

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

Blue Ball Barn, December 17, 2024

Attendance:

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

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

Members in Attendance: 25

Members Absent: 6

Others Present: S. Bolden, L. Clymer, F.D. Cooke, B. DiVirgilio, V. Ford, N. Freedman, A. Giuttari, R. Goldsmith, J. Johnstone, B. Khanal, M. Marlin, B. Maxwell, B. Mayrack, C. Patibanda-Sanchez, S. Petrowich, C.S. Postles Jr, K. Revel, J. Richards, D. Roose, A. Shields, M. Smith, S. Snyder, K. Tabeling

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 2025:

Mr. Ratledge reviewed the balance sheet method. He said the FY 2025 spending

authority is \$8,688.1 million, with expected reversions increasing to \$60 million and encumbered funds also at \$60 million. Cash to the Bond Bill is declining, at \$427.5 million, and Grants-in-Aid are increasing modestly.

Under the functional method, Mr. Ratledge noted total spending is estimated at \$6,963.4 million, growth of 11.7%. As an aside, he pointed out the discrepancy between revenue growth and expenditure growth. He noted the \$2,055.5 million of Salaries and \$772.8 million of Fringe Benefits expected for FY 2025, growth of 7.9% and 24.8%, respectively, with health care expenditures growing from \$369.0 million in FY 2020 to \$587.6 million in FY 2025. Pension expenditures are expected to increase 18% to \$588.9 million, driven in large part by OPEB contributions. Debt Service increases 5.1% to \$246.3 million, while Grants are at \$817.4 million. Medicaid expenditures were \$702.0 million in FY 2020 but are now estimated at \$1,124.4 billion—an increasing portion of the budget. Mr. Houghton asked if there is a reduction of federal funding, what is the impact on the State's share? Ms. Stewart indicated there would be some programs that would initially not be reduced or eliminated, so State general fund spending would increase. Contractual services are largely construction-related, rising from \$600 million in 2020 to \$1,015 million in 2025 due to the courthouses and a variety of other projects.

A motion was made, seconded and approved to accept \$6,963.4 million as the Expenditure estimate for FY 2025. The estimate represents an increase of \$731.3 million (11.7%) from FY 2024.

General Fund Expenditures - Fiscal Year 2026:

Mr. Ratledge reviewed detail of the FY 2026 expenditure estimates, which total \$6,878.5 million, \$84.9 million lower than FY 2025 expenditures.

A motion was made, seconded and approved to accept \$6,878.5 million as the Expenditure estimate for FY 2026.

Revenue Forecasts:

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

Economic Outlook

Mr. Roose started by noting that S&P included an assumption of a 10% universal tariff and a 30% tariff on Chinese imports in their forecast, which was outmoded a day after the forecast's release. S&P also assumed retaliatory tariffs would be imposed by other countries, and the Tax Cuts and Jobs Act provisions related to the personal income tax would be continued. Inflationary pressures have not gone away (and may be exacerbated by a number of the likely forthcoming

policies), so interest rates are expected to be 50 basis points higher than previously. A drawn-out period of below-trend growth to bring inflation under control is the continued expectation.

But in the big picture, the economic outlook hasn't changed significantly from October, with most major economic indicators including real GDP and wage and salary income decelerating through calendar year 2027. As is usually the case without extraordinary factors, Delaware's economy is expected to follow that of the nation, with decelerating growth through the forecast period.

Mr. Roose reviewed potential changes to federal income taxes, whether related to the expiration of certain provisions of the TCJA or to proposals from President-Elect Trump and provided very back-of-the-envelope estimates for the impact on Delaware revenues for those that would flow through to the Delaware personal or corporate income tax calculation. He then discussed information on existing tariffs that had been presented to the revenue subcommittee, and the fact that tariffs on products from major trading partners are generally well under 3%, well below tariff levels being discussed by the President Elect. Current forecasts of the impact of proposed tariffs on US economic growth were discussed, and the fact that if realized, they would have a rather direct effect on income taxes and other economically sensitive revenue sources.

General Fund Revenues:

Before the presentation of recommended revenue changes, a discussion of potential revenue that could be raised through changes to the personal income tax, and possible effects of such changes occurred between Mr. Houghton, Mr. Geisenberger and Mr. Shopa.

