935.8	1,428.8	1,267.4	890.4	976.8	1,071.5
Supplies & Materials	68.7	61.9	69.3	64.7	60.9	67.1	76.7	88.1	93.4	98.0	102.8	107.9	113.2
Capital Outlay	14.3	12.4	18.5	30.6	17.2	25.5	68.3	78.9	30.0	40.1	53.6	71.6	95.7
FY Budgetary Expenditures	4,106.1	4,118.1	4,394.3	4,513.9	4,507.3	5,057.9	5,860.8	6,258.2	7,059.9	7,287.6	7,330.3	7,870.2	8,456.2
<b>Comments:</b>													
Forecast FY2026-FY2029 is based on the annual average growth rate for each category FY2018-FY2024.													
<b>OMB General Assumptions FY2025 Forecast</b>													
FY2025 Governor's Recommended Operating Budget													
FY2025 Grant in Aid budget at current year level excluding one-time initiatives													
FY2025 Governor's Recommended One-Time Supplemental Budget													
FY2025 Governor's Recommended Capital Budget													
Includes spend from continued funds													
<b>Salary</b> - Includes increase for Salary Policy, Steps/CBAs and Unit Count growth													
<b>Fringe Other</b> - projected using FY2025 Governor's Recommended OEC rates													
<b>Fringe Healthcare</b> - includes \$93.9M projected increase for Group Health Insurance Program (GHIP) premiums													
<b>Pension</b> - includes \$56.1M for the 1% to Other Post-Employment Benefits (OPEB) per EO 52													
<b>Debt Service</b> – Increased \$15M for both existing and new debt													
<b>Grants</b> - Projected using recommended budget and operational funding provided to UD and Housing													
<b>Medicaid</b> - Projected with trending healthcare inflation and demographic shifts in Delaware													
<b>Contractual Services</b> - Projected using recommended spend level for agency operations, one-time initiatives, and cash projects													
<b>Supplies</b> - Projected using recommended spend level for agency operations and one-time initiatives													
<b>Capital</b> - Projected using recommended spend level for agency operations, one-time initiatives and cash projects													

Table 2. DEFAC General Fund Revenue Worksheet

March-24 DEFAC Meeting	FY 2023 A Actual Collections	FY 2024				
		B DEFAC Dec-23	C % B over A	D DEFAC Mar-24	E % D over A	F \$ Increase D over B
Revenue Category						
<b>Personal Income Tax</b>	<b>2,396.2</b>	<b>2,400.4</b>	<b>0.2%</b>	<b>2,435.7</b>	<b>1.6%</b>	<b>35.3</b>
Less: Refunds	<u>(283.3)</u>	<u>(287.0)</u>	1.3%	<u>(287.0)</u>	1.3%	<u>0.0</u>
<b>PIT Less Refunds</b>	<b>2,112.9</b>	<b>2,113.4</b>	<b>0.0%</b>	<b>2,148.7</b>	<b>1.7%</b>	<b>35.3</b>
Franchise Tax	1,397.3	1,348.9	-3.5%	1,348.9	-3.5%	0.0
Limited Partnerships & LLC's	474.9	<u>460.8</u>	-3.0%	<u>460.8</u>	-3.0%	0.0
Subtotal Franchise + LP/LLC	1,872.1	1,809.7	-3.3%	1,809.7	-3.3%	0.0
Less: Refunds	<u>(15.0)</u>	<u>(20.0)</u>	33.0%	<u>(20.0)</u>	33.0%	<u>0.0</u>
Net Franchise + LP/LLC	1,857.1	1,789.7	-3.6%	1,789.7	-3.6%	0.0
<b>Business Entity Fees</b>	<b>158.1</b>	<b>150.0</b>	<b>-5.1%</b>	<b>150.0</b>	<b>-5.1%</b>	<b>0.0</b>
<b>Uniform Commercial Code</b>	<b>28.2</b>	<b>26.5</b>	<b>-6.2%</b>	<b>26.5</b>	<b>-6.2%</b>	<b>0.0</b>
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	<u>(138.3)</u>	<u>(160.0)</u>	15.7%	<u>(145.0)</u>	4.8%	<u>15.0</u>
Unclaimed Prop Less Refunds	415.7	394.0	-5.2%	409.0	-1.6%	15.0
<b>Gross Receipts Tax</b>	<b>353.2</b>	<b>358.7</b>	<b>1.6%</b>	<b>367.4</b>	<b>4.0%</b>	<b>8.7</b>
<b>Lottery</b>	<b>239.6</b>	<b>243.0</b>	<b>1.4%</b>	<b>240.0</b>	<b>0.2%</b>	<b>(3.0)</b>
Corporation Income Tax	457.4	400.0	-12.5%	434.0	-5.1%	34.0
Less: Refunds	<u>(73.5)</u>	<u>(80.0)</u>	8.8%	<u>(80.0)</u>	8.8%	<u>0.0</u>
CIT Less Refunds	383.9	320.0	-16.6%	354.0	-7.8%	34.0
<b>Realty Transfer Tax</b>	<b>246.7</b>	<b>205.0</b>	<b>-16.9%</b>	<b>194.0</b>	<b>-21.4%</b>	<b>(11.0)</b>
<b>Cigarette Taxes</b>	<b>104.9</b>	<b>98.6</b>	<b>-6.0%</b>	<b>98.6</b>	<b>-6.0%</b>	<b>0.0</b>
Bank Franchise Tax	105.8	101.0	-4.5%	97.2	-8.1%	(3.8)
Insurance Taxes and Fees	107.5	106.7	-0.8%	106.7	-0.8%	0.0
Hospital Board and Treatment	20.9	22.1	6.0%	22.0	5.5%	(0.1)
<b>Public Utility Tax</b>	<b>35.7</b>	<b>33.9</b>	<b>-4.9%</b>	<b>33.9</b>	<b>-4.9%</b>	<b>0.0</b>
<b>Alcoholic Beverage Tax</b>	<b>32.2</b>	<b>31.9</b>	<b>-1.0%</b>	<b>31.9</b>	<b>-1.0%</b>	<b>0.0</b>
<b>Dividends and Interest</b>	<b>37.3</b>	<b>127.1</b>	<b>240.9%</b>	<b>123.0</b>	<b>229.9%</b>	<b>(4.1)</b>
<b>Other Revenues</b>	<b>81.2</b>	<b>71.4</b>	<b>-12.1%</b>	<b>71.4</b>	<b>-12.1%</b>	<b>0.0</b>
Less: Other Refunds	<u>(25.8)</u>	<u>(15.7)</u>	-39.2%	<u>(15.2)</u>	-41.1%	0.5
<b>Net Receipts</b>	<b>6,295.1</b>	<b>6,177.3</b>	<b>-1.9%</b>	<b>6,248.8</b>	<b>-0.7%</b>	<b>71.5</b>

