MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL

WebEx Event – June 17, 2020

Attendance:

Member	Present
N. Batta	Yes
C. Bo	Yes
C. Bonini	Yes
J. Bullock	Yes
L. Davis Burnham	Yes
R. Byrd	Yes
J. Cohan	Yes
N. Cook	Yes
C. Davis	Yes
K. Dwyer	Yes
B. Fasy	Yes
R. Geisenberger	Yes
R. Glen	Yes
G. Hindes	Yes
J. Horty	Yes

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	Yes
M. Morton	Yes
E. Ratledge	Yes
T. Shopa	Yes
D. Short	Yes
D. Sokola	Yes
D. Swayze	Yes
K. Walker	Yes

Members in Attendance: 30
Members Absent: 0

Others Present: A. Aka, R. Armitage, R. Byrd, C. Cassell-Carter, J. Cole, T. Croce, J. DeChene, B. DiVirgilio, L. Elder, C. Engelsiepen, T. Fanuka, N. Freedman, K. Gomes, R. Goldsmith, L. Hannan, M. Hopkins, J. Hudson, E. Innes, A. Jenkins, R. Jones, J. Johnstone, C. Kelly, N. Kirschling, K. Knight, C. Longfellow, Q. Ludwicki, M. Marlin, D. McAneny, T. McCall, P. McGuigan, S. McNeeley, M. Minner, B. Motyl, S. Mullin, J. Nutter, C. Olsen, E. Park, A. Penney, D. Roose, B. Scoglietti, B. Short, J. Smith, S. Snyder, S. Steward, L. Thornton, K. Vernon, L. Willis, L. Zubaca and members of the press.

Opening Business: Mr. Houghton called the meeting to order at 10:31 a.m.

The minutes from the May meeting were approved as submitted.

Expenditure Forecasts:

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

General Fund Expenditures - Fiscal Year 2020:

Mr. Ratledge reviewed the Balance Sheet method. He noted the FY 2020 spending authority of $5,082.8 million. Mr. Ratledge mentioned the Reversions estimate was unchanged between May and June, while the Encumbered and Continuing estimates have increased by $5.8 million and $50.6 million, respectively. He also mentioned the growing gap between expenditure and revenue forecasts.

Mr. Ratledge also reviewed the Functional method. He said the Salaries estimate is up by 3.8% or $57.7 million over FY 2019 due to pay policy, step increases, and a change in the school unit formula. Mr. Ratledge noted that Fringe Benefits are expected to grow by 2.9% in FY 2020 and that Pension is expected to be flat (i.e., up 0.3%). For these two expenditure categories, the Health Care component is expected to advance by less than 3.0%, an indication that both current employees and retirees are postponing medical visits during the pandemic. The Health Care estimate is forecast to rise more robustly over the next few years.

Mr. Ratledge said Debt Service has been relatively stable in the past two years. He attributed the large increase in the Grants estimate (i.e., 13.9% over FY 2019) to spending on capital projects spanning 3 years. Mr. Ratledge also noted a decrease in the Medicaid estimate.

Mr. Jackson agreed with Mr. Ratledge’s review of the Functional method and made the following remarks: the 3.8% forecast growth in Salaries can be attributed to pay policy enacted with the FY 2020 Budget Act, required salary steps that are mandated by the Delaware Code and collective bargaining agreements, pay changes, and growth in the number of teachers.

Mr. Jackson noted that Personnel Cost could have been higher in FY 2020 due to a number of investments made in the FY 2020 Budget on highly-needed areas such as child welfare investigations. However, a slowdown in hiring toward the end of the fiscal year and the lack of growth in the number of State employees outside of the school system have reined in cost.

Mr. Jackson also noted that Health Care growth reported under the Functional method represents the State share of the premiums for employees. He said the State was considering raising premiums for employees prior to the pandemic, but claims have been brought to a halt with the onset of COVID-19 due to the focus on treating residents who have been affected with the virus.

Mr. Jackson pointed out that maintaining health care benefits at current levels will require a re-examination of both the cost structure and premiums paid by employees and retirees. He added that growth in Heath Care has averaged 5.0 to 6.0% over the past decade and that claims have advanced moderately in the past two years, thanks to a greater awareness and an active participation of State employees (including employees in Education) in the Group Health Insurance Program.

Mr. Jackson mentioned that the proposed budget raised the Debt Service by over $16.0 million. The latest debt refinancing at a lower rate has allowed Debt Service to decrease by $13.5 million. Mr. Jackson said the successful refinancing is a re-affirmation of the State's AAA bond rating and speaks volumes to not only the proposed budget that has been submitted to the General Assembly but also the latter's willingness to balance current needs with planning for the future during the economic downturn.

Mr. Geisenberger added the State received a low interest rate of 0.79% during the refinancing, and will keep looking for refinancing opportunities in the current low interest rate environment.

As for the Grants, Capital Outlay, Contractual Services and Supplies and Materials estimates, Mr. Jackson attributed the increases in FY 2019 and FY 2020 to significant levels (i.e., $185.0 to $190.0 million) of General Fund revenues paying for capital projects. Because of their 3-year appropriation Mr. Jackson said the FY 2019 funding for said projects is not expected to fully expire until the end of FY 2021 and the FY 2020 funding will not be fully spent out until FY 2022.

Finally, Mr. Jackson said the reduction in the Medicaid estimate from FY 2019 is due to an enhanced Federal match for the Medicaid program. He explained that the Federal Government will pay through June an additional 6.2% of Medicaid costs than planned for in the Budget at the end of July. The enhanced match is retroactive from January.

Mr. Jackson said the Medicaid population has begun to grow. The number of Medicaid eligibles rose from 236,000 at the end of March to 238,000 at end-April and 241,000 currently. The increase in Federal share is helping to pay for the uptick in eligible at the moment, according to Mr. Jackson. (See Table 1a and Table 1b for complete details).

A motion was made, seconded and approved to accept $4,495.1 million as the Expenditure estimate for FY 2020. The estimate represents an increase of $100.8 million from FY 2019 and a decrease of $56.4 million from the May estimate.