Turning to general fund revenues, Mr. Roose stressed that the revenue forecast should be looked at in light of the significant policy uncertainty in Washington. Most recommended revisions are tracking changes. :

FY 2025				FY 2026			
Revenue Category	Oct-24	Dec-24	Change	Revenue Category	Oct-24	Dec-24	Change
Personal Income Tax	2,641.1	2,676.1	35.0	Personal Income Tax	2,787.6	2,824.6	37.0
Dividends and Interest	137.0	165.3	28.3	CIT Refunds	(79.8)	(103.3)	(23.5)
CIT Refunds	(103.3)	(79.8)	23.5	Corporation Income Tax	414.2	433.6	19.4
Corporation Income Tax	427.0	447.0	20.0	Dividends and Interest	118.0	132.8	14.8
Lottery	258.9	248.1	(10.8)	Corporate Fees	152.0	160.9	8.9
Franchise Tax Refunds	(10.0)	(20.0)	(10.0)	Lottery	264.0	257.2	(6.8)
Corporate Fees	152.0	160.9	8.9	Bank Franchise Tax	107.7	112.1	4.4
Bank Franchise Tax	103.1	109.0	5.9	Cigarette Taxes	81.6	85.7	4.1
Cigarette Taxes	87.2	91.7	4.5	Public Utility Tax	32.1	34.6	2.5
Public Utility Tax	32.8	35.4	2.6	Other Revenues	84.1	85.7	1.6
Other Revenues	77.2	78.9	1.7	Other Refunds	(15.7)	(16.2)	(0.5)
Other Refunds	(15.7)	(16.2)	(0.5)				

For a complete listing of FY 2025 and 2026 estimates, see Table 2.

Mr. Roose recommended the above changes to the revenue forecast, including an increase to the PIT withholding forecast (\$35 million increase for FY 2025 and \$37 million for FY 2026); a \$10.8 million reduction to the lottery for FY 2025 and \$6.8 million for FY 2026 as there have been no large jackpots and there were three weeks of negative hold in sports betting; a \$43.5 million increase in the corporate income tax for this year as very strong performance has continued and several very large potential refunds have been shifted from FY 2025 to FY 2026; and dividends and interest were increased \$28.3 million for this year and \$14.8 million for next.

Fiscal Year 2025 Estimate Adopted:

A motion was made, seconded and approved to accept \$6,659.6 million as the revenue estimate for FY 2025. The estimate represents an increase of \$109.1 million from the October estimate.

Fiscal Year 2026 Estimate Adopted:

A motion was made, seconded and approved to accept \$6,790.1 million as the revenue estimate for FY 2026. The estimate represents an increase of \$61.9 million from the October estimate.

Transportation Trust Fund (TTF):

TTF—Expenditures: Ms. Clymer presented the Transportation Trust Fund's expenditure forecast. She recommended no change to the FY 2025 expenditure estimate.

A motion was made, seconded, and approved to accept \$1,136.9 million as the FY 2025 TTF expenditure estimate (see Table 4).

TTF—Revenues: Ms. Clymer presented the Transportation Trust Fund's revenue forecast. Motor fuel taxes are showing some slight weakness, but not enough yet to warrant a reduction. All other revenues are tracking to the current forecast.

Fiscal Year 2025 Estimates:

A motion was made, seconded, and approved to accept \$632.7 million as the FY 2025 TTF revenue estimate. The estimate is unchanged from the October estimate.

Fiscal Year 2026 Estimates:

A motion was made, seconded, and approved to accept \$636.7 million as the FY 2026 TTF revenue estimate (See Table 5). The estimate is also unchanged from the October estimate.

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 fiscal year 2026 Index is 5.0%, the Benchmark Appropriation is \$6,661.7 million, and extraordinary revenues are \$355.1 million,

Other Business:

FY 2026 Debt Limit: Ms. Marlin presented the debt limit for FY 2026. This amount is equal to 5.0% of the projected FY 2026 net revenues, or \$339,510,000.

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](#).

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

- Monday, March 17, 2025
- Monday, May 19, 2024

Public Comment:

Mr. Houghton said that no member of the public has signed up for comment. He offered his personal thanks to all the members of DEFAC for their work over the past eight years.

Governor Carney joined the meeting. After a presentation about the work of DEFAC and fiscal successes of the Carney Administration from Ms. Marlin and Mr. Geisenberger, the Governor thanked members of DEFAC for their work over the past eight years. He awarded Mr. Houghton the Order of the First State.

