

2009 Transportation Challenges

Because of the increasing demands on the State's transportation system, limited resources for the design and construction of necessary projects to improve safety and provide needed mobility, and increases in the costs of land acquisition, labor and raw materials needed to construct and maintain a variety of transportation improvements, the State may be unable to provide, on a timely basis, key projects identified in the Department's Capital Transportation Program.

To help meet transportation needs a new revenue package was implemented in fiscal 2008 and included toll increases on both of Delaware's toll roads, as well as several Division of Motor Vehicle fee increases. A new non-pledged revenue source was also added to the Trust Fund in the form of a 50% surcharge on traffic violation fines.

The economic downturn in FY2009 resulted in revenue decreases in all of the pledged revenue categories, with the exception of I-95 Tolls and concession which benefited from the toll increase. SR-1 revenues were also up for the year. Total revenues from all sources declined slightly compared to FY2008.

Current Financial Plan

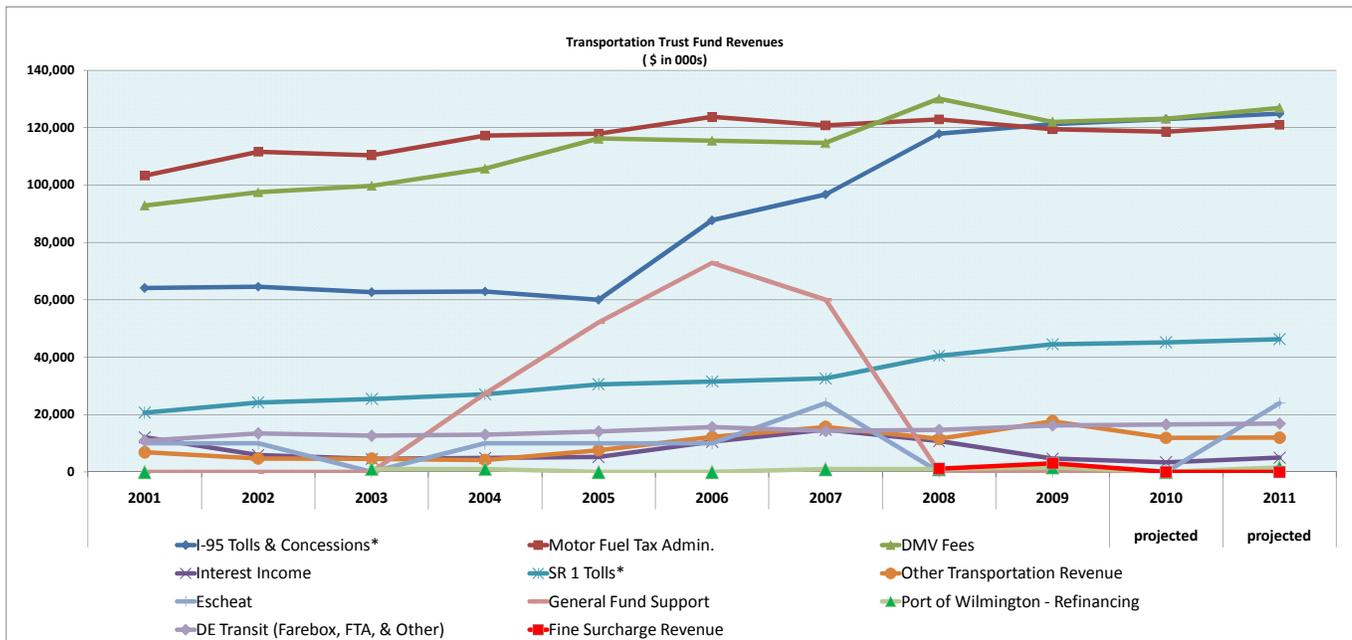
The revenue sources are combined with the proceeds of the Transportation System Revenue Bonds and support from the federal government to fund the Department's total transportation budget - both operating and capital. The Department updates its six-year financial plan concurrent with the preparation of the annual operating and capital budgets.

The current financial plan assumes that the existing sources of revenues will meet projections without any further increases in the rates or fees. In the event revenues or other sources fall short of projections, the Department will either request additional revenues from the General Assembly, reduce the transportation program or a combination of both. The reductions will be done to a level which results in the Department continuing to meet the parameters established in its financial management guidelines of paying for at least 50% of its capital program with current revenues with debt service coverage of at least 2.25 times.

