

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

**Buena Vista, October 20, 2025**

**Attendance:**

Member	Present
K. Agne	Yes
P. Anderson	No
C. Baker	Yes
S. Bravo	Yes
C. Davis	Yes
L. Davis	Yes
J. DiPaula	No
C. DuVilla	Yes
P. Gupta	Yes
S. Hastings	Yes
M. Houghton	Yes
M. Jackson	Yes
P. Key	Yes
K. Knight	Yes
T. Lawson	Yes
A. Levin	Yes

Member	Present
G. Marcozzi	No
B. Maxwell	Yes
D. Mell	Yes
R. Miller	Yes
K. Myers	Yes
T. Paradee	Yes
B. Pettyjohn	Yes
C. Postles	Yes
P. Reese	Yes
T. Shopa	Yes
M. Smith	Yes
W. Smith	Yes
P. Swain	Yes
D. Tam	Yes
K. Williams	Yes
C. Linke Young	Yes

**Members in Attendance: 29**

**Members Absent: 3**

**Others Present:** R. Ames, K. Arthur, M. Bailit, R. Bond, C. Bryan, T. Byrne, C. Cardillo, L. Collison, J. Coverdale, V. Coverdale, B. DiVirgilio, K. Dwyer, S. Dwyer, P. Edmonds, L. Elder, C. Engelsiepen, K. Evinger, J. Fedeles, S. Finnigan, B. Fountain, N. Freedman, J. French, R. Geisenberger, A. Godfrey, R. Goldsmith, M. Gorman, L. Gutierrez, C. Hall, J. Haynes, A. Jenkins, J. Johnstone, J. Kane, B. Khanal, Q. Kirkpatrick, N. Konzelman, R. Lancaster, J. Lemaistre, B. Leshine, R. Lewis, M. Marlin, E. Massa, S. Matthews, V. McCartan, S. Milewski, R. Morris, E. Nestlerode, J. Patterson, G. Porter, K. Pritchard, J. Richards, J. Rini, B. Riveros, J. Rogers, D. Roose, C. Ryan, C. Schlitz, A. Scoglietti, R. Scoglietti, J. Seemans, A. Shields, J. Smith, M. Smith, S. Snyder, S. Sokolowski, A. Squiers, K. Tabeling, K. Taylor-Roberts, K. Thomson, T. Trapp, J. Van Gorp, L. Vella, J. Villecco, A. Visalli, A. Wallace, B. Wallace, M. Walls, V. Watson, N. Wenigmann, J. Worley, A. Wright, L. Wright.

**Opening Business:** Mr. Levin called the meeting to order at 12:01 p.m. Mr. Levin acknowledged the departures of Mr. Ratledge and Ms. Manning from the Delaware Economic and Financial Advisory Council (DEFAC), and the addition of the recently

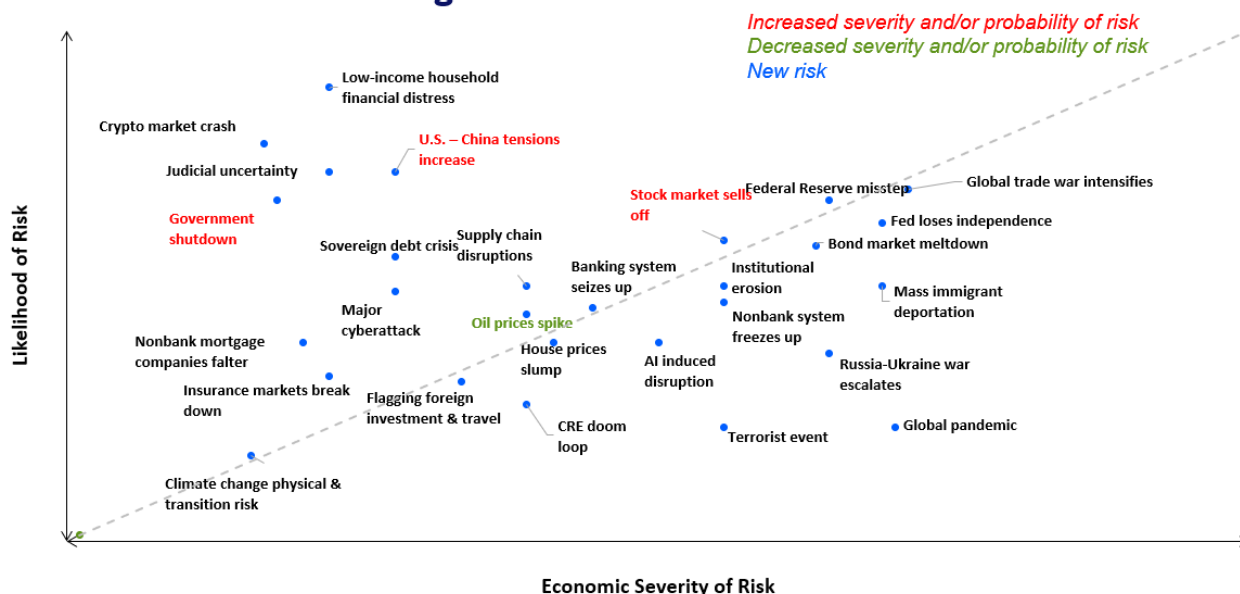
appointed Department of Health and Social Services Secretary, Ms. Young.

Mr. Levin went on to introduce Mr. Mark Zandi, from Moody's Analytics.

### **Moody's Presentation: The U.S. Economic Outlook:**

Mr. Mark Zandi, of Moody's Analytics, presented to the committee on the U.S. Economic Outlook. His presentation focused on the impact of economic policy headwinds, artificial intelligence tailwinds, and other factors that could impact the economic outlook.

