

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

**Hybrid Event – December 18, 2023**

**Attendance:**

Member	Present
P. Anderson	Yes
N. Batta	No
C. Bo	Yes
S. Bravo	Yes
J. Bullock	No
L. Davis Burnham	Yes
R. Byrd	Yes
C. Cade	Yes
N. Cook	No
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	No
R.A. Miller	Yes
C. Morgan	Yes
B. Pettyjohn	Yes
E. Ratledge	Yes
T. Shopa	Yes
D. Short	Yes
D. Sokola	Yes
K. Williams	Yes

**Members in Attendance: 25**

**Members Absent: 6**

**Others Present:** F. Cooke, L. Clymer, B. DiVirgilio, C. Engelsiepen, J. Fedele, R. Goldsmith, K. Grant, B. Greenlee, D. Haw-Young, C. Heiks, A. Jenkins, J. Johnstone, D. Killen, K. Knight, E. Lewis, J. Maddox, J. Madrid, M. Marlin, B. Mayrack, V. McCartan, M. McConnell, M.K. McLaughlin, L. Mitchell, J. Noel, J. Nutter, J. Owens, S. Petrowich, M. Pinkney, B. Price, M. Revel, J. Richards, D. Roose, R. Scoglietti, J. Seemans, A. Shields, B. Short, J. Smith, M., Smith, S. Snyder, S. Sokolowski, T. Strayer, K. Taylor, M. Williams, C. Wright.

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

The minutes from the October 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, and mentioned the encumbered and continuing estimates are unchanged. Meanwhile, reversions increased to \$54.6 million from \$10.0 million in October. The resulting expenditure forecast for FY 2024 is \$6,356.0 million, growth of 8.5%.

In reviewing the Functional method, Mr. Ratledge noted that salary expenditures are up 8.5% from the prior year, and up 5.5% on average over the past five years. Mr. Ratledge stated that fringe benefits are increasing by 10.3%, which could be due, in part, from the rising cost of health care. Pension Contributions and Health Care expenditures are up \$85.9 million and \$51.7 million, respectively, and Debt Service is up 7.3%. Medicaid expenditures are up 11.7%, but only up 7.3% compared to the five-year average. Contractual Services increased \$225.3 million to \$1,096.9 (25.8%) from the prior year. (See Table 1a and Table 1b for complete details.)

There was a discussion between Mr. Houghton and Mr. Cade regarding the increase in total expenditures. Mr. Cade stated that the primary drivers of the increase in total expenditures are increases in State merit employees' wages and filling vacancies in addition to rising health care costs. Mr. Cade noted that health care inflation and rising costs of prescription drugs are major cost drivers for Medicaid.

Ms. Williams inquired about the increase in contractual services. Ms. Engelsiepen responded that the increase is directly attributable to the funds appropriated to cash projects from the Bond Bill.

A motion was made, seconded and approved to accept \$6,356.8 million as the Expenditure estimate for FY 2024. The estimate represents an increase of \$496.0 million from FY 2023 and a decrease of \$44.6 million from the October estimate.

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

Mr. Ratledge reviewed the FY 2025 expenditure estimates, which total \$6,407.9 million. Salaries are estimated to increase by almost \$58 million to \$2,017.8 million, while fringe benefits increase almost \$78 million to \$697.0 million. Contractual Services expenditures are expected to increase to \$1,168.0 million.

A motion was made, seconded and approved to accept \$6,407.9 million as the Expenditure estimate for FY 2025. The estimate represents an increase of \$51.1 million from FY 2024 and a decrease of \$45.9 million from the October estimate.

**Revenue Forecasts:**

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

**Economic Outlook**

Mr. Roose noted S&P Global's economic forecast was broadly similar to the previous meeting's forecast. The S&P economic forecast was prepared prior to the Federal Reserve's announcement that interest rates would remain unchanged and the reaction thereto. Expectations have stepped back from the earlier prediction that interest rates would remain higher for longer.

Mr. Roose mentioned a recession is likely to be avoided and a soft landing appears to be on the horizon. If so, it will be the first time of the six occasions since 1970 that inflation has exceeded 5% a recession has been avoided. After 1.5% growth in fiscal year 2024, employment is expected to be essentially flat nationally in 2025 and 2026. The Delaware employment forecast has improved slightly from the prior meeting's estimates, but the forecast for wage and salary income remains unchanged. Growth of total personal income dropped 0.6% to 2.4% in 2024, but increased slightly to 5.2% for 2025.

