

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

**Hybrid Event – May 20, 2024**

**Attendance:**

Member	Present
P. Anderson	Yes
N. Batta	No
S. Bravo	Yes
J. Bullock	Yes
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
P. Gupta	Yes
G. Hindes	No
M. Houghton	Yes

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

**Members in Attendance: 27**

**Members Absent: 4**

**Others Present:** R. Baltazar, S. Becker, S. Bolden, E. Buss, R. Chase, L. Clymer, S. Constantino, B. DiVirgilio, C. Engelsiepen, L. Evans, J. Flaherty, N. Freedman, A. Godfrey, R. Goldsmith, B. Greenlee, D. Haw-Young, C. Haas, C. Hall, T. Hawk, C. Heiks, A. Hodges, A. Jenkins, V. Jones, H. Keeley, M. Khairat, K. Knight, J. Maddox, M. Marlin, M. McConnell, T. Merced, L. Mitchell, S. Mueller, E. Nestlerode, J. Nutter, B. Parsons, B. Price, J. Richards, C. Romer, D. Roose, R. Satterfield, A. Scoglietti, M. Shaw, A. Shields, S. Silver, J. Smith, M. Smith, S. Sokolowski, T. Tabeling, K. Thomson, B. Townsend.

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

The minutes from the March 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 stands at \$8,201.7 million. Expected reversions increased by \$25.5 million from the March estimate, now totaling \$80.1 million, while encumbered remain unchanged at \$60.0 million.

Upon review of the functional method, Mr. Ratledge noted that Grants increased by \$118.9 million from the March estimate, reaching \$793.9 million. This represents a 20.0% rise from the previous year and a 12.3% increase compared to the five-year average. Pension is down \$84.3 million from FY 2023, due in most part to a \$167.2 million decline in the Other category compared to the previous year. Additionally, Capital Outlay stands at \$108.3 million which is a 58.6% increase compared to FY 2023 (See Table 1a and Table 1b for complete details.)

Mr. Ratledge asked Ms. Engelsiepen if the Other category under Pension includes the 1% set aside for OPEB, and Ms. Engelsiepen confirmed that it does. Ms. Engelsiepen went on to explain that primary reason the Other category is down compared to the prior year is that last year included a pensioner bonus of approximately \$70 million as well as a post-retirement increase (PRI) supplement.

A motion was made, seconded and approved to accept \$6,405.7 million as the Expenditure estimate for FY 2024. The estimate represents an increase of \$545.0 million from FY 2023 and an increase of \$147.5 million from the March estimate.

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

Mr. Ratledge reviewed the FY 2025 expenditure estimates, which total \$6,976.5 million. He mentioned that Fringe Benefits are estimated to increase by \$169.7 million, Contractual Services are estimated to increase by \$493.0 million, and Grants are anticipated to decrease by \$290.1 million.

A motion was made, seconded and approved to accept \$6,976.5 million as the Expenditure estimate for FY 2025. The estimate represents an increase of \$570.8 million from FY 2024 and a decrease of \$83.4 million from the March estimate.

**Revenue Forecasts:**

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

**Economic Outlook**

Mr. Roose noted that the economic outlook is largely unchanged from the March meeting's outlook. S&P predicts a 1.8% growth in the economy for CY 2024. Core personal consumption expenditure inflation is expected to slow to 2.0% by 2027.

Nationally, the forecast for growth in real GDP, employment, and wage & salary is slightly higher than previously predicted in March. For Delaware, there is a small improvement in employment compared to March, but fundamentally the overall forecast remains the same.

**General Fund Revenues:**

Mr. Roose noted that FY 2024 revenues are estimated to increase by \$118.3 compared to the previous year, representing relatively flat growth at 1.1%.

