MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL

Buena Vista – March 16, 2020

Attendance:

Member	Present
N. Batta	Yes
C. Bo	No
C. Bonini	Yes
J. Bullock	Yes
L. Davis Burnham	Yes
R. Byrd	Yes
J. Cohan	No
N. Cook	Yes
C. Davis	Yes
K. Dwyer	Yes
B. Fasy	Yes
R. Geisenberger	Yes
R. Glen	Yes
G. Hindes	No
J. Horty	No

Member	Present
M. Houghton	Yes
M. Jackson	Yes
Q. Johnson	Yes
K. Lewis	Yes
A. Lubin	Yes
G. Marcozzi	Yes
I. McConnel	Yes
C. Morgan	No
M. Morton	Yes
E. Ratledge	Yes
T. Shopa	No
D. Short	Yes
D. Sokola	Yes
D. Swayze	Yes
K. Walker	Yes

Members in Attendance: 24
Members Absent: 6

Others Present: Representative P. Baumbach, J. Adams, A. Aka, C. Engelsiepen, J. Johnstone, K. Knight, M. Marlin, D. Roose, and S. Scola.

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

The minutes from the December meeting were approved as submitted.

Expenditure Forecasts:

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

General Fund Expenditures - Fiscal Year 2020:

Mr. Ratledge reviewed the Balance Sheet method. He mentioned that both the Reversions and Encumbered estimates were unchanged at $20.0 million and $40.0 million, respectively, while the Continuing estimate has increased from $351.4 million to $362.1 million.

Mr. Ratledge also reviewed the Functional method. He noted the March Salaries estimate was lower than December's but 5.6% higher than the FY 2019 actual. Growth in Salaries has averaged 3.4% over the past 5 years. Mr. Ratledge mentioned that estimates for both Fringe Benefits and Pension were moderately higher than in the past fiscal year. Meanwhile, the Debt Service estimate was almost unchanged from FY 2019.

Mr. Ratledge noted a 10.5% increase (or $46.8 million) in the Grants estimate over FY 2019 actual. Ms. Engelsiepen attributed most of the rise to an accounting transaction for the Bond Bill cash projects. Meanwhile, the Medicaid estimate is moderately higher than last fiscal year. Ms. Engelsiepen said the Managed Care Organization negotiated rates for CY 2020 are under 2.0%. She added that the number of Medicaid eligibles stood at 235,111 currently, as opposed to 236,843 a year earlier. Mr. Ratledge said the number of eligibles could be greatly affected by a downturn.

Mr. Ratledge noted a decrease in Contractual Services estimate from the December estimate. Ms. Engelsiepen warned the estimate could see changes in the April, May and June meetings (see Table 1a and Table 1b for complete details).

A motion was made, seconded and approved to accept $4,660.7 million as the Expenditure estimate for FY 2020. The estimate represents an increase of $266.4 million from FY 2019 and a decrease of $10.7 million from the December estimate.

General Fund Expenditures - Fiscal Year 2021:

Ms. Engelsiepen mentioned the aggregate of the Salary, Fringe Benefits and Pension estimates is expected to rise by 2.0% to 3.0%, on the back of an average 2.0% pay policy and annualization of FTE filled vacancies. She also explained that the increase in Debt Service estimate is attributable to the January 2020 bond sale.

Ms. Engelsiepen said the decrease in the Grants estimate can be traced to the Bond Bill cash projects. The estimate currently includes Grant-in-Aid but does not make any assumption regarding appropriated funds from a Supplemental bill. She noted a 3.0% growth in Medicaid cost for FY 2021.

Ms. Engelsiepen explained the decrease in the FY 2021 Capital Outlay estimate by the spike observed in FY 2020 from a helicopter purchase. (See Table 1c for complete details.)

Mr. Marcozzi asked which category of spending would be most affected by the COVID-19 pandemic. Mr. Jackson answered both Medicaid and Salary have the potential to have the most impact. Mr. Houghton said a parallel question has to do with how much aid Delaware will receive from the Federal government.

A motion was made, seconded and approved to accept $4,733.1 million as the Expenditure estimate for FY 2021. The estimate represents an increase of $72.4 million from FY 2020.

Revenue Forecasts:

Mr. Lewis, Mr. Roose, Mr. Knight and Mr. Glen presented the General Fund Revenue forecasts.

Economic Outlook

Mr. Roose explained that the official IHS March forecast, which was released on March 5th and took account of the impact of the coronavirus, showed minor changes from the December forecast. As a result, Delaware's March forecasts have changed modestly from three months earlier.

Mr. Roose noted that forecasts are behind events as major events have taken place since early March. For example, many states have declared states of emergency, travel bans have been instituted by the U.S., and professional sports leagues have suspended operations. Given rapidly deteriorating conditions many economic forecasts are now calling for a U.S. recession.

For Delaware, the coronavirus outbreak has led to school closures, the closure of institutions of higher education, a declaration of a state of emergency, among many other developments. As a result of worsening economic conditions IHS released an interim forecast on March 13th, which showed the national economy slipping into a recession beginning in the second quarter.

Mr. Roose said the immediate effects of the coronavirus on the Delaware economy are low from the travel, tourism and supply chain channels. On the other hand, hospitality and entertainment channel is expected to have a medium impact on the State economy, while a restriction of movement and a U.S. recession will have a high impact.

According to the IHS interim forecast the national recession will result from immediate pullback on personal consumption expenditures. This is possible since at-risk sectors such as entertainment, hospitality and transportation represented 6.0% of GDP and IHS expected a 30.0% decline in consumer spending for these sectors. Coupled with declining oil prices and assuming no fiscal response, second-quarter economic growth is forecast to drop by about 5.0%.

Overall, GDP is expected to decline by a modest 0.2% for CY 2020 before rebounding in 2022. Employment is expected to grow modestly in 2020 before contracting by 1.5% in 2021. For comparison, Mr. Roose indicated that employment fell by 4.3% in the last recession. He noted the lack of detailed output from the interim forecast did not allow for the Department of Finance (DOF) to derive corresponding estimates for Delaware.

Mr. Roose noted downside risks to Delaware's General Fund revenues. He said that Estimated and Final personal income taxes have substantial downside risks if the federal filing dates are delayed into FY 2021. Mr. Roose mentioned DOF put together 3 forecasts, a typical, recessionary and middle of the road forecasts, but would focus his presentation on the last scenario which is an average of the first two.

After showing a slide displaying results under the three scenarios for key General Fund revenue categories for fiscal years 2020-2021, Mr. Roose turned his attention to individual revenue sources under the middle of the road forecast.

