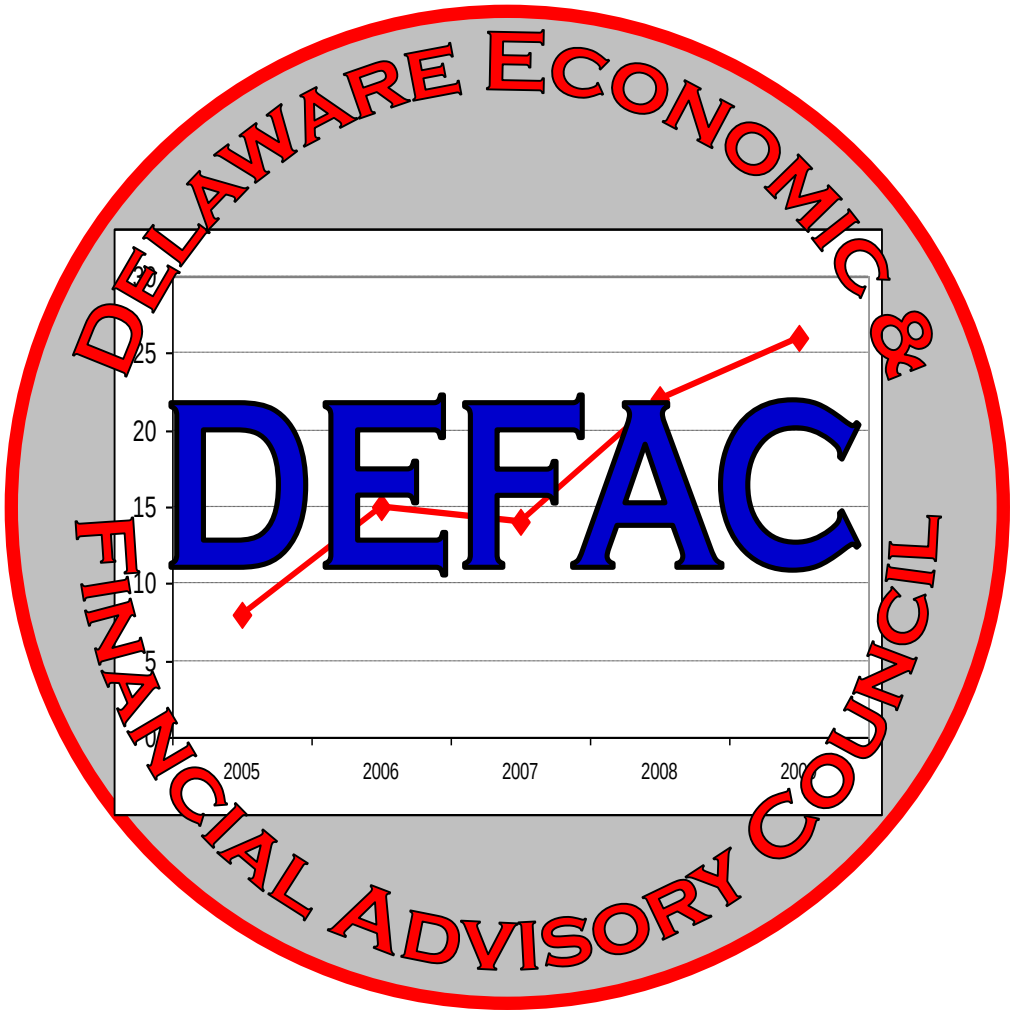
PLEASE NOTE: The projections contained in this package are NOT official.
They have been submitted for DEFAC's consideration.
Final projections may differ based on the outcome of DEFAC's deliberations.



Press Package

May 15, 2023

General Fund
DEFAC FORECAST SUMMARY

DEFAC FORECAST SUMMARY

$ Amounts in Millions

May-23

ECONOMIC OUTLOOK

- Diminished recession risk in 2023 thanks to positive incoming data
- Robust inflation to continue this year

	Average	Annual % Change		
	FY20-22	FY 23	FY 24	FY 25
GDP	1.9	1.5	0.7	1.3
US Employment	0.0	3.2	0.8	-0.3
DE Employment	0.0	2.8	1.0	-0.5

REVENUE UPDATE

	FY 22	FY23 (Est)	FY24 (Est)	FY25 (Est)
NET GENERAL FUND	$5,829.9	$6,222.5	$6,038.3	$6,179.3
ANNUAL GROWTH RATES	8.2%	6.7%	-3.0%	2.3%

MAJOR CHANGES SINCE LAST MEETING	**FY 23**		**FY 24**
Personal Income Tax	$89.5	Dividends and Interest	($70.9)
Corporation Income Tax	$47.9	PIT Refunds	($35.0)
PIT Refunds	($41.3)	Personal Income Tax	$34.7
TOTAL CHANGE	$62.0	**TOTAL CHANGE**	($50.6)

EXPENDITURE UPDATE

FY 23 Estimate: $5,793.1

COMPARISON VERSUS	**$ Change**	**% Change**
DEFAC's last meeting	$1.3	0.0%
FY 2022 Actual Expenditures	$735.2	14.5%

FY 24 BUDGET OUTLOOK

Appropriation Limit: $6,549.9

COMPARISON VERSUS	**$ Change**	**% Change**
DEFAC's last meeting	$11.2	0.2%
Since Governor's FY 24 Recommended Budget	($25.0)	-0.4%
Current Budget (FY 23)	$1,450.2	28.4%

General Fund
Balance & Appropriations Worksheet

Balance and Appropriations Worksheet

May-23

FY 2023 EXPENDITURES

Total Spending Authority	$7,503.4
Less: Continuing Appropriations & Encumbrances from FY 2023	($1,670.3)
Less: Reversions	($40.0)
Total Expenditures	$5,793.1

FY 2023 BUDGET

Budget	$5,099.7
Grants	$69.4
Supplemental	$1,234.1
Total Appropriations	$6,403.2
Plus: Continuing Appropriations & Encumbrances from Prior Years	$1,100.2
Total Spending Authority	$7,503.4

FY 2023 BALANCES

Total Expenditures	$5,793.1
vs. FY 2023 Revenues	6,222.5
Operating Balance	429.4
Prior Year Cash Balance	2605.3
Less: Budget Stabilization Fund (83 Del Law c 325; SB 250, Section 71)	($402.6)
Cumulative Cash Balance	2,632.1
Less: Continuing Appropriations & Encumbrances from FY 2023	(1,670.3)
Less: Budgetary Reserve Account	($316.4)
Unencumbered Cash Balance 6/30	$645.3

FY 2024 APPROPRIATION LIMITS

FY 2024 Revenue Estimate	$6,038.3
Unencumbered Cash Balance from FY 2023	$645.3
100% Appropriation Limit	$6,683.7
98% Appropriation Limit	$6,549.9
Prior 98% Appropriation Limit	$6,538.7
Increase (Decrease) from Prior Meeting	$11.2
October 2022 98% Appropriation Limit	$6,268.7
Increase (Decrease) from October 2022	$281.2

General Fund Expenditure Report

DEFAC Expenditures Forecast for General Fund Disbursements FY2023 ($ in millions)																			
May 15, 2023																			
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022						**FY2023**
	Actual	Actual	Actual	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	4,547.0	4,771.5						**5,099.7**
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	35.4	692.3						**855.5**
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	54.5	63.2						**69.4**
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	431.3	495.8						**1,100.2**
Supplementals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	49.2	62.0	0.0	221.1						**378.6**
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**	**5,068.2**	**6,243.9**						**7,503.4**
LESS:																			
														Oct	*Dec*	*Mar*	*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	137.6	53.4	85.8	40.0	40.0	40.0	40.0		
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	54.0	53.2	71.6	59.6	59.6	59.6	59.6		
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	377.3	442.6	1,028.6	1,607.6	1,688.2	1,612.0	1,610.7		
Subtotal	234.1	345.7	376.4	327.0	306.1	240.9	239.0	218.2	204.7	351.0	568.9	549.2	1,186.0	1,707.2	1,787.8	1,711.6	1,710.3	0.0	**(1,710.3)**
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**	**4,513.9**	**4,519.0**	**5,057.9**						**5,793.1**
% increase/(decrease)		**6.31%**	**9.84%**	**1.84%**	**3.71%**	**1.01%**	**2.12%**	**4.92%**	**0.29%**	**6.71%**	**9.61%**	**9.74%**	**15.10%**						**14.5%**
Comments:	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2021	5-Yr Avg					FY2022
Expenditures / Spending Authority	92.9%	90.4%	90.5%	91.8%	92.5%	94.1%	94.2%	95.0%	95.3%	92.6%	88.8%	89.2%	81.0%	89.4%					77.2%
Reversions / Spending Authority	1.5%	1.2%	1.9%	1.3%	2.7%	1.0%	1.4%	0.9%	0.5%	0.5%	2.7%	1.1%	1.4%	1.2%					0.5%
Encumbered / Spending Authority	1.1%	1.0%	1.0%	0.9%	1.0%	1.0%	1.0%	0.9%	0.8%	0.9%	1.1%	1.0%	1.1%	1.0%					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%	7.4%	8.7%	16.5%	8.4%					21.5%

Recommended by Expenditures Subcommittee;
May 15,2023

DEFAC Expenditures Forecast for General Fund Disbursements FY2023 ($ in millions)