**Transportation Trust Fund Revenues
(\$ in 000s)**

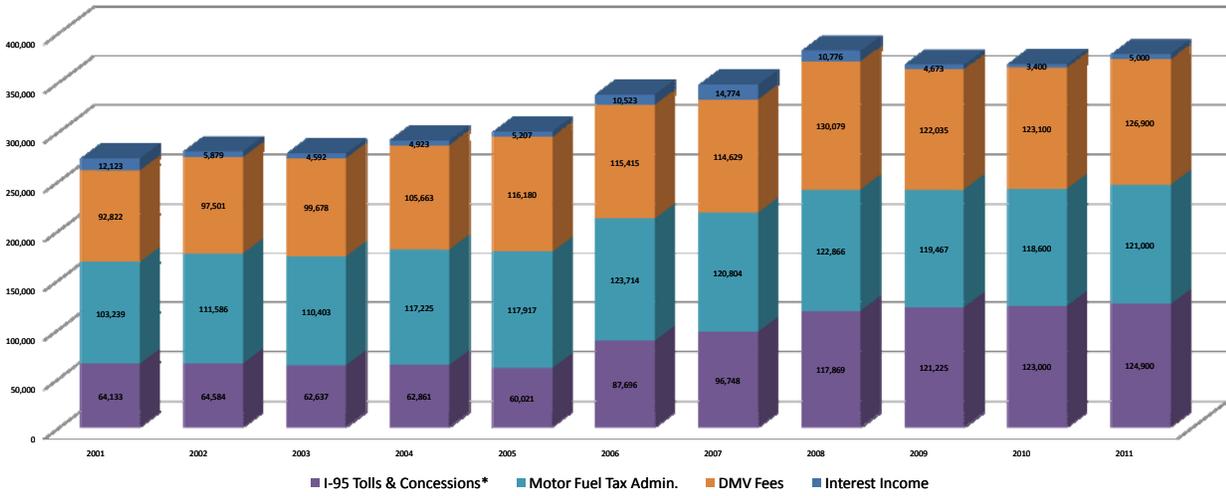
State Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	projected 2010	projected 2011
Pledged Revenues											
I-95 Tolls & Concessions*	64,133	64,584	62,637	62,861	60,021	87,696	96,748	117,869	121,225	123,000	124,900
Motor Fuel Tax Admin.	103,239	111,586	110,403	117,225	117,917	123,714	120,804	122,866	119,467	118,600	121,000
DMV Fees	92,822	97,501	99,678	105,663	116,180	115,415	114,629	130,079	122,035	123,100	126,900
Interest Income	12,123	5,879	4,592	4,923	5,207	10,523	14,774	10,776	4,673	3,400	5,000
Total Pledged Revenues	272,317	279,550	277,310	290,672	299,325	337,348	346,955	381,591	367,400	368,100	377,800
Non-Pledged Revenues											
SR 1 Tolls*	20,709	24,223	25,443	27,101	30,563	31,524	32,606	40,509	44,497	45,200	46,300
Other Transportation Revenue	6,883	4,712	4,612	4,191	7,597	12,196	15,704	11,559	17,700	11,900	12,000
Total Non-Pledged Revenues	27,592	28,935	30,054	31,292	38,160	43,720	48,310	52,068	62,197	57,100	58,300
Other Sources											
Escheat	10,000	10,000	0	10,000	10,000	10,000	24,000	0	0	0	24,000
General Fund Support DNREC Reimbursement - White Clay	0	0	0	27,300	52,100	72,869	60,000	0	0	0	0
Port of Wilmington - Refinancing	0		1,065	1,059	0	0	1,000	1,000	1,618	0	1,628
DE Transit (Farebox, FTA, & Other)	10,961	13,511	12,640	13,064	14,100	15,676	14,332	14,705	16,219	16,543	16,874
Fine Surcharge Revenue								1,184	3,056	0	0
Property Sale Revenue (Not Graphed)								0	0	0	0
Total All Sources	320,870	331,996	321,069	373,387	413,685	479,613	494,597	450,548	450,490	441,743	478,602

FY2010 and FY2011 DEFACTO Forecast, December 2009

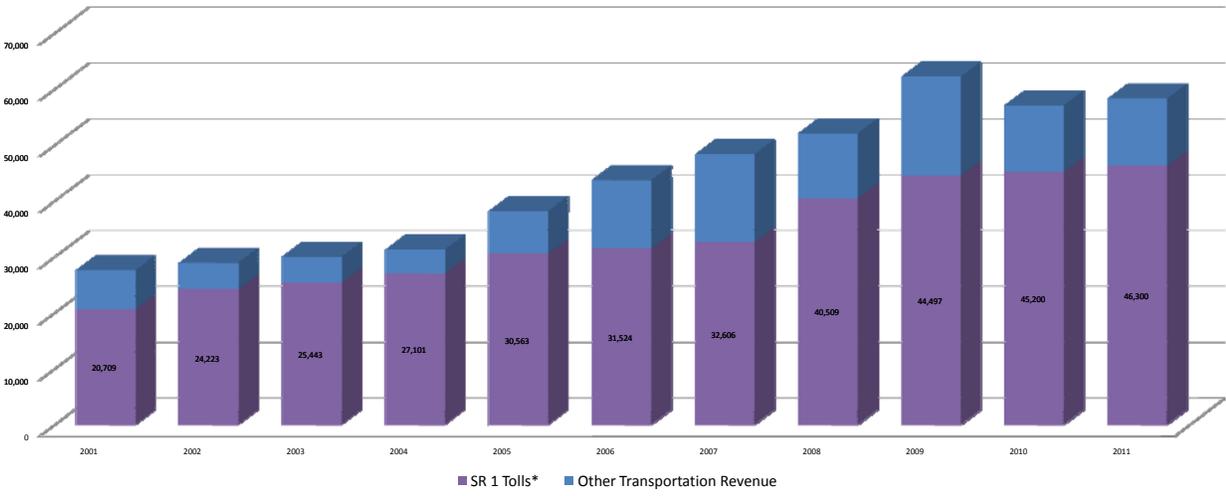


I-95 and SR-1 Toll revenues increased in FY2009 primarily due to the new revenue package, which affected 3-months of the fiscal year. Department of Motor Vehicle, Motor Fuel Tax and Interest Income revenues all declined as a result of the economic downturn. The "other" revenue category benefited from a one-time deposit of \$9.4M during the fiscal year. The escheat transfer was temporarily suspended in FY2008, FY2009 and again in FY2010. FY2010 and 2011 revenue projections are based on December 2009 DEFACTO approvals.

Pledged Revenues



UN Pledged Revenues



Other Revenue Sources