There being no further business, Mr. Houghton adjourned the meeting at 3:00 p.m.

Respectfully submitted,

David Roose

Table 1a

DEFAC Expenditures Forecast for General Fund Disbursements FY2025 (\$ in millions)										
December 17, 2024										
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024			FY2025
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>			<u>Appropriation</u>
Budget Act	4,106.9	4,270.8	4,451.9	4,547.0	4,771.5	5,099.7	5,606.7			6,129.2
Cash to Bond Bill	0.0	189.0	184.3	35.4	692.3	855.5	753.4			427.5
Grant-in-Aid	37.3	52.1	55.1	54.5	63.2	69.4	72.0			98.5
Continuing & Encumbered (from prior years)	178.6	184.1	329.6	431.3	495.8	1,100.2	1,575.0			1,864.6
Supplementals	0.0	49.2	62.0	0.0	221.1	378.6	194.6			168.4
Fiscal Year Spending Authority	4,322.8	4,745.2	5,082.8	5,068.2	6,243.9	7,503.4	8,201.7			8,688.1
LESS:										
								Oct	Dec	
Reversions to the General Fund	20.6	21.4	137.6	53.4	85.8	67.5	105	25.0	60.0	
Encumbered to next fiscal year	35.8	41.5	54.0	53.2	71.6	57.3	61.6	60.0	60.0	
Continuing to next fiscal year										
Operating Budget										
Bond Bill										
Total Continuing	148.3	288.1	377.3	442.6	1,028.6	1,517.7	1,802.9	1,616.6	1,604.7	
Subtotal	204.7	351.0	568.9	549.2	1,186.0	1,642.5	1,969.5	1,701.6	1,724.7	(1,724.7)
Fiscal Year Budgetary Expenditures	4,118.1	4,394.3	4,513.9	4,519.0	5,057.9	5,860.9	6,232.2			6,963.4
% increase/(decrease)	0.29%	6.71%	2.72%	0.11%	11.93%	15.88%	6.34%			11.7%
Comments:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	5-Yr Avg		FY2025
Expenditures / Spending Authority	95.3%	92.6%	88.8%	89.2%	81.0%	78.1%	76.0%	82.6%		80.1%
Reversions / Spending Authority	0.5%	0.5%	2.7%	1.1%	0.9%	0.9%	1.3%	1.4%		0.7%
Encumbered / Spending Authority	0.8%	0.9%	1.1%	1.0%	0.9%	0.8%	0.8%	0.9%		0.7%
Total Continuing / Spending Authority	3.4%	6.1%	7.4%	8.7%	7.1%	20.2%	22.0%	13.1%		18.5%