May 15, 2023

	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 May	Difference '23 vs. '22	% change '23 vs. '22	Annual Avg. '23 vs. '18	**FY2023 (actual 04/30/23)**	**% spent (actual 04/30/23)**	**% of FY2022**	**% of FY2021**	**% of FY2020**	**% of FY2019**	**% of FY2018**
Salaries	1,402.9	1,421.1	1,499.9	1,558.6	1,593.0	1,657.0	1,803.5	146.5	8.8%	4.88%	**1,488.5**	**30.1%**	**32.8%**	**35.3%**	**34.5%**	**34.1%**	**34.5%**
Fringe Benefits	480.5	479.6	494.4	506.1	513.3	515.4	559.1	43.7	8.5%	3.12%	**466.0**	**9.4%**	**10.2%**	**11.4%**	**11.2%**	**11.3%**	**11.6%**
Health Care	359.0	357.9	362.6	369.0	372.5	369.3	399.8	30.5	8.3%	2.24%	**334.1**	**6.8%**	**7.3%**	**8.3%**	**8.2%**	**8.3%**	**8.7%**
Other	121.5	121.7	131.8	137.1	140.8	146.1	159.3	13.2	9.0%	5.53%	**131.9**	**2.7%**	**2.9%**	**3.1%**	**3.0%**	**3.0%**	**3.0%**
Pension	317.7	316.7	360.8	360.1	360.8	421.0	664.0	243.0	57.7%	15.96%	**595.8**	**12.0%**	**8.3%**	**8.0%**	**8.0%**	**8.2%**	**7.7%**
Contribution	152.4	167.6	201.5	205.0	201.5	239.7	353.7	114.0	47.6%	16.11%	**317.4**	**6.4%**	**4.7%**	**4.5%**	**4.5%**	**4.6%**	**4.1%**
Health Care	130.2	136.0	145.4	145.9	145.4	157.2	270.4	113.1	72.0%	14.73%	**242.6**	**4.9%**	**3.1%**	**3.2%**	**3.2%**	**3.3%**	**3.3%**
Other	35.1	13.1	13.9	9.2	13.9	24.1	39.9	15.8	65.7%	24.97%	**35.8**	**0.7%**	**0.5%**	**0.3%**	**0.2%**	**0.3%**	**0.3%**
Debt Service	179.0	187.2	183.9	184.1	187.3	202.6	218.4	15.8	7.8%	3.13%	**217.9**	**4.4%**	**4.0%**	**4.2%**	**4.1%**	**4.2%**	**4.5%**
Grants	365.7	362.9	445.2	507.1	433.2	671.0	714.9	43.9	13.1%	14.52%	**629.9**	**12.7%**	**13.3%**	**9.6%**	**11.2%**	**10.1%**	**8.8%**
Medicaid	739.7	750.2	733.4	702.0	734.1	823.6	917.8	94.2	11.4%	4.12%	**772.2**	**15.6%**	**16.3%**	**16.3%**	**15.6%**	**16.7%**	**18.2%**
Contractual Services	537.6	526.1	589.0	600.5	607.5	674.7	788.0	113.3	12.0%	8.42%	**663.0**	**13.4%**	**13.3%**	**13.5%**	**13.3%**	**13.4%**	**12.8%**
Supplies & Materials	68.7	61.9	69.3	64.7	60.9	67.1	73.9	6.8	15.9%	3.61%	**60.9**	**1.2%**	**1.3%**	**1.4%**	**1.4%**	**1.6%**	**1.5%**
Capital Outlay	14.3	12.4	18.5	30.6	17.2	25.5	53.5	28.0	77.6%	33.96%	**51.5**	**1.0%**	**0.5%**	**0.4%**	**0.7%**	**0.4%**	**0.3%**
FY Budgetary Expenditures	4,106.1	4,118.1	4,394.3	4,513.9	4,507.3	5,057.9	5,793.1	735.2	14.5%	7.06%	**4945.7**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Comments:

Recommended by Expenditures Subcommittee;
May 15, 2023

DEFAC Expenditures Forecast for General Fund Disbursements FY2023-2028 ($ in millions)

May 15, 2023

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023		FY2024	FY2025	FY2026	FY2027	FY2028
	Actual	Actual	Actual	Actual	Actual	Actual	May		May	May	May	May	May
Salaries	1,402.9	1,421.1	1,499.9	1,558.6	1593.0	1657.0	1,803.5		1,752.1	1,837.6	1,927.3	2,021.4	2,120.1
Fringe Benefits	480.5	479.6	494.4	506.1	513.3	515.4	559.1		552.5	569.8	587.8	606.5	626.0
Health Care	359.0	357.9	362.6	369.0	372.5	369.3	399.8		401.6	410.6	419.8	429.2	438.8
Other	121.5	121.7	131.8	137.1	140.8	146.1	159.3		150.9	159.2	168.1	177.4	187.2
Pension	317.7	316.7	360.8	360.1	360.8	421.0	664.0		435.0	505.1	586.8	682.0	793.0
Contribution	153.7	167.6	201.5	205.0	201.5	238.8	353.7		243.6	282.8	328.4	381.3	442.7
Health Care	131.3	136.0	145.4	145.9	145.4	170.6	270.4		165.2	189.5	217.4	249.4	286.2
Other	32.7	13.1	13.9	9.2	13.9	11.6	39.9		26.3	32.8	41.0	51.3	64.1
Debt Service	179.0	187.2	183.9	184.1	187.3	202.6	218.4		235.8	243.2	250.8	258.6	266.7
Grants	365.7	362.9	445.2	507.1	433.2	671.0	714.9		676.7	775.0	887.5	1,016.4	1,164.0
Medicaid	739.7	750.2	733.4	702.0	734.1	823.6	917.8		1,018.0	1,059.9	1,103.5	1,148.9	1,196.2
Contractual Services	537.6	526.1	589.0	600.5	607.5	674.7	788.0		1,328.5	1,140.3	736.3	798.2	865.4
Supplies & Materials	68.7	61.9	69.3	64.7	60.9	67.1	73.9		67.8	70.2	72.8	75.4	78.1
Capital Outlay	14.3	12.4	18.5	30.6	17.2	25.5	53.5		28.5	38.2	51.1	68.5	91.8
FY Budgetary Expenditures	4,106.1	4,118.1	4,394.3	4,513.9	4,507.3	5,057.9	5,793.1		6,094.9	6,239.4	6,204.0	6,676.1	7,201.3

Comments:

Forecast FY2025-FY2028 is based on the annual average growth rate for each category FY2018-FY2023.

OMB General Assumptions FY2024 Forecast

FY2024 Operating Governor Recommended Budget
FY2024 Grant in Aid projected at current year level
FY2024 One-Time Supplemental Governor Recommended Budget currently $324.9M
FY2024 Capital Cash Governor Recommend Budget currently $684.7M
Includes spend from operating and capital cash continued funds

Salary - Includes increase for Steps/CBAs and Unit Count growth, pay scale adjustments with 3% increase for all other state employees, 6% supplment for classroom teachers
Fringe Other/Fringe Healthcare/Pension - Proposed rate changes include Retiree Health Insurance decreased from 9.21% to 8.55% and Worker's Compensation reduced from 1.55% to 1.45%
Debt Service – Increased $17.4M for both existing and new debt
Grants - Projected using current year Grant in Aid budget, operational funding provided to UD and Housing
Medicaid - Eligibility rederminations begin April 2023 and continue through May 2024; enhanced FMAP phase down quarterly; 2.5% increase for MCO rates effective Jan 2024
Contractual Services - Includes $44M for passed legislation and spending from continued cash projects
Supplies - projected using current year spend level for agency operations
Capital - projected using current year spend level for agency operations

General Fund
Revenue Report

DEFAC General Fund Revenue Worksheet

May-23 DEFAC Meeting	FY 2022	FY 2023				
	A	B	C	D	E	F
Revenue Category	Actual Collections	DEFAC Mar-23	% B over A	DEFAC May-23	% D over A	$ Increase D over B
Personal Income Tax	**2,375.8**	**2,299.1**	**-3.2%**	**2,388.6**	**0.5%**	**89.5**
Less: Refunds	**(466.4)**	**(256.2)**	**-45.1%**	**(297.5)**	**-36.2%**	**(41.3)**
PIT Less Refunds	**1,909.4**	**2,042.9**	**7.0%**	**2,091.1**	**9.5%**	**48.2**
Franchise Tax	1,300.4	1,421.8	9.3%	1,406.1	8.1%	(15.7)
Limited Partnerships & LLC's	422.6	464.0	9.8%	464.0	9.8%	0.0
Subtotal Franchise + LP/LLC	1,723.1	1,885.8	9.4%	1,870.1	8.5%	(15.7)
Less: Refunds	(14.3)	(10.0)	-30.1%	(15.0)	4.8%	(5.0)
Net Franchise + LP/LLC	1,708.7	1,875.8	9.8%	1,855.1	8.6%	(20.7)
Business Entity Fees	**164.2**	**167.4**	**1.9%**	**159.4**	**-2.9%**	**(8.0)**
Uniform Commercial Code	**31.0**	**31.0**	**-0.1%**	**28.9**	**-6.9%**	**(2.1)**
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	(204.6)	(160.0)	-21.8%	(160.0)	-21.8%	0.0
Unclaimed Prop Less Refunds	349.4	394.0	12.8%	394.0	12.8%	0.0
Gross Receipts Tax	**331.0**	**354.9**	**7.2%**	**354.9**	**7.2%**	**0.0**
Lottery	**236.0**	**235.1**	**-0.4%**	**239.6**	**1.5%**	**4.5**
Corporation Income Tax	379.5	400.0	5.4%	447.9	18.0%	47.9
Less: Refunds	(65.3)	(81.0)	24.1%	(81.0)	24.1%	0.0
CIT Less Refunds	314.2	319.0	1.5%	366.9	16.8%	47.9
Realty Transfer Tax	**304.3**	**240.8**	**-20.9%**	**240.8**	**-20.9%**	**0.0**
Cigarette Taxes	**115.3**	**102.0**	**-11.6%**	**102.0**	**-11.6%**	**0.0**
Bank Franchise Tax	113.2	101.1	-10.7%	101.1	-10.7%	0.0
Insurance Taxes and Fees	98.6	110.6	12.1%	110.6	12.1%	0.0
Hospital Board and Treatment	21.0	23.4	11.5%	23.4	11.5%	0.0
Public Utility Tax	**29.6**	**34.0**	**14.8%**	**36.0**	**21.6%**	**2.0**
Alcoholic Beverage Tax	**30.9**	**32.4**	**4.8%**	**32.4**	**4.8%**	**0.0**
Dividends and Interest	**12.6**	**40.4**	**220.4%**	**28.9**	**129.2%**	**(11.5)**
Other Revenues	**70.8**	**82.2**	**16.0%**	**82.7**	**16.7%**	**0.5**
Less: Other Refunds	(10.6)	(26.5)	150.0%	(25.3)	138.7%	1.2
Net Receipts	**5,829.9**	**6,160.5**	**5.7%**	**6,222.5**	**6.7%**	**62.0**