### **What Else Could Go Wrong?**



Source: Moody's Analytics

### **Review June Meeting Minutes:**

The minutes from the June meeting were approved with a minor correction made.

### **Expenditure Forecasts:**

Mr. Jackson and Mr. Lombardo presented the General Fund Expenditure forecasts.

### **General Fund Expenditures - Fiscal Year 2026:**

Mr. Jackson reviewed the balance sheet method. He said the FY 2026 spending authority is \$8,752.0 million, with expected reversions at \$25 million and encumbered funds at \$60 million.

Mr. Lombardo began by reviewing the Fiscal Year 2025 actuals, which came in \$44 million below the projected amount in June, at \$6,925.3 million. The main area

of variance in the forecast versus the actuals was in Medicaid, which was \$30.6 million below the June forecast. That funding is expected to carry forward into Fiscal Year 2026.

Mr. Lombardo next reviewed the Fiscal Year 2026 expenditure forecast. Expenditures are expected to increase \$324.7 million or 4.7% over Fiscal Year 2025's actuals at \$7,250.0 million. The October Fiscal Year 2026 expenditure projection is \$10.7 million below the June forecast. The largest area of growth is in Medicaid, which includes funding carried forward from Fiscal Year 2025 and is in line with the Department of Health and Social Service's most recent Medicaid forecast.

Mr. Houghton asked if the projections include recent changes made by the federal government to the Medicaid program. Mr. Lombardo responded by stating the out-year projections do not reflect changes made at the federal level. Mr. Maxwell added that there are a significant number of factors that go into the Medicaid program, and that OMB is working to ensure that expenditures stay within the 5% projected operating growth. Ms. Young noted that most of the impacts to the Medicaid program won't go into effect until next year.

A motion was made, seconded and approved to accept \$7,250.0 million as the Expenditure estimate for FY 2026.

### **General Fund Expenditures - Fiscal Year 2027:**

Mr. Lombardo next reviewed the long-term forecast. Assumptions underlying the estimates include that the Operating Budget grows 5%, no supplemental appropriations, and cash to the Bond Bill declines about 30% and remains at that level through Fiscal Year 2029. Additional assumptions are made that salaries normalize at 6.6%, and remain flat throughout the forecast, with fringe benefits expected to gradually deaccelerate to a long-term average of 7.2%. Medicaid assumptions reflect the FY 2027 preliminary door opener and show a 12.2% increase over the FY 2026 estimate before gradually declining to a long-term growth rate of 7.4% in FY 2029.

A motion was made, seconded and approved to accept \$7,554.6 million as the Expenditure estimate for FY 2027.

### **Revenue Forecasts:**

Mr. Roose presented the General Fund Revenue forecasts.

## Economic Outlook

Mr. Roose reviewed the U.S. economic outlook. There has been stronger calendar year 2025 GDP growth based on revised quarter two data and potentially easing trade tensions. The Federal spending after the passage of the One Big Beautiful Bill Act (OBBBA) was higher than had been assumed by S&P, which also boosts growth.

Mr. Roose went on to review the impact of the OBBBA on Delaware's revenue forecast. The bill affects federal taxes, health care and energy policy. It permanently extends many Personal Income Tax and Corporate Income Tax provisions of the 2017 Tax Cuts and Jobs Act. Most of the Personal Income Tax provisions are significant for individual taxpayers but do not affect Delaware revenues. However, the corporate provisions do, and several are expected to have a significant impact. As the OBBBA was enacted mid-year, with many retroactive provisions, Mr. Roose noted that it will be challenging to determine whether the changes in Delaware collections are attributable to the Bill, underlying economic changes, or other factors.

### Primary OBBBA PIT Provisions

Provisions	DE Impact	Impact (\$M)	
		FY 26	FY 27
Reduced rates, increased standard deduction, terminated personal exemptions and increased child credit	⊘	N/A	N/A
Adjustments to itemized deductions	✓	0.8	3.3
SALT Limitation Increase (TY 2025)	✓	15.0	37.8
Exemption for tips, overtime, car interest	⊘	N/A	N/A
Business provisions for pass-throughs	✓	(22.0)	(16.5)

### Primary OBBBA CIT Provisions

Provision	Eff. Date	Impact (\$M)	
		FY 26	FY 27
Full expensing of domestic R&D expenditures	TY 22	(89.9)	(26.2)
Full expensing for certain business property	1/20/25	(77.3)	(55.7)
Special depreciation allowance for qualified production property	7/4/25	(31.9)	(37.0)
Opportunity zones made permanent	TY 26	(1.1)	(5.7)
Modification of limitation on business interest	TY 26	(16.2)	(7.3)

## General Fund Revenues:

Mr. Roose then turned to the general fund revenue forecast:

FY 2026				FY 2027			
Revenue Category	Jun-25	Oct-25	Change	Revenue Category	Jun-25	Oct-25	Change
Corporation Income Tax	433.6	278.5	(155.1)	Corporation Income Tax	424.1	254.4	(169.7)
Dividends and Interest	116.7	165.5	48.8	Unclaimed Property	500.0	554.0	54.0
CIT Refunds	(103.3)	(80.0)	23.3	Personal Income Tax	2,879.5	2,929.3	49.8
Realty Transfer Tax	249.7	262.0	12.3	Dividends and Interest	125.7	149.8	24.1
Insurance Taxes	93.8	82.7	(11.1)	Realty Transfer Tax	254.9	267.5	12.6
Bank Franchise Tax	104.7	96.4	(8.3)	Insurance Taxes	108.3	100.4	(7.9)
Personal Income Tax	2,819.7	2,813.4	(6.3)	Lottery	255.0	247.5	(7.5)
Lottery	249.1	244.0	(5.1)	Bank Franchise Tax	111.2	105.2	(6.0)
Other Revenues	86.3	89.3	3.0	Other Revenues	87.8	90.6	2.8
Other Refunds	(16.2)	(16.5)	(0.3)				

For a complete listing of FY 2026 and 2027 estimates, see Table 2.