Mr. Roose described the evolution of the forecasts since September. He pointed out that net General Fund revenues were still up $129.4 million for FY 2020 and $38.1 million for FY 2021. Mr. Roose noted risks to the forecasts, which included a Federal decision to delay the April 15th payment deadline, further restrictions on movement, capital gains or losses, and the impact of the Families First Coronavirus Response Act.

Although details on the Federal tax filing delay have yet to be provided, Mr. Roose showed that the latter will end up postponing significant amounts of FY 2020 personal income tax revenues (from final and estimated payments) into FY 2021, assuming the delay extends into FY 2021 and does not affect the corporate income tax.

Mr. Roose mentioned some of the effects of the coronavirus, including social distancing, immediate adverse impact on entertainment, hospitality and retail sectors, and effects on income tax, lottery and possibly gross receipts. Using a BLS study Mr. Roose indicated that around 35% of Delaware wages can be earned from home. Given average withholding of $100 million per month the risk to withholding is potentially in the tens of millions.

Finally, Mr. Roose described some provisions of the Families First Coronavirus Response

Act, as it stood on March 16th. He explained that a major provision, which has to do with credits against payroll tax for 100% of qualified sick leave and emergency FMLA wages paid, will probably encourage employers to provide sick leave.

Mr. Houghton said employees of the legal profession in Delaware are currently working off-site. He expected productivity and billable hours to decline as a result and said there were discussions among major legal players about the anticipated negative revenue effect. Mr. Houghton said DOF was right to be cautious regarding the revenue forecasts.

In response to Mr. McConnel's question about the role DEFAC can play, Mr. Houghton said DEFAC's role will depend on the administration. He added an extremely useful role DEFAC can play is to provide DOF with the impact of the pandemic on sectoral revenue in a way that does not reveal proprietary information. At a minimum DEFAC members could provide real time information to DOF, even if informally.

Mr. Geisenberger said there will be efforts working with the Congressional delegation to try to get a lot of flexibility and stimulus from the Federal government. He added that although DOF made use of the middle of the road scenario, we may or may not be closer to the recessionary scenario by the next meeting. Mr. Geisenberger said it will be very helpful to talk to members, especially those working in the private sector for insight about the effect of the slowdown on their sectors.

After thanking Mr. Roose for an excellent presentation, Mr. Bullock said the current environment is very different from and more uncertain than the last recession. He mentioned that the Administration is already looking at a recovery strategy, after the virus begins to subside and people return to work. Mr. Bullock said DEFAC members should play an important role coming up with that strategy, which involves money and capital. He stressed that it is a different strategy than the one that occurred in the 2008 financial crisis.

Mr. Ratledge noted the difficulty of dealing with this slowdown, owing to uncertainty regarding the length of the health crisis. He added that the lack of vaccine at the moment is complicating matters.

Mr. Sokola said a broad-based shutdown of non-essential sectors could greatly affect Delaware. He added that a recessionary scenario based on the last 3 recessions may not be relevant in the current circumstance.

Going back to Mr. McConnel's question, Mr. Houghton said the legal profession and other industry groups represented by members should reach out to the Department of Finance (DOF) to provide resources and anecdotal evidence.

Not expecting any good news in the short term, Mr. Marcozzi said DEFAC should adopt a more conservative, recessionary-leaning forecast. Many members agreed with Mr. Marcozzi but mentioned the coming April meeting, which will provide the opportunity for revised estimates based on more available information and data. In particular, Mr. Short said events were moving fast and that one would have a better handle of the situation in April. Mr. Houghton said DEFAC could move incrementally at this meeting and depending on the situation, make a sizeable adjustment in April. He asked whether such an adjustment will most likely impact FY 2021 revenues. Mr. Roose answered affirmatively and added that room for major negative this year is slim unless there is substantial action taken by governments to close things down. Mr. Geisenberger added that a federal tax filing and payment delay could also strongly affect the current fiscal year.

Mr. Houghton reminded members that $161 million have been set aside by the administration in a form of a reserve account for use in extraordinary circumstances. Mr. Sokola noted the strong effort by the federal government to pass a stimulus that can mitigate some of the State expenses.

Ms. Davis said her office is rebalancing the State portfolio to mitigate the effects of market volatility. She also stressed the importance of social distancing to deal with the coronavirus.

In response to Mr. Batta's inquiry, Mr. Houghton said he would ask members in the same industries to pair up and write a short confidential memorandum that can be sent to the Secretary of Finance and senior staff. Mr. Batta said the current slowdown looks and feels very different from the 2008-09 recession for the construction industry. He explained that back in 2008-09 there was a halt to construction activities, whereas there could be a pickup in some construction sub-sectors this time due to ramping up in deferred maintenance. Representative Baumbach agreed with Mr. Batta, citing accelerated construction work at the University of Delaware.

Mr. Roose said a feedback from members will be extremely useful given the long lag before the impact is reflected in economic data other than unemployment insurance claims.

General Fund Revenues - Fiscal Year 2020:

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

Revenue Category	Dec-19	Mar-20	Change
Franchise Tax	916.9	936.9	20.0
Personal Income Tax	1,819.0	1,804.0	(15.0)
Realty Transfer Tax	160.0	170.0	10.0
Dividends and Interest	41.1	48.4	7.3
Gross Receipts Tax	270.0	263.0	(7.0)
Bank Franchise Tax	92.5	86.4	(6.1)
Corporation Income Tax	215.5	210.5	(5.0)
Other Refunds	(17.5)	(21.7)	(4.2)
Lottery	205.6	204.1	(1.5)
Insurance Taxes	73.2	74.5	1.3
Other Revenues	64.3	63.4	(0.9)

For a complete listing of FY 2020 estimates, see Table 2.

Discussion of FY 2020 Estimates:

Personal Income Tax (PIT) Less Refunds: Mr. Roose recommended a decrease in the estimate by $15 million.

Mr. Roose mentioned a decrease in the estimates for both Withholding and Estimated payments, reflecting some impact of the coronavirus on the economy. Under the “typical” forecast, Withholding would have been raised by $10.0 million, but the “recessionary scenario”, which is based on revenue patterns from the last 3 recessions, would have led to a decrease in Withholding by $17.0 million. The “middle of the road scenario”, being an average of the last two forecasts, would suggest a decrease in Withholding by $3.5 million.

Net Corporate Franchise Tax & LP/LLC: Mr. Knight recommended an increase in the estimate by $20 million.

Mr. Knight said $15.0 million increase was due to compliance program remittances in the current year and $5.0 million change was due to higher payments from smaller companies.