Mr. Roose then discussed the composition of Delaware's own-source revenue, drawing comparisons with the average state's own-source revenue based on US Census data. For the average state, taxes typically constitute three-quarters of revenue, with charges and interest comprising a little over 16%, and the remaining 8.4% attributed to other revenue sources. Notably, Delaware has nearly twice the percentage of other source revenue compared to the average state, primarily driven by unclaimed property. The most significant distinction between the average state's own-source revenue and Delaware's lies in the absence of a general sales tax in Delaware, which accounts for about 29% of an average state's revenue. In lieu of this, Delaware generates 32% more than the average state in the excise and other category, primarily attributed to revenue generated from the Franchise Tax. This prompted a discussion among Mr. Roose, Mr. Houghton, Ms. Davis, and Mr. Geisenberger on Delaware's tax policy and the varying levels of volatility associated with different revenue sources and their implications on overall revenue growth.

Mr. Roose highlighted that General Fund revenue has experienced an average annual increase of 8.2% over the last five years, resulting in growth well ahead of the prior trend. However, he noted that certain revenue sources, such as the Franchise Tax and Personal Income Tax, are unlikely to sustain this rapid growth over the next several years. As a result, there is a possibility that General Fund revenue growth will revert to the established trend line. Mr. Houghton and Mr. Ratledge discussed the fact that the general fund revenue growth roughly mirrors the Federal Reserve money supply trend.

In a subsequent discussion, Mr. Geisenberger, Mr. Cade, and Mr. Short noted the importance of funding the Budget Stabilization Fund during times of extraordinary revenue. The BSF is designed to smooth budgetary fluctuations during times of declining revenue, thereby mitigating the inherent volatility of the State's income sources.

Mr. Houghton asked about Delaware's demographic and population forecast over the next twenty years. Mr. Ratledge explained that the over 65 population is expected to increase more than 45% by 2050, while the 0-19 age group is estimated to grow by only 5%. Discussion between Mr. Houghton, Mr. Ratledge, Mr. Cade, Mr. Geisenberger, and Ms. Williams followed regarding the increased costs to the State due to an aging population, particularly within the framework of Delaware's current tax policy. The absence of a sales tax, coupled with Delaware's relatively low property tax and age-based tax credits, suggests that the State generates less revenue from the expanding 65+ demographic compared to other age groups.

**General Fund Revenues:**

Mr. Roose noted that due to minimal changes in the economic forecast since the October meeting, the adjustments to the revenue forecast are also minimal.

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

FY 2024				FY 2025			
Revenue Category	Oct-23	Dec-23	Change	Revenue Category	Oct-23	Dec-23	Change
Franchise Tax	1,328.9	1,348.9	20.0	Unclaimed Property	500.0	525.0	25.0
Unclaimed Property Refunds	(150.0)	(160.0)	(10.0)	Franchise Tax	1,328.9	1,348.9	20.0
Dividends and Interest	118.1	127.1	9.0	Unclaimed Property Refunds	(150.0)	(160.0)	(10.0)
CIT Refunds	(76.0)	(80.0)	(4.0)	CIT Refunds	(70.0)	(75.0)	(5.0)
Bank Franchise Tax	104.2	101.0	(3.2)	Dividends and Interest	146.8	150.6	3.8
Other Revenues	69.9	71.4	1.5	Bank Franchise Tax	110.2	109.9	(0.3)
Hospital Board and Treatment	22.6	22.1	(0.5)				

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

Mr. Roose mentioned a \$20 million increase in Franchise Tax collections for this year and the subsequent two years. Mr. Knight noted that although Franchise Tax collections are slightly above tracking relative to collections last year, other indicators such as declining Initial Public Offerings (IPOs) and a reduction in authorized shares suggest a potential for declining collections.

Mr. Roose recommended increasing the Unclaimed Property refunds estimate by \$10 million for FY 2024 and the two succeeding years.

Ms. Davis recommended a \$9.0 million increase to the FY 2024 estimate and noted that

the increased returns in FY 2024 are primarily driven by the 2019 adjustment that moved away from the previous 50-50 allocation and increased reserves.