Table 1b

DEFAC Expenditures Forecast for General Fund Disbursements FY2025 (\$ in millions)																		
<u>December 17, 2024</u>																		
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Difference	% change	Annual Avg.		FY2025	% spent		% of	% of	% of	% of	% of
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Dec</u>	<u>'25 vs. '24</u>	<u>'25 vs. '24</u>	<u>'25 vs. '20</u>		<u>11/30/2024</u>	<u>actual 11/30/2024</u>		<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>
Salaries	1,558.6	1,593.0	1,657.0	1,805.6	1,905.0	2,055.5	150.5	7.9%	5.69%		917.6	28.2%		30.6%	30.8%	32.8%	35.3%	34.5%
Fringe Benefits	506.1	513.3	515.4	561.3	619.1	772.8	153.7	24.8%	8.83%		325.0	10.0%		9.9%	9.6%	10.2%	11.4%	11.2%
Health Care	369.0	372.5	369.3	401.4	444.6	587.6	143.0	32.2%	9.75%		244.9	7.5%		7.1%	6.8%	7.3%	8.2%	8.2%
Other	137.1	140.8	146.1	159.9	174.5	185.2	10.7	6.1%	6.20%		80.1	2.5%		2.8%	2.7%	2.9%	3.1%	3.0%
Pension	360.1	372.5	421.0	664.7	498.1	588.9	90.8	18.2%	10.34%		290.9	8.9%		8.0%	11.3%	8.3%	8.2%	8.0%
Contribution	205.0	218.0	239.7	240.1	242.2	266.5	24.3	10.0%	5.39%		101.7	3.1%		3.9%	4.1%	4.7%	4.8%	4.5%
Health Care	145.9	148.7	157.2	170.9	174.2	208.1	33.9	19.5%	7.36%		79.4	2.4%		2.8%	2.9%	3.1%	3.3%	3.2%
Other	9.2	13.9	24.1	253.8	81.7	114.3	32.6	39.9%	65.58%		109.8	3.4%		1.3%	4.3%	0.5%	0.3%	0.2%
Debt Service	184.1	187.3	202.6	218.4	234.4	246.3	11.9	5.1%	5.99%		216.1	6.6%		3.8%	3.7%	4.0%	4.1%	4.1%
Grants	507.1	433.2	671.0	661.4	764.1	817.4	53.3	7.0%	10.02%		520.5	16.0%		12.3%	11.3%	13.3%	9.6%	11.2%
Medicaid	702.0	734.1	823.6	932.7	1,043.5	1,124.4	80.9	7.8%	9.88%		440.1	13.5%		16.7%	15.9%	16.3%	16.2%	15.6%
Contractual Services	600.5	607.5	674.7	871.6	948.3	1,015.3	67.0	7.1%	11.07%		420.2	12.9%		15.2%	14.9%	13.3%	13.4%	13.3%
Supplies & Materials	64.7	60.9	67.1	76.7	88.3	98.3	10.0	11.3%	8.73%		40.4	1.2%		1.4%	1.3%	1.3%	1.3%	1.4%
Capital Outlay	<u>30.6</u>	<u>17.2</u>	<u>25.5</u>	<u>68.3</u>	<u>131.3</u>	<u>244.5</u>	<u>113.2</u>	86.2%	51.53%		86.3	2.6%		2.1%	1.2%	0.5%	0.4%	0.7%
FY Budgetary Expenditures	4,513.9	4,519.0	5,057.9	5,860.8	6,232.1	6,963.4	731.3	11.7%	9.06%		3,257.0	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%

Table 1c

DEFAC Expenditures Forecast for General Fund Disbursements FY2026-2030 (\$ in millions)																
December 17, 2024																
										Forecast						
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual		June	June	June	June	June	June	
Salaries	1,402.9	1,421.1	1,499.9	1,558.6	1593.0	1657.0	1,805.6	1,905.0		2,055.5	2,174.8	2,298.6	2,429.4	2,567.6	2,713.7	
Fringe Benefits	480.5	479.6	494.4	506.1	513.3	515.4	561.3	619.1		772.8	824.5	897.8	977.9	1,065.3	1,160.7	
Health Care	359.0	357.9	362.6	369.0	372.5	369.3	401.4	444.6		587.6	625.7	686.7	753.7	827.2	907.8	
Other	121.5	121.7	131.8	137.1	140.8	146.1	159.9	174.5		185.2	198.8	211.1	224.2	238.1	252.9	
Pension	317.7	316.7	360.8	360.1	372.5	421.0	664.7	498.1		588.9	571.8	648.4	756.7	916.2	1,159.2	
Contribution	153.7	167.6	201.5	205.0	218.0	238.8	240.1	242.2	266.5	282.4	297.6	313.6	330.5	348.3		
Health Care	131.3	136.0	145.4	145.9	148.7	170.6	170.9	174.2	208.1	220.5	236.8	254.2	272.9	293.0		
Other	32.7	13.1	13.9	9.2	13.9	11.6	253.8	81.7	114.3	68.9	114.1	188.9	312.8	517.9		
Debt Service	179.0	187.2	183.9	184.1	187.3	202.6	218.4	234.4	246.3	263.3	279.1	295.8	313.5	332.3		
Grants	365.7	362.9	445.2	507.1	433.2	671.0	661.4	764.1	817.4	720.5	792.7	872.1	959.5	1,055.6		
Medicaid	739.7	750.2	733.4	702.0	734.1	823.6	932.7	1,043.5	1,124.4	1,149.7	1,263.3	1,388.1	1,525.2	1,675.9		
Contractual Services	537.6	526.1	589.0	600.5	607.5	674.7	871.6	948.3	1,015.3	898.8	998.3	1,108.9	1,231.7	1,368.1		
Supplies & Materials	68.7	61.9	69.3	64.7	60.9	67.1	76.7	88.3	98.3	88.6	96.3	104.7	113.9	123.8		
Capital Outlay	14.3	12.4	18.5	30.6	17.2	25.5	68.3	131.3	244.5	186.5	282.6	428.3	649.0	983.4		
FY Budgetary Expenditures	4,106.1	4,118.1	4,394.3	4,513.9	4,519.0	5,057.9	5,860.8	6,232.1	6,963.4	6,878.5	7,557.2	8,361.9	9,341.9	10,572.8		
OMB General Assumptions FY2026 Forecast																
Salary - Includes increase for state employees, Collective Bargaining Agreements, Education Steps and Education Unit Count growth																
Fringe Other/Fringe Healthcare - Projected using proposed rates in Governor's Recommended FY2026 Budget																
Pension - Projected using proposed rates in Governor's Recommended FY2026 Budget																
Debt Service – includes estimated debt service from a Spring 2025 general obligation bond issuance																
Grants - Projected using current year Grant in Aid budget, operational funding provided to UD and Housing, and spending continued cash projects																
Medicaid - Projected with trending healthcare inflation and demographic shifts in Delaware																
Contractual Services - Projected using current year spend level for agency operations and spending continued cash projects																
Supplies - Projected using current year spend level for agency operations																
Capital - Projected using current year spend level for agency operations and spending continued cash projects																
Medicaid - Projected with trending healthcare inflation and demographic shifts in Delaware																
Contractual Services - Projected using current year spend level for agency operations and spending continued cash projects																
Supplies - Projected using current year spend level for agency operations																
Capital - Projected using current year spend level for agency operations and spending continued cash projects																