General Fund Expenditures - Fiscal Year 2021:

Mr. Ratledge noted increases in the FY 2021 estimates for Salaries, Health Care, Pension, Debt Service, Grants, Medicaid and Contractual Services, and decreases for Supplies and Materials and Capital Outlay. He attributed the increase in Grants and Contractual

Services to 3-year capital projects.

Mr. Jackson explained that the Medicaid forecast is dependent on two major factors: the duration of the enhanced federal match and the increase in total Medicaid population. Since the forecast assumed the enhanced federal match will expire at the end of June, the Medicaid estimate could be reduced if the expiration date is postponed to a future date.

On the other hand, should the enhanced federal match end in June while the Medicaid eligible population continues to grow, the FY 2021 estimate could be around $780.0 million. Mr. Jackson added that assumptions about managed care contracts were also made when deriving the Medicaid estimate. (See Table 1c for complete details.)

Mr. Jackson said half of the Budget Stabilization Fund (BSF) will be used for the coming budget given the revenue and Medicaid estimates. In response to a question from Mr. Houghton, Mr. Jackson said half of the BSF is worth $63.2 million and that his office has been working with the Joint Finance Committee (JFC) and Bond Bill Chairs to finalize both the cash to the bond bill and the grant-in-aid budgets.

Mr. Morgan asked how the FY 2021 Expenditure estimate compares with the operating budget that will be approved by the Joint Finance Committee. Mr. Jackson explained the FY 2021 Expenditure estimate will be higher as it includes prior years' appropriations for capital projects taking multiple years to spend.

Responding to Mr. Houghton's question on the use of coronavirus-related Federal funds, Mr. Jackson said $1.25 billion in stimulus funds have been received from the Coronavirus Relief Fund (CRF) to deal with COVID-19 related expenditures that are above and beyond the current year budget. He added that New Castle County received $322.8 million due to a population-based allocation formula, leaving the State with $927.2 million to address expenses related to the pandemic that are over the current year budget.

Mr. Houghton asked whether funding from the CRF can substitute for ordinary expenditures. Mr. Jackson answered negatively and added that the State will use the funds to supplement the Unemployment Insurance Trust Fund, help support small business loans, help with additional rent and utility assistance for individuals affected by the virus, help support the child care assistance, contact tracing and testing programs, and help Kent and Sussex counties and municipalities pay for coronavirus-related expenses.

A motion was made, seconded and approved to accept $4,772.7 million as the Expenditure estimate for FY 2021. The estimate represents an increase of $277.6 million from FY 2020.

Revenue Forecasts:

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

Economic Outlook

Mr. Roose reminded DEFAC members that based on a full month of data under lockdown, the estimates of many revenue sources were calibrated in May with reasonable expectations for FY 2020. Even so the FY 2021 forecast remains an open question.

Mr. Roose mentioned there are still key revenues for which there were no additional data upon which to base revisions beyond the original determination made in March and April. He noted the recommended June estimates largely account for analysis of the second-quarter personal income tax payment, the June 1st corporate franchise tax payment and tracking changes. Mr. Roose also noted there remain significant uncertainties around the income tax and the shape of the recovery.

Mr. Aka presented economic forecasts for the U.S. (produced by IHS Markit ("IHS")) and Delaware (developed by the Department of Finance). Reviewing the IHS forecasts he said all economic series, except for GDP, have seen significant forecast improvements for CY 2020. Compared with May, IHS has revised their projection for GDP growth in CY 2020 from -7.3% to -8.1%, well below the "Blue Chip" consensus of -6.1%. IHS still expected GDP to grow 5.2% next year, not surpassing the previous peak until mid-2022. Compared with May, IHS also expected a smaller employment decline this year, thanks to the unexpected May employment report. Meanwhile, the unemployment rate is expected to peak at 13.4% in the second quarter before declining to 9.7% by the fourth quarter.

Delaware's forecasts continue to follow the nation's patterns. Mr. Aka noted that both the first quarter personal income and the May employment reports will be released after the June DEFAC. Using data from the "Blue Chip" consensus he mentioned that economic forecasts have remained uncertain, although the degree of uncertainty was lower in June for economic series such as real GDP, disposable personal income and corporate profits. Overtime the various forecasts by economic firms are expected to converge.

Comparing Delaware and U.S. April employment reports, Mr. Aka showed that sectoral employment declines were usually higher in Delaware than the nation. Employment in the Financial sector fell by less than 2.0% in both Delaware and the U.S.

Mr. Aka said that States in the northeast were affected to a greater degree by the lockdown. State employment data for April showed that the Northeast and eastern portion of the Midwest had the largest month-over-month percentage declines; Michigan, New York, and New Jersey were among the States that experienced the greatest contractions in employment. While the decline in payrolls was about 16.0% for Delaware, New Jersey, New York, Pennsylvania and Massachusetts saw declines of 18.0% 19.0%, 17.0% and 17.0%, respectively.

Mr. Roose said assumptions used in June were the same as in the past two meetings and included a swoosh-shaped recovery, no delay in second-quarter estimated payment due dates and no re-occurrence of the coronavirus pandemic.

General Fund Revenues - Fiscal Year 2020:

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

Revenue Category	May-20	Jun-20	Change
Limited Partnerships & LLC's	316.8	342.8	26.0
Personal Income Tax	1,639.5	1,661.0	21.5
Corporation Income Tax	143.0	160.1	17.1
Franchise Tax	936.9	951.9	15.0
Lottery	163.1	173.5	10.4
Dividends and Interest	54.7	47.3	(7.4)
Realty Transfer Tax	160.0	166.4	6.4
Bank Franchise Tax	86.4	80.5	(5.9)
Unclaimed Property Refunds	(106.0)	(110.0)	(4.0)
Other Revenues	66.1	64.6	(1.5)
CIT Refunds	(46.0)	(44.5)	1.5
Hospital Board and Treatment	26.7	28.0	1.3
Uniform Commercial Code	26.8	25.5	(1.3)
Insurance Taxes	70.1	69.9	(0.2)
Other Refunds	(20.4)	(20.5)	(0.1)

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 an increase in the estimate by $21.5 million.