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

FY 2024				FY 2025			
Revenue Category	Mar-24	May-24	Change	Revenue Category	Mar-24	May-24	Change
Personal Income Tax	2,435.7	2,516.0	80.3	Personal Income Tax	2,529.9	2,585.9	56.0
Limited Partnerships & LLC's	460.8	497.8	37.0	Limited Partnerships & LLC's	460.8	497.8	37.0
Franchise Tax	1,348.9	1,328.9	(20.0)	Franchise Tax	1,348.9	1,328.9	(20.0)
Unclaimed Property Refunds	(145.0)	(130.0)	15.0	Unclaimed Property Refunds	(150.0)	(130.0)	20.0
CIT Refunds	(80.0)	(93.0)	(13.0)	Corporation Income Tax	362.0	379.3	17.3
Insurance Taxes	106.7	95.7	(11.0)	Lottery	247.2	263.0	15.8
Other Revenues	71.4	82.1	10.7	Insurance Taxes	113.0	101.4	(11.6)
Lottery	240.0	250.3	10.3	Dividends and Interest	151.4	144.6	(6.8)
Dividends and Interest	123.0	130.1	7.1	Cigarette Taxes	93.7	87.2	(6.5)
Corporation Income Tax	434.0	440.0	6.0	Other Revenues	71.8	76.8	5.0
Cigarette Taxes	98.6	94.3	(4.3)	Realty Transfer Tax	211.3	215.5	4.2
Realty Transfer Tax	194.0	197.9	3.9	Gross Receipts Tax	381.4	383.9	2.5
Other Refunds	(15.2)	(17.9)	(2.7)	Hospital Board and Treatment	21.3	19.6	(1.7)
Hospital Board and Treatment	22.0	20.3	(1.7)				
Gross Receipts Tax	367.4	368.6	1.2				
Alcoholic Beverage Tax	31.9	31.4	(0.5)				

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

Mr. Roose recommended a \$80.3 million increase to the Personal Income Tax, largely due to a \$60.0 million rise in the final payments estimate. He noted that by mid-May, final payments were approximately \$40 million above the March estimate. Additionally, estimated payments have grown 16% YTD compared to the previous year YTD.

Mr. Roose noted a \$17.0 million increase in the Net Corporate Franchise Tax and LP/LLC estimate for FY 2024. However, included in that is a \$20.0 million reduction in the Corporate Franchise Tax for FY 2024 and FY 2025 due to a reduction in assets and authorized shares of companies. This reduction follows an investigation by the Secretary of State’s Office to ensure entities are paying what is due.

Mr. Roose mentioned that the new iGaming contract, which started in January, has been successful. As result of that as well as large jackpots in traditional lottery, he recommended increasing the FY 2024 estimate by \$10.3 million and the FY 2025 estimate by \$15.8 million.

Mr. Roose noted that cigarette and tobacco product sales are declining nationally, a trend also observed in Delaware, where YTD cigarette tax revenue is down by 8.7% compared

to last year. Consequently, he recommended decreasing the FY 2024 estimate by \$4.3 million and the FY 2025 estimate by \$6.5 million.

Ms. Davis recommended a \$7.1 million increase to the FY 2024 Dividends and Interests estimate and a \$6.8 million decrease for the succeeding year.

**Fiscal Year 2024 Estimate Adopted:**

A motion was made, seconded and approved to accept \$6,367.1 million as the revenue estimate for FY 2024. The estimate represents an increase of \$118.3 million from the March estimate.

**Fiscal Year 2025 Estimate Adopted:**

A motion was made, seconded and approved to accept \$6,418.3 million as the revenue estimate for FY 2025. The estimate represents an increase of \$111.2 million from the March estimate.

**Transportation Trust Fund (TTF):**

**TTF -- Expenditures:** Ms. Haw-Young presented the Transportation Trust Fund's expenditure forecast. She recommended an increase of \$20.3 million to FY 2024 expenditure estimate. Of the changes, there was an increase in road systems, support systems, and transit.

A motion was made, seconded, and approved to accept \$1,079.0 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:**

There was no change to the March estimate of \$652.7 million.

A motion was made, seconded, and approved to accept \$652.7 million as the FY 2024 TTF revenue estimate.

**Fiscal Year 2025 Estimates:**

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

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.

**Budget Benchmark Index:**

Ms. Marlin presented the Budget Benchmark Index for FY 2025. The index, established under Executive Order (EO) Number 21, is calculated from Delaware's personal income growth, Delaware's population growth, and the price deflator for state and local government purchases. Ms. Marlin stated that the Budget Benchmark Index is 5.9% as of May 2024, which is the same as the index last presented in December 2023. Although individual components of the index have changed slightly, the overall index remains the same.

Ms. Marlin stated that the FY 2025 benchmark appropriation is \$6,125.9 million and extraordinary revenues, which are available for appropriation to the Budget Stabilization Fund (BSF) and/or appropriation for non-recurring expenditures and/or reduction of long-term liabilities, are \$699.2 million. For budget and planning purposes only, Ms. Marlin noted that the BSF stands at \$820.8 million.