DEFAC General Fund Revenue Worksheet

December-24 DEFAC Meeting	FY 2024 A Actual Collections	FY 2025				
		B DEFAC Oct-24	C % B over A	D DEFAC Dec-24	E % D over A	F \$ Increase D over B
Revenue Category						
Personal Income Tax	2,503.3	2,641.1	5.5%	2,676.1	6.9%	35.0
Less: Refunds	<u>(286.4)</u>	<u>(286.9)</u>	0.2%	<u>(286.9)</u>	0.2%	0.0
PIT Less Refunds	2,216.9	2,354.2	6.2%	2,389.2	7.8%	35.0
Franchise Tax	1,321.8	1,328.9	0.5%	1,328.9	0.5%	0.0
Limited Partnerships & LLC's	495.8	497.8	0.4%	497.8	0.4%	0.0
Subtotal Franchise + LP/LLC	1,817.5	1,826.7	0.5%	1,826.7	0.5%	0.0
Less: Refunds	<u>(20.0)</u>	<u>(10.0)</u>	-50.0%	<u>(20.0)</u>	0.0%	<u>(10.0)</u>
Net Franchise + LP/LLC	1,797.5	1,816.7	1.1%	1,806.7	0.5%	(10.0)
Business Entity Fees	159.3	152.0	-4.6%	160.9	1.0%	8.9
Uniform Commercial Code	29.7	28.5	-4.0%	28.5	-4.0%	0.0
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	<u>(143.5)</u>	<u>(130.0)</u>	-9.4%	<u>(130.0)</u>	-9.4%	<u>0.0</u>
Unclaimed Prop Less Refunds	410.5	424.0	3.3%	424.0	3.3%	0.0
Gross Receipts Tax	365.2	386.1	5.7%	386.1	5.7%	0.0
Lottery	245.9	258.9	5.3%	248.1	0.9%	(10.8)
Corporation Income Tax	426.0	427.0	0.2%	447.0	4.9%	20.0
Less: Refunds	<u>(81.2)</u>	<u>(103.3)</u>	27.3%	<u>(79.8)</u>	-1.7%	<u>23.5</u>
CIT Less Refunds	344.8	323.7	-6.1%	367.2	6.5%	43.5
Realty Transfer Tax	198.7	240.3	20.9%	240.3	20.9%	0.0
Cigarette Taxes	92.4	87.2	-5.6%	91.7	-0.7%	4.5
Bank Franchise Tax	100.3	103.1	2.8%	109.0	8.7%	5.9
Insurance Taxes and Fees	92.0	92.7	0.8%	92.7	0.8%	0.0
Hospital Board and Treatment	22.4	19.6	-12.4%	19.6	-12.4%	0.0
Public Utility Tax	34.5	32.8	-4.9%	35.4	2.6%	2.6
Alcoholic Beverage Tax	31.7	32.2	1.6%	32.2	1.6%	0.0
Dividends and Interest	133.7	137.0	2.4%	165.3	23.6%	28.3
Other Revenues	89.0	77.2	-13.3%	78.9	-11.4%	1.7
Less: Other Refunds	<u>(15.6)</u>	<u>(15.7)</u>	0.5%	<u>(16.2)</u>	3.7%	(0.5)
Net Receipts	6,348.9	6,550.5	3.2%	6,659.6	4.9%	109.1