Adj Growth Rate **2.8%**

DEFAC General Fund Revenue Worksheet

May-23 DEFAC Meeting	FY 2024					FY 2025				
	G	H	I	J	K	L	M	N	O	P
Revenue Category	DEFAC Mar-23	% G over B	DEFAC May-23	% I over D	$ Increase I over G	DEFAC Mar-23	% L over G	DEFAC May-23	% N over I	$ Increase N over L
Personal Income Tax	**2,335.3**	**1.6%**	**2,370.0**	**-0.8%**	**34.7**	**2,453.2**	**5.0%**	**2,468.0**	**4.1%**	**14.8**
Less: Refunds	**(252.0)**	**-1.6%**	**(287.0)**	**-3.5%**	**(35.0)**	**(239.4)**	**-5.0%**	**(272.7)**	**-5.0%**	**(33.3)**
PIT Less Refunds	**2,083.3**	**2.0%**	**2,083.0**	**-0.4%**	**(0.3)**	**2,213.8**	**6.3%**	**2,195.3**	**5.4%**	**(18.5)**
Franchise Tax	1,278.9	-10.1%	1,278.9	-9.0%	0.0	1,278.9	0.0%	1,278.9	0.0%	0.0
Limited Partnerships & LLC's	460.8	-0.7%	460.8	-0.7%	0.0	460.8	0.0%	460.8	0.0%	0.0
Subtotal Franchise + LP/LLC	1,739.7	-7.7%	1,739.7	-7.0%	0.0	1,739.7	0.0%	1,739.7	0.0%	0.0
Less: Refunds	(10.0)	0.0%	(10.0)	-33.3%	0.0	(10.0)	0.0%	(10.0)	0.0%	0.0
Net Franchise + LP/LLC	1,729.7	-7.8%	1,729.7	-6.8%	0.0	1,729.7	0.0%	1,729.7	0.0%	0.0
Business Entity Fees	**150.0**	**-10.4%**	**150.0**	**-5.9%**	**0.0**	**150.0**	**0.0%**	**150.0**	**0.0%**	**0.0**
Uniform Commercial Code	**26.5**	**-14.5%**	**26.5**	**-8.3%**	**0.0**	**26.5**	**0.0%**	**26.5**	**0.0%**	**0.0**
Unclaimed Property	525.0	-5.2%	525.0	-5.2%	0.0	500.0	-4.8%	500.0	-4.8%	0.0
Less: Refunds	(150.0)	-6.3%	(150.0)	-6.3%	0.0	(150.0)	0.0%	(150.0)	0.0%	0.0
Unclaimed Prop Less Refunds	375.0	-4.8%	375.0	-4.8%	0.0	350.0	-6.7%	350.0	-6.7%	0.0
Gross Receipts Tax	**358.7**	**1.1%**	**358.7**	**1.1%**	**0.0**	**371.3**	**3.5%**	**371.3**	**3.5%**	**0.0**
Lottery	**232.6**	**-1.1%**	**236.2**	**-1.4%**	**3.6**	**236.2**	**1.5%**	**239.8**	**1.5%**	**3.6**
Corporation Income Tax	345.2	-13.7%	358.7	-19.9%	13.5	348.3	0.9%	362.0	0.9%	13.7
Less: Refunds	(70.0)	-13.6%	(70.0)	-13.6%	0.0	(70.0)	0.0%	(70.0)	0.0%	0.0
CIT Less Refunds	275.2	-13.7%	288.7	-21.3%	13.5	278.3	1.1%	292.0	1.1%	13.7
Realty Transfer Tax	**221.5**	**-8.0%**	**221.5**	**-8.0%**	**0.0**	**257.4**	**16.2%**	**257.4**	**16.2%**	**0.0**
Cigarette Taxes	**98.6**	**-3.3%**	**98.6**	**-3.3%**	**0.0**	**96.2**	**-2.4%**	**96.2**	**-2.4%**	**0.0**
Bank Franchise Tax	104.9	3.8%	104.9	3.8%	0.0	107.2	2.2%	107.2	2.2%	0.0
Insurance Taxes and Fees	108.1	-2.3%	108.1	-2.3%	0.0	112.8	4.3%	112.8	4.3%	0.0
Hospital Board and Treatment	23.8	1.7%	23.8	1.7%	0.0	24.0	0.8%	24.0	0.8%	0.0
Public Utility Tax	**32.9**	**-3.2%**	**34.9**	**-3.1%**	**2.0**	**31.8**	**-3.3%**	**33.7**	**-3.4%**	**1.9**
Alcoholic Beverage Tax	**32.9**	**1.5%**	**32.9**	**1.5%**	**0.0**	**33.2**	**1.0%**	**33.2**	**1.0%**	**0.0**
Dividends and Interest	**184.1**	**355.7%**	**113.2**	**291.7%**	**(70.9)**	**167.2**	**-9.2%**	**107.0**	**-5.5%**	**(60.2)**
Other Revenues	**69.5**	**-15.5%**	**69.5**	**-16.0%**	**0.0**	**69.5**	**0.0%**	**70.1**	**0.9%**	**0.6**
Less: Other Refunds	(18.4)	-30.6%	(16.9)	-33.2%	1.5	(18.4)	0.0%	(16.9)	0.0%	1.5
Net Receipts	**6,088.9**	**-1.2%**	**6,038.3**	**-3.0%**	**(50.6)**	**6,236.7**	**2.4%**	**6,179.3**	**2.3%**	**(57.4)**
Adj Growth Rate					**-4.3%**				**2.8%**	

Transportation Trust Fund Expenditure Report

Delaware Department of Transportation
US 301 FY 2023 Expenditures, Through April 30, 2023

83%

	FY2021 Actual	FY2022 Actual	FY2023 Appropriation	OCTOBER FY2023 Forecast	DECEMBER FY2023 FORECAST	MARCH FY2023 Forecast	MAY FY2023 Forecast	$ difference March to May	$ difference Forecast V. FY2022 Actual	FY2023 YTD Spend	% spent YTD
US301 Operations											
Debt Service - TRB	13.4	15.3	15.5	15.5	15.5	15.5	15.5	0.0	0.2	4.9	32%
Operations	3.1	2.6	3.1	3.1	3.1	3.1	3.1	0.0	0.5	2.2	71%
Total Expenditures - Operations	16.5	17.9	18.6	18.6	18.6	18.6	18.6	0.0	0.7	7.1	38%
US301 Capital											
Toll Revenue Bonds	6.0	7.8	7.2	7.2	7.2	7.2	1.2	6.0	(6.6)	1.0	14%
TIFIA Loan	20.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0%
Total US301	26.9	7.8	7.2	7.2	7.2	7.2	1.2	6.0	(6.6)	1.0	14%
TOTAL EXPENDITURES	43.4	25.7	25.8	25.8	25.8	25.8	19.8	6.0	(5.9)	8.1	31%

Delaware Department of Transportation
FY 2023 Expenditures, Through April 30, 2023