Mr. Roose recommended the above changes to the revenue forecast. The most significant change to the FY 26 and FY 27 revenue forecast is to Corporate Income Tax. The FY 26 forecast is down -38.4% (\$155.1 million) and the FY 27 forecast is down -8.7% (\$169.7 million) from the June 2025 DEFAC forecast. A 20% decline was noted in quarter three, but it's difficult to determine how much of the decline is attributable to OBBBA. Another area that saw change was under Dividends and Interest. Treasurer Davis noted that the out-years reflect a decrease due to expected rate cuts and claw back of federal funds. Mr. Roose went on discuss Other Revenue projections. The Lottery forecast for FY 26 decreased \$5.1 million due to flat growth in slots. The Bank Franchise Tax was also decreased by \$8.3 million due in part to a State-chartered bank merging into a national bank. Unclaimed Property currently reflects the cap of \$554 million. The cap has been reached every year since instituted, and it's expected to do so again in FY 27.

Mr. Houghton inquired about the Corporate Franchise Tax out-year forecast, noting that it was flat. Mr. Knight replied that collections are dependent on the market, but they should have a more accurate estimate at the December DEFAC meeting. Mr. Houghton went on to state that the Corporate Franchise Tax, along with the Unclaimed Property cap, should be areas looked at if we continue to see projected deficits in the revenue forecast.

Mr. Levin asked Mr. Knight for any updates on the Elon Musk case. Mr. Knight responded that Department of State continues to see a high volume of new companies. However, it's challenging to anticipate how large the companies will grow. Mr. Knight noted that they are not seeing anything alarming at this time.

Mr. Roose next touched on Marijuana revenue collections which began in August 2025. Epilogue language was added in the FY 2026 Operating Budget Act (HB 225) to state that the maximum unencumbered balance which shall remain in the Marijuana Regulation Fund at the end of the fiscal year shall not exceed \$5 million, and any remainder shall be deposited into the General Fund. Roughly \$12 million in gross collections are required before the General Fund receives revenue. Based on this, Mr. Roose does not anticipate any Marijuana General Fund revenues in FY 2026 as most recreational licensed facilities are still in the process of becoming operational.

#### **Fiscal Year 2026 Estimate Adopted:**

A motion was made, seconded and approved to accept \$6,684.1 million as the revenue estimate for FY 2026. The estimate represents a decrease of \$98.8 million from the June estimate and results in bottom-line decrease of -0.2%.

#### **Fiscal Year 2027 Estimate Adopted:**

A motion was made, seconded and approved to accept \$6,823.9 million as the revenue estimate for FY 2027. The estimate represents a decrease of \$47.8 million from the October FY 2026 estimate and results in bottom-line increase of 2.1%.

**Balance and Appropriations Worksheet:**

Mr. Roose presented the Balance and Appropriations worksheet. The result of this exercise is attached as Table 3. Mr. Maxwell asked if the OBBBA hadn't been adopted, would our revenues be positive? Mr. Roose responded that the revenues would've been positive. Current projections would've been about \$300 million higher.

**Transportation Trust Fund (TTF):**

**TTF—Expenditures:** Ms. Giuttari presented the Transportation Trust Fund's expenditure forecast. She recommended a decrease of \$35 million to the FY 2026 forecast compared to the FY 2025 actuals, bringing their October forecast to \$1,117.8 million.

A motion was made, seconded, and approved to accept \$1,117.8 million as the FY 2026 TTF expenditure estimate (see Table 4).

**TTF—Revenues:** Ms. Hastings spoke briefly about the DelDOT revenue forecast. There were two pieces of legislation enacted during the 153<sup>rd</sup> General Assembly that have an impact on projected TTF revenues: Senate Bill (SB) 88 and House Bill (HB) 164 with House Amendment (HA) 1. SB 88 extended the due date on toll violations from 31 to 61 days and amended the administrative fee by stating that the fee may be "up to" \$25. HB 164 with HA 1 increased several revenue sources as well as established new ones for electric vehicles to offset revenue loss from the increased presence of electric and other fuel vehicles. Ms. Hastings also noted that toll increases were implemented on August 15<sup>th</sup> for Route 1, I-95 and U.S. 301.

Ms. Giuttari presented the Transportation Trust Fund's revenue forecast. She recommended increasing total projected revenues for FY 2026 by \$85.1 million or 13.7% increase. FY 2027 reflected a similar adjustment with an increase of \$103.3 million or 16.2% over the June forecast. Mr. Levin asked if there's been a decrease in traffic since the toll increases were implemented. Ms. Hastings responded that they haven't seen any significant changes. Any decreases seen have been related to ongoing construction projects.

**Fiscal Year 2026 Estimates:**

A motion was made, seconded, and approved to accept \$707.2 million as the FY 2026 TTF revenue estimate.

**Fiscal Year 2027 Estimates:**

A motion was made, seconded, and approved to accept \$741.2 million as the FY 2027 TTF revenue estimate.

**Other Business:**

Mr. Roose presented the Annual Threshold Adjustment Factor to the committee.