Mr. Short noted that the previous two administrations left with large budget deficits and commented on the importance of the BSF for budget smoothing purposes.

A motion was made, seconded, and approved to accept 5.9% as the FY 2025 Budget Benchmark Index.

**Healthcare Spending Benchmark**

Ms. Marlin noted that Executive Order 25, which established the healthcare spending and quality benchmarks, was codified under HB 442 with HA 1. The Healthcare Spending Benchmark Subcommittee met several times to review the methodology for the CY 2025 benchmark.

The subcommittee had reviewed various measures of inflation, including lagged inflation and short-term components, as alternatives to the long-term inflation outlook currently used. They also had considered blending the current Potential Gross State Product (PGSP) methodology with median household income. After evaluating these methodologies, the subcommittee voted and approved 4.2% as the CY 2025 Healthcare Spending Benchmark, calculated using a two-year lagged inflation in the current PGSP methodology.

Ms. Manning, chair of the Healthcare Spending Benchmark Subcommittee, stated that the majority of the subcommittee agreed on the importance of tying the benchmark to lagged inflation. This decision was made in light of recent inflation trends and the fact that

healthcare contracts are often on a two-year lag.

Mr. Houghton noted that the role of DEFAC, as outlined in the statute, is focused on the calculation of the benchmark based on the methodology, rather than on assessing the merits of the benchmark itself.

Mr. Short inquired about what is included under the healthcare category in this benchmark, specifically whether it encompasses only hospitals or the larger industry. Ms. Marlin and Ms. Manning clarified that it includes all healthcare costs in the State, covering all eligible expenses from hospital inpatient services to pharmacy to long-term care. Mr. Short noted that, in his experience, many in the legislature commonly associate the benchmark with hospital expenses alone, which overlooks the substantial portion attributed to other healthcare sectors.

Mr. Byrd expressed concerns about DEFAC's role, stating that as a non-political advisory entity, DEFAC should not be responsible for recommending a benchmark that has significant consequences and is inherently politically charged. This concern is heightened by the proposed HB 350, which would mandate that hospital budgets adhere to the benchmark as closely as reasonably possible.

In response, Ms. Manning highlighted that since the establishment of the Healthcare Spending Benchmark, the healthcare industry has consistently been expected to work towards meeting it, indicating that this expectation is not a recent development. Mr. Bullock pointed out that this action is no different from other recommendations made by DEFAC. He emphasized that it is ultimately up to the General Assembly to decide whether to incorporate or accept it. Given the politically charged nature of the benchmark, he argued that it is important for a highly credible and nonpolitical entity like DEFAC to recommend the benchmark. A subsequent discussion among members took place.

Mr. Houghton emphasized that the vote is separate from HB 350 and that it is DEFAC's statutory requirement to vote on the Healthcare Spending Benchmark. He acknowledged that differing views are common but stated that it is the subcommittee's responsibility to consider this when recommending the benchmark to DEFAC.

A motion to accept 4.2% as the CY 2025 Healthcare Spending Benchmark was made, seconded, and approved by a majority vote of the quorum present.

### **Other Business:**

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

- 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 3:25 p.m.