Table 2. DEFAC General Fund Revenue Worksheet

March-24 DEFAC Meeting	FY 2025					FY 2026				
	G DEFAC Dec-23	H % G over B	I DEFAC Mar-24	J % I over D	K \$ Increase I over G	L DEFAC Dec-23	M % L over G	N DEFAC Mar-24	O % L over I	P \$ Increase N over L
Revenue Category										
<b>Personal Income Tax</b>	<b>2,487.6</b>	<b>3.6%</b>	<b>2,529.9</b>	<b>3.9%</b>	<b>42.3</b>	<b>2,579.3</b>	<b>3.7%</b>	<b>2,623.2</b>	<b>3.7%</b>	<b>43.9</b>
Less: Refunds	<u>(272.7)</u>	-5.0%	<u>(272.7)</u>	-5.0%	<u>0.0</u>	<u>(245.7)</u>	-9.9%	<u>(245.7)</u>	-9.9%	<u>0.0</u>
<b>PIT Less Refunds</b>	<b>2,214.9</b>	<b>4.8%</b>	<b>2,257.2</b>	<b>5.0%</b>	<b>42.3</b>	<b>2,333.6</b>	<b>5.4%</b>	<b>2,377.5</b>	<b>5.3%</b>	<b>43.9</b>
Franchise Tax	1,348.9	0.0%	1,348.9	0.0%	0.0	1,348.9	0.0%	1,348.9	0.0%	0.0
Limited Partnerships & LLC's	<u>460.8</u>	0.0%	<u>460.8</u>	0.0%	0.0	<u>460.8</u>	0.0%	<u>460.8</u>	0.0%	<u>0.0</u>
Subtotal Franchise + LP/LLC	1,809.7	0.0%	1,809.7	0.0%	0.0	1,809.7	0.0%	1,809.7	0.0%	0.0
Less: Refunds	<u>(10.0)</u>	-50.0%	<u>(10.0)</u>	-50.0%	<u>0.0</u>	<u>(10.0)</u>	0.0%	<u>(10.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	1,799.7	0.6%	1,799.7	0.6%	0.0	1,799.7	0.0%	1,799.7	0.0%	0.0
<b>Business Entity Fees</b>	<b>150.0</b>	<b>0.0%</b>	<b>150.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>150.0</b>	<b>0.0%</b>	<b>150.0</b>	<b>0.0%</b>	<b>0.0</b>
<b>Uniform Commercial Code</b>	<b>26.5</b>	<b>0.0%</b>	<b>26.5</b>	<b>0.0%</b>	<b>0.0</b>	<b>26.5</b>	<b>0.0%</b>	<b>26.5</b>	<b>0.0%</b>	<b>0.0</b>
Unclaimed Property	525.0	-5.2%	525.0	-5.2%	0.0	500.0	-4.8%	500.0	-4.8%	0.0
Less: Refunds	<u>(160.0)</u>	0.0%	<u>(150.0)</u>	3.4%	<u>10.0</u>	<u>(160.0)</u>	0.0%	<u>(150.0)</u>	0.0%	<u>10.0</u>
Unclaimed Prop Less Refunds	365.0	-7.4%	375.0	-8.3%	10.0	340.0	-6.8%	350.0	-6.7%	10.0
<b>Gross Receipts Tax</b>	<b>368.0</b>	<b>2.6%</b>	<b>381.4</b>	<b>3.8%</b>	<b>13.4</b>	<b>378.3</b>	<b>2.8%</b>	<b>392.1</b>	<b>2.8%</b>	<b>13.8</b>