Mr. Levin moved on to the recent recommendation made by the Healthcare Spending Benchmark Subcommittee. Mr. Michael Bailit, a consultant involved with the Subcommittee, spoke about the intent of the benchmark and the history behind it. The Delaware Hospital Association was also present and provided a brief presentation on their recommendation, which was the one ultimately recommended by the Subcommittee. Mr. Agne and Dr. Tam highlighted the challenges the Subcommittee encountered in reaching a recommendation. Mr. Levin advised that the Subcommittee reconvene to reassess the benchmark before submitting a final recommendation to DEFAC in December for a formal vote.

A motion was made, seconded, and approved to return the current recommendation to the Subcommittee for further review.

Mr. Levin announced the next (tentative) scheduled DEFAC meeting date:

- Monday, December 15, 2025

**Public Comment:**

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

There being no further business, Mr. Levin adjourned the meeting at 3 p.m.

Respectfully submitted,

Kylie Taylor-Roberts

Table 1a

**DEFAC Expenditures Forecast for General Fund Disbursements FY2026 (\$ in millions)**  
**October 20, 2025**

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Appropriations</u>
Budget Act	4,525.2	4,771.5	5,099.7	5,606.7	6,129.2	<b>6,580.8</b>
Supplementals	-	221.1	378.6	194.6	168.4	<b>37.6</b>
Cash to Bond Bill	35.4	692.3	855.5	753.4	427.5	<b>368.3</b>
Grant-in-Aid	54.5	63.2	69.4	72.0	98.5	<b>98.3</b>
Continuing & Encumbered (from prior years)	431.3	495.8	1,098.6	1,575.0	1,864.6	<b>1,666.9</b>
<b><i>Fiscal Year Spending Authority</i></b>	<b>5,046.4</b>	<b>6,243.9</b>	<b>7,501.7</b>	<b>8,201.7</b>	<b>8,688.1</b>	<b>8,752.0</b>
<b><i>% increase/(decrease)</i></b>	<b>(0.7%)</b>	<b>23.7%</b>	<b>20.1%</b>	<b>9.3%</b>	<b>5.9%</b>	<b>0.7%</b>
<b><u>LESS:</u></b>						<b><i>Current</i></b>
Reversions to the General Fund	53.4	85.8	67.4	105.0	95.9	<b>25.0</b>
Continuing & Encumbered to next fiscal year	495.8	1,098.6	1,575.0	1,864.6	1,666.9	<b>1,477.0</b>
<i>Encumbered to next fiscal year</i>	<i>53.1</i>	<i>71.6</i>	<i>57.3</i>	<i>61.6</i>	<i>70.4</i>	<b>60.0</b>
<i>Continuing to next fiscal year</i>	<i>442.6</i>	<i>1,027.0</i>	<i>1,517.7</i>	<i>1,802.9</i>	<i>1,596.4</i>	<b>1,417.0</b>
<b><i>Fiscal Year Budgetary Expenditures</i></b>	<b>4,497.2</b>	<b>5,059.5</b>	<b>5,859.3</b>	<b>6,232.1</b>	<b>6,925.3</b>	<b>7,250.0</b>
<b><i>% increase/(decrease)</i></b>	<b>(0.4%)</b>	<b>12.5%</b>	<b>15.8%</b>	<b>6.4%</b>	<b>11.1%</b>	<b>4.7%</b>
<b><u>Comments:</u></b>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
Expenditures / Spending Authority	89.1%	81.0%	78.1%	76.0%	79.7%	82.8%
Total Continuing / Spending Authority	8.8%	16.4%	20.2%	22.0%	18.4%	16.2%



Table 1b

DEFAC Expenditures Forecast for General Fund Disbursements (\$ in millions)  
October 20, 2025