Respectfully submitted,

Liz Mitchell





Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2024 (\$ in millions)																					
<b>May 20, 2024</b>																					
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Difference	% change	Annual Avg.		FY2024	% spent	% of	% of	% of	% of	% of			
	Actual	Actual	Actual	Actual	Actual	Actual	May	'24 vs. '23	'24 vs. '23	'23 vs. '19		4/31/2024	(actual 04/31/24)	FY2023	FY2022	FY2021	FY2020	FY2019			
<b>Salaries</b>	1,421.1	1,499.9	1,558.6	1,593.0	1,657.0	1,805.6	1,952.4	146.8	8.1%	5.41%		<b>1,558.9</b>	<b>29.8%</b>	<b>30.8%</b>	<b>32.8%</b>	<b>35.3%</b>	<b>34.5%</b>	<b>34.1%</b>			
<b>Fringe Benefits</b>	479.6	494.4	506.1	513.3	515.4	561.3	662.4	101.1	18.0%	6.03%		<b>514.3</b>	<b>9.8%</b>	<b>9.6%</b>	<b>10.2%</b>	<b>11.4%</b>	<b>11.2%</b>	<b>11.3%</b>			
<b>Health Care</b>	357.9	362.6	369.0	372.5	369.3	401.4	489.5	88.1	21.9%	6.19%		<b>369.7</b>	<b>7.1%</b>	<b>6.8%</b>	<b>7.3%</b>	<b>8.3%</b>	<b>8.2%</b>	<b>8.3%</b>			
<b>Other</b>	121.7	131.8	137.1	140.8	146.1	159.9	172.9	13.0	8.1%	5.58%		<b>144.6</b>	<b>2.8%</b>	<b>2.7%</b>	<b>2.9%</b>	<b>3.1%</b>	<b>3.0%</b>	<b>3.0%</b>			
<b>Pension</b>	316.7	360.8	360.1	360.8	421.0	664.7	580.4	(84.3)	-12.7%	9.97%		<b>422.4</b>	<b>8.1%</b>	<b>11.3%</b>	<b>8.3%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.2%</b>			
<b>Contribution</b>	167.6	201.5	205.0	201.5	239.7	240.1	287.2	47.1	19.6%	7.34%		<b>231.2</b>	<b>4.4%</b>	<b>4.1%</b>	<b>4.7%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.6%</b>			
<b>Health Care</b>	136.0	145.4	145.9	145.4	157.2	170.9	206.6	35.7	20.9%	7.28%		<b>166.3</b>	<b>3.2%</b>	<b>2.9%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.3%</b>			
<b>Other</b>	13.1	13.9	9.2	13.9	24.1	253.8	86.6	(167.2)	-65.9%	44.24%		<b>24.9</b>	<b>0.5%</b>	<b>4.3%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.3%</b>			
<b>Debt Service</b>	187.2	183.9	184.1	187.3	202.6	218.4	234.4	16.0	7.3%	4.97%		<b>234.4</b>	<b>4.5%</b>	<b>3.7%</b>	<b>4.0%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.2%</b>			
<b>Grants</b>	362.9	445.2	507.1	433.2	671.0	661.4	793.9	132.5	20.0%	12.26%		<b>673.9</b>	<b>12.9%</b>	<b>11.3%</b>	<b>13.3%</b>	<b>9.6%</b>	<b>11.2%</b>	<b>10.1%</b>			
<b>Medicaid</b>	750.2	733.4	702.0	734.1	823.6	932.7	1,053.0	120.3	12.9%	7.50%		<b>879.3</b>	<b>16.8%</b>	<b>15.9%</b>	<b>16.3%</b>	<b>16.3%</b>	<b>15.6%</b>	<b>16.7%</b>			
<b>Contractual Services</b>	526.1	589.0	600.5	607.5	674.7	871.6	935.8	64.2	7.4%	9.70%		<b>783.5</b>	<b>15.0%</b>	<b>14.9%</b>	<b>13.3%</b>	<b>13.5%</b>	<b>13.3%</b>	<b>13.4%</b>			
<b>Supplies &amp; Materials</b>	61.9	69.3	64.7	60.9	67.1	76.7	85.1	8.4	11.0%	4.19%		<b>69.1</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>	<u>12.4</u>	<u>18.5</u>	<u>30.6</u>	<u>17.2</u>	<u>25.5</u>	<u>68.3</u>	<u>108.3</u>	<u>40.0</u>	58.6%	42.39%		<b>97.1</b>	<b>1.9%</b>	<b>1.2%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.7%</b>	<b>0.4%</b>			
<b>FY Budgetary Expenditures</b>	4,118.1	4,394.3	4,513.9	4,507.3	5,057.9	5,860.8	6,405.7	545.0	10.8%	7.83%		<b>5232.8</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>			
<b>Comments:</b>																					

Table 1c.