Gross Receipts Tax: Mr. Roose recommended a reduction in the estimate by $7.0 million.

Mr. Roose said the revenue category usually grows by 1.0 – 2.0% during recessions. The recommended reduction in the estimate is due to year-to-date tracking and higher-than-expected special fund transfers.

Corporate Income Tax (CIT) Less Refunds: Mr. Roose recommended a decrease in the estimate by $5.0 million.

Mr. Roose noted the volatility of the revenue stream and said the 50% tentative payments due on April 15th are at risk.

Realty Transfer Tax (RTT): Mr. Roose recommended an increase in the estimate by $10.0 million.

Mr. Roose said receipts were strong year-to-date and that the sector is benefiting from historically low interest rates.

Mr. Ratledge noted that Delaware lost 10,000 construction jobs during the last recession and the sector has yet to recover. He asked whether DOF took account of the vastly different nature of the current recession when deriving RTT estimates. Mr. Roose answered such consideration will be taken into account when fine tuning future estimates.

Bank Franchise Tax: Mr. Glen recommended a decrease in the estimate by $6.1 million.

Mr. Glen said the final payments for TY 2019 and estimated payments for TY 2020 came in less-than-expected, leading to the downward revision to the estimate. He noted an increase in Refunds this year, as some taxpayers who are claiming historic preservation tax credits are also claiming refunds for TY 2019.

Dividends and Interest: Ms. Davis recommended an increase in the estimate by $7.3 million.

Ms. Davis stressed the estimates represented a snapshot in time for the last business day of February. She added that interest income projection was based on anticipated yield—which has been affected by market volatility— and revenue portfolio turnover.

Other changes were attributed to tracking.

FY 2020 Estimate Adopted:

A motion was made, seconded and approved to accept $4,739.5 million as the revenue estimate for FY 2020. The estimate represents a reduction of $1.1 million from the December estimate.

General Fund Revenues - Fiscal Year 2021:

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

Revenue Category	Dec-19	Mar-20	Change
Personal Income Tax	1,908.6	1,851.2	(57.4)
Corporation Income Tax	222.6	206.9	(15.7)
Gross Receipts Tax	280.9	270.1	(10.8)
Realty Transfer Tax	166.5	173.0	6.5
Dividends and Interest	34.3	27.9	(6.4)
CIT Refunds	(80.0)	(85.0)	(5.0)
Franchise Tax	932.1	936.9	4.8
Lottery	210.1	206.4	(3.7)
Other Revenues	65.2	62.1	(3.1)
Bank Franchise Tax	96.0	94.3	(1.7)
Other Refunds	(18.3)	(19.8)	(1.5)
Insurance Taxes	87.2	87.1	(0.1)

For a complete listing of FY 2021 estimates, see Table 2.

Discussion of FY 2021 Estimates:

Personal Income Tax (PIT) Less Refunds: Mr. Roose recommended a decrease in the estimate by $57.4 million.

Mr. Roose said the FY 2021 estimate for PIT, Gross Receipts and CIT reflected a full year of slowdown and noted a recession would have a much larger impact (around $100 million) on PIT.

Realty Transfer Tax (RTT): Mr. Roose recommended an increase in the estimate by $6.5 million.

Mr. Roose noted the increase represented year-over-year growth of only 1.8%. He added that DOF will monitor developments in the sector amidst economic uncertainty.

Other changes reflected the carrying forward of changes made in FY 2020.

FY 2021 Estimate Adopted:

A motion was made, seconded and approved to accept $4,724.2 million as the revenue estimate for FY 2021. The estimate represents a decrease of $94.1 million from the December estimate.

Mr. Roose noted a decrease in the FY 2022 revenue estimate by $127.5 million.

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

Retirement Savings Benefits Committee (RSBC) Preliminary Findings: Mr. Geisenberger said his presentation was in response to Executive Order # 34 which created the Retirement Savings Benefits Committee with the requirement that its findings are presented at the March DEFAC meeting. He noted that the State's Pension Administrator Joanna Adams was available for any questions.

Mr. Geisenberger described steps taken by Delaware to put its fiscal house in order, which included the establishment of the Pension trust in 1971, DEFAC in 1977 and the Cash Management Policy Board in 1981. He thanked Ms. Cook for being instrumental in many of these initiatives. Mr. Geisenberger noted these steps have allowed Delaware to maintain its AAA rating and fund long term obligations on a consistent basis, except for the State's retiree health care liability.

Mr. Geisenberger said that Other Post-Employment Benefits (OPEB) liability, which crowds out other budgetary needs, is largely unfunded and growing. The OPEB balance sheet liability is $8.7 billion, resulting in a negative net position for the State. Mr. Geisenberger said net benefit payments (pay-go costs) are expected to create a $12.0 million to $20.0 million average annual door opener.

Mr. Geisenberger said there has been modest effort to address the liability, from the creation of the OPEB Trust fund in 2007, the introduction of percentage of payroll in the budget, one-time deposits, and changes in eligibility for new employees. He showed a table comparing the State Employee Pension Plan, which is among the top 10 in the nation, and OPEB, as well as a graph displaying growth in net benefit payments and General Fund revenue growth. In a typical year growth in net benefit payments outstrip General Fund revenue growth.

Mr. Geisenberger said all major rating agencies have noted the OPEB liability challenge, with S&P indicating Delaware could be at risk of being put on a credit watch. He showed that the State's OPEB liability is considerably higher than the median of AAA States in almost all metrics such as liability per capita, per personal income, or GDP. Mr. Geisenberger explained this by the fact that several AAA States have no retiree health care, do not provide retiree health care for new hires or are charging retirees 100% of the blended rate charged to active employees. Compared to the region Delaware's liability (at

$7,450 per capita), which is much higher than Pennsylvania ($1,961), is only exceeded by New Jersey ($9,649).

Mr. Geisenberger noted that the State's OPEB liability includes State employees as well as teachers but noted teachers are not a material piece of the calculations. He described the basic structure of the State's retiree benefits, which consists of both pre-Medicare and Medicare-eligible components.

When it comes to actuarial values of future retiree benefits Mr. Geisenberger said the current $8.7 billion liability could grow to $36 billion assuming a 3.5% discount rate, no change in benefits and no change in the funding ratio.

Mr. Geisenberger described options that can be taken by any state or the private sector to reduce their OPEB liability. These options include benefit changes, benefit caps, marketplace exchanges, enhanced funding strategies and full exit. He noted the latter is not an option for Delaware.