	<u>FY2025</u>	<u>FY2025</u>		<u>FY2026</u>	<u>FY2026</u>				<u>FY2027</u>		<u>FY2028</u>		<u>FY2029</u>	
	<u>June</u>	<u>Actual</u>		<u>June</u>	<u>October</u>				<u>Forecast</u>		<u>Forecast</u>		<u>Forecast</u>	
Salaries	2,072.6	2,068.9	(3.6)	2,219.6	2,220.1	0.6	151.2	7.3%	2,366.7	6.6%	2,522.9	6.6%	2,689.4	6.6%
Fringe Benefits	<u>768.8</u>	<u>765.8</u>	<u>(3.0)</u>	<u>820.6</u>	<u>826.8</u>	<u>6.3</u>	<u>61.0</u>	<u>8.0%</u>	<u>890.1</u>	<u>7.7%</u>	<u>956.4</u>	<u>7.4%</u>	<u>1,025.4</u>	<u>7.2%</u>
Health Care	590.1	587.4	(2.8)	628.8	635.9	7.1	48.5	8.3%	686.6	8.0%	739.4	7.7%	794.1	7.4%
Other	178.6	178.4	(0.2)	191.8	190.9	(0.8)	12.5	7.0%	203.5	6.6%	217.0	6.6%	231.3	6.6%
Pension	<u>606.1</u>	<u>605.3</u>	<u>(0.8)</u>	<u>598.2</u>	<u>598.3</u>	<u>0.1</u>	<u>(7.0)</u>	<u>(1.2%)</u>	<u>644.2</u>	<u>7.7%</u>	<u>692.0</u>	<u>7.4%</u>	<u>736.6</u>	<u>6.4%</u>
Contribution	276.0	275.8	(0.2)	294.8	294.8	0.1	19.0	6.9%	314.3	6.6%	335.0	6.6%	357.1	6.6%
Health Care	215.6	215.4	(0.2)	231.1	231.1	0.1	15.7	7.3%	246.4	6.6%	262.6	6.6%	280.0	6.6%
Other	114.5	114.2	(0.4)	72.4	72.4	0.0	(41.8)	(36.6%)	83.6	15.4%	94.3	12.9%	99.4	5.4%
Medicaid	1,111.4	1,080.8	(30.6)	1,149.3	1,217.0	67.6	136.1	12.6%	1,365.0	12.2%	1,498.5	9.8%	1,609.4	7.4%
Debt Service	251.6	251.6	0.0	262.1	262.1	0.0	10.5	4.2%	277.1	5.7%	291.0	5.0%	305.5	5.0%
Capital Outlay	203.0	211.5	8.5	175.0	172.9	(2.1)	(38.6)	(18.3%)	140.2	(18.9%)	110.4	(21.3%)	84.7	(23.3%)
Contractual Services	1,000.3	1,002.0	1.7	1,032.9	1,028.3	(4.6)	26.3	2.6%	978.7	(4.8%)	928.3	(5.2%)	890.4	(4.1%)
Grants	860.8	844.6	(16.2)	905.5	827.6	(77.9)	(17.0)	(2.0%)	789.6	(4.6%)	750.5	(4.9%)	721.5	(3.9%)
Supplies & Materials	94.8	94.8	(0.0)	97.6	96.8	(0.7)	2.0	2.2%	92.9	(4.0%)	88.9	(4.4%)	86.0	(3.3%)
Total Expenditures	<b>6,969.3</b>	<b>6,925.3</b>	<b>(44.0)</b>	<b>7,260.7</b>	<b>7,250.0</b>	<b>(10.7)</b>	<b>324.7</b>	<b>4.7%</b>	<b>7,544.6</b>	<b>4.1%</b>	<b>7,838.9</b>	<b>3.9%</b>	<b>8,148.8</b>	<b>4.0%</b>

## DEFAC General Fund Revenue Worksheet

October-25 DEFAC Meeting	FY 2025 A Actual Collections	FY 2026				
		B DEFAC Jun-25	C % B over A	D DEFAC Oct-25	E % D over A	F \$ Increase D over B
Revenue Category						
<b>Personal Income Tax</b>	<b>2,718.2</b>	<b>2,819.7</b>	<b>3.7%</b>	<b>2,813.4</b>	<b>3.5%</b>	<b>(6.3)</b>
Less: Refunds	<u>(335.0)</u>	<u>(288.5)</u>	-13.9%	<u>(288.5)</u>	-13.9%	<u>0.0</u>
<b>PIT Less Refunds</b>	<b>2,383.2</b>	<b>2,531.2</b>	<b>6.2%</b>	<b>2,524.9</b>	<b>5.9%</b>	<b>(6.3)</b>
Franchise Tax	1,324.4	1,328.9	0.3%	1,328.9	0.3%	0.0
Limited Partnerships & LLC's	522.1	522.6	0.1%	522.6	0.1%	0.0
Subtotal Franchise + LP/LLC	1,846.5	1,851.5	0.3%	1,851.5	0.3%	0.0
Less: Refunds	<u>(20.2)</u>	<u>(10.0)</u>	-50.5%	<u>(10.0)</u>	-50.5%	<u>0.0</u>
Net Franchise + LP/LLC	1,826.3	1,841.5	0.8%	1,841.5	0.8%	0.0
<b>Business Entity Fees</b>	<b>171.4</b>	<b>167.0</b>	<b>-2.6%</b>	<b>167.0</b>	<b>-2.6%</b>	<b>0.0</b>
<b>Uniform Commercial Code</b>	<b>32.5</b>	<b>30.0</b>	<b>-7.7%</b>	<b>30.0</b>	<b>-7.7%</b>	<b>0.0</b>
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	<u>(128.0)</u>	<u>(130.0)</u>	1.5%	<u>(130.0)</u>	1.5%	<u>0.0</u>
Unclaimed Prop Less Refunds	426.0	424.0	-0.5%	424.0	-0.5%	0.0
<b>Gross Receipts Tax</b>	<b>388.5</b>	<b>404.4</b>	<b>4.1%</b>	<b>404.4</b>	<b>4.1%</b>	<b>0.0</b>
<b>Lottery</b>	<b>230.0</b>	<b>249.1</b>	<b>8.3%</b>	<b>244.0</b>	<b>6.1%</b>	<b>(5.1)</b>
Corporation Income Tax	452.5	433.6	-4.2%	278.5	-38.4%	(155.1)
Less: Refunds	<u>(81.1)</u>	<u>(103.3)</u>	27.4%	<u>(80.0)</u>	-1.3%	<u>23.3</u>
CIT Less Refunds	371.4	330.3	-11.1%	198.5	-46.6%	(131.8)
<b>Realty Transfer Tax</b>	<b>235.8</b>	<b>249.7</b>	<b>5.9%</b>	<b>262.0</b>	<b>11.1%</b>	<b>12.3</b>
<b>Cigarette Taxes</b>	<b>87.5</b>	<b>82.4</b>	<b>-5.8%</b>	<b>82.4</b>	<b>-5.8%</b>	<b>0.0</b>
Bank Franchise Tax	114.8	104.7	-8.8%	96.4	-16.0%	(8.3)
Insurance Taxes and Fees	100.3	93.8	-6.5%	82.7	-17.6%	(11.1)
Hospital Board and Treatment	23.5	21.4	-8.9%	21.4	-8.9%	0.0
<b>Public Utility Tax</b>	<b>36.0</b>	<b>35.2</b>	<b>-2.2%</b>	<b>35.2</b>	<b>-2.2%</b>	<b>0.0</b>
<b>Alcoholic Beverage Tax</b>	<b>31.5</b>	<b>31.4</b>	<b>-0.3%</b>	<b>31.4</b>	<b>-0.3%</b>	<b>0.0</b>
<b>Dividends and Interest</b>	<b>165.5</b>	<b>116.7</b>	<b>-29.5%</b>	<b>165.5</b>	<b>0.0%</b>	<b>48.8</b>
<b>Other Revenues</b>	<b>82.2</b>	<b>86.3</b>	<b>5.0%</b>	<b>89.3</b>	<b>8.7%</b>	<b>3.0</b>
Less: Other Refunds	<u>(12.2)</u>	<u>(16.2)</u>	33.3%	<u>(16.5)</u>	35.7%	(0.3)
<b>Net Receipts</b>	<b>6,694.3</b>	<b>6,782.9</b>	<b>1.3%</b>	<b>6,684.1</b>	<b>-0.2%</b>	<b>(98.8)</b>