DEFAC Expenditures Forecast for General Fund Disbursements FY2025-2029 (\$ in millions)												
<b>May 20, 2024</b>												
							Forecast					
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	
	Actual	Actual	Actual	Actual	Actual	May	June	June	June	June	June	
Salaries	1,499.9	1,558.6	1593.0	1657.0	1,805.6	1,952.4	2,088.4	2,201.5	2,320.7	2,446.3	2,578.8	
Fringe Benefits	494.4	506.1	513.3	515.4	561.3	662.4	832.1	882.5	935.9	992.5	1,052.6	
Health Care	362.6	369.0	372.5	369.3	401.4	489.5	648.6	688.7	731.3	776.6	824.6	
Other	131.8	137.1	140.8	146.1	159.9	172.9	183.5	193.7	204.5	216.0	228.0	
Pension	360.8	360.1	360.8	421.0	664.7	580.4	614.5	692.5	790.9	917.6	1,083.9	
Contribution	201.5	205.0	201.5	238.8	240.1	287.2	297.5	319.3	342.8	368.0	395.0	
Health Care	145.4	145.9	145.4	170.6	170.9	206.6	227.4	243.9	261.7	280.7	301.2	
Other	13.9	9.2	13.9	11.6	253.8	86.6	89.6	129.2	186.4	268.9	387.8	
Debt Service	183.9	184.1	187.3	202.6	218.4	234.4	246.3	258.5	271.4	284.9	299.1	
Grants	445.2	507.1	433.2	671.0	661.4	793.9	503.8	565.6	635.0	712.8	800.3	
Medicaid	733.4	702.0	734.1	823.6	932.7	1,053.0	1,139.2	1,224.7	1,316.5	1,415.3	1,521.5	
Contractual Services	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	69.3	64.7	60.9	67.1	76.7	85.1	93.4	97.3	101.4	105.6	110.1	
Capital Outlay	18.5	30.6	17.2	25.5	68.3	108.3	30.0	42.7	60.8	86.6	123.3	
FY Budgetary Expenditures	4,394.3	4,513.9	4,507.3	5,057.9	5,860.8	6,405.7	6,976.5	7,232.7	7,323.0	7,938.5	8,641.1	
<b>Comments:</b>												
<b>OMB General Assumptions FY2025 Forecast</b>												
FY2025 Governor's Recommended Operating Budget												
FY2025 Grant in Aid budget at current year level												
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 \$133.6M 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> – includes results from May 2024 bond sale; Increased \$11.9M 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

May-24 DEFAC Meeting	FY 2023 A Actual Collections	FY 2024				
		B DEFAC Mar-24	C % B over A	D DEFAC May-24	E % D over A	F \$ Increase D over B
Revenue Category						
<b>Personal Income Tax</b>	<b>2,396.2</b>	<b>2,435.7</b>	<b>1.6%</b>	<b>2,516.0</b>	<b>5.0%</b>	<b>80.3</b>
<b>Less: Refunds</b>	<b>(283.3)</b>	<b>(287.0)</b>	<b>1.3%</b>	<b>(287.0)</b>	<b>1.3%</b>	<b>0.0</b>
<b>PIT Less Refunds</b>	<b>2,112.9</b>	<b>2,148.7</b>	<b>1.7%</b>	<b>2,229.0</b>	<b>5.5%</b>	<b>80.3</b>
Franchise Tax	1,397.3	1,348.9	-3.5%	1,328.9	-4.9%	(20.0)
Limited Partnerships & LLC's	474.9	460.8	-3.0%	497.8	4.8%	37.0
Subtotal Franchise + LP/LLC	1,872.1	1,809.7	-3.3%	1,826.7	-2.4%	17.0
Less: Refunds	(15.0)	(20.0)	33.0%	(20.0)	33.0%	0.0
Net Franchise + LP/LLC	1,857.1	1,789.7	-3.6%	1,806.7	-2.7%	17.0
<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	(138.3)	(145.0)	4.8%	(130.0)	-6.0%	15.0
Unclaimed Prop Less Refunds	415.7	409.0	-1.6%	424.0	2.0%	15.0
<b>Gross Receipts Tax</b>	<b>353.2</b>	<b>367.4</b>	<b>4.0%</b>	<b>368.6</b>	<b>4.4%</b>	<b>1.2</b>
<b>Lottery</b>	<b>239.6</b>	<b>240.0</b>	<b>0.2%</b>	<b>250.3</b>	<b>4.5%</b>	<b>10.3</b>
Corporation Income Tax	457.4	434.0	-5.1%	440.0	-3.8%	6.0
Less: Refunds	(73.5)	(80.0)	8.8%	(93.0)	26.5%	(13.0)
CIT Less Refunds	383.9	354.0	-7.8%	347.0	-9.6%	(7.0)
<b>Realty Transfer Tax</b>	<b>246.7</b>	<b>194.0</b>	<b>-21.4%</b>	<b>197.9</b>	<b>-19.8%</b>	<b>3.9</b>
<b>Cigarette Taxes</b>	<b>104.9</b>	<b>98.6</b>	<b>-6.0%</b>	<b>94.3</b>	<b>-10.1%</b>	<b>(4.3)</b>
Bank Franchise Tax	105.8	97.2	-8.1%	97.2	-8.1%	0.0
Insurance Taxes and Fees	107.5	106.7	-0.8%	95.7	-11.0%	(11.0)
Hospital Board and Treatment	20.9	22.0	5.5%	20.3	-2.7%	(1.7)
<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>31.4</b>	<b>-2.6%</b>	<b>(0.5)</b>
<b>Dividends and Interest</b>	<b>37.3</b>	<b>123.0</b>	<b>229.9%</b>	<b>130.1</b>	<b>249.0%</b>	<b>7.1</b>
<b>Other Revenues</b>	<b>81.2</b>	<b>71.4</b>	<b>-12.1%</b>	<b>82.1</b>	<b>1.1%</b>	<b>10.7</b>
Less: Other Refunds	(25.8)	(15.2)	-41.1%	(17.9)	-30.6%	(2.7)
<b>Net Receipts</b>	<b>6,295.1</b>	<b>6,248.8</b>	<b>-0.7%</b>	<b>6,367.1</b>	<b>1.1%</b>	<b>118.3</b>

