



STATE OF DELAWARE
DEPARTMENT OF TRANSPORTATION
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SHANTÉ A. HASTINGS
SECRETARY

**Delaware Task Force on
Sustainable Transportation Funding
Meeting #3 Minutes**

Monday, January 12, 2026, at 1:00 p.m.
800 Bay Rd, Dover, DE – Farmington/Felton Conference Room and Zoom

MEMBERS	PRESENT	OTHER ATTENDEES
Shanté Hastings, Chair	Yes	Meaghan Barna, DelDOT*
Chris Baker	Yes*	Bente Bouthier, Delaware Public Media
Kendall Barbour	Yes*	Mark Buckalew, DelDOT
Paul Bauer	Yes*	Angela C *
Ken Branner	No	Melanie Carlson, DelDOT*
Robin Christiansen	No	Lanie Clymer, DelDOT
Rep. Rich Collins	Yes	Julie Fedele, CGO*
Chris Dukes	Yes*	Darnell Gittens*
John Gooden	Yes*	Erica Lambert*
Sean Matthews	Yes*	George Lees, DOJ/DelDOT
Brian Maxwell	Yes*	Mark Luszcz, DelDOT
Alex Meitzler	Yes	Matt Magarity*
Rep. Ed Osienski	Yes*	Valerie McCartan*
Sen. Brian Pettyjohn	Yes*	Amy Penney, DelDOT
Nicole Pilchard	No	Todd Reavis, DelDOT*
Michael Smith	Yes*	Robert Scoglietti*
Sen. David Sokola	Yes*	Aimee String, DelDOT*
Chris Ware	Yes*	Pam Steinebach, DelDOT
Ted Williams	No	Geoff Stewart, PFM*
		Andrea Wales*
		Angela (no last name)*

* Attended Virtually

I. Introduction

Sec. Hastings opened the meeting with a welcome and confirmed quorum.

- Mission Statement (slide 2) – DelDOT’s mission statement was reviewed: to provide excellence in transportation for every trip, every mode, every dollar, and everyone.
- Safety/Safe System Approach (slides 3-4) – A compilation was provided on fatal crashes for all of 2025, noting statistics like crash type, time of day, person type, and vulnerable road users. The year ended with 117 fatalities, which is approximately 10% down from last year. This is a tentative number, since in some instances people involved in a serious crash may pass away later so the numbers are finalized a couple of months into the new year. Our team uses this information to frame out systematic approaches as part of our Strategic Highway Safety Plan. As part of all our presentations, we highlight the Safe System Approach which is a national transportation safety initiative introduced by the Federal Highway Administration. As a department we are focused on being more proactive and redundant, with the goal of driving our serious and fatal crashes down to zero.

II. Overview of Agenda (slide 5) – The focus of the meeting will be a deep dive into DelDOT’s revenue and operating cost history, and will include high-level capital cost items. Following that will be determining action items, along with public comment. The next meeting will be on 2/11/26, 2:30 pm at the Dover Administration Building.

III. Approval of Meeting #2 Minutes – Sec. Hastings confirmed members attendance and asked if everyone reviewed the minutes and solicited any corrections or questions; none were voiced. Sec. Hastings then asked for a motion to approve, provided by Alex Mietzler and seconded by Kendall Barbour. All members in attendance were in favor. Minutes were approved.

IV. Operating Cost Review

Sec. Hastings & Dep. Sec. Clymer shared additional DelDOT background to inform discussion and aid in drafting recommendations.

- Operating Budget History (slide 7) – Presented actual expenditures of the department, as well as budgeted amounts for fiscal year 2026. These expenditures are broken out into five categories: DelDOT operating, DTC operating, debt service for the Transportation Trust Fund (TTF), storm/snow appropriation, and US301. The budget for US301 is maintained independent of DelDOT operations.

Qu – Brian Maxwell: What happened to the debt service line in 2023?