83%

	FY2021 Actual	FY2022 Actual	FY2023 Appropriation	OCTOBER FY2023 Forecast	DECEMBER FY2023 Forecast	MARCH FY2023 Forecast	MAY FY2023 Forecast	$ difference March to May	$ difference Forecast V. FY2022 Actual	FY2023 YTD Spend	% spent YTD
Operations			w/o US301								
Debt Service	93.5	67.0	80.5	80.5	83.0	83.0	83.0	0.0	16.0	83.0	100%
Personnel Costs	102.6	105.6	116.5	116.5	116.5	116.5	111.9	(4.6)	6.3	90.6	81%
Operations/Capital Outlay	60.5	66.8	73.6	73.6	73.6	73.6	67.1	(6.5)	0.3	55.3	82%
Transit Operations (DTC)	46.6	79.8	80.3	80.3	80.3	80.3	80.3	0.0	0.5	66.9	83%
Total Expenditures - Operations	303.2	319.2	350.9	350.9	353.4	353.4	342.3	(11.1)	23.1	295.8	86%
State Capital											
Road System	258.3	197.7	205.8	205.8	205.8	205.8	210.5	4.7	12.8	165.0	78%
Grants & Allocations	30.2	26.7	44.2	44.2	44.2	44.2	44.2	0.0	17.5	26.2	59%
Support Systems	54.7	45.8	40.7	40.7	40.7	40.7	48.9	8.2	3.1	40.3	82%
Transit	27.0	29.9	29.4	29.4	29.4	29.4	23.2	(6.2)	(6.7)	17.2	74%
State Capital	370.2	300.1	320.1	320.1	320.1	320.1	326.8	6.7	26.7	248.7	78%
Federal Capital											
Federal Capital	293.5	261.1	325.0	325.0	325.0	300.0	275.0	(25.0)	13.9	192.2	64%
Total Expenditures - Capital	663.7	561.2	645.1	645.1	645.1	620.1	601.8	(18.3)	40.6	440.9	71%
TOTAL EXPENDITURES	966.9	880.4	996.0	996.0	998.5	973.5	944.1	(29.4)	63.7	736.7	76%

	OCTOBER FY2023 Forecast	DECEMBER FY2023 Forecast	MARCH FY2023 Forecast	MAY FY2023 Forecast	$ difference Mar to May	FY2023 YTD Spend	% spent YTD
DelDOT	996.0	998.5	973.5	944.1	$ (29.4)	$ 736.7	76%
US301	25.8	25.8	25.8	19.8	$ 6.0	$ 8.1	31%
TOTAL	1,021.8	1,024.3	999.3	963.9	$ (23.4)	$ 744.8	73%

Transportation Trust Fund
Revenue Report

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

				Fiscal 2023			Fiscal 2024		
	FY21	FY22	% Chg.	3/20/2023 Approved	**5/15/2023 Recomm**	% Chg. FY 22	3/20/2023 Approved	**5/15/2023 Recomm**	% Chg. FY 23
TOLL ROAD REVENUES:									
I95 Newark Plaza	$114.4	$142.2	24.3%	**$135.5**	**$135.5**	-4.7%	$140.0	**$140.0**	3.3%
Route 1 Toll Road	55.0	62.6	13.8%	**$61.6**	**$61.6**	-1.6%	$64.9	**$64.9**	5.4%
Concessions	1.3	1.6	23.1%	**$2.1**	**$2.1**	28.8%	$2.2	**$2.2**	4.8%
Total Toll Road Revenues	170.7	206.4	20.9%	**$199.2**	**$199.2**	-3.5%	$207.1	**$207.1**	4.0%
MOTOR FUEL TAX ADMIN.	128.5	136.7	6.4%	**$138.0**	**$138.0**	1.0%	**$146.1**	**$146.1**	5.9%
DIVISION OF MOTOR VEHICLES									
Motor Vehicle Document Fees	138.9	146.2	5.3%	**$150.5**	**$164.0**	12.2%	$130.4	**$130.4**	-20.5%
Motor Vehicle Registration Fees	60.8	57.4	-5.6%	**$59.5**	**$59.5**	3.6%	$64.2	**$64.2**	7.9%
Other DMV Revenues	37.0	39.7	7.3%	**$40.7**	**$40.7**	2.6%	$45.3	**$45.3**	11.3%
Total DMV Revenues	236.7	243.3	2.8%	**$250.7**	**$264.2**	8.6%	$239.9	**$239.9**	-9.2%
OTHER TRANSPORTATION REV.									
Other Transportation Rev	11.4	9.6	-15.8%	**$8.0**	**$8.0**	-16.3%	$9.2	**$9.2**	15.0%
Investment Income(Net)	2.4	1.3	-45.8%	**$8.5**	**$8.5**	536.2%	$4.0	**$4.0**	-52.9%
Total Other Transp. Revenue	13.8	10.9	-21.0%	**$16.5**	**$16.5**	51.4%	$13.2	**$13.2**	-20.0%
GRAND TOTAL	$549.7	$597.3	8.7%	$604.4	$617.9	3.4%	$606.3	$606.3	-1.9%
					$13.5			$0.0	

	FY21	FY22	% Chg.	Fiscal 2023			Fiscal 2024		
US301 Revenues	**$ 19.9**	**$ 22.0**	10.6%	**$ 23.7**	**$ 23.7**	**7.6%**	**$ 24.0**	**$ 24.0**	**1.3%**
TOTAL	**$ 569.6**	**$ 619.3**	8.7%	**$ 628.1**	**$ 641.6**	3.6%	**$ 630.3**	**$ 630.3**	-1.8%

Miscellaneous

DEFAC
Recommended General Fund Revenue Estimate

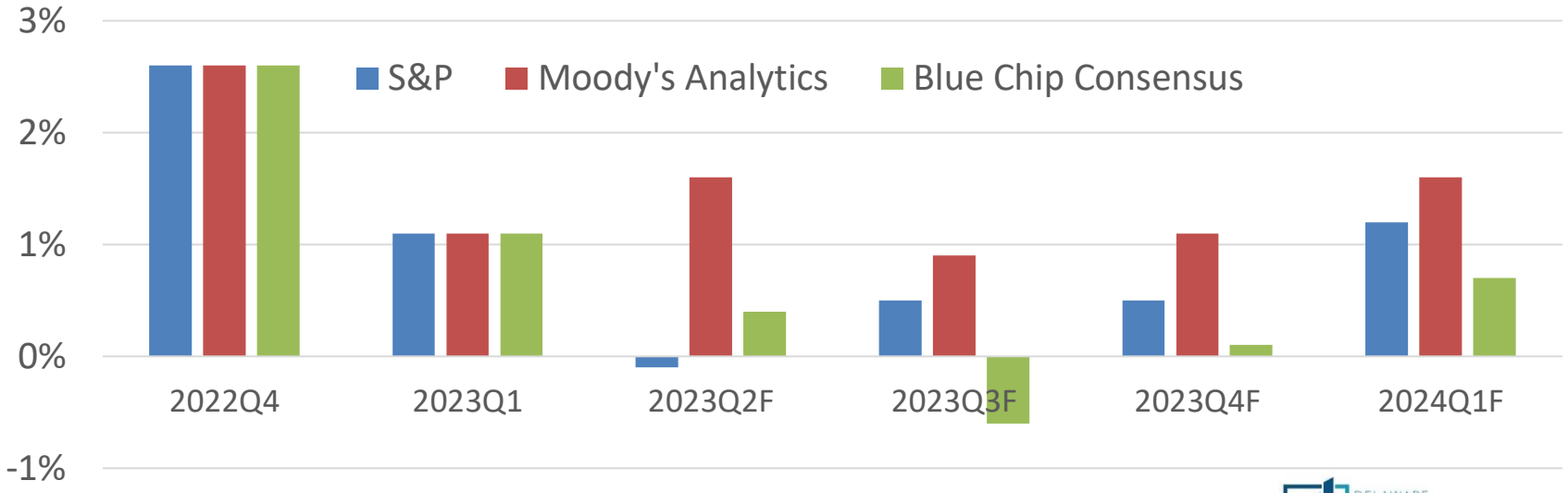
May 15, 2023

S&P Forecast Highlights

- Soft growth in 2023, with recession possible
- Federal Reserve rate increases have ended
- Had assumed debt ceiling crisis would be resolved, but now reflect risk through mid-year drop in stock market, constraining growth
- 2024 could see tighter monetary policy and, depending on debt ceiling resolution, tighter fiscal policy

Recession Odds

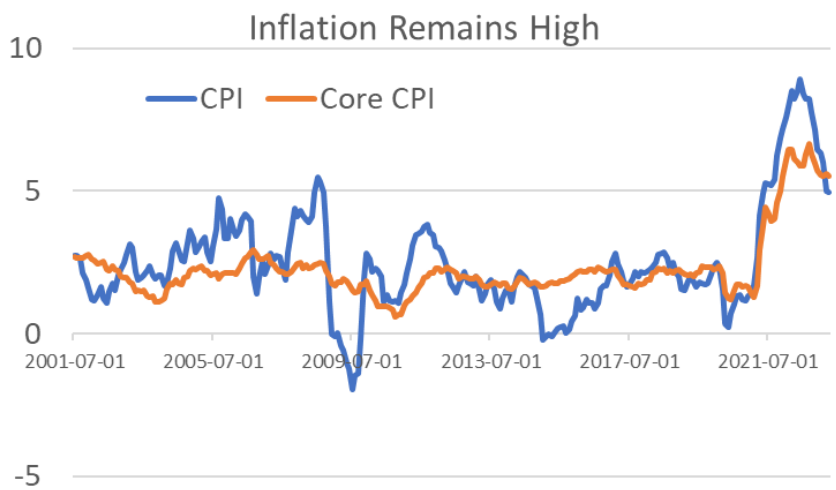
- Real GDP growth hits a trough this summer
- Despite below forecasts, Blue Chip Consensus odds for a recession starting this year are 63%
- In any case, below-trend growth for near term