Mr. Roose said withholding has declined by about 3.0% since early May. He added that withholding for monthly filers is likely to drop 20.0% in June, which would represent an improvement from the 25.0% decline posted in May. Mr. Roose noted the two extra deposit days this June will boost growth by two to four percentage points.

Mr. Roose indicated that second-quarter estimated PIT payments for FY 2020 were difficult to compare with FY 2019 due to different due dates. Although estimated payments appeared very strong, up over 20% through June 15th, they were expected to deteriorate in the rest of the month. For Mr. Roose the current strong growth in estimated payments can be traced to various factors, including capital gains, payments for both first and second quarters by some taxpayers, and payments of 100% of the previous year's liability. He said more will be known in July when the first-quarter estimated payment is due.

Mr. Roose justified a $2.0 million increase in final payments by tracking strength. He added that $121.0 million of final payments and first-quarter estimated payments have been shifted from FY 2020 into FY 2021.

Mr. Roose said the adjusted growth rate for Net PIT is 3.8% for FY 2020 and -9.6% for FY 2021. He pointed out that growth, which was about 7.0% through March, has been weak for the past three months on the back of the recession. The decline in FY 2021 takes account of due date delays, a full year of stagnant withholding and reduced CY 2020 liability. Mr. Geisenberger described the adjusted growth rate as the best reflection of underlying economic activity.

Net Corporate Franchise Tax & LP/LLC: Mr. Knight recommended an increase in the estimate by $41.0 million.

Mr. Roose said the estimate had been reduced in previous meetings due to concern about ability and willingness to pay among smaller businesses, and that June collections were roughly in line with pre-COVID expectations.

Mr. Roose added that the Corporate Franchise Tax is generally a lagging indicator. As a result, the strong adjusted growth of 5.5% for FY 2020 reflects last year's activities while the slow growth of 0.7% for FY 2021 will reflect this year's activities.

Mr. Knight said the FY 2020 estimate is in line with pre-COVID expectations but that the FY 2021 estimate carries a large degree of uncertainty.

Corporate Income Tax (CIT) Less Refunds: Mr. Roose recommended an increase in the estimate by $18.6 million.

Mr. Roose said month-to-date collections have already surpassed the May DEFAC estimate. He added the stronger-than-expected second-quarter tentative payments could be due to businesses being on auto pilot or paying the 50% first-quarter tentative CIT before the 20% second-quarter CIT (although the latter was due in June and the former in July). Mr. Roose suggested that perhaps CIT has benefited from the fact that the recession has not been as hard on large businesses as it has on smaller ones.

Lottery: Mr. Roose recommended an increase in the estimate by $10.4 million.

Mr. Roose attributed the increase to strength in non-traditional lottery, as casinos' revenues have outperformed last June despite social distancing requirements. He said video net proceeds for the week ending June 13 were stronger than in any week since the last week of December 2015. This is likely due to lack of competition in other states and renewed excitement. Meanwhile, traditional lottery continues to perform strongly.

Dividends and Interest: Ms. Davis recommended a decrease in the estimate by $7.4 million.

Ms. Davis explained during the Subcommittee meeting that the reduction was due to recalibration of her office's model to properly account for sharp interest rate movements.

Other changes were attributed to tracking.

FY 2020 Estimate Adopted:

A motion was made, seconded and approved to accept $4,494.3 million as the revenue estimate for FY 2020. The estimate represents an increase of $78.8 million from the May estimate.

General Fund Revenues - Fiscal Year 2021:

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

Revenue Category	May-20	Jun-20	Change
Personal Income Tax	1,792.5	1,811.3	18.8
Dividends and Interest	35.0	26.6	(8.4)
Other Refunds	(19.8)	(18.5)	1.3
Insurance Taxes	88.4	87.9	(0.5)

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 an increase in the estimate by $18.8 million.

Mr. Roose noted expected stagnation in withholding growth as well as weaker bonuses in FY 2021.

Net Corporate Franchise Tax & LP/LLC: Mr. Knight did not recommend any change in the estimate.

Mr. Knight said the FY 2021 estimate hinges on assumptions surrounding formation and uncollectibles, which typically jump significantly after recessions. He also added that assumptions were made regarding the underlying structure of the Franchise Tax to derive the following year, FY 2022 estimate. Mr. Knight said off the more than 300,000 franchise tax entities 2,200 Tier 1 and Tier 2 entities account for more than half of Franchise Tax.

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 $4,535.4 million as the revenue estimate for FY 2021. The estimate represents an increase of $11.2 million from the May estimate.

In response to a question from Mr. Batta regarding the CARES Act, Mr. Roose said the Payroll Protection Program has provided support to payrolls and that the enhanced Unemployment Insurance (UI) benefits are taxable in Delaware but not withheld. He added the enhanced UI benefits are weekly and expected to last through July 31st.

The following DEFAC members provided insights into the outlook for their industry: Mr. Batta said Batta Environmental Associates Inc. operates in the environmental construction industry. He mentioned that compliance-driven work has been ongoing despite the crisis. On the other hand, work in construction and real estate took a hit during the lockdown. Mr. Batta described a pleasant uptick in activities (e.g., school projects, DelDOT projects, commercial real estate and brownfield development) since mid-May in both Delaware and other states. He expressed cautious optimism for the next 12 months. Mr. Batta said individuals he interacts with believe there could be another lockdown in the winter, and concluded that an infrastructure bill will provide a boost to the various sectors his business is engaged in.

Ms. Bo of the Nemours Children's Health System said Nemours has been clinically spared from the worst of the pandemic. She also said Nemours and other hospitals across the State have worked well together in such areas as personal protective equipment, testing and contact tracing, leading to a boost in efficiency and innovation. Since a second coronavirus wave is likely, Nemours has continually focused on planning for resurgence by developing the right relationships and partnerships and having the right people and rules. Ms. Bo pointed out that Nemours has used creative approaches to catch up with pre-COVID volume for non-urgent procedures and plans to get back to 100% of normal volume by July/August. She said social distancing in a hospital is a limiting factor when it comes to visit volume and noted the need for more policies and procedures in the virtual care industry as more people turn to telemedicine. Ms. Bo said Nemours and the State have to be ready for a future influx of trauma patients since behavioral health is a lagging indicator. She expressed optimism that Nemours will be back to original capacity in the next 12-18 months and added Nemours has found a better way to deliver children's care.