DEFAC General Fund Revenue Worksheet

December-24 DEFAC Meeting	FY 2026					FY 2027				
	G DEFAC Oct-24	H % G over B	I DEFAC Dec-24	J % I over D	K \$ Increase I over G	L DEFAC Oct-24	M % L over G	N DEFAC Dec-24	O % N over I	P \$ Increase N over L
Revenue Category										
Personal Income Tax	2,787.6	5.5%	2,824.6	5.5%	37.0	2,834.2	1.7%	2,879.3	1.9%	45.1
Less: Refunds	<u>(258.5)</u>	-9.9%	<u>(258.5)</u>	-9.9%	0.0	<u>(239.5)</u>	-7.4%	<u>(239.5)</u>	-7.4%	0.0
PIT Less Refunds	2,529.1	7.4%	2,566.1	7.4%	37.0	2,594.7	2.6%	2,639.8	2.9%	45.1
Franchise Tax	1,328.9	0.0%	1,328.9	0.0%	0.0	1,328.9	0.0%	1,328.9	0.0%	0.0
Limited Partnerships & LLC's	497.8	0.0%	497.8	0.0%	0.0	497.8	0.0%	497.8	0.0%	0.0
Subtotal Franchise + LP/LLC	1,826.7	0.0%	1,826.7	0.0%	0.0	1,826.7	0.0%	1,826.7	0.0%	0.0
Less: Refunds	<u>(10.0)</u>	0.0%	<u>(10.0)</u>	-50.0%	0.0	<u>(10.0)</u>	0.0%	<u>(10.0)</u>	0.0%	0.0
Net Franchise + LP/LLC	1,816.7	0.0%	1,816.7	0.6%	0.0	1,816.7	0.0%	1,816.7	0.0%	0.0
Business Entity Fees	152.0	0.0%	160.9	0.0%	8.9	152.0	0.0%	160.9	0.0%	8.9
Uniform Commercial Code	28.5	0.0%	28.5	0.0%	0.0	28.5	0.0%	28.5	0.0%	0.0
Unclaimed Property	525.0	-5.2%	525.0	-5.2%	0.0	500.0	-4.8%	500.0	-4.8%	0.0
Less: Refunds	<u>(130.0)</u>	0.0%	<u>(130.0)</u>	0.0%	0.0	<u>(130.0)</u>	0.0%	<u>(130.0)</u>	0.0%	0.0
Unclaimed Prop Less Refunds	395.0	-6.8%	395.0	-6.8%	0.0	370.0	-6.3%	370.0	-6.3%	0.0
Gross Receipts Tax	399.0	3.3%	399.0	3.3%	0.0	414.3	3.8%	414.3	3.8%	0.0
Lottery	264.0	2.0%	257.2	3.7%	(6.8)	267.7	1.4%	261.9	1.8%	(5.8)
Corporation Income Tax	414.2	-3.0%	433.6	-3.0%	19.4	405.1	-2.2%	424.1	-2.2%	19.0
Less: Refunds	<u>(79.8)</u>	-22.7%	<u>(103.3)</u>	29.4%	<u>(23.5)</u>	<u>(79.8)</u>	0.0%	<u>(79.8)</u>	-22.7%	0.0
CIT Less Refunds	334.4	3.3%	330.3	-10.0%	(4.1)	325.3	-2.7%	344.3	4.2%	19.0
Realty Transfer Tax	259.0	7.8%	259.0	7.8%	0.0	276.1	6.6%	276.1	6.6%	0.0
Cigarette Taxes	81.6	-6.4%	85.7	-6.5%	4.1	77.5	(0.1)	81.5	-4.9%	4.0
Bank Franchise Tax	107.7	4.5%	112.1	2.8%	4.4	109.9	2.0%	114.3	2.0%	4.4
Insurance Taxes and Fees	91.1	-1.7%	91.1	-1.7%	0.0	94.0	3.2%	94.0	3.2%	0.0
Hospital Board and Treatment	19.1	-2.6%	19.1	-2.6%	0.0	19.1	0.0%	19.1	0.0%	0.0
Public Utility Tax	32.1	-2.1%	34.6	-2.3%	2.5	31.5	-1.9%	32.8	-5.2%	1.3
Alcoholic Beverage Tax	32.5	0.9%	32.5	0.9%	0.0	32.8	0.9%	32.8	0.9%	0.0
Dividends and Interest	118.0	-13.9%	132.8	-19.7%	14.8	130.0	10.2%	127.5	-4.0%	(2.5)
Other Revenues	84.1	8.9%	85.7	8.6%	1.6	85.6	1.8%	87.2	1.8%	1.6
Less: Other Refunds	<u>(15.7)</u>	0.0%	<u>(16.2)</u>	0.0%	(0.5)	<u>(15.7)</u>	0.0%	<u>(16.2)</u>	0.0%	<u>(0.5)</u>
Net Receipts	6,728.2	2.7%	6,790.1	2.0%	61.9	6,810.0	1.2%	6,885.5	1.4%	75.5