Mr. Geisenberger described various scenarios that needed further analysis and can affect OPEB liability in near term and/or long term (30 years). Such options are Health Reimbursement Arrangements (HRA) with 2% annual increase, reduction in spousal subsidy, eligibility of State share, elimination of term deferred vested benefits, setting minimum age for health care benefits, and combination of all previous options. The last option has a significant impact on both near term and long-term liabilities.

If one were to combine all these options and slightly increase the OPEB Trust contribution to 0.5% of payroll, the funding ratio at the end of 30 years will be 61%. If one were to implement the first option (i.e., HRA with 2% increase) there would be an immediate reduction in the liability of $2.4 billion, from $8.7 billion to $6.4 billion and the liability would be fully funding over 30 years.

Mr. Geisenberger described the impact on household of an individual marketplace under the HRA scenario. He said average savings for a typical retiree would be $3,300 and that 95% of Group Health Insurance Plan (GHIP) retirees would have access to a zero premium Medicare Advantage plan. Mr. Geisenberger explained why the Individual Medicare marketplace is more affordable.

Finally, Mr. Geisenberger said next steps for the RSBC include submitting a written report to the Governor, DEFAC and the General Assembly by March 31st. The RSBC will then dissolve on April 15th unless extended. Mr. Geisenberger said the Committee will be recommending an extension of time for staff to develop detailed answers and solutions for previously mentioned options.

Another recommendation that will be made has to do with drafting a Joint Resolution for consideration by the General Assembly before June 2020 endorsing reasons for and continuation of RSBC's work. Final recommendations will be expected by December 1, 2020 in time for inclusion in the Governor's Recommended Budget for FY 2022-2023. The RSBC will also recommend the Joint Resolution to include intensive outreach to impacted employee and retiree groups beginning in the summer of 2020.

Mr. Houghton asked whether DEFAC was only supposed to be the recipient of the RSBC work and recommendations. Mr. Geisenberger answered that members could also provide feedback. Mr. Houghton invited members to go through the materials and reach out to the RSBC with their suggestions. Mr. Ratledge noted that the OPEB liability has been building overtime and that having options to reduce it was an important step.

Detailed analysis and reports can be found on the Retirement Savings Benefits Committee webpage: https://finance.delaware.gov/financial-reports/committee-reports/retirement-benefit-study-committee/

Transportation Trust Fund (TTF):

TTF -- Expenditures: Mr. Motyl presented the Transportation Trust Fund's expenditure forecast.

> **State Operations Expenditure:** There was no change from the December estimate of $352.2 million.
>
> **State Capital Expenditure:** There was no change from the December estimate of $371.4 million.
>
> Mr. Motyl noted an increase in Road System spending category on the back of good weather and a long projects list. However, the increase was offset by a corresponding decrease in the Transit category consisting of projects that could be delayed.
>
> **Federal Capital Expenditure:** There was no change from the December estimate of $280.0 million.
>
> **U.S. 301 Capital Expenditure:** Decreased from $42.5 million in December to $35.7 million.
>
> Mr. Motyl explained there will be a negative expenditure this year for Toll Revenue Bonds category, given negative year-to-date figure.
>
> A motion was made, seconded, and approved to accept $1,039.3 million as the FY 2020 TTF expenditure estimate. The estimate represents a decrease of $6.8 million from the December estimate (See Table 4.)

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast.

FY 2020 Estimates:

The following changes were made from the December estimates.

Toll Road Revenues: There was no change from the December estimate of $202.5 million.

Motor Fuel Tax Administration: There was no change from the December estimate of $150.0 million.

Division of Motor Vehicles: There was no change from the December estimate of $223.4 million.

Other Transportation Revenues: There was no change from the December estimate of $18.5 million.

U.S. 301 Revenues: Increased from $17.8 million in December to $19.8 million.

Mr. Motyl said this is the first full year of operation for U.S. 301. He indicated that fiscal year to date revenues had reached $14.7 million when his office was expecting $12.2 million.

A motion was made, seconded, and approved to accept $614.2 million as the FY 2020 TTF revenue estimate. The estimate represents an increase of $2.0 million from the December estimate.

FY 2021 Estimates:

The following changes were made from the December estimates.

Toll Road Revenues: There was no change from the December estimate of $204.9 million.

Motor Fuel Tax Administration: There was no change from the December estimate of $152.3 million.

Although left unchanged Mr. Motyl noted that the revenue category was down by 3.0% in the last recession.

Division of Motor Vehicles: There was no change from the December estimate of $226.7 million.

Although left unchanged Mr. Motyl noted that the revenue category was down by 9.0% in the last recession. He added that both Motor Fuel and DMV revenue groups could see some changes in the next DEFAC meeting.

Other Transportation Revenues: There was no change from the December estimate of $17.6 million.

U.S. 301 Revenues: There was no change from the December estimate of $21.0 million.

A motion was made, seconded, and approved to accept $622.5 million as the FY 2021 TTF revenue estimate. The estimate is the same as the December estimate (See Table 5.)

Other Business:

Mr. Houghton announced the next scheduled DEFAC meeting dates:

- April 20, 2020
- May 18, 2020

He also announced the Health Care Spending Benchmark Subcommittee tentative meeting dates:

- April 20, 2020 at 3:00 p.m.
- May 18, 2020 at 11:00 a.m.

Mr. Houghton asked DEFAC members and the general public to take a look at the revised Executive Order that has been released by the Governor.

There being no further business, Mr. Houghton adjourned the meeting at 3:30 p.m.