Mr. Lubin explained the continued growth in residential and nonresidential construction by the classification of the industry as "essential" in the Governor's State of Emergency order in late March. He also said there has been an extraordinary amount of interest by surrounding state residents and businesses in relocating to Delaware. There are increased activities in Sussex County's real estate sector and an explosion in the county short-term rental environment originating from the Washington D.C. area, Northern Virginia, New York and New Jersey. Mr. Lubin said Kent County remains a desirable relocation for businesses, with one significantly large manufacturing entity relocating in Greater Dover and another one looking to relocate businesses and employees in the Garrison facility. Meanwhile, New Castle County continues to see strong residential activities. Mr. Lubin mentioned that JP Morgan & Chase is looking to relocate away from high density areas while Barclays has announced it would bring 300 workers in the county. For him the office market in the city of Wilmington is currently soft and likely to remain soft. Mr. Lubin noted over 60 active projects by the Delaware Prosperity Partnership, with a significant amount being in manufacturing. He expected the construction market to be stable or strong over the next 12-18 months, and also expected the transfer tax to be soft in the third quarter of CY 2020 because of minimal activity taking place in the second quarter before rebounding in the fourth quarter.

In response to a question from Mr. Batta on Opportunity Zones, Mr. Lubin said the STAR Campus has been the greatest beneficiary of the development tool and that there have been 1 or 2 projects developed in both Sussex and Kent as a result of it. Mr. Geisenberger pointed out that the FY 2021 Realty Transfer Tax forecast was consistent with the outlook presented by Mr. Lubin. Responding to Mr. Sokola's question on remoting, Mr. Lubin said businesses are very sensitive to being fully remote, despite increased demand in remote activities. He added that the expected reduction in office space and the increase in share space will not erode the State's economy. In response to Mr. Swayze's question about development initiatives since the amendment to the Coastal Zone Act, Mr. Lubin mentioned that a national site selector has made a third tour of a site outside of Claymontto build a facility on the land.

Mr. McConnel of Corporation Service Company (CSC) said 95% of the firm's employees have worked from home since March 13th. He said there has been a softening in corporate transactions, with legal and M&A activities declining significantly. Mr. McConnel said there was an uptick in new UCC filings from back-related lending activity as well as an uptick in defaults. The UCC filings from the legal side of the company remain soft. Mr. McConnel noted a slower pace in the payment of invoices. He said budgetary targets for CY 2020 are expected to be met and that the firm's investment in Wilmington continues, with an anticipated end of construction in early Fall.

Mr. Morgan said Chesapeake Utilities Corp. is a $1.4 billion diversified energy company based in Dover serving natural gas, propane and electricity to customers in 6 states. The company is not to be confused with Chesapeake Energy which is headquartered in the State of Oklahoma. In existence since 1859, Chesapeake Utilities Corp. has posted record earnings for the past 13 years. In Delaware, Chesapeake Utilities provides natural gas south of the Chesapeake and Delaware Canal and propane throughout the Delmarva Peninsula. Mr. Morgan said the company developed a pandemic plan in 2007 and that all non-operational employees have worked remotely since March. He indicated that the company has not seen any steep revenue decline and did report a very good first quarter, leading to an increase in the annualized dividend by 8.6%. Mr. Morgan said the company has not seen any substantial reduction in gas usage by major industrial users over the past few months, but it has seen a reduction by smaller businesses such as restaurants. Regarding capital expenditures Chesapeake Utilities has invested $50.0 million in Delaware in CY 2019 and $255.0 million over the past 5 years. Mr. Morgan said the company is on track to invest just under $70.0 million in the State in CY 2020. For him, a second wave of COVID-19 represents a major downside risk that could reduce gas usage. Mr. Morgan noted that no employee has thus far been infected by the coronavirus and that no employee has been laid off or furloughed. He said the company was optimistic about its future outlook, and has upgraded in May its income forecast for both CY 2021 and CY 2022.

Mr. Marcozzi said Duffield Associates is a consulting engineering firm, which operates in an industry that can be seen as a good leading indicator for the construction sector. He noted the industry saw very strong backlog from the beginning of the pandemic through the end of April. Mr. Marcozzi added the company was helped by the industry being designated as "essential" in late March and the fact that many employees could work remotely. He also said that the Payroll Protection Program was very helpful. Despite a strong backlog new orders dropped significantly in May and have yet to normalize, according to Mr. Marcozzi. He agreed with Mr. Lubin that there is strong backlog in the residential construction sector, and said the transportation and logistics sectors remain strong. Mr. Marcozzi said the recent decline in new orders could lead to a decline in his industry by 3.0 – 5.0% this year. He added that continued low workload through the summer would result in a 6.0 – 8.0% decline while a low workload through the Fall could lead to 20.0% decline. Mr. Marcozzi concluded he was slightly more pessimistic than previous members regarding the impact of the crisis on the Delaware economy.

Balance and Appropriations Worksheet: Mr. Roose presented the Balance and

Appropriations worksheet. The result of this exercise is attached as Table 3.

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 May estimate of $353.1 million.

State Capital Expenditure: Decreased from $371.4 million in May to $367.4 million.

Mr. Motyl said expenditure for the Transit category has been reduced by $4.0 million to reflect a delay of spending into the following fiscal year.

Federal Capital Expenditure: There was no change from the May estimate of $280.0 million.

U.S. 301 Capital Expenditure: Increased from $35.7 million in May to $38.3 million.

Mr. Motyl said expenditures were recoded from Toll Revenue bonds to TIFIA loan proceeds in March. Toll Revenue Bonds were then forecast at -$3.3 million but actual spend reached -$1.1 million through May.

A motion was made, seconded, and approved to accept $1,038.8 million as the FY 2020 TTF expenditure estimate. The estimate represents a decrease of $1.4 million from the May 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 May estimates.

Toll Road Revenues: There was no change from the May estimate of $174.5 million.

Motor Fuel Tax Administration: There was no change from the May estimate of $136.0 million.

Division of Motor Vehicles: There was no change from the May estimate of $203.9 million.