<b>Lottery</b>	<b>247.8</b>	<b>2.0%</b>	<b>247.2</b>	<b>3.0%</b>	<b>(0.6)</b>	<b>250.8</b>	<b>1.2%</b>	<b>251.0</b>	<b>1.5%</b>	<b>0.2</b>
Corporation Income Tax	362.0	-9.5%	362.0	-16.6%	0.0	354.0	-2.2%	354.0	-2.2%	0.0
Less: Refunds	<u>(75.0)</u>	-6.3%	<u>(109.3)</u>	36.6%	<u>(34.3)</u>	<u>(75.0)</u>	0.0%	<u>(79.8)</u>	-27.0%	<u>(4.8)</u>
CIT Less Refunds	287.0	-10.3%	252.7	-28.6%	(34.3)	279.0	-2.8%	274.2	8.5%	(4.8)
<b>Realty Transfer Tax</b>	<b>223.2</b>	<b>8.9%</b>	<b>211.3</b>	<b>8.9%</b>	<b>(11.9)</b>	<b>233.9</b>	<b>4.8%</b>	<b>221.4</b>	<b>4.8%</b>	<b>(12.5)</b>
<b>Cigarette Taxes</b>	<b>93.7</b>	<b>-5.0%</b>	<b>93.7</b>	<b>-5.0%</b>	<b>0.0</b>	<b>89.0</b>	<b>-5.0%</b>	<b>89.0</b>	<b>-5.0%</b>	<b>0.0</b>
Bank Franchise Tax	109.9	8.8%	105.6	8.6%	(4.3)	112.1	2.0%	107.0	1.3%	(5.1)
Insurance Taxes and Fees	113.0	5.9%	113.0	5.9%	0.0	111.1	-1.7%	111.1	-1.7%	0.0
Hospital Board and Treatment	21.9	-0.9%	21.3	-3.2%	(0.6)	21.3	-2.7%	20.7	-2.8%	(0.6)
<b>Public Utility Tax</b>	<b>32.8</b>	<b>-3.2%</b>	<b>32.8</b>	<b>-3.2%</b>	<b>0.0</b>	<b>32.1</b>	<b>-2.1%</b>	<b>32.1</b>	<b>-2.1%</b>	<b>0.0</b>
<b>Alcoholic Beverage Tax</b>	<b>32.2</b>	<b>0.9%</b>	<b>32.2</b>	<b>0.9%</b>	<b>0.0</b>	<b>32.5</b>	<b>0.9%</b>	<b>32.5</b>	<b>0.9%</b>	<b>0.0</b>
<b>Dividends and Interest</b>	<b>150.6</b>	<b>18.5%</b>	<b>151.4</b>	<b>23.1%</b>	<b>0.8</b>	<b>143.0</b>	<b>-5.0%</b>	<b>143.7</b>	<b>-5.1%</b>	<b>0.7</b>
<b>Other Revenues</b>	<b>71.8</b>	<b>0.6%</b>	<b>71.8</b>	<b>0.6%</b>	<b>0.0</b>	<b>71.8</b>	<b>0.0%</b>	<b>71.8</b>	<b>0.0%</b>	<b>0.0</b>
Less: Other Refunds	<u>(15.7)</u>	0.0%	<u>(15.7)</u>	3.3%	0.0	<u>(15.7)</u>	0.0%	<u>(15.7)</u>	0.0%	<u>0.0</u>
<b>Net Receipts</b>	<b>6,292.3</b>	<b>1.9%</b>	<b>6,307.1</b>	<b>0.9%</b>	<b>14.8</b>	<b>6,389.0</b>	<b>1.5%</b>	<b>6,434.6</b>	<b>2.0%</b>	<b>45.6</b>