Respectfully submitted,

Arsene Aka

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2020 ($ in millions)																	
March 16, 2020																	
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019							**FY2020**
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual							**Appropriation**
Budget Act	3,091.5	3,305.3	3,508.6	3,586.8	3,718.2	3,809.5	3,908.5	4,084.1	4,106.9	4,270.8							**4,451.9**
Cash to Bond Bill	0.0	91.0	115.3	53.4	60.9	23.8	0.0	12.6	0.0	189.0							**184.3**
Grant-in-Aid	35.4	35.2	41.2	44.2	44.8	45.4	43.0	45.9	37.3	52.1							**55.1**
Continuing & Encumbered (from prior years)	183.7	184.9	303.7	301.1	276.4	194.8	201.3	181.5	178.6	184.1							**329.6**
Supplementals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	49.2							**62.0**
Fiscal Year Spending Authority	**3,310.6**	**3,616.4**	**3,968.8**	**3,985.5**	**4,100.2**	**4,073.5**	**4,152.8**	**4,324.3**	**4,322.8**	**4,745.2**							**5,082.8**
LESS:																	
											Sep	*Dec*	*Mar*	*Apr*	*May*	*June*	
Reversions to the General Fund	49.3	42.1	75.3	50.5	111.3	39.6	57.5	39.6	20.6	21.4	20.0	20.0	20.0				
Encumbered to next fiscal year	37.7	35.2	39.3	35.6	40.2	39.5	40.8	37.5	35.8	41.5	40.0	40.0	40.0				
Continuing to next fiscal year																	
Operating Budget																	
Bond Bill																	
Total Continuing	147.2	268.4	261.8	240.9	154.6	161.8	140.7	141.1	148.3	288.1	355.2	351.4	362.1				
Subtotal	234.1	345.7	376.4	327.0	306.1	240.9	239.0	218.2	204.7	351.0	415.2	411.4	422.1	0.0	0.0	0.0	(422.1)
Fiscal Year Budgetary Expenditures	**3,076.5**	**3,270.7**	**3,592.4**	**3,658.5**	**3,794.1**	**3,832.6**	**3,913.7**	**4,106.1**	**4,118.1**	**4,394.3**							**4,660.7**
% increase/(decrease)		**6.31%**	**9.84%**	**1.84%**	**3.71%**	**1.01%**	**2.12%**	**4.92%**	**0.29%**	**6.71%**							**6.1%**
Comments:	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	5-Yr Avg						FY2020
Expenditures / Spending Authority	92.9%	90.4%	90.5%	91.8%	92.5%	94.1%	94.2%	95.0%	95.3%	92.6%	94.2%						91.7%
Reversions / Spending Authority	1.5%	1.2%	1.9%	1.3%	2.7%	1.0%	1.4%	0.9%	0.5%	0.5%	0.8%						0.4%
Encumbered / Spending Authority	1.1%	1.0%	1.0%	0.9%	1.0%	1.0%	1.0%	0.9%	0.8%	0.9%	0.9%						0.8%
Total Continuing / Spending Authority	4.4%	7.4%	6.6%	6.0%	3.8%	4.0%	3.4%	3.3%	3.4%	6.1%	4.0%						7.1%

Recommended by Expenditures Subcommittee;
March 16, 2020

DEFAC Expenditures Forecast for General Fund Disbursements FY2020 ($ in millions)

March 16, 2020

	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Sep	FY2020 Dec	FY2020 Mar	Difference 20 vs. '19	% change '20 vs. '19	Annual Avg. 2020 vs. '15	**FY2020 YTD (actual 11/31/19)**	**% spent (actual 2/29/19)**	**% of FY2019 total**	**% of FY2018 total**	**% of FY2017 total**	**% of FY2016 total**	**% of FY2015 total**
Salaries	1,338.5	1,361.8	1,402.9	1,421.1	1,499.9	1,575.5	1,589.2	1,584.5	84.6	5.6%	3.43%	**1,112.6**	**34.8%**	**34.1%**	**34.5%**	**34.2%**	**34.8%**	**34.9%**
Fringe Benefits	403.0	453.7	480.5	479.6	494.4	507.4	511.6	511.9	17.5	3.5%	4.90%	**345.5**	**10.8%**	**11.3%**	**11.6%**	**11.7%**	**11.6%**	**10.5%**
Health Care	283.1	334.1	359.0	357.9	362.6	369.8	372.6	371.2	8.6	2.4%	5.57%	**247.6**	**7.7%**	**8.3%**	**8.7%**	**8.7%**	**8.5%**	**7.4%**
Other	119.9	119.6	121.5	121.7	131.8	137.6	139.0	140.7	8.9	6.8%	3.25%	**97.9**	**3.1%**	**3.0%**	**3.0%**	**3.0%**	**3.1%**	**3.1%**
Pension	287.0	297.3	317.7	316.7	360.8	373.2	364.6	367.3	6.5	1.8%	5.06%	**261.5**	**8.2%**	**8.2%**	**7.7%**	**7.7%**	**7.6%**	**7.5%**
Contribution	147.7	150.6	152.4	167.6	201.5	212.5	207.6	209.1	7.6	3.8%	7.20%	**148.9**	**4.7%**	**4.6%**	**4.1%**	**3.7%**	**3.8%**	**3.7%**
Health Care	103.8	105.0	130.2	136.0	145.4	151.2	147.7	148.8	3.4	2.4%	7.47%	**106.0**	**3.3%**	**3.3%**	**3.3%**	**3.2%**	**2.7%**	**3.2%**
Other	35.5	41.7	35.1	13.1	13.9	9.5	9.3	9.4	(4.5)	-32.5%	-23.39%	**6.7**	**0.2%**	**0.3%**	**0.3%**	**0.9%**	**1.1%**	**0.9%**
Debt Service	163.9	169.4	179.0	187.2	183.9	185.0	184.2	184.2	0.3	0.2%	2.36%	**138.7**	**4.3%**	**4.2%**	**4.5%**	**4.4%**	**4.3%**	**4.3%**
Grants	377.9	349.6	365.7	362.9	445.2	492.0	492.0	492.0	46.8	10.5%	5.42%	**355.4**	**11.1%**	**10.1%**	**8.8%**	**8.9%**	**8.9%**	**9.9%**
Medicaid	668.0	689.1	739.7	750.2	733.4	761.4	761.4	762.2	28.8	3.9%	2.67%	**510.0**	**15.9%**	**16.7%**	**18.2%**	**18.0%**	**17.6%**	**17.4%**
Contractual Services	511.9	513.6	537.6	526.1	589.0	677.0	671.6	661.8	72.8	12.4%	5.27%	**404.2**	**12.6%**	**13.4%**	**12.8%**	**13.1%**	**13.1%**	**13.4%**
Supplies & Materials	68.0	66.9	68.7	61.9	69.3	69.6	68.1	68.1	(1.2)	-1.7%	0.03%	**46.4**	**1.5%**	**1.6%**	**1.5%**	**1.7%**	**1.7%**	**1.8%**
Capital Outlay	14.4	12.3	14.3	12.4	18.5	26.5	28.7	28.7	10.2	55.1%	14.79%	**23.9**	**0.7%**	**0.4%**	**0.3%**	**0.3%**	**0.3%**	**0.4%**
FY Budgetary Expenditures	3,832.6	3,913.7	4,106.1	4,118.1	4,394.3	4,667.6	4,671.4	4,660.7	266.4	6.1%	3.99%	**3198.2**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Comments:

Recommended by Expenditures Subcommittee;
March 16, 2020

Table 1c.