Table 2

10/17/2025

## DEFAC General Fund Revenue Worksheet

3:30 PM

October-25 DEFAC Meeting	FY 2027					FY 2028			FY 2029		FY 2030	
	G DEFAC Jun-25	H % G over B	I DEFAC Oct-25	J % I over D	K \$ Increase I over G	N DEFAC Oct-25	O % N over I		N DEFAC Oct-25	O % N over L	P DEFAC Oct-25	Q % P over N
Revenue Category												
<b>Personal Income Tax</b>	<b>2,879.5</b>	<b>2.1%</b>	<b>2,929.3</b>	<b>4.1%</b>	<b>49.8</b>	<b>3,122.7</b>	<b>6.6%</b>		<b>3,274.0</b>	<b>4.8%</b>	<b>3,425.1</b>	<b>4.6%</b>
Less: Refunds	<u>(267.3)</u>	-7.3%	<u>(267.3)</u>	-7.3%	<u>0.0</u>	<u>(268.9)</u>	0.6%		<u>(270.4)</u>	0.6%	<u>(272.0)</u>	0.6%
<b>PIT Less Refunds</b>	<b>2,612.2</b>	<b>3.2%</b>	<b>2,662.0</b>	<b>5.4%</b>	<b>49.8</b>	<b>2,853.8</b>	<b>7.2%</b>		<b>3,003.6</b>	<b>5.2%</b>	<b>3,153.1</b>	<b>5.0%</b>
Franchise Tax	1,328.9	0.0%	1,328.9	0.0%	0.0	1,328.9	0.0%		1,355.5	2.0%	1,382.6	2.0%
Limited Partnerships & LLC's	522.6	0.0%	522.6	0.0%	0.0	522.6	0.0%		533.1	2.0%	543.7	2.0%
Subtotal Franchise + LP/LLC	1,851.5	0.0%	1,851.5	0.0%	0.0	1,851.5	0.0%		1,888.5	2.0%	1,926.3	2.0%
Less: Refunds	<u>(10.0)</u>	0.0%	<u>(10.0)</u>	0.0%	<u>0.0</u>	<u>(10.0)</u>	0.0%		<u>(10.0)</u>	0.0%	<u>(10.0)</u>	0.0%
Net Franchise + LP/LLC	1,841.5	0.0%	1,841.5	0.0%	0.0	1,841.5	0.0%		1,878.5	2.0%	1,916.3	2.0%
<b>Business Entity Fees</b>	<b>167.0</b>	<b>0.0%</b>	<b>167.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>167.0</b>	<b>0.0%</b>		<b>167.0</b>	<b>0.0%</b>	<b>167.0</b>	<b>0.0%</b>
<b>Uniform Commercial Code</b>	<b>30.0</b>	<b>0.0%</b>	<b>30.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>30.0</b>	<b>0.0%</b>		<b>30.0</b>	<b>0.0%</b>	<b>30.0</b>	<b>0.0%</b>
Unclaimed Property	500.0	-9.7%	554.0	0.0%	54.0	525.0	-5.2%		500.0	-4.8%	500.0	0.0%
Less: Refunds	<u>(130.0)</u>	0.0%	<u>(130.0)</u>	0.0%	<u>0.0</u>	<u>(130.0)</u>	0.0%		<u>(130.0)</u>	0.0%	<u>(130.0)</u>	0.0%
Unclaimed Prop Less Refunds	370.0	-12.7%	424.0	0.0%	54.0	395.0	-6.8%		370.0	-6.3%	370.0	0.0%
<b>Gross Receipts Tax</b>	<b>415.6</b>	<b>2.8%</b>	<b>415.6</b>	<b>2.8%</b>	<b>0.0</b>	<b>432.6</b>	<b>4.1%</b>		<b>443.8</b>	<b>2.6%</b>	<b>455.4</b>	<b>2.6%</b>
<b>Lottery</b>	<b>255.0</b>	<b>2.4%</b>	<b>247.5</b>	<b>1.4%</b>	<b>(7.5)</b>	<b>251.1</b>	<b>1.5%</b>		<b>254.1</b>	<b>1.2%</b>	<b>257.2</b>	<b>1.2%</b>
Corporation Income Tax	424.1	-2.2%	254.4	-8.7%	(169.7)	283.8	11.6%		313.8	10.6%	348.9	11.2%
Less: Refunds	<u>(79.8)</u>	-22.7%	<u>(79.8)</u>	-0.3%	<u>0.0</u>	<u>(80.0)</u>	0.3%		<u>(80.0)</u>	0.0%	<u>(80.0)</u>	0.0%
CIT Less Refunds	344.3	4.2%	174.6	-12.0%	(169.7)	203.8	16.7%		233.8	14.7%	268.9	15.0%
<b>Realty Transfer Tax</b>	<b>254.9</b>	<b>2.1%</b>	<b>267.5</b>	<b>2.1%</b>	<b>12.6</b>	<b>278.2</b>	<b>4.0%</b>		<b>293.5</b>	<b>5.5%</b>	<b>314.0</b>	<b>7.0%</b>
<b>Cigarette Taxes</b>	<b>78.3</b>	<b>-5.0%</b>	<b>78.3</b>	<b>-5.0%</b>	<b>0.0</b>	<b>74.4</b>	<b>-5.0%</b>		<b>70.7</b>	<b>-5.0%</b>	<b>67.1</b>	<b>-5.0%</b>
Bank Franchise Tax	111.2	6.2%	105.2	9.1%	(6.0)	107.3	2.0%		109.4	2.0%	111.6	2.0%
Insurance Taxes and Fees	108.3	15.5%	100.4	21.4%	(7.9)	90.8	-9.6%		105.0	15.6%	98.0	-6.7%
Hospital Board and Treatment	21.4	0.0%	21.4	0.0%	0.0	21.0	-1.9%		20.4	-3.0%	19.8	-3.0%
<b>Public Utility Tax</b>	<b>33.3</b>	<b>-5.4%</b>	<b>33.3</b>	<b>-5.4%</b>	<b>0.0</b>	<b>32.6</b>	<b>-2.1%</b>		<b>31.9</b>	<b>-2.1%</b>	<b>31.3</b>	<b>-2.0%</b>
<b>Alcoholic Beverage Tax</b>	<b>31.4</b>	<b>0.0%</b>	<b>31.4</b>	<b>0.0%</b>	<b>0.0</b>	<b>31.4</b>	<b>0.0%</b>		<b>31.4</b>	<b>0.0%</b>	<b>31.4</b>	<b>0.0%</b>
<b>Dividends and Interest</b>	<b>125.7</b>	<b>7.7%</b>	<b>149.8</b>	<b>-9.5%</b>	<b>24.1</b>	<b>134.2</b>	<b>-10.4%</b>		<b>118.3</b>	<b>-11.8%</b>	<b>117.7</b>	<b>-0.5%</b>
<b>Other Revenues</b>	<b>87.8</b>	<b>1.7%</b>	<b>90.6</b>	<b>1.5%</b>	<b>2.8</b>	<b>92.1</b>	<b>1.7%</b>		<b>95.7</b>	<b>4.0%</b>	<b>99.6</b>	<b>4.0%</b>
Less: Other Refunds	<u>(16.2)</u>	0.0%	<u>(16.2)</u>	-1.8%	0.0	<u>(16.9)</u>	4.3%		<u>(16.0)</u>	-5.3%	<u>(16.0)</u>	0.0%
<b>Net Receipts</b>	<b>6,871.7</b>	<b>1.3%</b>	<b>6,823.9</b>	<b>2.1%</b>	<b>(47.8)</b>	<b>7,019.9</b>	<b>2.9%</b>		<b>7,241.1</b>	<b>3.2%</b>	<b>7,492.3</b>	<b>3.5%</b>