Table 2. DEFAC General Fund Revenue Worksheet

May-24 DEFAC Meeting	FY 2025					FY 2026				
	G DEFAC Mar-24	H % G over B	I DEFAC May-24	J % I over D	K \$ Increase I over G	L DEFAC Mar-24	M % L over G	N DEFAC May-24	O % L over I	P \$ Increase N over L
Revenue Category										
<b>Personal Income Tax</b>	<b>2,529.9</b>	<b>3.9%</b>	<b>2,585.9</b>	<b>2.8%</b>	<b>56.0</b>	<b>2,623.2</b>	<b>3.7%</b>	<b>2,680.8</b>	<b>3.7%</b>	<b>57.6</b>
<b>Less: Refunds</b>	<b>(272.7)</b>	<b>-5.0%</b>	<b>(272.7)</b>	<b>-5.0%</b>	<b>0.0</b>	<b>(245.7)</b>	<b>-9.9%</b>	<b>(245.7)</b>	<b>-9.9%</b>	<b>0.0</b>
<b>PIT Less Refunds</b>	<b>2,257.2</b>	<b>5.0%</b>	<b>2,313.2</b>	<b>3.8%</b>	<b>56.0</b>	<b>2,377.5</b>	<b>5.3%</b>	<b>2,435.1</b>	<b>5.3%</b>	<b>57.6</b>
Franchise Tax	1,348.9	0.0%	1,328.9	0.0%	(20.0)	1,348.9	0.0%	1,328.9	0.0%	(20.0)
Limited Partnerships & LLC's	460.8	0.0%	497.8	0.0%	37.0	460.8	0.0%	497.8	0.0%	37.0
Subtotal Franchise + LP/LLC	1,809.7	0.0%	1,826.7	0.0%	17.0	1,809.7	0.0%	1,826.7	0.0%	17.0
Less: Refunds	(10.0)	-50.0%	(10.0)	-50.0%	0.0	(10.0)	0.0%	(10.0)	0.0%	0.0
Net Franchise + LP/LLC	1,799.7	0.6%	1,816.7	0.6%	17.0	1,799.7	0.0%	1,816.7	0.0%	17.0
<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	(150.0)	3.4%	(130.0)	0.0%	20.0	(150.0)	0.0%	(130.0)	0.0%	20.0
Unclaimed Prop Less Refunds	375.0	-8.3%	395.0	-6.8%	20.0	350.0	-6.7%	370.0	-6.3%	20.0
<b>Gross Receipts Tax</b>	<b>381.4</b>	<b>3.8%</b>	<b>383.9</b>	<b>4.2%</b>	<b>2.5</b>	<b>392.1</b>	<b>2.8%</b>	<b>392.1</b>	<b>2.1%</b>	<b>0.0</b>
<b>Lottery</b>	<b>247.2</b>	<b>3.0%</b>	<b>263.0</b>	<b>5.1%</b>	<b>15.8</b>	<b>251.0</b>	<b>1.5%</b>	<b>266.8</b>	<b>1.5%</b>	<b>15.8</b>
Corporation Income Tax	362.0	-16.6%	379.3	-13.8%	17.3	354.0	-2.2%	370.9	-2.2%	16.9
Less: Refunds	(109.3)	36.6%	(109.3)	17.5%	0.0	(79.8)	-27.0%	(79.8)	-27.0%	0.0
CIT Less Refunds	252.7	-28.6%	270.0	-22.2%	17.3	274.2	8.5%	291.1	7.8%	16.9
<b>Realty Transfer Tax</b>	<b>211.3</b>	<b>8.9%</b>	<b>215.5</b>	<b>8.9%</b>	<b>4.2</b>	<b>221.4</b>	<b>4.8%</b>	<b>225.9</b>	<b>4.8%</b>	<b>4.5</b>
<b>Cigarette Taxes</b>	<b>93.7</b>	<b>-5.0%</b>	<b>87.2</b>	<b>-7.5%</b>	<b>(6.5)</b>	<b>89.0</b>	<b>-5.0%</b>	<b>81.6</b>	<b>-6.4%</b>	<b>(7.4)</b>
Bank Franchise Tax	105.6	8.6%	105.6	8.6%	0.0	107.0	1.3%	107.0	1.3%	0.0
Insurance Taxes and Fees	113.0	5.9%	101.4	6.0%	(11.6)	111.1	-1.7%	99.6	-1.8%	(11.5)
Hospital Board and Treatment	21.3	-3.2%	19.6	-3.4%	(1.7)	20.7	-2.8%	19.1	-2.6%	(1.6)
<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>2.5%</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>151.4</b>	<b>23.1%</b>	<b>144.6</b>	<b>11.1%</b>	<b>(6.8)</b>	<b>143.7</b>	<b>-5.1%</b>	<b>136.6</b>	<b>-5.5%</b>	<b>(7.1)</b>
<b>Other Revenues</b>	<b>71.8</b>	<b>0.6%</b>	<b>76.8</b>	<b>-6.5%</b>	<b>5.0</b>	<b>71.8</b>	<b>0.0%</b>	<b>76.8</b>	<b>0.0%</b>	<b>5.0</b>
Less: Other Refunds	(15.7)	3.3%	(15.7)	-12.3%	0.0	(15.7)	0.0%	(15.7)	0.0%	0.0
<b>Net Receipts</b>	<b>6,307.1</b>	<b>0.9%</b>	<b>6,418.3</b>	<b>0.8%</b>	<b>111.2</b>	<b>6,434.6</b>	<b>2.0%</b>	<b>6,543.8</b>	<b>2.0%</b>	<b>109.2</b>