DEFAC Expenditures Forecast for General Fund Disbursements FY2020-2024 ($ in millions)

March 16, 2020

	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Mar		FY2021 Mar	FY2022 Mar	FY2023 Mar	FY2024 Mar
Salaries	1,338.5	1,361.8	1,402.9	1,421.1	1,499.9	1,584.5		1631.7	1687.7	1745.6	1805.5
Fringe Benefits	403.0	453.7	480.5	479.6	494.4	511.9		523.5	549.3	576.4	604.9
Health Care	283.1	334.1	359.0	357.9	362.6	371.2		378.6	399.7	421.9	445.4
Other	119.9	119.6	121.5	121.7	131.8	140.7		144.9	149.6	154.5	159.5
Pension	287.0	297.3	317.7	316.7	360.8	367.3		378.2	402.9	430.1	459.8
Contribution	147.7	150.6	153.7	167.6	201.5	209.1		215.3	230.8	247.4	265.2
Health Care	103.8	105.0	131.3	136.0	145.4	148.8		153.2	164.7	177.0	190.2
Other	35.5	41.7	32.7	13.1	13.9	9.4		9.6	7.4	5.7	4.3
Debt Service	163.9	169.4	179.0	187.2	183.9	184.2		202.5	207.3	212.2	217.2
Grants	377.9	349.6	365.7	362.9	445.2	492.0		407.2	429.3	452.5	477.0
Medicaid	668.0	689.1	739.7	750.2	733.4	762.2		785.6	806.6	828.2	850.3
Contractual Services	511.9	513.6	537.6	526.1	589.0	661.8		712.5	750.1	789.6	831.2
Supplies & Materials	68.0	66.9	68.7	61.9	69.3	68.1		73.9	73.9	73.9	74.0
Capital Outlay	14.4	12.3	14.3	12.4	18.5	28.7		18.0	20.7	23.7	27.2
FY Budgetary Expenditures	3,832.6	3,913.7	4,106.1	4,118.1	4,394.3	4,660.7		4,733.1	4,927.7	5,132.3	5,347.2

Comments:

Forecast FY2022-FY2024 is based on the annual average growth rate for each category FY2015-FY2020(March Estimate).

Recommended by Expenditures Subcommittee;
March 16, 2020

OMB General Assumptions FY2021 Forecast

Personnel Costs (including Salaries, Fringe, Health Care, Pension)

- Average 2% Pay Policy includes Collective Bargaining Agreements, Higher Education, and Public Education & Annualization of FTE filled vacancies
- Decrease of 0.1% Pension Rate from FY20 23.02% to FY21 22.92%

Medicaid

- Increase of 2% in MCO rates; contracts negotiated/finalized in January
- Increase of 1.5% in Member Months (the capitation rate paid to an MCO by category-children, adults, long-term care, etc)
- Increase of 0.3% in the state-share portion in FMAP (Federal Medical Assistance %)
- FY21 includes $22M expenditure as part of the federal reconciliation

Grants, Contractual Services, Supplies, Capital Outlay

- FY20 includes expenditure for Bond Bill Cash projects in current fiscal year
    - $21M MCI Projects - DHSS, Corrections, DSCYF
    - $12M Strategic Fund
    - $10M Drinking Water State Revolving Fund
    - $10M Deferred Maintenace projects
    - $7M Community Reinvestment
    - $5M Resource Conservation
    - $4M Riverfront Development Corporation
- The FY19 Bond Bill Cash projects will incur an estimated $20M expenditures in FY21
- The FY20 Bond Bill Cash projects will incur an estimated $80M expenditures in FY21
    - $15M Higher Education Economic Development Investment Fund
    - $10M City of Wilmington
    - $7M Clean Water
    - $5M Transportation Infrastructure Investment Fund
    - $5M Shoreline and Wateway
    - $4M Riverfront Development Corporation
- FY21 includes estimated Grant-in-Aid Act $55.1M
- FY21 includes approximately $44.5M in spending from the recommended FY21 Bond Bill Cash projects

Debt Service

- Increase for January 2020 bond sale $300M principal

Recommended by Expenditures Subcommittee;
March 16, 2020

Table 2. DEFAC General Fund Revenue Worksheet

Baseline Forecast

March-20 DEFAC Meeting	FY 2019	FY 2020				
	A	B	C	D	E	F
Revenue Category	Actual Collections	DEFAC Dec-19	% B over A	DEFAC Mar-20	% D over A	$ Increase D over B
Personal Income Tax	**1,730.5**	**1,819.0**	**5.1%**	**1,804.0**	**4.3%**	**(15.0)**
Less: Refunds	**(203.0)**	**(208.6)**	**2.8%**	**(208.6)**	**2.8%**	**0.0**
PIT Less Refunds	**1,527.5**	**1,610.4**	**5.4%**	**1,595.4**	**4.4%**	**(15.0)**
Franchise Tax	906.2	916.9	1.2%	936.9	3.4%	20.0
Limited Partnerships & LLC's	322.0	349.5	8.5%	349.5	8.5%	0.0
Subtotal Franchise + LP/LLC	1,228.2	1,266.4	3.1%	1,286.4	4.7%	20.0
Less: Refunds	(12.0)	(12.0)	0.0%	(12.0)	0.0%	0.0
Net Franchise + LP/LLC	1,216.2	1,254.4	3.1%	1,274.4	4.8%	20.0
Business Entity Fees	**123.0**	**126.8**	**3.1%**	**126.8**	**3.1%**	**0.0**
Uniform Commercial Code	**25.2**	**26.8**	**6.3%**	**26.8**	**6.3%**	**0.0**
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	(114.3)	(90.0)	-21.3%	(90.0)	-21.3%	0.0
Unclaimed Prop Less Refunds	439.7	464.0	5.5%	464.0	5.5%	0.0
Gross Receipts Tax	**259.3**	**270.0**	**4.1%**	**263.0**	**1.4%**	**(7.0)**
Lottery	**215.8**	**205.6**	**-4.7%**	**204.1**	**-5.4%**	**(1.5)**
Corporation Income Tax	187.8	215.5	14.7%	210.5	12.1%	(5.0)
Less: Refunds	(40.0)	(58.0)	45.0%	(58.0)	45.0%	0.0
CIT Less Refunds	147.8	157.5	6.5%	152.5	3.1%	(5.0)
Realty Transfer Tax	**154.3**	**160.0**	**3.7%**	**170.0**	**10.2%**	**10.0**
Cigarette Taxes	**122.6**	**119.6**	**-2.5%**	**119.6**	**-2.5%**	**0.0**
Bank Franchise Tax	100.8	92.5	-8.3%	86.4	-14.3%	(6.1)
Insurance Taxes and Fees	86.6	73.2	-15.4%	74.5	-13.9%	1.3
Hospital Board and Treatment	35.4	30.2	-14.6%	30.2	-14.6%	0.0
Public Utility Tax	**37.0**	**35.7**	**-3.5%**	**35.7**	**-3.5%**	**0.0**
Alcoholic Beverage Tax	**26.6**	**26.0**	**-2.3%**	**26.0**	**-2.3%**	**0.0**
Dividends and Interest	**24.9**	**41.1**	**65.0%**	**48.4**	**94.3%**	**7.3**
Other Revenues	**67.6**	**64.3**	**-4.9%**	**63.4**	**-6.2%**	**(0.9)**
Less: Other Refunds	(18.5)	(17.5)	-5.3%	(21.7)	17.5%	(4.2)
Net Receipts	**4,591.9**	**4,740.6**	**3.2%**	**4,739.5**	**3.2%**	**(1.1)**