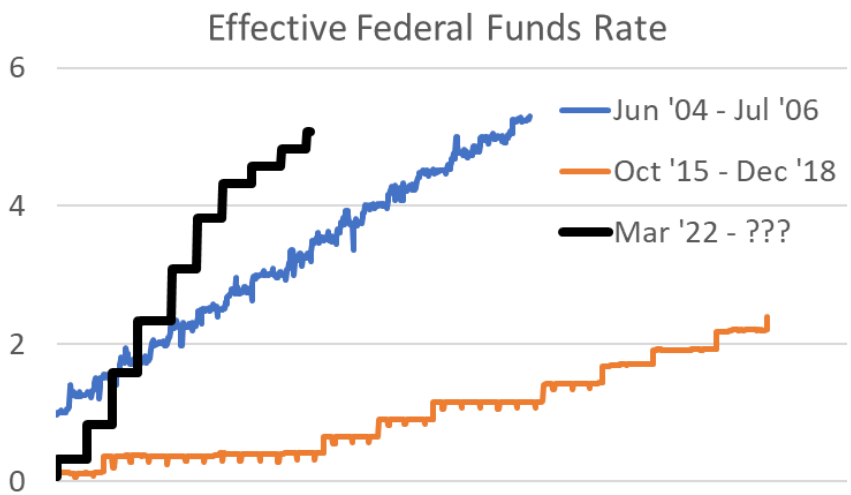
DELAWARE DEPARTMENT OF FINANCE

Aggressive Tightening

- Tighter credit as a result of recent bank failures may replace some Fed increases
- Nevertheless, persistent inflation and low unemployment may require further Fed action



Source: Bureau of Labor Statistics

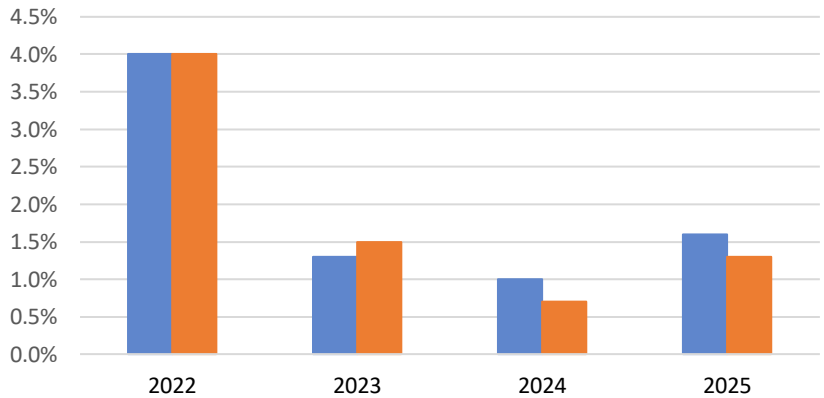


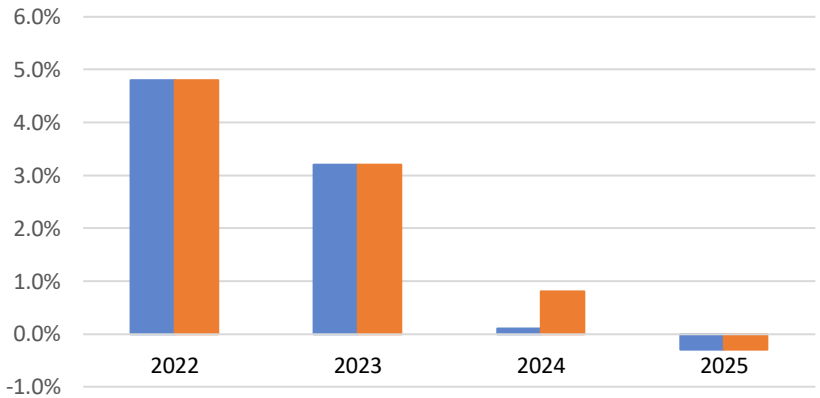
Source: Federal Reserve

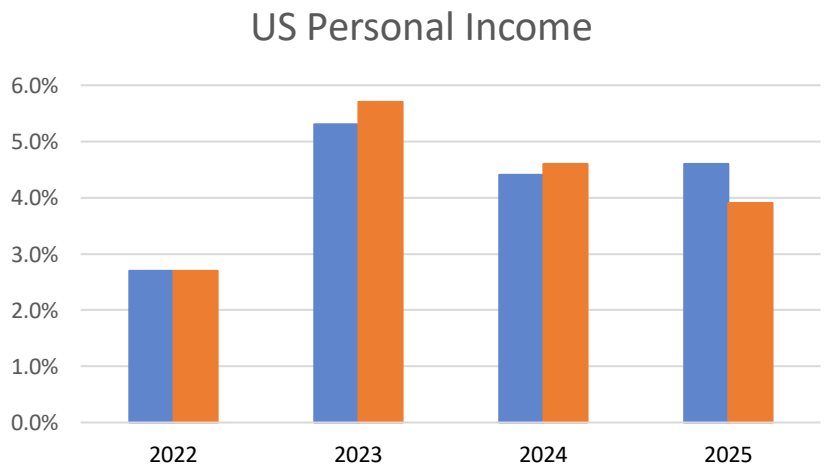
DELAWARE DEPARTMENT OF FINANCE

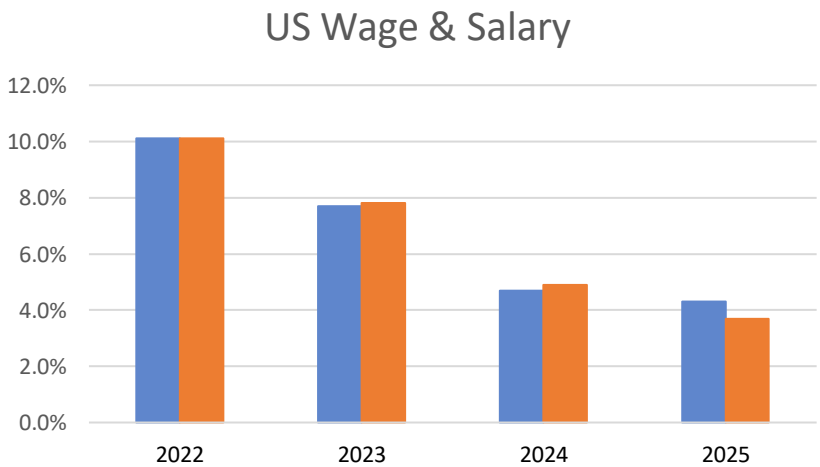
US Outlook Largely Unchanged

Fiscal Year Forecasts, U.S. Economy









Source: S&P Global, May 8, 2023

March

May

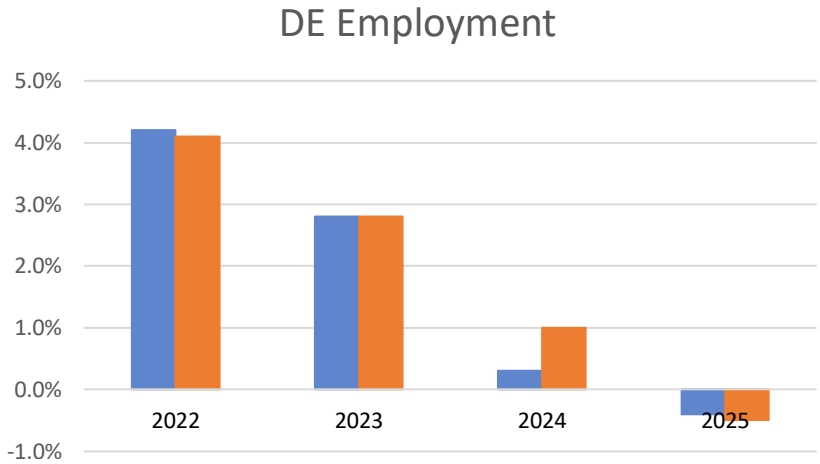
DELAWARE DEPARTMENT OF FINANCE

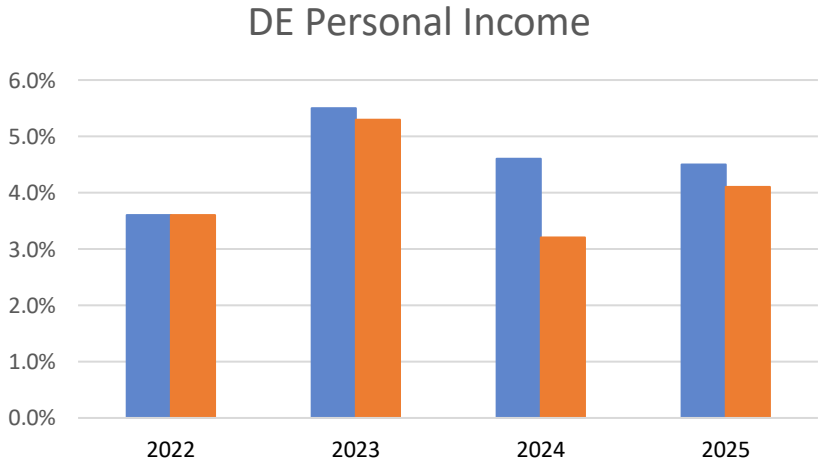
Delaware Economic Outlook

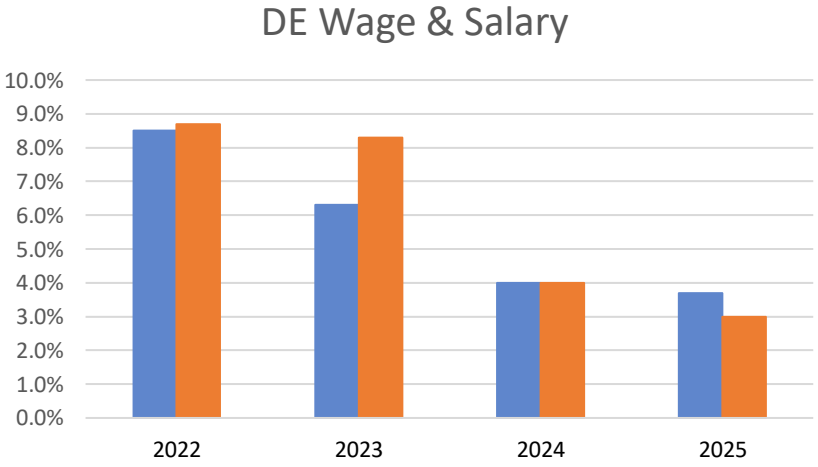
- Employment slightly stronger in fiscal year 2024
- Wage income much stronger this year due to revised 2022Q2 and Q3
- Offset by increases to
  - Contributions to social insurance (a deduction from personal income), directly tied to wages
  - Residence adjustment (negative for DE)
- As a result, total personal income essentially the same