**Table 3. Balance and Appropriations Worksheet**

**May-24**

**FY 2024 EXPENDITURES**

Total Spending Authority	\$8,201.7
Less: Continuing Appropriations & Encumbrances from FY 2024	(\$1,715.9)
Less: Reversions	<u>(\$80.1)</u>
<b>Total Expenditures</b>	<b>\$6,405.7</b>

**FY 2024 BALANCES**

Total Expenditures	\$6,405.7
vs. FY 2024 Revenues	\$6,367.1
Operating Balance	(\$38.6)
Prior Year Cash Balance	\$3,039.5
Less: Budget Stabilization Fund (84 Del Law c 91; HB 195, Section 65)	<u>(\$410.1)</u>
Cumulative Cash Balance	\$2,590.8
Less: Continuing Appropriations & Encumbrances from FY 2024	(\$1,715.9)
Less: Budgetary Reserve Account	<u>(\$328.8)</u>
Unencumbered Cash Balance 6/30	\$546.2

**FY 2025 APPROPRIATION LIMITS**

FY 2025 Revenue Estimate	\$6,418.3
Unencumbered Cash Balance from FY 2024	<u>\$546.2</u>
100% Appropriation Limit	\$6,964.4
98% Appropriation Limit	<u>\$6,825.1</u>
Prior 98% Appropriation Limit	\$6,575.3
Increase (Decrease) from Prior Meeting	\$249.8
October 2023 98% Appropriation Limit	\$6,401.6
Increase (Decrease) from October 2023	\$423.5

**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>
<b>Total Spending Authority</b>	<b>\$8,201.7</b>

**\*FY 2024 RESERVES\***

Budget Reserve Account	\$328.8
2% Set Aside	\$135.5
Budget Stabilization Fund Increment--EO 21	\$410.7
Budget Stabilization Fund--HB 195	<u>\$410.1</u>
Reserves	\$1,285.0
FY 24 Revenue Resolution (Gross)	\$6,579.3
Reserve Ratio	19.5%

Table 4.