Other Transportation Revenues: There was no change from the May estimate of $16.9 million.

U.S. 301 Revenues: Increased from $19.8 million in May to $22.5 million.

Mr. Motyl said toll by plate collections have been stronger than anticipated.

A motion was made, seconded, and approved to accept $553.8 million as the FY 2020 TTF revenue estimate. The estimate represents an increase of $2.7 million from the May estimate.

FY 2021 Estimates:

The following changes were made from the May estimates.

Toll Road Revenues: There was no change from the May estimate of $196.7 million.

Motor Fuel Tax Administration: There was no change from the May estimate of $147.7 million.

Division of Motor Vehicles: There was no change from the May estimate of $215.4 million.

Other Transportation Revenues: There was no change from the May estimate of $17.0 million.

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

Mr. Marcozzi congratulated Mr. Motyl for a good record in forecasting the TTF revenue and expenditure.

A motion was made, seconded, and approved to accept $597.8 million as the FY 2021 TTF revenue estimate. The estimate is the same as the May estimate (See Table 5.)

<u>Other Business:</u>

FY 2021 Debt Limit: Mr. Roose presented the debt limit for FY 2021. This amount is equal to 5.0% of projected FY 2021 revenues or $226.77 million.

Although not required a motion was made, seconded, and approved to accept the FY 2021 debt limit of $226.77 million.

Mr. Houghton announced the next scheduled DEFAC meeting date:

- September 21, 2020 (if necessary)
- October 19, 2020

Mr. Geisenberger said an emergency meeting could be held before the October meeting if there are drastic economic and policy changes.

Mr. Houghton announced that Ms. Walker will soon leave her position as the Secretary of the Delaware Department of Health and Human Services (DHSS) for a Washington, D.C. based job. He said that Ms. Walker provided the State extraordinary services under extraordinary circumstances. Mr. Houghton added that Ms. Walker's dedication and competence, level of empathy and engagement and constant good grace under fire has made her an outstanding leader and public servant. He wished Ms. Walker all the best, on behalf of DEFAC and Delaware residents.

Ms. Walker said it was an honor to have been a DEFAC member and served the State. She expressed her confidence that Ms. Molly Magarik, the DHSS Deputy Secretary, will carry on with the mission of the agency if confirmed by the Senate. She received a virtual round of applause from DEFAC members and participants.

There being no further business, Mr. Houghton adjourned the meeting at 12:19 p.m.

Respectfully submitted,

Arsene Aka

Table 1a.

DEFAC Expenditures Forecast for General Fund Disbursements FY2020 ($ in millions)																	
June 17, 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	40.5	137.6	137.6	
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	40.0	52.4	58.2	
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	362.1	341.3	391.9	
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	442.6	531.3	587.7	(587.7)
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**							**4,495.1**
% increase/(decrease)		**6.31%**	**9.84%**	**1.84%**	**3.71%**	**1.01%**	**2.12%**	**4.92%**	**0.29%**	**6.71%**							**2.3%**
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%						88.4%
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%						2.7%
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%						1.1%
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%						7.7%

Recommended by Expenditures Subcommittee;
June 17, 2020

Table 1b.

DEFAC Expenditures Forecast for General Fund Disbursements FY2020 ($ in millions)																		
June 17, 2020																		
	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 May	FY2020 June	Difference 20 vs. '19	% change '20 vs. '19	Annual Avg. 2020 vs. '15		**FY2020 YTD (actual 05/31/20)**	**% spent (actual 05/31/20)**		**% 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	1,565.4	1,557.6	57.7	3.8%	3.08%		**1,447.5**	**34.7%**		**34.1%**	**34.5%**	**34.2%**	**34.8%**	**34.9%**
Fringe Benefits	403.0	453.7	480.5	479.6	494.4	508.6	508.6	14.2	2.9%	4.76%		**466.0**	**11.2%**		**11.3%**	**11.6%**	**11.7%**	**11.6%**	**10.5%**
Health Care	283.1	334.1	359.0	357.9	362.6	369.9	369.9	7.3	2.0%	5.49%		**338.6**	**8.1%**		**8.3%**	**8.7%**	**8.7%**	**8.5%**	**7.4%**
Other	119.9	119.6	121.5	121.7	131.8	138.7	138.7	6.9	5.2%	2.96%		**127.4**	**3.1%**		**3.0%**	**3.0%**	**3.0%**	**3.1%**	**3.1%**
Pension	287.0	297.3	317.7	316.7	360.8	362.0	362.0	1.2	0.3%	4.75%		**335.5**	**8.1%**		**8.2%**	**7.7%**	**7.7%**	**7.6%**	**7.5%**
Contribution	147.7	150.6	152.4	167.6	201.5	206.1	206.1	4.6	2.3%	6.89%		**191.0**	**4.6%**		**4.6%**	**4.1%**	**3.7%**	**3.8%**	**3.7%**
Health Care	103.8	105.0	130.2	136.0	145.4	146.7	146.7	1.3	0.9%	7.16%		**135.9**	**3.3%**		**3.3%**	**3.3%**	**3.2%**	**2.7%**	**3.2%**
Other	35.5	41.7	35.1	13.1	13.9	9.2	9.2	(4.6)	-33.5%	-23.62%		**8.6**	**0.2%**		**0.3%**	**0.3%**	**0.9%**	**1.1%**	**0.9%**
Debt Service	163.9	169.4	179.0	187.2	183.9	184.2	184.2	0.3	0.2%	2.36%		**184.2**	**4.4%**		**4.2%**	**4.5%**	**4.4%**	**4.3%**	**4.3%**
Grants	377.9	349.6	365.7	362.9	445.2	533.8	506.9	61.7	13.9%	6.05%		**463.6**	**11.1%**		**10.1%**	**8.8%**	**8.9%**	**8.9%**	**9.9%**
Medicaid	668.0	689.1	739.7	750.2	733.4	702.1	702.1	(31.3)	-4.3%	1.00%		**644.9**	**15.5%**		**16.7%**	**18.2%**	**18.0%**	**17.6%**	**17.4%**
Contractual Services	511.9	513.6	537.6	526.1	589.0	599.2	581.0	(8.0)	-1.4%	2.56%		**539.0**	**12.9%**		**13.4%**	**12.8%**	**13.1%**	**13.1%**	**13.4%**
Supplies & Materials	68.0	66.9	68.7	61.9	69.3	66.2	62.7	(6.6)	-9.5%	-1.61%		**57.1**	**1.4%**		**1.6%**	**1.5%**	**1.7%**	**1.7%**	**1.8%**
Capital Outlay	14.4	12.3	14.3	12.4	18.5	30.1	30.1	11.6	62.7%	15.89%		**28.5**	**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	4,551.5	4,495.1	100.8	2.3%	3.24%		**4166.3**	**100.0%**		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Comments:																		

Recommended by Expenditures Subcommittee;
June 17, 2020

Table 1c.