Delaware Outlook Also Minimally Changed

Fiscal Year Forecasts







March May

DELAWARE DEPARTMENT OF FINANCE

Final PIT

$ in millions	FY 2023	FY 2024	FY 2025
Estimate	273.6	225.4	234.4
May Revision	89.5	34.7	24.1
Adj Growth	(27.4%)	(17.6%)	4.0%

FY 2023 Growth	
YTD	(22.4%)
Req'd	(33.7%)

- Filing season results relatively strong
- Have easily exceeded the March estimate ($184.1M)
- $163.1M through April, with over $70M MTD
- Revised estimate based on returns in the door (through the bulk of due-date returns) and typical processing patterns

DELAWARE DEPARTMENT OF FINANCE

PIT Refunds

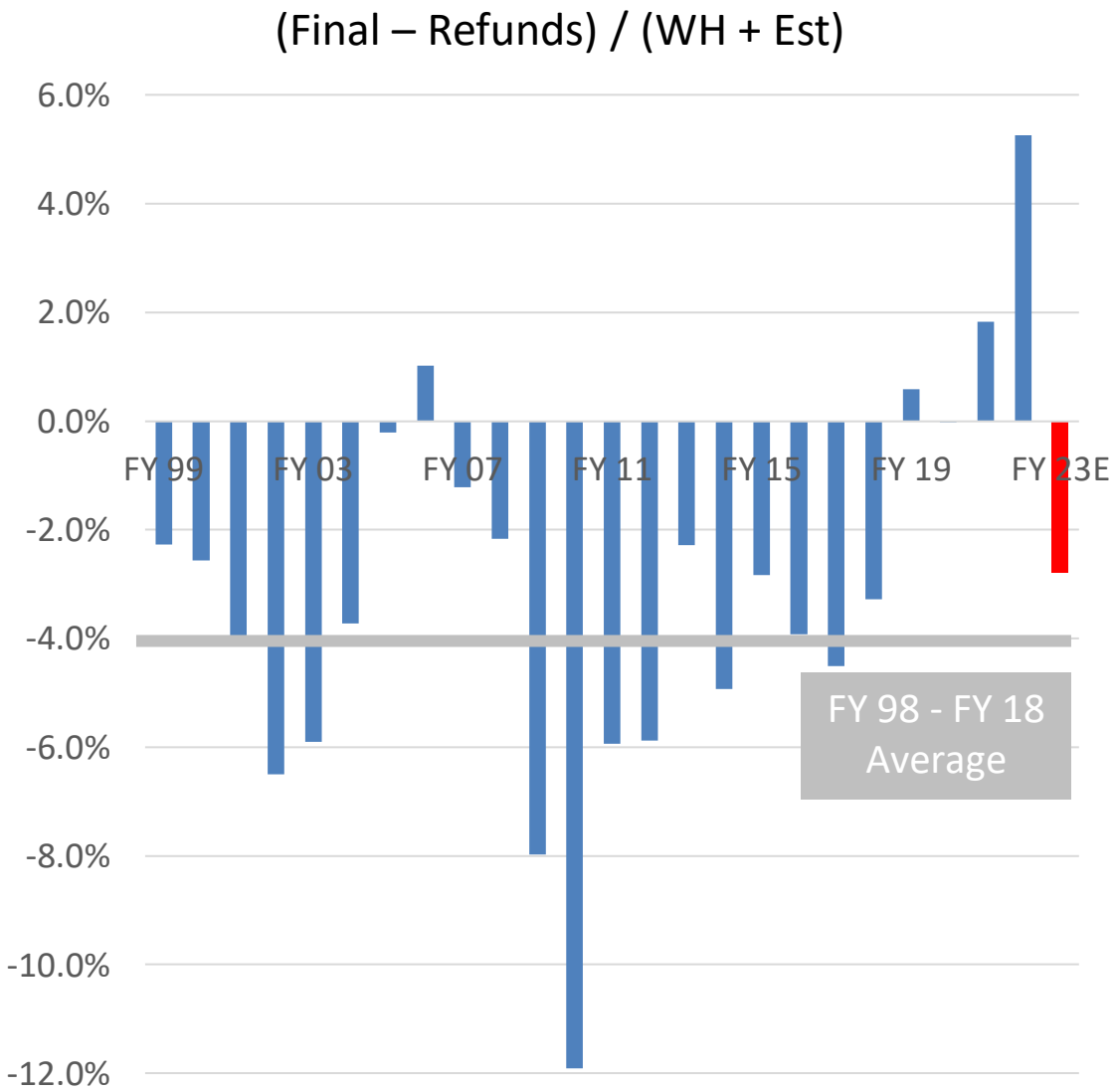
$ in millions	FY 2023	FY 2024	FY 2025
Estimate	(297.5)	(287.0)	(272.7)
May Revision	(41.3)	(35.0)	(33.3)
Adj Growth	11.5%	(17.1%)	8.2%

FY 2023 Growth	
YTD	(15.1%)
Req'd	100.8%

- Refunds also ahead of the forecast, and revision also based on returns in the door and typical processing
- Delayed processing due to new IT system (IRAS) pushes $35 million of tax year 2022 refunds into July (FY 24)

DELAWARE DEPARTMENT OF FINANCE

Reconciling Activity Update



- March revision assumed back to average
- With returns in the door, seem very unlikely to get there…but headed in the right direction

DELAWARE DEPARTMENT OF FINANCE

Net PIT

$ in millions	FY 2023	FY 2024	FY 2025
Estimate	2,091.1	2,083.0	2,195.4
May Revision	48.2	(0.3)	(18.4)
Adj Growth	(1.0%)	1.1%	3.4%

FY 2023 Growth	
YTD	5.7%
Req'd	32.2%

- Withholding and estimated on target—note 20.5% decline expected for estimated the rest of the year
- Assumed steep drop in capital gains is primarily responsible for this year's decline, slowing wages and safe harbor adjustments for slow growth in out-years

DELAWARE DEPARTMENT OF FINANCE

Net Corporate Franchise Tax

$ in millions	FY 2023	FY 2024	FY 2025
CFT Estimate	1,391.1	1,268.9	1,268.9
Mar Revision	(20.7)	-	-
Adj Growth	8.9%	(9.8%)	0.0%

FY 2023 Growth	
YTD	7.9%
Req'd	8.8%

- Formation growth remains strong, but is slowing
- May adjustments largely due to tracking
- Increased refunds for the current year

DELAWARE DEPARTMENT OF FINANCE

Lottery

$ in millions	FY 2023	FY 2024	FY 2025
Estimate	239.6	236.2	239.8
May Revision	4.5	3.6	3.6
Adj Growth	1.4%	(1.3%)	1.4%

FY 2023 Growth	
YTD	2.5%
Req'd	(2.7%)

- Traditional tracking almost $1 million higher, but assumed to revert next year after large jackpots
- Remainder revised up $3.6 million, almost all video
- No discernable current trend, but recent 8-week average is very slight decline in play
- Forecast assumes that continues for rest of year, but stronger than expected

DELAWARE DEPARTMENT OF FINANCE

Net Corporate Income Tax

$ in millions	FY 2023	FY 2024	FY 2025
Estimate	366.9	288.7	292.0
May Revision	47.9	13.5	13.7
Adj Growth	12.0%	(24.6%)	(1.9%)

FY 2023 Growth	
YTD	35.3%
Req'd	(19.6%)

Gross Collections

- Q1 tentative payments (50% of tax year liability, in theory) grew roughly 20%
- 20% Q2 squarely within (adjusted) tracking ($445 million to $450 million)
- Strength continues across the board—technology, communications, home building, and more
- Increasing caution for out-years

DELAWARE DEPARTMENT OF FINANCE

Interest and Dividends

$ in millions	FY 2023	FY 2024	FY 2025
Estimate	28.9	113.2	107.0
Mar Revision	(11.5)	(70.8)	(60.2)
Adj Growth	129%	292%	(5.5%)

FY 2023 Growth	
YTD	43.4%
Req'd	(607%)

- The Fed anticipates tighter monetary policy for the next few years given still-present inflation pressures and a relatively strong economic backdrop
- OST expects interest rates to remain elevated and views a "hard landing" scenario with a Fed pivot as a less likely economic outcome
- As such, the current yield environment is supportive for fixed income returns and a positive SSF payout rate
- Additional interest rate volatility is expected given ongoing debt ceiling discussions and the potential for further fallout from banking sector stress
- Expected returns for fixed income asset classes have dramatically increased over the last year, reflecting the transition to a higher interest rate environment