**Fiscal Year 2024 Estimate Adopted:**

A motion was made, seconded and approved to accept \$6,177.3 million as the revenue estimate for FY 2024. The estimate represents an increase of \$12.8 million from the October estimate.

**Fiscal Year 2025 Estimate Adopted:**

A motion was made, seconded and approved to accept \$6,292.3 million as the revenue estimate for FY 2025. The estimate represents an increase of \$33.5 million from the October estimate.

**Transportation Trust Fund (TTF):**

**TTF -- Expenditures:** Ms. Haw-Young presented the Transportation Trust Fund's expenditure forecast. She recommended no change for FY 2024.

A motion was made, seconded, and approved to accept \$1,035.4 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 October estimates.

**Toll Road Revenues:** There was a \$4.7 million increase to \$211.8 million.

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

**Division of Motor Vehicles:** There was a \$4.0 million increase to \$250.9 million.

**Other Transportation Revenues:** There was a \$2.0 million increase to \$9.0 million.

**U.S. 301 Revenues:** There was a \$600,000 increase to \$25.2 million.

A motion was made, seconded, and approved to accept \$642.3 million as the FY 2024 TTF revenue estimate. The estimate represents an increase of \$11.3 million from the October estimate.

**Fiscal Year 2025 Estimates:**

The only changes to the October estimates were a \$8.0 million increase in Toll Road Revenues and a \$1.1 million increase in US 301 revenues.

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 December. The index, established under Executive Order (EO) Number 21, is calculated from Delaware's personal income growth, Delaware's population growth, and the price deflators for State and local government purchases. Ms. Marlin stated that the Budget Benchmark Index is 5.9% which is slightly lower than the FY 2024 index of 6.9%.

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 \$364.8 million. For budget and planning purposes only, Ms. Marlin noted that the BSF stands at \$605.5 million.

Mr. Geisenberger observed that over the 17-year period preceding the establishment of the Budget Benchmark Index under EO 21, 10 years concluded with operating cash deficits, while the remaining seven ended with surpluses. The primary objective of the Budget Benchmark is to mitigate this volatility. Furthermore, Mr. Geisenberger highlighted that, given the current revenue forecast of -2%, the absence of EO 21 would have likely prompted discussions on potential budget cuts and tax increases.

Mr. Geisenberger and Mr. Cade discussed the non-binding nature of the BSF as established under EO 21, and the potential for the EO to be revoked by future administrations. Mr. Houghton commented that legislators should keep this in mind, and Ms. Williams stated she is in favor of the BSF. Ms. Davis noted the positive impact of BSF on the State's bond rating.

**Other Business:**

**FY 2025 Debt Limit:** Ms. Marlin presented the debt limit for FY 2025. This amount is equal to 5.0% of the projected FY 2025 net revenues, or \$314,615,000.

**Fiscal Notebook:** Ms. Marlin noted that the latest updates to the Fiscal Notebook have been completed and the report can be found on the Department of Finance's [website](#).

**Tax Preference Report:** Ms. Marlin mentioned that the 2023 update to the Tax Preference Report has been completed and the report can be found on the Department of Finance's [website](#).

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

- Monday, March 18, 2024
- Monday, May 20, 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 2:38 p.m.