Adj Growth Rate 4.00%

Table 2. DEFAC General Fund Revenue Worksheet

Baseline Forecast

March-20 DEFAC Meeting	FY 2021					FY 2022				
	G	H	I	J	K	L	M	N	O	P
Revenue Category	DEFAC Dec-19	% G over B	DEFAC Mar-20	% I over D	$ Increase I over G	DEFAC Dec-19	% L over G	DEFAC Mar-20	% N over I	$ Increase N over L
Personal Income Tax	**1,908.6**	**4.9%**	**1,851.2**	**2.6%**	**(57.4)**	**2,000.7**	**4.8%**	**1,937.0**	**4.6%**	**(63.7)**
Less: Refunds	**(219.4)**	**5.2%**	**(219.4)**	**5.2%**	**0.0**	**(231.0)**	**5.3%**	**(231.0)**	**5.3%**	**0.0**
PIT Less Refunds	**1,689.2**	**4.9%**	**1,631.8**	**2.3%**	**(57.4)**	**1,769.7**	**4.8%**	**1,706.0**	**4.5%**	**(63.7)**
Franchise Tax	932.1	1.7%	936.9	0.0%	4.8	956.3	2.6%	956.3	2.1%	0.0
Limited Partnerships & LLC's	364.5	4.3%	364.5	4.3%	0.0	382.8	5.0%	382.8	5.0%	0.0
Subtotal Franchise + LP/LLC	1,296.6	2.4%	1,301.4	1.2%	4.8	1,339.1	3.3%	1,339.1	2.9%	0.0
Less: Refunds	(10.0)	-16.7%	(10.0)	-16.7%	0.0	(10.0)	0.0%	(10.0)	0.0%	0.0
Net Franchise + LP/LLC	1,286.6	2.6%	1,291.4	1.3%	4.8	1,329.1	3.3%	1,329.1	2.9%	0.0
Business Entity Fees	**130.1**	**2.6%**	**130.1**	**2.6%**	**0.0**	**133.5**	**2.6%**	**133.5**	**2.6%**	**0.0**
Uniform Commercial Code	**27.5**	**2.6%**	**27.5**	**2.6%**	**0.0**	**28.2**	**2.5%**	**28.2**	**2.5%**	**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	(110.0)	22.2%	(110.0)	22.2%	0.0	(110.0)	0.0%	(110.0)	0.0%	0.0
Unclaimed Prop Less Refunds	415.0	-10.6%	415.0	-10.6%	0.0	390.0	-6.0%	390.0	-6.0%	0.0
Gross Receipts Tax	**280.9**	**4.0%**	**270.1**	**2.7%**	**(10.8)**	**292.3**	**4.1%**	**281.1**	**4.1%**	**(11.2)**
Lottery	**210.1**	**2.2%**	**206.4**	**1.1%**	**(3.7)**	**214.8**	**2.2%**	**209.5**	**1.5%**	**(5.3)**
Corporation Income Tax	222.6	3.3%	206.9	-1.7%	(15.7)	229.3	3.0%	199.0	-3.8%	(30.3)
Less: Refunds	(80.0)	37.9%	(85.0)	46.6%	(5.0)	(80.0)	0.0%	(80.0)	-5.9%	0.0
CIT Less Refunds	142.6	-9.5%	121.9	-20.1%	(20.7)	149.3	4.7%	119.0	-2.4%	(30.3)
Realty Transfer Tax	**166.5**	**4.1%**	**173.0**	**1.8%**	**6.5**	**174.3**	**4.7%**	**181.1**	**4.7%**	**6.8**
Cigarette Taxes	**114.6**	**-4.2%**	**114.6**	**-4.2%**	**0.0**	**111.3**	**-2.9%**	**111.3**	**-2.9%**	**0.0**
Bank Franchise Tax	96.0	3.8%	94.3	9.1%	(1.7)	102.6	6.9%	96.1	1.9%	(6.5)
Insurance Taxes and Fees	87.2	19.1%	87.1	16.9%	(0.1)	74.9	-14.1%	74.7	-14.2%	(0.2)
Hospital Board and Treatment	30.5	1.0%	30.5	1.0%	0.0	30.8	1.0%	30.8	1.0%	0.0
Public Utility Tax	**34.9**	**-2.2%**	**34.9**	**-2.2%**	**0.0**	**33.6**	**-3.7%**	**33.6**	**-3.7%**	**0.0**
Alcoholic Beverage Tax	**25.4**	**-2.3%**	**25.4**	**-2.3%**	**0.0**	**27.9**	**9.8%**	**27.9**	**9.8%**	**0.0**
Dividends and Interest	**34.3**	**-16.5%**	**27.9**	**-42.4%**	**(6.4)**	**38.7**	**12.8%**	**26.0**	**-6.8%**	**(12.7)**
Other Revenues	**65.2**	**1.4%**	**62.1**	**-2.1%**	**(3.1)**	**66.2**	**1.5%**	**63.3**	**1.9%**	**(2.9)**
Less: Other Refunds	(18.3)	4.6%	(19.8)	-8.8%	(1.5)	(18.1)	-1.1%	(19.6)	-1.0%	(1.5)
Net Receipts	**4,818.3**	**1.6%**	**4,724.2**	**-0.3%**	**(94.1)**	**4,949.1**	**2.7%**	**4,821.6**	**2.1%**	**(127.5)**

Adj Growth Rate	1.50%	3.75%

Table 3. Balance and Appropriations Worksheet
Baseline Forecast
March 2020

FY 2020 EXPENDITURES

Total Spending Authority	$5,082.8
Less: Continuing Appropriations & Encumbrances from FY 2020	($402.1)
Less: Reversions	($20.0)
Total Expenditures	$4,660.7