DELAWARE DEPARTMENT OF FINANCE

Other Revenues & Refunds

- Business Entity Fees down $8.8 million and UCC down $2.1 million; current year only
- Public Utility Tax, Other Revenues and Other Refunds adjusted based on tracking
- No change to Realty Transfer Tax—down 30% December through May (county collections)

Fiscal Year 2023 Recommended Forecast

May-23 DEFAC Meeting	FY 2022	FY 2023				
	A	B	C	D	E	F
	Actual	DEFAC	%	DEFAC	%	$ Increase
Revenue Category	Collections	Mar-23	B over A	May-23	D over A	D over B
Personal Income Tax	**2,375.8**	**2,299.1**	**-3.2%**	**2,388.6**	**0.5%**	**89.5**
Less: Refunds	**(466.4)**	**(256.2)**	**-45.1%**	**(297.5)**	**-36.2%**	**(41.3)**
PIT Less Refunds	**1,909.4**	**2,042.9**	**7.0%**	**2,091.1**	**9.5%**	**48.2**
Franchise Tax	1,300.4	1,421.8	9.3%	1,406.1	8.1%	(15.7)
Limited Partnerships & LLC's	422.6	464.0	9.8%	464.0	9.8%	0.0
Subtotal Franchise + LP/LLC	1,723.1	1,885.8	9.4%	1,870.1	8.5%	(15.7)
Less: Refunds	(14.3)	(10.0)	-30.1%	(15.0)	4.8%	(5.0)
Net Franchise + LP/LLC	1,708.7	1,875.8	9.8%	1,855.1	8.6%	(20.7)
Business Entity Fees	**164.2**	**167.4**	**1.9%**	**159.4**	**-2.9%**	**(8.0)**
Uniform Commercial Code	**31.0**	**31.0**	**-0.1%**	**28.9**	**-6.9%**	**(2.1)**
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	(204.6)	(160.0)	-21.8%	(160.0)	-21.8%	0.0
Unclaimed Prop Less Refunds	349.4	394.0	12.8%	394.0	12.8%	0.0
Gross Receipts Tax	**331.0**	**354.9**	**7.2%**	**354.9**	**7.2%**	**0.0**
Lottery	**236.0**	**235.1**	**-0.4%**	**239.6**	**1.5%**	**4.5**
Corporation Income Tax	379.5	400.0	5.4%	447.9	18.0%	47.9
Less: Refunds	(65.3)	(81.0)	24.1%	(81.0)	24.1%	0.0
CIT Less Refunds	314.2	319.0	1.5%	366.9	16.8%	47.9
Realty Transfer Tax	**304.3**	**240.8**	**-20.9%**	**240.8**	**-20.9%**	**0.0**
Cigarette Taxes	**115.3**	**102.0**	**-11.6%**	**102.0**	**-11.6%**	**0.0**
Bank Franchise Tax	113.2	101.1	-10.7%	101.1	-10.7%	0.0
Insurance Taxes and Fees	98.6	110.6	12.1%	110.6	12.1%	0.0
Hospital Board and Treatment	21.0	23.4	11.5%	23.4	11.5%	0.0
Public Utility Tax	**29.6**	**34.0**	**14.8%**	**36.0**	**21.6%**	**2.0**
Alcoholic Beverage Tax	**30.9**	**32.4**	**4.8%**	**32.4**	**4.8%**	**0.0**
Dividends and Interest	**12.6**	**40.4**	**220.4%**	**28.9**	**129.2%**	**(11.5)**
Other Revenues	**70.8**	**82.2**	**16.0%**	**82.7**	**16.7%**	**0.5**
Less: Other Refunds	(10.6)	(26.5)	150.0%	(25.3)	138.7%	1.2
Net Receipts	**5,829.9**	**6,160.5**	**5.7%**	**6,222.5**	**6.7%**	**62.0**

Fiscal Year 2024 Recommended Forecast

May-23 DEFAC Meeting	FY 2024				
	G	H	I	J	K
	DEFAC	%	DEFAC	%	$ Increase
Revenue Category	Mar-23	G over B	May-23	I over D	I over G
Personal Income Tax	**2,335.3**	**1.6%**	**2,370.0**	**-0.8%**	**34.7**
Less: Refunds	**(252.0)**	**-1.6%**	**(287.0)**	**-3.5%**	**(35.0)**
PIT Less Refunds	**2,083.3**	**2.0%**	**2,083.0**	**-0.4%**	**(0.3)**
Franchise Tax	1,278.9	-10.1%	1,278.9	-9.0%	0.0
Limited Partnerships & LLC's	460.8	-0.7%	460.8	-0.7%	0.0
Subtotal Franchise + LP/LLC	1,739.7	-7.7%	1,739.7	-7.0%	0.0
Less: Refunds	(10.0)	0.0%	(10.0)	-33.3%	0.0
Net Franchise + LP/LLC	1,729.7	-7.8%	1,729.7	-6.8%	0.0
Business Entity Fees	**150.0**	**-10.4%**	**150.0**	**-5.9%**	**0.0**
Uniform Commercial Code	**26.5**	**-14.5%**	**26.5**	**-8.3%**	**0.0**
Unclaimed Property	525.0	-5.2%	525.0	-5.2%	0.0
Less: Refunds	(150.0)	-6.3%	(150.0)	-6.3%	0.0
Unclaimed Prop Less Refunds	375.0	-4.8%	375.0	-4.8%	0.0
Gross Receipts Tax	**358.7**	**1.1%**	**358.7**	**1.1%**	**0.0**
Lottery	**232.6**	**-1.1%**	**236.2**	**-1.4%**	**3.6**
Corporation Income Tax	345.2	-13.7%	358.7	-19.9%	13.5
Less: Refunds	(70.0)	-13.6%	(70.0)	-13.6%	0.0
CIT Less Refunds	275.2	-13.7%	288.7	-21.3%	13.5
Realty Transfer Tax	**221.5**	**-8.0%**	**221.5**	**-8.0%**	**0.0**
Cigarette Taxes	**98.6**	**-3.3%**	**98.6**	**-3.3%**	**0.0**
Bank Franchise Tax	104.9	3.8%	104.9	3.8%	0.0
Insurance Taxes and Fees	108.1	-2.3%	108.1	-2.3%	0.0
Hospital Board and Treatment	23.8	1.7%	23.8	1.7%	0.0
Public Utility Tax	**32.9**	**-3.2%**	**34.9**	**-3.1%**	**2.0**
Alcoholic Beverage Tax	**32.9**	**1.5%**	**32.9**	**1.5%**	**0.0**
Dividends and Interest	**184.1**	**355.7%**	**113.2**	**291.7%**	**(70.9)**
Other Revenues	**69.5**	**-15.5%**	**69.5**	**-16.0%**	**0.0**
Less: Other Refunds	(18.4)	-30.6%	(16.9)	-33.2%	1.5
Net Receipts	**6,088.9**	**-1.2%**	**6,038.3**	**-3.0%**	**(50.6)**

Fiscal Year 2025 Recommended Forecast

May-23 DEFAC Meeting	FY 2025				
	L	M	N	O	P
	DEFAC	%	DEFAC	%	$ Increase
Revenue Category	Mar-23	L over G	May-23	N over I	N over L
Personal Income Tax	**2,453.2**	**5.0%**	**2,468.0**	**4.1%**	**14.8**
Less: Refunds	**(239.4)**	**-5.0%**	**(272.7)**	**-5.0%**	**(33.3)**
PIT Less Refunds	**2,213.8**	**6.3%**	**2,195.3**	**5.4%**	**(18.5)**
Franchise Tax	1,278.9	0.0%	1,278.9	0.0%	0.0
Limited Partnerships & LLC's	460.8	0.0%	460.8	0.0%	0.0
Subtotal Franchise + LP/LLC	1,739.7	0.0%	1,739.7	0.0%	0.0
Less: Refunds	(10.0)	0.0%	(10.0)	0.0%	0.0
Net Franchise + LP/LLC	1,729.7	0.0%	1,729.7	0.0%	0.0
Business Entity Fees	**150.0**	**0.0%**	**150.0**	**0.0%**	**0.0**
Uniform Commercial Code	**26.5**	**0.0%**	**26.5**	**0.0%**	**0.0**
Unclaimed Property	500.0	-4.8%	500.0	-4.8%	0.0
Less: Refunds	(150.0)	0.0%	(150.0)	0.0%	0.0
Unclaimed Prop Less Refunds	350.0	-6.7%	350.0	-6.7%	0.0
Gross Receipts Tax	**371.3**	**3.5%**	**371.3**	**3.5%**	**0.0**
Lottery	**236.2**	**1.5%**	**239.8**	**1.5%**	**3.6**
Corporation Income Tax	348.3	0.9%	362.0	0.9%	13.7
Less: Refunds	(70.0)	0.0%	(70.0)	0.0%	0.0
CIT Less Refunds	278.3	1.1%	292.0	1.1%	13.7
Realty Transfer Tax	**257.4**	**16.2%**	**257.4**	**16.2%**	**0.0**
Cigarette Taxes	**96.2**	**-2.4%**	**96.2**	**-2.4%**	**0.0**
Bank Franchise Tax	107.2	2.2%	107.2	2.2%	0.0
Insurance Taxes and Fees	112.8	4.3%	112.8	4.3%	0.0
Hospital Board and Treatment	24.0	0.8%	24.0	0.8%	0.0
Public Utility Tax	**31.8**	**-3.3%**	**33.7**	**-3.4%**	**1.9**
Alcoholic Beverage Tax	**33.2**	**1.0%**	**33.2**	**1.0%**	**0.0**
Dividends and Interest	**167.2**	**-9.2%**	**107.0**	**-5.5%**	**(60.2)**
Other Revenues	**69.5**	**0.0%**	**70.1**	**0.9%**	**0.6**
Less: Other Refunds	(18.4)	0.0%	(16.9)	0.0%	1.5
Net Receipts	**6,236.7**	**2.4%**	**6,179.3**	**2.3%**	**(57.4)**