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

June 17, 2020

	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 May	FY2020 June		FY2021 June	FY2022 June	FY2023 June	FY2024 June
Salaries	1,338.5	1,361.8	1,402.9	1,421.1	1,499.9	1,565.4	1,557.6		1616.9	1666.7	1718.0	1770.9
Fringe Benefits	403.0	453.7	480.5	479.6	494.4	508.6	508.6		527.8	553.1	579.8	607.8
Health Care	283.1	334.1	359.0	357.9	362.6	369.9	369.9		383.9	405.0	427.2	450.7
Other	119.9	119.6	121.5	121.7	131.8	138.7	138.7		143.9	148.2	152.5	157.0
Pension	287.0	297.3	317.7	316.7	360.8	362.0	362.0		375.8	399.2	424.9	452.9
Contribution	147.7	150.6	153.7	167.6	201.5	206.1	206.1		213.9	228.7	244.4	261.3
Health Care	103.8	105.0	131.3	136.0	145.4	146.7	146.7		152.3	163.2	174.9	187.4
Other	35.5	41.7	32.7	13.1	13.9	9.2	9.2		9.6	7.3	5.6	4.3
Debt Service	163.9	169.4	179.0	187.2	183.9	184.2	184.2		189.0	193.5	198.0	202.7
Grants	377.9	349.6	365.7	362.9	445.2	533.8	506.9		566.2	600.5	636.8	675.3
Medicaid	668.0	689.1	739.7	750.2	733.4	702.1	702.1		781.0	788.8	796.7	804.7
Contractual Services	511.9	513.6	537.6	526.1	589.0	599.2	581.0		655.7	672.5	689.8	707.5
Supplies & Materials	68.0	66.9	68.7	61.9	69.3	66.2	62.7		50.1	49.3	48.5	47.7
Capital Outlay	14.4	12.3	14.3	12.4	18.5	30.1	30.1		10.2	11.8	13.7	15.9
FY Budgetary Expenditures	3,832.6	3,913.7	4,106.1	4,118.1	4,394.3	4,551.5	4,495.1		4,772.7	4,935.4	5,106.1	5,285.3

Comments:

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

Recommended by Expenditures Subcommittee;
June 17, 2020

Table 1c.

OMB General Assumptions FY2021 Forecast
The FY2021 spend took the following into consideration:
1. FY2021 Operating budget $4,525.8M based on the May 2020 DEFAC revenues
Salary - No salary policy increases
Medicaid - Increase of 2% in MCO rates, increase of 1.5% in Member Months, increase of 0.3% in the state-share portion in FMAP
Debt Service –net impact from $300M bond sale and refunding opportunity
2. FY2021 Proposed Grant in Aid budget $53.6M
3. Continuing funds $330M
FY2019 and FY2020 cash projects
FY2020 one-time Opportunity Fund
Medicaid federal reconciliation

Recommended by Expenditures Subcommittee;
June 17, 2020

Table 2. DEFAC General Fund Revenue Worksheet

June-20 DEFAC Meeting	FY 2019	FY 2020				
	A	B	C	D	E	F
Revenue Category	Actual Collections	DEFAC May-20	% B over A	DEFAC Jun-20	% D over A	$ Increase D over B
Personal Income Tax	**1,730.5**	**1,639.5**	**-5.3%**	**1,661.0**	**-4.0%**	**21.5**
Less: Refunds	**(203.0)**	**(198.8)**	**-2.1%**	**(198.8)**	**-2.1%**	**0.0**
PIT Less Refunds	**1,527.5**	**1,440.7**	**-5.7%**	**1,462.2**	**-4.3%**	**21.5**
Franchise Tax	906.2	936.9	3.4%	951.9	5.0%	15.0
Limited Partnerships & LLC's	322.0	316.8	-1.6%	342.8	6.4%	26.0
Subtotal Franchise + LP/LLC	1,228.2	1,253.7	2.1%	1,294.7	5.4%	41.0
Less: Refunds	(12.0)	(12.0)	0.0%	(12.0)	0.0%	0.0
Net Franchise + LP/LLC	1,216.2	1,241.7	2.1%	1,282.7	5.5%	41.0
Business Entity Fees	**123.0**	**126.8**	**3.1%**	**126.8**	**3.1%**	**0.0**
Uniform Commercial Code	**25.2**	**26.8**	**6.3%**	**25.5**	**1.1%**	**(1.3)**
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	(114.3)	(106.0)	-7.3%	(110.0)	-3.8%	(4.0)
Unclaimed Prop Less Refunds	439.7	448.0	1.9%	444.0	1.0%	(4.0)
Gross Receipts Tax	**259.3**	**251.1**	**-3.2%**	**251.1**	**-3.2%**	**0.0**
Lottery	**215.8**	**163.1**	**-24.4%**	**173.5**	**-19.6%**	**10.4**
Corporation Income Tax	187.8	143.0	-23.9%	160.1	-14.8%	17.1
Less: Refunds	(40.0)	(46.0)	15.0%	(44.5)	11.2%	1.5
CIT Less Refunds	147.8	97.0	-34.4%	115.6	-21.8%	18.6
Realty Transfer Tax	**154.3**	**160.0**	**3.7%**	**166.4**	**7.9%**	**6.4**
Cigarette Taxes	**122.6**	**115.0**	**-6.2%**	**115.0**	**-6.2%**	**0.0**
Bank Franchise Tax	100.8	86.4	-14.3%	80.5	-20.2%	(5.9)
Insurance Taxes and Fees	86.6	70.1	-19.0%	69.9	-19.3%	(0.2)
Hospital Board and Treatment	35.4	26.7	-24.5%	28.0	-20.8%	1.3
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**	**54.7**	**119.6%**	**47.3**	**89.9%**	**(7.4)**
Other Revenues	**67.6**	**66.1**	**-2.3%**	**64.6**	**-4.5%**	**(1.5)**
Less: Other Refunds	(18.5)	(20.4)	10.4%	(20.5)	11.0%	(0.1)
Net Receipts	**4,591.9**	**4,415.5**	**-3.8%**	**4,494.3**	**-2.1%**	**78.8**