Respectfully submitted,

Liz Mitchell





Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2024 (\$ in millions)																	
December 18, 2023																	
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Difference	% change	Annual Avg.	FY2024	% spent	% of	% of	% of	% of	
	Actual	Actual	Actual	Actual	Actual	Actual	December	'24 vs. '23	'24 vs. '23	'24 vs. '19	(actual 11/30/23)	(actual 11/30/23)	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	1,959.1	153.5	8.5%	5.49%	<b>748.1</b>	<b>27.4%</b>	<b>32.8%</b>	<b>35.3%</b>	<b>34.5%</b>	<b>34.1%</b>	<b>34.5%</b>
<b>Fringe Benefits</b>	479.6	494.4	506.1	513.3	515.4	561.3	619.2	57.9	10.3%	4.60%	<b>250.7</b>	<b>9.2%</b>	<b>10.2%</b>	<b>11.4%</b>	<b>11.2%</b>	<b>11.3%</b>	<b>11.6%</b>
<b>Health Care</b>	357.9	362.6	369.0	372.5	369.3	401.4	445.2	43.8	10.9%	4.19%	<b>185.3</b>	<b>6.8%</b>	<b>7.3%</b>	<b>8.3%</b>	<b>8.2%</b>	<b>8.3%</b>	<b>8.7%</b>
<b>Other</b>	121.7	131.8	137.1	140.8	146.1	159.9	174.0	14.1	8.8%	5.71%	<b>65.4</b>	<b>2.4%</b>	<b>2.9%</b>	<b>3.1%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Pension</b>	316.7	360.8	360.1	360.8	421.0	664.7	567.4	(97.3)	-14.6%	9.48%	<b>243.9</b>	<b>8.9%</b>	<b>8.3%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.2%</b>	<b>7.7%</b>
<b>Contribution</b>	167.6	201.5	205.0	211.1	239.7	224.6	310.5	85.9	38.2%	9.03%	<b>133.5</b>	<b>4.9%</b>	<b>4.7%</b>	<b>4.7%</b>	<b>4.5%</b>	<b>4.6%</b>	<b>4.1%</b>
<b>Health Care</b>	136.0	145.4	145.9	144.0	157.2	171.7	223.4	51.7	30.1%	8.97%	<b>96.0</b>	<b>3.5%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.2%</b>	<b>3.3%</b>	<b>3.3%</b>
<b>Other</b>	13.1	13.9	9.2	5.7	24.1	268.3	33.5	(234.9)	-87.5%	19.27%	<b>14.4</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.3%</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>153.9</b>	<b>5.6%</b>	<b>4.0%</b>	<b>4.2%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>4.5%</b>
<b>Grants</b>	362.9	445.2	507.1	433.2	671.0	661.4	671.1	9.7	1.5%	8.55%	<b>410.1</b>	<b>15.0%</b>	<b>13.3%</b>	<b>9.6%</b>	<b>11.2%</b>	<b>10.1%</b>	<b>8.8%</b>
<b>Medicaid</b>	750.2	733.4	702.0	734.1	823.6	932.7	1,041.7	109.0	11.7%	7.27%	<b>439.6</b>	<b>16.1%</b>	<b>16.3%</b>	<b>16.3%</b>	<b>15.6%</b>	<b>16.7%</b>	<b>18.2%</b>
<b>Contractual Services</b>	526.1	589.0	600.5	607.5	674.7	871.6	1,096.9	225.3	25.8%	13.24%	<b>394.0</b>	<b>14.5%</b>	<b>13.3%</b>	<b>13.5%</b>	<b>13.3%</b>	<b>13.4%</b>	<b>12.8%</b>
<b>Supplies &amp; Materials</b>	61.9	69.3	64.7	60.9	67.1	76.7	88.1	11.4	14.9%	4.92%	<b>37.2</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.6%</b>	<b>1.5%</b>
<b>Capital Outlay</b>	12.4	18.5	30.6	17.2	25.5	68.3	78.9	10.6	15.5%	33.65%	<b>48.1</b>	<b>1.8%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.7%</b>	<b>0.4%</b>	<b>0.3%</b>
<b>FY Budgetary Expenditures</b>	4,118.1	4,394.3	4,513.9	4,507.3	5,057.9	5,860.8	6,356.8	496.1	9.8%	7.66%	<b>2725.6</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 FY2019-2024 (\$ in millions)														