Balance & Appropriations

FY 2023 EXPENDITURES

Total Spending Authority	$7,503.4
Less: Continuing Appropriations & Encumbrances from FY23	($1,670.3)
Less: Reversions	($40.0)
Total Expenditures	$5,793.1

FY 2023 BUDGET

Budget	$5,099.7
Grants	$69.4
Supplemental	$1,234.1
Total Appropriations	$6,403.2
Plus: Continuing Appropriations & Encumbrances from Prior Years	$1,100.2
Total Spending Authority	$7,503.4

FY 2023 BALANCES

Total Expenditures	$5,793.1
vs. FY 2023 Revenues	$6,222.5
Operating Balance	$429.4
Prior Year Cash Balance	$2,605.3
Less: Budget Stabilization Fund (83 Del Law c 325; SB 250, Section 71)	($402.6)
Cumulative Cash Balance	$2,632.1
Less: Continuing Appropriations & Encumbrances from FY 2023	($1,670.3)
Less: Budgetary Reserve Account	($316.4)
Unencumbered Cash Balance 6/30	$645.3

FY 2024 APPROPRIATION LIMITS

FY 2024 Revenue Estimate	$6,038.3
Unencumbered Cash Balance from FY 2023	$645.3
100% Appropriation Limit	$6,683.7
98% Appropriation Limit	$6,549.9
Prior 98% Appropriation Limit	$6,538.7
Increase (Decrease) from Prior Meeting	$11.2
Oct 2022 98% Appropriation Limit	$6,268.7
Increase (Decrease) from October 2022	$281.2

Budget Benchmark Index

May 15, 2023

Executive Order 21

DEFAC shall calculate an advisory "Benchmark Index" consisting of equal weightings of the 3-year average of:

(i) Delaware personal income growth and

(ii) Delaware population growth and inflation reflecting the pool of goods and services purchased by government (as represented by the "Implicit Price Deflator for State & Local Government Purchases")

DELAWARE DEPARTMENT OF FINANCE

Components
(calculated based on E.O. 21)

May 2022

FY	Income	Deflator	Population	Annual
2022	3.2%	7.4%	0.6%	5.6%
2021	6.2%	2.6%	0.8%	4.8%
2020	3.8%	1.4%	1.0%	3.1%
Benchmark Index: 4.5%				

December 2022

FY	Income	Deflator	Population	Annual
2023	5.1%	6.9%	0.7%	**6.4%**
2022	3.3%	8.7%	0.7%	**6.4%**
2021	6.4%	3.9%	0.9%	**5.6%**
Benchmark Index: 6.1%				

May 2023

FY	Income	Deflator	Population	Annual
2023	5.3%	6.3%	0.7%	**6.2%**
2022	3.6%	8.7%	0.7%	**6.5%**
2021	6.4%	3.9%	0.9%	**5.6%**
Benchmark Index: 6.1%				

DELAWARE DEPARTMENT OF FINANCE

Benchmark Calculations

FY 2023 Budget	a	$5,099.7
FY 2023 Grants-in-Aid	b	69.4
Operating Spending in Bond Bill	c	51.0
OPEB Set Aside	d	51.0
FY 2024 Benchmark Appropriation	e (a + b) * **1.061** + c + d	**5,586.4**
FY 2024 98% Appropriation Limit	*f*	6,549.9
FY 2024 Extraordinary Revenues/(Shortfall)	f – e	**963.5**

DELAWARE DEPARTMENT OF FINANCE

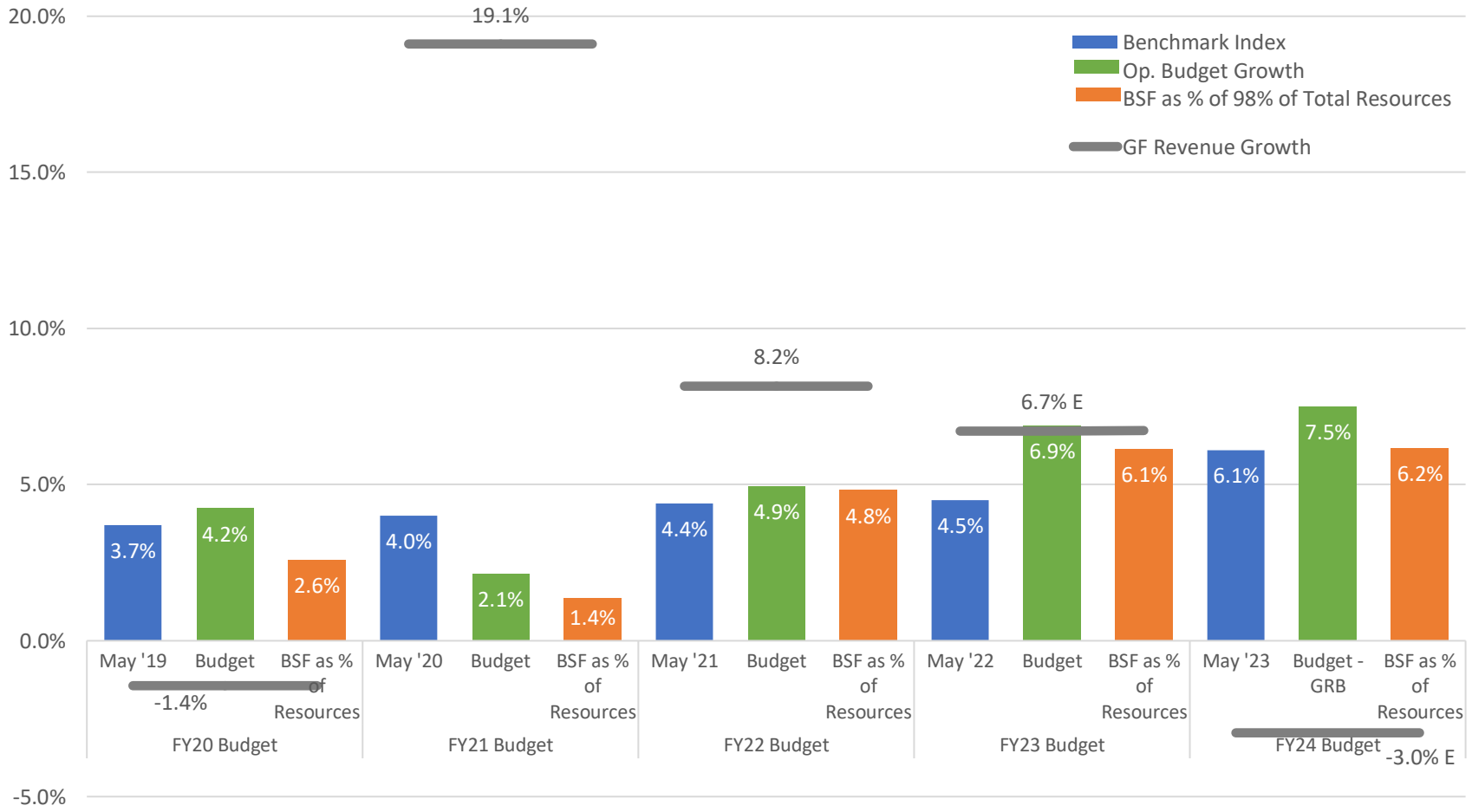
Budget Stabilization Fund

(For Budget and Planning Purposes Only)

FY 2023 100% Appropriation Limit	a	$6,700.2
FY 2023 98% Appropriation Limit	b	6,566.2
2% Set-Aside	c = a - b	134.0
FY 2023 Unencumbered Forecast	d	645.3
Budget Stabilization Fund Increment	e = max: (d – c) or 0	511.3
SB 250 Budget Stabilization Fund	f	402.6
Total Budget Stabilization Fund	**g = e + f**	**913.9**

DELAWARE DEPARTMENT OF FINANCE

Benchmark Enables Sustainable Growth



DELAWARE DEPARTMENT OF FINANCE

Healthcare Spending Benchmark Subcommittee Recommendation to DEFAC

MAY 15, 2023

Methodology Options Considered

- Different time frame for components: 5-10 years into the future, 3-8 years, 1-5 years
- Different measures for inflation: PCE, core PCE, CPI, core CPI
- Blending PGSP with median household income

Recommended Benchmark for CY24
Current Methodology

Components	**Forecast for 5-10 Years into Future**
Expected growth in national labor force productivity	1.4
+ Expected growth in Delaware's civilian labor force	0.1
+ Expected national inflation (PCE)	2.0
= Nominal PGSP growth	**3.5**
– Expected population growth in Delaware	0.5
= PGSP/Spending Benchmark	**3.0**

Consideration/Approval of CY24 Benchmark

Thank you!

For more information about the health care spending benchmark:
https://dhss.delaware.gov/dhcc/global.html

DHCC@delaware.gov