Delaware Department of Transportation FY 2024 Expenditures, Through April 30, 2024											83%
	FY2022 Actual	FY2023 Actual	FY2024 Appropriation	OCTOBER FY2024 Forecast	DECEMBER FY2024 Forecast	MARCH FY2024 Forecast	MAY FY2024 Forecast	\$ difference Mar to May	\$ 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	82.2	0.0	(0.8)	82.2	100%
Personnel Costs	105.6	107.9	119.3	119.3	119.3	119.3	119.3	0.0	11.4	95.3	80%
Operations/Capital Outlay	66.8	66.8	81.3	81.3	81.3	91.5	91.5	0.0	24.7	67.0	73%
Transit Operations (DTC)	<u>79.8</u>	<u>80.3</u>	<u>89.6</u>	<u>89.6</u>	<u>89.6</u>	<u>89.6</u>	<u>89.6</u>	0.0	9.3	<u>74.7</u>	83%
<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>382.6</b>	<b>0.0</b>	<b>44.6</b>	<b>319.2</b>	<b>83%</b>
<b>State Capital</b>											
Road System	197.7	210.2	202.0	202.0	202.0	222.8	237.7	14.9	27.5	205.7	92%
Grants & Allocations	26.7	30.1	42.2	42.2	42.2	42.2	42.2	0.0	12.1	30.4	72%
Support Systems	45.8	52.0	43.1	43.1	43.1	43.1	52.7	9.6	0.7	43.0	100%
Transit	<u>29.9</u>	<u>23.5</u>	<u>27.7</u>	<u>27.7</u>	<u>27.7</u>	<u>19.4</u>	<u>15.2</u>	(4.2)	(8.3)	<u>10.6</u>	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>347.8</b>	<b>20.3</b>	<b>32.0</b>	<b>289.7</b>	<b>88%</b>
<b>Federal Capital</b>											
Federal Capital	261.1	269.3	325.0	325.0	325.0	325.0	325.0	0.0	55.7	253.3	78%
<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>672.8</b>	<b>20.3</b>	<b>87.7</b>	<b>543.0</b>	<b>83%</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>1,055.4</b>	<b>20.3</b>	<b>132.3</b>	<b>862.2</b>	<b>83%</b>

	OCTOBER FY2024 Forecast	DECEMBER FY2024 Forecast	MARCH FY2024 Forecast	MAY FY2024 Forecast	\$ difference Mar to May	FY2024 YTD Spend	% spent YTD
DeIDOT	1,012.4	1,012.4	1,035.1	1,055.4	\$ 20.3	\$ 862.2	83%
US301	23.0	23.0	23.6	23.6	\$ -	\$ 11.5	49%
<b>TOTAL</b>	<b>1,035.4</b>	<b>1,035.4</b>	<b>1,058.7</b>	<b>1,079.0</b>	<b>\$ 20.3</b>	<b>\$ 873.7</b>	<b>84%</b>

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION Transportation Trust Fund Revenues									
	FY22	FY23	% Chg.	Fiscal 2024			Fiscal 2025		
				3/18/2024 Approved	5/20/2024 Recomm	% Chg. FY 23	3/18/2024 Approved	5/20/2024 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	1.6	2.1	31.3%	\$2.9	\$2.9	37.8%	\$2.2	\$2.2	-24.1%
<b>Total Toll Road Revenues</b>	206.4	195.4	-5.3%	\$212.5	\$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%	\$150.4	\$150.4	-8.5%	\$132.4	\$132.4	-12.0%
Motor Vehicle Registration Fees	57.4	61.6	7.3%	\$61.2	\$61.2	-0.7%	\$65.1	\$65.1	6.4%
Other DMV Revenues	39.7	39.1	-1.5%	\$40.0	\$40.0	2.3%	\$46.0	\$46.0	15.0%
<b>Total DMV Revenues</b>	243.3	265.2	9.0%	\$251.6	\$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)	1.3	12.0	823.1%	\$18.0	\$18.0	50.6%	\$5.0	\$5.0	-72.2%
<b>Total Other Transp. Revenue</b>	10.9	21.0	92.7%	\$27.2	\$27.2	29.5%	\$14.2	\$14.2	-47.8%
<b>GRAND TOTAL</b>	\$597.3	\$617.7	3.4%	\$627.5	\$627.5	1.6%	\$623.5	\$623.5	-0.6%
					\$0.0		\$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%	\$ 652.7	\$ 652.7	1.4%	\$ 649.5	\$ 649.5	-0.5%