<b>December 18, 2023</b>														
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Forecast					
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>December</u>	FY2025	FY2026	FY2027	FY2028	FY2029	
									<u>June</u>	<u>June</u>	<u>June</u>	<u>June</u>	<u>June</u>	
Salaries	1,402.9	1,421.1	1,499.9	1,558.6	1593.0	1657.0	1,805.6	1,959.1	2,017.8	2,128.5	2,245.3	2,368.5	2,498.5	
Fringe Benefits	480.5	479.6	494.4	506.1	513.3	515.4	561.3	619.2	697.0	728.9	762.2	797.2	833.7	
Health Care	359.0	357.9	362.6	369.0	372.5	369.3	401.4	445.2	521.2	543.0	565.8	589.5	614.2	
Other	121.5	121.7	131.8	137.1	140.8	146.1	159.9	174.0	175.8	185.8	196.5	207.7	219.5	
Pension	317.7	316.7	360.8	360.1	360.8	421.0	664.7	567.4	584.4	640.7	702.7	771.1	846.7	
Contribution	153.7	167.6	201.5	205.0	211.1	238.8	224.6	310.5	327.2	356.8	389.0	424.1	462.4	
Health Care	131.3	136.0	145.4	145.9	144.0	170.6	171.7	223.4	221.9	241.8	263.5	287.1	312.8	
Other	32.7	13.1	13.9	9.2	5.7	11.6	268.3	33.5	35.3	42.1	50.2	59.9	71.4	
Debt Service	179.0	187.2	183.9	184.1	187.3	202.6	218.4	234.4	251.4	263.9	277.0	290.8	305.3	
Grants	365.7	362.9	445.2	507.1	433.2	671.0	661.4	671.1	536.0	581.9	631.6	685.7	744.3	
Medicaid	739.7	750.2	733.4	702.0	734.1	823.6	932.7	1,041.7	1,044.7	1,120.7	1,202.1	1,289.5	1,383.3	
Contractual Services	537.6	526.1	589.0	600.5	607.5	674.7	871.6	1,096.9	1,168.0	1,022.7	658.1	745.3	843.9	
Supplies & Materials	68.7	61.9	69.3	64.7	60.9	67.1	76.7	88.1	80.6	84.6	88.7	93.1	97.7	
Capital Outlay	14.3	12.4	18.5	30.6	17.2	25.5	68.3	78.9	28.0	37.4	50.0	66.8	89.3	
FY Budgetary Expenditures	4,106.1	4,118.1	4,394.3	4,513.9	4,507.3	5,057.9	5,860.8	6,356.8	6,407.9	6,609.1	6,617.9	7,108.0	7,642.7	
<b>Comments:</b>														
Forecast FY2026-FY2029 is based on the annual average growth rate for each category FY2019-FY2024.														
<b>OMB General Assumptions FY2025 Forecast</b>														
FY2025 Operating spend at current year levels (FY2025 budget requests unknown at this time)														
FY2025 Grant in Aid budget at current year level														
FY2025 One-Time Supplemental budget currently \$0														
FY2025 Capital Cash budget currently 1% of FY2024 Operating Budget Section 1 \$5,606.7														
Includes spend from continued funds														
<b>Salary</b> - Includes increase for Steps/CBAs and Unit Count growth														
<b>Fringe Other/Fringe Healthcare/Pension</b> - Projected using current year rates														
<b>Debt Service</b> – Increased \$17M for both existing and new debt														
<b>Grants</b> - Projected using current year Grant in Aid budget, 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 current year spend level for agency operations and spending continued cash projects														
<b>Supplies</b> - Projected using current year spend level for agency operations														
<b>Capital</b> - Projected using current year spend level for agency operations														