Adj Growth Rate **1.25%**

Table 2. DEFAC General Fund Revenue Worksheet

June-20 DEFAC Meeting	FY 2021					FY 2022				
	G	H	I	J	K	L	M	N	O	P
Revenue Category	DEFAC May-20	% G over B	DEFAC Jun-20	% I over D	$ Increase I over G	DEFAC May-20	% L over G	DEFAC Jun-20	% N over I	$ Increase N over L
Personal Income Tax	**1,792.5**	**9.3%**	**1,811.3**	**9.0%**	**18.8**	**1,784.1**	**-0.5%**	**1,797.3**	**-0.8%**	**13.2**
Less: Refunds	**(249.2)**	**25.4%**	**(249.2)**	**25.4%**	**0.0**	**(251.9)**	**1.1%**	**(251.9)**	**1.1%**	**0.0**
PIT Less Refunds	**1,543.3**	**7.1%**	**1,562.1**	**6.8%**	**18.8**	**1,532.2**	**-0.7%**	**1,545.4**	**-1.1%**	**13.2**
Franchise Tax	936.9	0.0%	936.9	-1.6%	0.0	956.3	2.1%	956.3	2.1%	0.0
Limited Partnerships & LLC's	364.5	15.1%	364.5	6.3%	0.0	369.8	1.5%	369.8	1.5%	0.0
Subtotal Franchise + LP/LLC	1,301.4	3.8%	1,301.4	0.5%	0.0	1,326.1	1.9%	1,326.1	1.9%	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	1,291.4	4.0%	1,291.4	0.7%	0.0	1,316.1	1.9%	1,316.1	1.9%	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**	**7.8%**	**0.0**	**28.2**	**2.5%**	**28.2**	**2.5%**	**0.0**
Unclaimed Property	554.0	0.0%	554.0	0.0%	0.0	500.0	-9.7%	500.0	-9.7%	0.0
Less: Refunds	(110.0)	3.8%	(110.0)	0.0%	0.0	(110.0)	0.0%	(110.0)	0.0%	0.0
Unclaimed Prop Less Refunds	444.0	-0.9%	444.0	0.0%	0.0	390.0	-12.2%	390.0	-12.2%	0.0
Gross Receipts Tax	**236.1**	**-6.0%**	**236.1**	**-6.0%**	**0.0**	**252.6**	**7.0%**	**252.6**	**7.0%**	**0.0**
Lottery	**171.9**	**5.4%**	**171.9**	**-0.9%**	**0.0**	**187.3**	**9.0%**	**187.3**	**9.0%**	**0.0**
Corporation Income Tax	166.8	16.6%	166.8	4.2%	0.0	172.1	3.2%	172.1	3.2%	0.0
Less: Refunds	(90.0)	95.7%	(90.0)	102.2%	0.0	(80.0)	-11.1%	(80.0)	-11.1%	0.0
CIT Less Refunds	76.8	-20.8%	76.8	-33.6%	0.0	92.1	19.9%	92.1	19.9%	0.0
Realty Transfer Tax	**155.0**	**-3.1%**	**155.0**	**-6.9%**	**0.0**	**169.1**	**9.1%**	**169.1**	**9.1%**	**0.0**
Cigarette Taxes	**114.6**	**-0.3%**	**114.6**	**-0.3%**	**0.0**	**111.3**	**-2.9%**	**111.3**	**-2.9%**	**0.0**
Bank Franchise Tax	79.9	-7.5%	79.9	-0.7%	0.0	91.3	14.3%	91.3	14.3%	0.0
Insurance Taxes and Fees	88.4	26.1%	87.9	25.8%	(0.5)	76.0	-14.0%	75.6	-14.0%	(0.4)
Hospital Board and Treatment	28.5	6.7%	28.5	1.8%	0.0	30.8	8.1%	29.6	3.9%	(1.2)
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	**27.5**	**5.8%**	**27.5**	**5.8%**	**0.0**	**27.9**	**1.5%**	**27.9**	**1.5%**	**0.0**
Dividends and Interest	**35.0**	**-36.0%**	**26.6**	**-43.8%**	**(8.4)**	**24.5**	**-30.0%**	**24.8**	**-6.8%**	**0.3**
Other Revenues	**59.1**	**-10.6%**	**59.1**	**-8.5%**	**0.0**	**63.3**	**7.1%**	**63.3**	**7.1%**	**0.0**
Less: Other Refunds	(19.8)	-2.9%	(18.5)	-9.8%	1.3	(19.6)	-1.0%	(18.3)	-1.1%	1.3
Net Receipts	**4,524.2**	**2.5%**	**4,535.4**	**0.9%**	**11.2**	**4,540.2**	**0.4%**	**4,553.4**	**0.4%**	**13.2**
Adj Growth Rate					-6.50%				6.25%	

Table 3. Balance and Appropriations Worksheet

June 2020

FY 2020 EXPENDITURES

Total Spending Authority	$5,082.8
Less: Continuing Appropriations & Encumbrances from FY 2020	($450.1)
Less: Reversions	($137.6)
Total Expenditures	$4,495.1

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	$4,495.1
vs. FY 2020 Revenues	4,494.3
Operating Balance	(0.8)
Prior Year Cash Balance	947.5
Less: Budget Stabilization Fund (82 Del Law c 64; HB 225, Section 77)*	($126.3)
Cumulative Cash Balance	820.4
Less: Continuing Appropriations & Encumbrances from FY 2020	(450.1)
Less: Budgetary Reserve Account	($252.4)
Unencumbered Cash Balance 6/30	$117.9

FY 2021 APPROPRIATION LIMITS

FY 2021 Revenue Estimate	$4,535.4
Unencumbered Cash Balance from FY 2020	$117.9
100% Appropriation Limit	$4,653.3
98% Appropriation Limit	$4,560.2
Prior 98% Appropriation Limit	$4,472.0
Increase (Decrease) from Prior Meeting	$88.2
Sept. 2019 98% Appropriation Limit	$4,763.3
Increase (Decrease) from September 2019	($203.1)

Table 4.