## Table 3. Balance and Appropriations Worksheet

March-24

### FY 2024 EXPENDITURES

Total Spending Authority	\$8,201.7
Less: Continuing Appropriations & Encumbrances from FY 2024	(\$1,888.9)
Less: Reversions	<u>(\$54.6)</u>
Total Expenditures	\$6,258.2

### FY 2024 BALANCES

Total Expenditures	\$6,258.2
vs. FY 2024 Revenues	6,248.8
Operating Balance	(9.4)
Prior Year Cash Balance	3039.5
Less: Budget Stabilization Fund (84 Del Law c 91; HB 195, Section 65)	<u>(\$410.1)</u>
Cumulative Cash Balance	2,620.0
Less: Continuing Appropriations & Encumbrances from FY 2024	(1,888.9)
Less: Budgetary Reserve Account	<u>(\$328.8)</u>
Unencumbered Cash Balance 6/30	\$402.4

### FY 2025 APPROPRIATION LIMITS

FY 2025 Revenue Estimate	\$6,307.1
Unencumbered Cash Balance from FY 2024	<u>\$402.4</u>
100% Appropriation Limit	\$6,709.5
98% Appropriation Limit	<u>\$6,575.3</u>
Prior 98% Appropriation Limit	\$6,490.7
Increase (Decrease) from Prior Meeting	\$84.6
October 2023 98% Appropriation Limit	\$6,401.6
Increase (Decrease) from October 2023	\$173.7

### FY 2024 BUDGET

Budget	\$5,606.7
Grants	\$72.0
Supplemental	\$948.0
Total Appropriations	\$6,626.7
Plus: Continuing Appropriations & Encumbrances from Prior Years	<u>\$1,575.0</u>
Total Spending Authority	\$8,201.7

Table 4.

Delaware Department of Transportation FY 2024 Expenditures, Through February 29, 2024										67%
	FY2022 Actual	FY2023 Actual	FY2024 Appropriation	OCTOBER FY2024 Forecast	DECEMBER FY2024 Forecast	MARCH FY2024 Forecast	\$ difference Dec to Mar	\$ difference Forecast V. FY2023 Actual	FY2024 YTD Spend	% spent YTD
<b>Operations</b>			<u>w/o US301</u>							
Debt Service	67.0	83.0	82.2	82.2	82.2	82.2	0.0	(0.8)	82.2	100%
Personnel Costs	105.6	107.9	119.3	119.3	119.3	119.3	0.0	11.4	77.4	65%
Operations/Capital Outlay	66.8	66.8	81.3	81.3	81.3	91.5	10.2	24.7	51.9	57%
Transit Operations (DTC)	79.8	80.3	89.6	89.6	89.6	89.6	0.0	9.3	59.7	67%
<b>Total Expenditures - Operations</b>	<b>319.2</b>	<b>338.0</b>	<b>372.4</b>	<b>372.4</b>	<b>372.4</b>	<b>382.6</b>	<b>0.0</b>	<b>34.4</b>	<b>271.2</b>	<b>71%</b>
<b>State Capital</b>										
Road System	197.7	210.2	202.0	202.0	202.0	222.8	20.8	12.6	168.7	76%
Grants & Allocations	26.7	30.1	42.2	42.2	42.2	42.2	0.0	12.1	27.0	64%
Support Systems	45.8	52.0	43.1	43.1	43.1	43.1	0.0	(8.9)	34.4	80%
Transit	29.9	23.5	27.7	27.7	27.7	19.4	(8.3)	(4.1)	10.6	55%
<b>State Capital</b>	<b>300.1</b>	<b>315.8</b>	<b>315.0</b>	<b>315.0</b>	<b>315.0</b>	<b>327.5</b>	<b>12.5</b>	<b>11.7</b>	<b>240.7</b>	<b>73%</b>
<b>Federal Capital</b>										
Federal Capital	261.1	269.3	325.0	325.0	325.0	325.0	0.0	55.7	206.2	63%
<b>Total Expenditures - Capital</b>	<b>561.2</b>	<b>585.1</b>	<b>640.0</b>	<b>640.0</b>	<b>640.0</b>	<b>652.5</b>	<b>12.5</b>	<b>67.4</b>	<b>446.9</b>	<b>68%</b>
<b>TOTAL EXPENDITURES</b>	<b>880.4</b>	<b>923.1</b>	<b>1,012.4</b>	<b>1,012.4</b>	<b>1,012.4</b>	<b>1,035.1</b>	<b>22.7</b>	<b>112.0</b>	<b>718.1</b>	<b>69%</b>