Table 2. DEFAC General Fund Revenue Worksheet

December-23 DEFAC Meeting	FY 2023	FY 2024				
	A Actual Collections	B DEFAC Oct-23	C % B over A	D DEFAC Dec-23	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>2,400.4</b>	<b>0.2%</b>	<b>0.0</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>2,113.4</b>	<b>0.0%</b>	<b>0.0</b>
Franchise Tax	1,397.3	1,328.9	-4.9%	1,348.9	-3.5%	20.0
Limited Partnerships & LLC's	474.9	460.8	-3.0%	460.8	-3.0%	0.0
Subtotal Franchise + LP/LLC	1,872.1	1,789.7	-4.4%	1,809.7	-3.3%	20.0
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	1,769.7	-4.7%	1,789.7	-3.6%	20.0
<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>(150.0)</u>	8.4%	<u>(160.0)</u>	15.7%	<u>(10.0)</u>
Unclaimed Prop Less Refunds	415.7	404.0	-2.8%	394.0	-5.2%	(10.0)
<b>Gross Receipts Tax</b>	<b>353.2</b>	<b>358.7</b>	<b>1.6%</b>	<b>358.7</b>	<b>1.6%</b>	<b>0.0</b>
<b>Lottery</b>	<b>239.6</b>	<b>243.0</b>	<b>1.4%</b>	<b>243.0</b>	<b>1.4%</b>	<b>0.0</b>
Corporation Income Tax	457.4	400.0	-12.5%	400.0	-12.5%	0.0
Less: Refunds	<u>(73.5)</u>	<u>(76.0)</u>	3.4%	<u>(80.0)</u>	8.8%	<u>(4.0)</u>
CIT Less Refunds	383.9	324.0	-15.6%	320.0	-16.6%	(4.0)
<b>Realty Transfer Tax</b>	<b>246.7</b>	<b>205.0</b>	<b>-16.9%</b>	<b>205.0</b>	<b>-16.9%</b>	<b>0.0</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	104.2	-1.5%	101.0	-4.5%	(3.2)
Insurance Taxes and Fees	107.5	106.7	-0.8%	106.7	-0.8%	0.0
Hospital Board and Treatment	20.9	22.6	8.4%	22.1	6.0%	(0.5)
<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>118.1</b>	<b>216.8%</b>	<b>127.1</b>	<b>240.9%</b>	<b>9.0</b>
<b>Other Revenues</b>	<b>81.2</b>	<b>69.9</b>	<b>-14.0%</b>	<b>71.4</b>	<b>-12.1%</b>	<b>1.5</b>
Less: Other Refunds	<u>(25.8)</u>	<u>(15.7)</u>	-39.2%	<u>(15.7)</u>	-39.2%	0.0
<b>Net Receipts</b>	<b>6,295.1</b>	<b>6,164.5</b>	<b>-2.1%</b>	<b>6,177.3</b>	<b>-1.9%</b>	<b>12.8</b>