Table 3

Balance and Appropriations Worksheet

December-24

FY 2025 EXPENDITURES

Total Spending Authority	\$8,688.1
Less: Continuing Appropriations & Encumbrances from FY 2025	(\$1,664.7)
Less: Reversions	<u>(\$60.0)</u>
Total Expenditures	\$6,963.4

FY 2025 BUDGET

Budget	\$6,129.2
Grants	\$98.5
Supplemental	\$595.9
Total Appropriations	\$6,823.6
Plus: Continuing Appropriations & Encumbrances from Prior Years	<u>\$1,864.5</u>
Total Spending Authority	\$8,688.1

FY 2025 BALANCES

Total Expenditures	\$6,963.4
vs. FY 2025 Revenues	6,659.6
Operating Balance	(303.8)
Prior Year Cash Balance	3156.4
Less: Budget Stabilization Fund (29 Del. C. § 6533(k))	<u>(\$469.2)</u>
Cumulative Cash Balance	2,383.4
Less: Continuing Appropriations & Encumbrances from FY 2025	(1,664.7)
Less: Budgetary Reserve Account	<u>(\$348.7)</u>
Unencumbered Cash Balance 6/30	\$370.0

FY 2025 RESERVES

2% Set Aside	\$140.5
Budget Reserve Account	\$348.7
Budget Stabilization Fund	<u>\$469.2</u>
Reserves	\$958.4
Revenue Resolution (Gross)	\$6,974.4
Reserve Ratio	13.7%

FY 2026 APPROPRIATION LIMITS

FY 2026 Revenue Estimate	\$6,790.1
Unencumbered Cash Balance from FY 2025	<u>\$370.0</u>
100% Appropriation Limit	\$7,160.1
98% Appropriation Limit	<u>\$7,016.8</u>
Prior 98% Appropriation Limit	\$6,814.9
Increase (Decrease) from Prior Meeting	\$201.9
October 2024 98% Appropriation Limit	\$6,814.9
Increase (Decrease) from October 2024	\$201.9

Table 4

Delaware Department of Transportation FY 2025 Expenditures, Through November 30, 2024							42%
	FY2023 Actual	FY2024 Actual	FY2025 Appropriation	DECEMBER FY2025 Forecast	\$ difference Forecast V. FY2024 Actual	FY2025 YTD Spend	% spent YTD
Operations			w/o US301				
Debt Service	83.0	82.2	91.6	91.6	9.4	77.0	84%
Personnel Costs	107.9	117.3	131.5	131.5	14.2	54.0	41%
Operations/Capital Outlay	66.8	82.1	95.1	95.1	13.0	36.3	38%
Transit Operations (DTC)	<u>80.3</u>	<u>98.2</u>	<u>118.4</u>	<u>118.4</u>	20.2	<u>49.4</u>	42%
Total Expenditures - Operations	338.0	379.8	436.6	436.6	56.8	216.7	50%
State Capital							
Road System	210.2	258.1	207.8	207.8	(50.3)	117.8	57%
Grants & Allocations	30.1	35.5	38.7	38.7	3.2	20.8	54%
Support Systems	52.0	51.9	50.6	50.6	(1.3)	23.2	46%
Transit	<u>23.5</u>	<u>14.3</u>	<u>15.0</u>	<u>15.0</u>	0.7	<u>3.5</u>	23%
State Capital	315.8	359.8	312.1	312.1	(47.7)	165.3	53%
Federal Capital							
Federal Capital	269.3	331.6	350.0	350.0	18.4	152.6	44%
Total Expenditures - Capital	585.1	691.4	662.1	662.1	(29.3)	317.9	48%
TOTAL EXPENDITURES	923.1	1,071.2	1,098.7	1,098.7	27.5	534.6	49%