	OCTOBER FY2024 Forecast	DECEMBER FY2024 Forecast	MARCH FY2024 Forecast	\$ difference Dec to March	FY2024 YTD Spend	% spent YTD
DeIDOT	1,012.4	1,012.4	1,035.1	\$ 22.7	\$ 718.1	69%
US301	23.0	23.0	23.6	\$ 0.6	\$ 11.1	47%
<b>TOTAL</b>	<b>1,035.4</b>	<b>1,035.4</b>	<b>1,058.7</b>	<b>\$ 23.3</b>	<b>\$ 729.2</b>	<b>70%</b>

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION Transportation Trust Fund Revenues									
	FY22	FY23	% Chg.	Fiscal 2024			Fiscal 2025		
				12/18/2023 Approved	3/18/2024 Recomm	% Chg. FY 23	12/18/2023 Approved	3/18/2024 Recomm	% Chg. FY 24
<b><u>TOLL ROAD REVENUES:</u></b>									
I95 Newark Plaza	\$142.2	\$133.5	-6.1%	\$143.2	\$143.2	7.3%	\$146.9	\$146.9	2.6%
Route 1 Toll Road	62.6	59.8	-4.5%	\$66.4	\$66.4	11.1%	\$68.4	\$68.4	3.0%
Concessions	<u>1.6</u>	<u>2.1</u>	<u>31.3%</u>	<u>\$2.2</u>	<u>\$2.9</u>	<u>37.8%</u>	<u>\$2.2</u>	<u>\$2.2</u>	<u>-24.1%</u>
<b>Total Toll Road Revenues</b>	206.4	195.4	-5.3%	\$211.8	\$212.5	8.8%	\$217.5	\$217.5	2.4%
<b>MOTOR FUEL TAX ADMIN.</b>	136.7	136.1	-0.4%	\$136.2	\$136.2	0.0%	\$148.3	\$148.3	8.9%
<b><u>DIVISION OF MOTOR VEHICLES</u></b>									
Motor Vehicle Document Fees	146.2	164.5	12.5%	\$141.4	\$150.4	-8.5%	\$132.4	\$132.4	-12.0%
Motor Vehicle Registration Fees	57.4	61.6	7.3%	\$64.2	\$61.2	-0.7%	\$65.1	\$65.1	6.4%
Other DMV Revenues	<u>39.7</u>	<u>39.1</u>	<u>-1.5%</u>	<u>\$45.3</u>	<u>\$40.0</u>	<u>2.3%</u>	<u>\$46.0</u>	<u>\$46.0</u>	<u>15.0%</u>
<b>Total DMV Revenues</b>	243.3	265.2	9.0%	\$250.9	\$251.6	-5.1%	\$243.5	\$243.5	-3.2%
<b><u>OTHER TRANSPORTATION REV.</u></b>									
Other Transportation Rev	9.6	9.0	-6.3%	\$9.2	\$9.2	2.1%	\$9.2	\$9.2	0.0%
Investment Income(Net)	<u>1.3</u>	<u>12.0</u>	<u>823.1%</u>	<u>\$9.0</u>	<u>\$18.0</u>	<u>50.6%</u>	<u>\$5.0</u>	<u>\$5.0</u>	<u>-72.2%</u>
<b>Total Other Transp. Revenue</b>	10.9	21.0	92.7%	\$18.2	\$27.2	29.5%	\$14.2	\$14.2	-47.8%
<b>GRAND TOTAL</b>	\$597.3	\$617.7	3.4%	\$617.1	\$627.5	1.6%	\$623.5	\$623.5	-0.6%
					\$10.4		\$0.0		
	FY22	FY23	% Chg.	Fiscal 2024			Fiscal 2025		
<b>US301 Revenues</b>	\$ 22.0	\$ 26.0	18.2%	\$ 25.2	\$ 25.2	-3.1%	\$ 26.0	\$ 26.0	3.2%
<b>TOTAL</b>	\$ 619.3	\$ 643.7	3.9%	\$ 642.3	\$ 652.7	1.4%	\$ 649.5	\$ 649.5	-0.5%