Table 2. DEFACT General Fund Revenue Worksheet

December-23 DEFACT Meeting	FY 2025					FY 2026				
	G DEFACT Oct-23	H % G over B	I DEFACT Dec-23	J % I over D	K \$ Increase I over G	L DEFACT Oct-23	M % L over G	N DEFACT Dec-23	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>2,487.6</b>	<b>3.6%</b>	<b>0.0</b>	<b>2,579.3</b>	<b>3.7%</b>	<b>2,579.3</b>	<b>3.7%</b>	<b>0.0</b>
Less: Refunds	<u>(272.7)</u>	<b>-5.0%</b>	<u>(272.7)</u>	<b>-5.0%</b>	<u>0.0</u>	<u>(245.7)</u>	<b>-9.9%</b>	<u>(245.7)</u>	<b>-9.9%</b>	<u>0.0</u>
<b>PIT Less Refunds</b>	<b>2,214.9</b>	<b>4.8%</b>	<b>2,214.9</b>	<b>4.8%</b>	<b>0.0</b>	<b>2,333.6</b>	<b>5.4%</b>	<b>2,333.6</b>	<b>5.4%</b>	<b>0.0</b>
Franchise Tax	1,328.9	0.0%	1,348.9	0.0%	20.0	1,328.9	0.0%	1,348.9	0.0%	20.0
Limited Partnerships & LLC's	460.8	0.0%	460.8	0.0%	0.0	460.8	0.0%	460.8	0.0%	0.0
Subtotal Franchise + LP/LLC	1,789.7	0.0%	1,809.7	0.0%	20.0	1,789.7	0.0%	1,809.7	0.0%	20.0
Less: Refunds	<u>(10.0)</u>	<b>-50.0%</b>	<u>(10.0)</u>	<b>-50.0%</b>	<u>0.0</u>	<u>(10.0)</u>	<b>0.0%</b>	<u>(10.0)</u>	<b>0.0%</b>	<u>0.0</u>
Net Franchise + LP/LLC	1,779.7	0.6%	1,799.7	0.6%	20.0	1,779.7	0.0%	1,799.7	0.0%	20.0
<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	500.0	-9.7%	525.0	-5.2%	25.0	500.0	0.0%	500.0	-4.8%	0.0
Less: Refunds	<u>(150.0)</u>	0.0%	<u>(160.0)</u>	0.0%	<u>(10.0)</u>	<u>(150.0)</u>	0.0%	<u>(160.0)</u>	0.0%	<u>(10.0)</u>
Unclaimed Prop Less Refunds	350.0	-13.4%	365.0	-7.4%	15.0	350.0	0.0%	340.0	-6.8%	(10.0)
<b>Gross Receipts Tax</b>	<b>368.0</b>	<b>2.6%</b>	<b>368.0</b>	<b>2.6%</b>	<b>0.0</b>	<b>378.3</b>	<b>2.8%</b>	<b>378.3</b>	<b>2.8%</b>	<b>0.0</b>
<b>Lottery</b>	<b>247.8</b>	<b>2.0%</b>	<b>247.8</b>	<b>2.0%</b>	<b>0.0</b>	<b>250.8</b>	<b>1.2%</b>	<b>250.8</b>	<b>1.2%</b>	<b>0.0</b>
Corporation Income Tax	362.0	-9.5%	362.0	-9.5%	0.0	354.0	-2.2%	354.0	-2.2%	0.0
Less: Refunds	<u>(70.0)</u>	<b>-7.9%</b>	<u>(75.0)</u>	<b>-6.3%</b>	<u>(5.0)</u>	<u>(70.0)</u>	<b>0.0%</b>	<u>(75.0)</u>	<b>0.0%</b>	<u>(5.0)</u>
CIT Less Refunds	292.0	-9.9%	287.0	-10.3%	(5.0)	284.0	-2.7%	279.0	-2.8%	(5.0)
<b>Realty Transfer Tax</b>	<b>223.2</b>	<b>8.9%</b>	<b>223.2</b>	<b>8.9%</b>	<b>0.0</b>	<b>233.9</b>	<b>4.8%</b>	<b>233.9</b>	<b>4.8%</b>	<b>0.0</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	110.2	5.8%	109.9	8.8%	(0.3)	112.5	2.1%	112.1	2.0%	(0.4)
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	-3.1%	21.9	-0.9%	0.0	21.3	-2.7%	21.3	-2.7%	0.0
<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>146.8</b>	<b>24.3%</b>	<b>150.6</b>	<b>18.5%</b>	<b>3.8</b>	<b>139.2</b>	<b>-5.2%</b>	<b>143.0</b>	<b>-5.0%</b>	<b>3.8</b>
<b>Other Revenues</b>	<b>71.8</b>	<b>2.7%</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>	0.0%	0.0	<u>(15.7)</u>	0.0%	<u>(15.7)</u>	0.0%	<u>0.0</u>
<b>Net Receipts</b>	<b>6,258.8</b>	<b>1.5%</b>	<b>6,292.3</b>	<b>1.9%</b>	<b>33.5</b>	<b>6,380.6</b>	<b>1.9%</b>	<b>6,389.0</b>	<b>1.5%</b>	<b>8.4</b>