	DECEMBER FY2025 Forecast	FY2025 YTD Spend	% spent YTD
DeIDOT	1,098.7	\$ 534.6	49%
US301	38.2	\$ 19.5	51%
TOTAL	1,136.9	\$ 554.1	49%

Table 5

DELAWARE DEPARTMENT OF TRANSPORTATION Transportation Trust Fund Revenues									
	FY23	FY24	% Chg.	Fiscal 2025			Fiscal 2026		
				10/21/2024 Approved	12/17/2024 Recomm	% Chg. FY 24	10/21/2024 Approved	12/17/2024 Recomm	% Chg. FY 25
<u>TOLL ROAD REVENUES:</u>									
I95 Newark Plaza	\$133.5	\$133.5	0.0%	\$134.9	\$134.9	1.1%	\$136.7	\$136.7	1.3%
Route 1 Toll Road	59.8	61.1	2.2%	\$61.8	\$61.8	1.1%	\$62.6	\$62.6	1.3%
Concessions	<u>2.1</u>	<u>2.4</u>	<u>14.3%</u>	<u>\$2.4</u>	<u>\$2.4</u>	<u>0.0%</u>	<u>\$2.4</u>	<u>\$2.4</u>	<u>0.0%</u>
Total Toll Road Revenues	195.4	197.0	0.8%	\$199.1	\$199.1	1.1%	\$201.7	\$201.7	1.3%
MOTOR FUEL TAX ADMIN.	136.1	137.4	1.0%	\$136.3	\$136.3	(0.8%)	\$136.3	\$136.3	0.0%
<u>DIVISION OF MOTOR VEHICLES</u>									
Motor Vehicle Document Fees	164.5	149.1	-9.4%	\$149.0	\$149.0	-0.1%	\$151.2	\$151.2	1.5%
Motor Vehicle Registration Fees	61.6	61.0	-1.0%	\$62.1	\$62.1	1.8%	\$63.1	\$63.1	1.5%
Other DMV Revenues	<u>39.1</u>	<u>40.2</u>	<u>2.8%</u>	<u>\$42.0</u>	<u>\$42.0</u>	<u>4.4%</u>	<u>\$42.2</u>	<u>\$42.2</u>	<u>0.5%</u>
Total DMV Revenues	265.2	250.3	-5.6%	\$253.1	\$253.1	1.1%	\$256.5	\$256.5	1.3%
<u>OTHER TRANSPORTATION REV.</u>									
Other Transportation Rev	9.0	9.1	1.1%	\$9.2	\$9.2	1.1%	\$9.2	\$9.2	0.0%
Investment Income(Net)	<u>12.0</u>	<u>19.5</u>	<u>62.5%</u>	<u>\$9.0</u>	<u>\$9.0</u>	<u>-53.9%</u>	<u>\$5.0</u>	<u>\$5.0</u>	<u>-44.4%</u>
Total Other Transp. Revenue	21.0	28.6	36.2%	\$18.2	\$18.2	-36.4%	\$14.2	\$14.2	-22.0%
GRAND TOTAL	\$617.7	\$613.3	-0.7%	\$606.7	\$606.7	-1.1%	\$608.7	\$608.7	0.3%
				\$0.0			(\$0.0)		
	FY23	FY24	% Chg.	Fiscal 2025			Fiscal 2026		
US301 Revenues	\$ 26.0	\$ 25.4	-2.3%	\$ 26.0	\$ 26.0	2.6%	\$ 28.0	\$ 28.0	7.7%
TOTAL	\$ 643.7	\$ 638.7	-0.8%	\$ 632.7	\$ 632.7	-0.9%	\$ 636.7	\$ 636.7	0.6%