Table 4

Delaware Department of Transportation FY 2026 Expenditures, Through September 30, 2025							25%
	FY2024 Actual	FY2025 Actual	FY2026 Appropriation	OCTOBER FY2026 Forecast	\$ difference Forecast V. FY2025 Actual	FY2026 YTD Spend	% spent YTD
<b>Operations</b>			<u>w/o US301</u>				
Debt Service	82.2	91.6	91.5	91.5	(0.1)	74.9	82%
Personnel Costs	117.3	129.3	133.8	133.8	4.5	32.1	24%
Operations/Capital Outlay	82.1	90.2	95.6	95.6	5.4	23.4	24%
Transit Operations (DTC)	<u>98.2</u>	<u>118.4</u>	<u>120.6</u>	<u>120.6</u>	2.2	<u>40.1</u>	33%
Total Expenditures - Operations	379.8	429.5	441.5	441.5	12.0	170.5	39%
<b>State Capital</b>							
Road System	258.1	213.8	189.0	189.0	(24.8)	34.0	18%
Grants & Allocations	35.5	37.0	38.7	38.7	1.7	8.3	21%
Support Systems	51.9	67.1	36.5	36.5	(30.6)	6.0	16%
Transit	<u>14.3</u>	<u>8.2</u>	<u>13.8</u>	<u>13.8</u>	5.6	<u>3.4</u>	25%
State Capital	359.8	326.1	278.0	278.0	(48.1)	51.7	19%
<b>Federal Capital</b>							
Federal Capital	331.6	373.9	375.0	375.0	1.1	113.7	30%
Total Expenditures - Capital	691.4	700.0	653.0	653.0	(47.0)	165.4	25%
<b>TOTAL EXPENDITURES</b>	<b>1,071.2</b>	<b>1,129.5</b>	<b>1,094.5</b>	<b>1,094.5</b>	<b>(35.0)</b>	<b>335.9</b>	<b>31%</b>

	OCTOBER FY2026 Forecast	FY2026 YTD Spend	% spent YTD
DeIDOT	1,094.5	\$ 335.9	31%
US301	23.3	\$ 0.8	3%
TOTAL	1,117.8	\$ 336.7	0.30121668