# Table 3. Balance and Appropriations Worksheet

December-23

## FY 2024 EXPENDITURES

Total Spending Authority	\$8,201.7
Less: Continuing Appropriations & Encumbrances from FY 2024	(\$1,790.3)
Less: Reversions	<u>(\$54.6)</u>
Total Expenditures	\$6,356.8

## FY 2024 BALANCES

Total Expenditures	\$6,356.8
vs. FY 2024 Revenues	6,177.3
Operating Balance	(179.5)
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	2,449.9
Less: Continuing Appropriations & Encumbrances from FY 2024	(1,790.3)
Less: Budgetary Reserve Account	<u>(\$328.8)</u>
Unencumbered Cash Balance 6/30	\$330.9

## FY 2025 APPROPRIATION LIMITS

FY 2025 Revenue Estimate	\$6,292.3
Unencumbered Cash Balance from FY 2024	<u>\$330.9</u>
100% Appropriation Limit	\$6,623.2
98% Appropriation Limit	<u>\$6,490.7</u>
Prior 98% Appropriation Limit	\$6,401.6
Increase (Decrease) from Prior Meeting	\$89.1
October 2023 98% Appropriation Limit	\$6,401.6
Increase (Decrease) from October 2023	\$89.1

## 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 November 30, 2023									42%
	FY2022 Actual	FY2023 Actual	FY2024 Appropriation	OCTOBER FY2024 Forecast	DECEMBER FY2024 Forecast	\$ difference Oct to December	\$ 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	0.0	(0.8)	73.6	90%
Personnel Costs	105.6	107.9	119.3	119.3	119.3	0.0	11.4	45.0	38%
Operations/Capital Outlay	66.8	66.8	81.3	81.3	81.3	0.0	14.5	32.4	40%
Transit Operations (DTC)	<u>79.8</u>	<u>80.3</u>	<u>89.6</u>	<u>89.6</u>	<u>89.6</u>	0.0	9.3	<u>37.3</u>	42%
Total Expenditures - Operations	319.2	338.0	372.4	372.4	372.4	0.0	34.4	188.3	51%
<b>State Capital</b>									
Road System	197.7	210.2	202.0	202.0	202.0	0.0	(8.2)	105.7	52%
Grants & Allocations	26.7	30.1	42.2	42.2	42.2	0.0	12.1	17.3	41%
Support Systems	45.8	52.0	43.1	43.1	43.1	0.0	(8.9)	19.6	45%
Transit	<u>29.9</u>	<u>23.5</u>	<u>27.7</u>	<u>27.7</u>	<u>27.7</u>	0.0	4.2	<u>6.7</u>	24%
State Capital	300.1	315.8	315.0	315.0	315.0	0.0	(0.8)	149.3	47%
<b>Federal Capital</b>									
Federal Capital	261.1	269.3	325.0	325.0	325.0	0.0	55.7	140.4	43%
Total Expenditures - Capital	561.2	585.1	640.0	640.0	640.0	0.0	54.9	289.7	45%
<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>0.0</b>	<b>89.3</b>	<b>478.0</b>	<b>47%</b>

	OCTOBER FY2024 Forecast	DECEMBER FY2024 Forecast	\$ difference Oct to December	FY2024 YTD Spend	% spent YTD
DeIDOT	1,012.4	1,012.4	\$ -	\$ 478.0	47%
US301	23.0	23.0	\$ -	\$ 1.5	7%
<b>TOTAL</b>	<b>1,035.4</b>	<b>1,035.4</b>	<b>\$ -</b>	<b>\$ 479.5</b>	<b>46%</b>

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION Transportation Trust Fund Revenues									
	FY22	FY23	% Chg.	Fiscal 2024			Fiscal 2025		
				10/16/2023 Approved	12/18/2023 Recomm	% Chg. FY 23	10/16/2023 Approved	12/18/2023 Recomm	% Chg. FY 24
<b><u>TOLL ROAD REVENUES:</u></b>									
I95 Newark Plaza	\$142.2	\$133.5	-6.1%	\$140.0	\$143.2	7.3%	\$141.4	\$146.9	2.6%
Route 1 Toll Road	62.6	59.8	-4.5%	\$64.9	\$66.4	11.1%	\$65.9	\$68.4	3.0%
Concessions	<u>1.6</u>	<u>2.1</u>	<u>31.3%</u>	<u>\$2.2</u>	<u>\$2.2</u>	<u>4.6%</u>	<u>\$2.2</u>	<u>\$2.2</u>	<u>0.0%</u>
<b>Total Toll Road Revenues</b>	206.4	195.4	-5.3%	\$207.1	\$211.8	8.4%	\$209.5	\$217.5	2.7%
<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%	\$137.4	\$141.4	-14.0%	\$132.4	\$132.4	-6.4%
Motor Vehicle Registration Fees	57.4	61.6	7.3%	\$64.2	\$64.2	4.2%	\$65.1	\$65.1	1.4%
Other DMV Revenues	<u>39.7</u>	<u>39.1</u>	<u>-1.5%</u>	<u>\$45.3</u>	<u>\$45.3</u>	<u>15.9%</u>	<u>\$46.0</u>	<u>\$46.0</u>	<u>1.5%</u>
<b>Total DMV Revenues</b>	243.3	265.2	9.0%	\$246.9	\$250.9	-5.4%	\$243.5	\$243.5	-2.9%
<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>\$7.0</u>	<u>\$9.0</u>	<u>-24.7%</u>	<u>\$5.0</u>	<u>\$5.0</u>	<u>-44.4%</u>
<b>Total Other Transp. Revenue</b>	10.9	21.0	92.7%	\$16.2	\$18.2	-13.3%	\$14.2	\$14.2	-22.0%
<b>GRAND TOTAL</b>	\$597.3	\$617.7	3.4%	\$606.4	\$617.1	-0.1%	\$615.5	\$623.5	1.0%
					\$10.7		\$8.0		
	FY22	FY23	% Chg.	Fiscal 2024			Fiscal 2025		
<b>US301 Revenues</b>	\$ 22.0	\$ 26.0	18.2%	\$ 24.6	\$ 25.2	-3.1%	\$ 24.9	\$ 26.0	3.2%
<b>TOTAL</b>	\$ 619.3	\$ 643.7	3.9%	\$ 631.0	\$ 642.3	-0.2%	\$ 640.4	\$ 649.5	1.1%