Delaware Department of Transportation FY 2020 Expenditures, Through May 31, 2020													92%
	FY2018 Actual	FY2019 Actual	FY2020 Appropriation	SEPTEMBER FY2020 Forecast	DECEMBER FY2020 Forecast	MARCH FY2020 Forecast	APRIL FY2020 Forecast	MAY FY2020 Forecast	JUNE FY2020 Forecast	$ difference	$ difference Forecast V. FY2019 Actual	FY2020 YTD Spend	% spent YTD
Operations			w/o US301										
Debt Service	91.6	94.5	91.5	91.5	91.5	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	96.6	102.9	102.9	0.0	6.0	94.4	92%
Operations/Capital Outlay	62.8	64.4	69.3	69.3	69.3	69.3	69.3	63.9	63.9	0.0	(0.5)	53.4	84%
Transit Operations (DTC)	89.8	93.2	94.8	94.8	94.8	94.8	94.8	94.8	94.8	0.0	1.6	86.9	92%
Total Expenditures - Operations	334.9	349.0	352.2	352.2	352.2	352.2	352.2	353.1	353.1	0.0	4.1	326.2	92%
State Capital													
Road System	146.4	202.6	236.3	236.3	236.3	241.8	241.8	241.8	241.8	0.0	39.2	218.0	90%
Grants & Allocations	24.7	30.6	38.3	38.3	38.3	38.3	38.3	38.3	38.3	0.0	7.7	33.7	88%
Support Systems	42.9	51.0	55.6	55.6	55.6	55.6	55.6	55.6	55.6	0.0	4.6	46.7	84%
Transit	19.9	28.0	41.2	41.2	41.2	35.7	35.7	35.7	31.7	(4.0)	3.7	25.1	79%
State Capital	233.9	312.2	371.4	371.4	371.4	371.4	371.4	371.4	367.4	-4.0	55.2	323.5	88%
Federal Capital													
Federal Capital	233.9	215.7	280.0	280.0	280.0	280.0	280.0	280.0	280.0	0.0	64.3	245.9	88%
Total Expenditures - Capital	467.8	527.9	651.4	651.4	651.4	651.4	651.4	651.4	647.4	-4.0	119.5	569.4	88%
TOTAL EXPENDITURES	802.7	876.9	1,003.6	1,003.6	1,003.6	1,003.6	1,003.6	1,004.5	1,000.5	(4.0)	123.6	895.6	90%

	SEPTEMBER FY2020 Forecast	DECEMBER FY2020 Forecast	MARCH FY2020 Forecast	APRIL FY2020 Forecast	MAY FY2020 Forecast	JUNE 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	1,004.5	$ 1,000.5	$ 123.6	$ 895.6	89%
US301	42.5	42.5	35.7	35.7	35.7	$ 38.3	$ (51.1)	$ 37.2	97%
TOTAL	1,046.1	1,046.1	1,039.3	1,039.3	1,040.2	$ 1,038.8	$ 72.5	$ 932.8	90%

Table 5.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

	FY18	FY19	% Chg.	Fiscal 2020 5/21/20 Approved	Fiscal 2020 6/17/20 Recomm	Fiscal 2020 % Chg. FY 19	Fiscal 2021 5/21/20 Approved	Fiscal 2021 6/17/20 Recomm	Fiscal 2021 % Chg. FY 20
TOLL ROAD REVENUES:									
I95 Newark Plaza	$132.7	$134.9	1.7%	$116.8	**$116.8**	-13.4%	$132.1	**$132.1**	13.1%
Route 1 Toll Road	62.0	62.5	0.8%	$55.7	**$55.7**	-10.9%	$62.4	**$62.4**	12.0%
Concessions	2.4	2.4	0.0%	$2.0	**$2.0**	0.0%	$2.2	**$2.2**	0.0%
Total Toll Road Revenues	197.1	199.8	1.4%	$174.5	**$174.5**	-12.7%	$196.7	**$196.7**	12.7%
MOTOR FUEL TAX ADMIN.	132.9	144.7	8.9%	$136.0	**$136.0**	(6.0%)	$147.7	**$147.7**	8.6%
DIVISION OF MOTOR VEHICLES									
Motor Vehicle Document Fees	116.2	119.8	3.1%	$114.8	**$114.8**	-4.2%	$115.0	**$115.0**	0.2%
Motor Vehicle Registration Fees	55.3	58.1	5.1%	$51.0	**$51.0**	-12.2%	$58.4	**$58.4**	14.5%
Other DMV Revenues	39.6	40.9	3.3%	$38.1	**$38.1**	-6.7%	$42.0	**$42.0**	10.2%
Total DMV Revenues	211.1	218.8	3.6%	$203.9	**$203.9**	-6.8%	$215.4	**$215.4**	5.6%
OTHER TRANSPORTATION REV.									
Other Transportation Rev	13.0	12.6	-3.1%	$11.0	**$11.0**	-12.7%	$12.0	**$12.0**	9.1%
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%	$16.9	**$16.9**	-6.6%	$17.0	**$17.0**	0.6%
GRAND TOTAL	$560.9	$581.4	3.7%	$531.3	$531.3	-8.6%	$576.8	$576.8	8.6%

	FY18	FY19	% Chg.	Fiscal 2020			Fiscal 2021		
US301 Revenues	**$ -**	**$ 7.0**		**$ 19.8**	**$ 22.5**		**$ 21.0**	**$ 21.0**	
TOTAL	**$ 560.9**	**$ 588.4**	4.9%	**$ 551.1**	**$ 553.8**	-5.9%	**$ 597.8**	**$ 597.8**	7.9%