FY 2020 BUDGET

Budget	$4,451.9
Grants	$55.1
Supplemental	$246.3
Total Appropriations	$4,753.3
Plus: Continuing Appropriations & Encumbrances from Prior Years	$329.6
Total Spending Authority	$5,082.8

FY 2020 BALANCES

Total Expenditures	$4,660.7
vs. FY 2020 Revenues	4,739.5
Operating Balance	78.8
Prior Year Cash Balance	947.5
Less: Budget Stabilization Fund (82 Del Law c 64; HB 225, Section 77)*	($126.3)
Cumulative Cash Balance	900.0
Less: Continuing Appropriations & Encumbrances from FY 2020	(402.1)
Less: Budgetary Reserve Account	($252.4)
Unencumbered Cash Balance 6/30	$245.5

FY 2021 APPROPRIATION LIMITS

FY 2021 Revenue Estimate	$4,724.2
Unencumbered Cash Balance from FY 2020	$245.5
100% Appropriation Limit	$4,969.7
98% Appropriation Limit	$4,870.3
Prior 98% Appropriation Limit	$4,963.6
Increase (Decrease) from Prior Meeting	($93.3)
Sept. 2019 98% Appropriation Limit	$4,763.3
Increase (Decrease) from September 2019	$107.0

Table 4.

Delaware Department of Transportation
FY 2020 Expenditures, Through February 29, 2020

	FY2018 Actual	FY2019 Actual	FY2020 Appropriation	SEPTEMBER FY2020 Forecast	DECEMBER FY2020 Forecast	MARCH FY2020 Forecast	$ difference	$ difference Forecast V. FY2019 Actual	FY2020 YTD Spend	67% % spent YTD
Operations			w/o US301							
Debt Service	91.6	94.5	91.5	91.5	91.5	91.5	0.0	(3.0)	91.5	100%
Personnel Costs	90.7	96.9	96.6	96.6	96.6	96.6	0.0	(0.3)	70.8	73%
Operations/Capital Outlay	62.8	64.4	69.3	69.3	69.3	69.3	0.0	4.9	40.2	58%
Transit Operations (DTC)	89.8	93.2	94.8	94.8	94.8	94.8	0.0	1.6	63.2	67%
Total Expenditures - Operations	334.9	349.0	352.2	352.2	352.2	352.2	0.0	3.2	265.7	75%
State Capital										
Road System	146.4	202.6	236.3	236.3	236.3	241.8	5.5	39.2	163.1	69%
Grants & Allocations	24.7	30.6	38.3	38.3	38.3	38.3	0.0	7.7	26.1	68%
Support Systems	42.9	51.0	55.6	55.6	55.6	55.6	0.0	4.6	33.3	60%
Transit	19.9	28.0	41.2	41.2	41.2	35.7	(5.5)	7.7	16.9	41%
State Capital	233.9	312.2	371.4	371.4	371.4	371.4	0.0	59.2	239.4	64%
Federal Capital										
Federal Capital	233.9	215.7	280.0	280.0	280.0	280.0	0.0	64.3	180.6	65%
Total Expenditures - Capital	467.8	527.9	651.4	651.4	651.4	651.4	0.0	123.5	420.0	64%
TOTAL EXPENDITURES	802.7	876.9	1,003.6	1,003.6	1,003.6	1,003.6	0.0	126.7	685.7	68%

	SEPTEMBER FY2020 Forecast	DECEMBER FY2020 Forecast	DECEMBER FY2020 Forecast	MARCH FY2020 Forecast	$ difference Forecast V. FY2019 Actual	FY2020 YTD Spend	% spent YTD
DelDOT	1,003.6	1,003.6	1,003.6	$ 1,003.6	$ 126.7	$ 685.7	68%
US301	42.5	42.5	42.5	$ 35.7	$ (53.7)	$ 25.2	59%
TOTAL	1,046.1	1,046.1	1,046.1	$ 1,039.3	$ 73.0	$ 710.9	68%

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

				Fiscal 2020			Fiscal 2021		
	FY18	FY19	% Chg.	12/18/19 Approved	**3/16/20 Recomm**	% Chg. FY 19	12/18/19 Approved	**3/16/20 Recomm**	% Chg. FY 20
TOLL ROAD REVENUES:									
I95 Newark Plaza	$132.7	$134.9	1.7%	$136.2	**$136.2**	1.0%	$137.6	**$137.6**	1.0%
Route 1 Toll Road	62.0	62.5	0.8%	$63.7	**$63.7**	1.9%	$64.7	**$64.7**	1.6%
Concessions	2.4	2.4	0.0%	$2.6	**$2.6**	0.0%	$2.6	**$2.6**	0.0%
Total Toll Road Revenues	197.1	199.8	1.4%	$202.5	**$202.5**	1.4%	$204.9	**$204.9**	1.2%
MOTOR FUEL TAX ADMIN.	132.9	144.7	8.9%	$150.0	**$150.0**	3.7%	$152.3	**$152.3**	1.5%
DIVISION OF MOTOR VEHICLES									
Motor Vehicle Document Fees	116.2	119.8	3.1%	$121.1	**$121.1**	1.1%	$122.9	**$122.9**	1.5%
Motor Vehicle Registration Fees	55.3	58.1	5.1%	$58.8	**$58.8**	1.3%	$59.6	**$59.6**	1.4%
Other DMV Revenues	39.6	40.9	3.3%	$43.5	**$43.5**	6.5%	$44.2	**$44.2**	1.6%
Total DMV Revenues	211.1	218.8	3.6%	$223.4	**$223.4**	2.1%	$226.7	**$226.7**	1.5%
OTHER TRANSPORTATION REV.									
Other Transportation Rev	13.0	12.6	-3.1%	$12.6	**$12.6**	0.0%	$12.6	**$12.6**	0.0%
Investment Income(Net)	6.8	5.5	-19.1%	$5.9	**$5.9**	7.3%	$5.0	**$5.0**	-15.3%
Total Other Transp. Revenue	19.8	18.1	-8.6%	$18.5	**$18.5**	2.2%	$17.6	**$17.6**	-4.9%
GRAND TOTAL	$560.9	$581.4	3.7%	$594.4	$594.4	2.2%	$601.5	$601.5	1.2%

	FY18	FY19	% Chg.	Fiscal 2020			Fiscal 2021		
US301 Revenues	**$ -**	**$ 7.0**		**$ 17.8**	**$ 19.8**		**$ 21.0**	**$ 21.0**	
TOTAL	**$ 560.9**	**$ 588.4**	4.9%	**$ 612.2**	**$ 614.2**	4.4%	**$ 622.5**	**$ 622.5**	1.3%