Table 3

## Balance and Appropriations Worksheet

October-25

### FY 2026 EXPENDITURES

Total Spending Authority	\$8,752.0
Less: Continuing Appropriations & Encumbrances from FY 2026	(\$1,477.0)
Less: Reversions	<u>(\$25.0)</u>
Total Expenditures	\$7,250.0

### FY 2026 BALANCES

Total Expenditures	\$7,250.0
vs. FY 2026 Revenues	6,684.1
Operating Balance	(565.9)
Prior Year Cash Balance	2,925.3
Less: Budget Stabilization Fund (29 Del. C. § 6533(k))	<u>(\$469.3)</u>
Cumulative Cash Balance	1,890.1
Less: Continuing Appropriations & Encumbrances from FY 2026	(1,477.0)
Less: Budgetary Reserve Account	<u>(\$366.5)</u>
Unencumbered Cash Balance 6/30	\$46.6

### FY 2027 APPROPRIATION LIMITS

FY 2027 Revenue Estimate	\$6,823.9
Unencumbered Cash Balance from FY 2026	<u>\$46.6</u>
100% Appropriation Limit	\$6,870.5
98% Appropriation Limit	<u>\$6,733.0</u>
Prior 98% Appropriation Limit	NA
Increase (Decrease) from Prior Meeting	NA
October 2025 98% Appropriation Limit	NA
Increase (Decrease) from October 2025	NA

### FY 2026 BUDGET

Budget	\$6,580.8
Grants	\$98.3
Supplemental	\$406.0
Total Appropriations	\$7,085.1
Plus: Continuing Appropriations & Encumbrances from Prior Years	<u>\$1,666.9</u>
Total Spending Authority	\$8,752.0

### \*FY 2026 RESERVES\*

2% Set Aside	\$144.6
Budget Reserve Account	\$366.5
Budget Stabilization Fund	<u>\$469.3</u>
Reserves	\$980.4
Revenue Resolution (Gross)	\$7,330.9
Reserve Ratio	13.4%

Table 5

DELAWARE DEPARTMENT OF TRANSPORTATION Transportation Trust Fund Revenues									
	FY24	FY25	% Chg.	Fiscal 2026			Fiscal 2027		
				6/16/2025 Approved	10/20/2025 Recomm	% Chg. FY 25	6/16/2025 Approved	10/20/2025 Recomm	% Chg. FY 26
<b><u>TOLL ROAD REVENUES:</u></b>									
I95 Newark Plaza	\$133.5	\$121.7	-8.9%	\$128.7	\$154.7	27.1%	\$142.2	\$164.2	6.1%
Route 1 Toll Road	61.1	59.0	-3.4%	\$62.6	\$86.9	47.3%	\$63.4	\$98.4	13.3%
Concessions	<u>2.4</u>	<u>2.2</u>	-8.8%	<u>\$2.4</u>	<u>\$2.4</u>	<u>3.2%</u>	<u>\$2.5</u>	<u>\$2.5</u>	<u>4.2%</u>
<b>Total Toll Road Revenues</b>	197.0	182.9	-7.2%	\$193.7	\$244.0	33.4%	\$208.1	\$265.1	8.7%
<b>MOTOR FUEL TAX ADMIN.</b>	137.4	135.0	-1.7%	\$129.7	\$129.7	(3.9%)	\$127.1	\$127.1	(2.0%)
<b><u>DIVISION OF MOTOR VEHICLES</u></b>									
Motor Vehicle Document Fees	149.1	162.4	8.9%	\$151.2	\$171.7	5.7%	\$153.5	\$188.5	9.8%
Motor Vehicle Registration Fees	61.0	62.3	2.2%	\$63.1	\$63.1	1.2%	\$64.0	\$64.0	1.4%
Other DMV Revenues	40.2	43.2	7.4%	\$42.2	\$42.9	-0.7%	\$42.4	\$43.3	0.9%
Alternative Fuel Vehicle Fees	<u>0.0</u>	<u>0.0</u>	#DIV/0!	<u>\$0.0</u>	<u>\$2.6</u>	#DIV/0!	<u>\$0.0</u>	<u>\$4.1</u>	<u>55.9%</u>
<b>Total DMV Revenues</b>	250.3	267.9	7.0%	\$256.5	\$280.3	4.6%	\$259.9	\$299.9	7.0%
<b><u>OTHER TRANSPORTATION REV.</u></b>									
Other Transportation Rev	9.1	10.2	12.4%	\$9.2	\$15.2	48.6%	\$9.3	\$9.3	-38.8%
Investment Income(Net)	<u>19.5</u>	<u>10.8</u>	-44.8%	<u>\$5.0</u>	<u>\$5.0</u>	-52.6%	<u>\$5.0</u>	<u>\$5.0</u>	<u>0.0%</u>
<b>Total Other Transp. Revenue</b>	28.6	21.0	-26.6%	\$14.2	\$20.2	-3.8%	\$14.3	\$14.3	-29.2%
<b>GRAND TOTAL</b>	\$613.3	\$606.8	-1.1%	\$594.1	\$674.2	11.1%	\$609.4	\$706.4	4.8%
	FY24	FY25	% Chg.	Fiscal 2026			Fiscal 2027		
<b>US301 Revenues</b>	\$ 25.4	\$ 27.7	9.1%	\$ 28.0	\$ 33.0	19.2%	\$ 28.5	\$ 34.8	5.2%
<b>TOTAL</b>	\$ 638.7	\$ 634.5	-0.7%	\$ 622.1	\$ 707.2	11.5%	\$ 637.9	\$ 741.2	4.8%