Ans – Dep. Sec. Clymer: There was a larger bond issue done, with associated debt service.

Qu – Rep. Collins: \$10M allocated for snow?

Ans – Sec. Hastings: Prior to 2015 we were budgeting about \$3M/yr but would need to supplement due to larger storm events (snow, flooding, other emergencies). The

money rolls year to year, and two years ago a change was made so that we no longer carry over more than \$10M. Any additional funds would be allocated to maintenance-type work.

Qu – Rep. Collins: How is DelDOT budget doing in relation to the state budget? Looks like DelDOT budget is quite a bit lower than the state budget.

Ans – Sec. Hastings: *We have not done that analysis but can work with OMB and provide a comparison.*

Ans - Brian Maxwell: explained briefly the state budget increases over a few years.

- Other Employee and Healthcare Costs (slide 8) – Will review the cost drivers of each expenditure item. One of the largest impacts has been healthcare costs, and in 2025, needed to increase the budget significantly. In FY 2011 the cost per full-time employee (FTE) was approximately \$11k, and for FY 2026 this cost is nearly \$21k. In addition, there are other employee costs (OEC's).
- FY26 Other Employee Costs (slide 9-10) – For DelDOT, OEC's are nearly 34% on top of each FTE salary (pension, family medical leave, workers compensation, unemployment insurance, etc). As an example, an employee making approximately \$30k per year salary, with the added OEC's and healthcare, is costing DelDOT about \$60.5k per year. Every effort is made to minimize requests for new positions due to rising operating costs.
- Total Personnel Costs (slide 11) – Review of DelDOT and DMV merit employees, not including DTC. Since FY11, staffing levels have increased by approximately 50 positions, while workload demands have grown substantially compared to 2011.

Qu – Rep. Collins: Will information be provided on the total number of personnel by year?

Ans – Sec. Hastings: We were below 1820 in 2011 and currently are about 1879 FTEs. Personnel and associated costs are a significant portion of the operating budget.

- Energy Expenditures (slide 12) – FY25 energy costs right now are slightly above what the costs were in FY11 and went down significantly from FY12 to FY22. The costs have crept back up in the last three years. These cost drivers consist of roadway lighting and electricity costs at our various facilities. We have introduced efficiencies into our facilities, but as part of our safety effort we have increased the roadway lighting inventory. Electric costs have gone up in recent years across the board as well.

Qu – Rep. Collins: Has switching to LED provided any savings?

Ans – Sec. Hastings and Mark Luszcz: Although LED lighting provides savings, many lights were found to be nonfunctional and restoring them resulted in the location being cost-neutral. Per fixture, the LED is significantly less expensive and generally lasts longer than the high-pressure sodium. Also, adding more traffic signals increases energy consumption.

- Storm/Emergency Costs (slide 13) – FY14 was the last year the budget was at \$3M; since FY15 until current, the budget has been at \$10M (blue line). The orange line shows the expenditures in any given year. Snow, flooding, or unforeseen emergencies comes out of this budget line.
- Debt Service Costs (slides 14) – In FY11 the annual debt service requirement was \$119M. Over the years there has been a very concerted effort to lower the overall debt of the department and ultimately reduce annual debt service payments. From FY12-15, we were able to reduce approximately 25%. Over the last ten years we have been maintaining approximately \$90-94M annually. Because of the declining debt service payments through the years, there is capacity to issue new debt. The department issued additional debt than was planned as a response to the pandemic when it was clear that there were declining revenues from transit operations and other revenue streams. Since 2015, because of the revenue package, the borrowing strategy has been to borrow \$75M every three years, allowing \$25M per year to supplement the capital program. The next scheduled sale would be in FY27, which is summer or fall of calendar year 2026. As previously noted, additional borrowing was undertaken during the pandemic and to meet the matching requirements associated with the increase of federal funding provided through BIL.

Qu – Rep. Collins: What year was the funding crisis for DelDOT several years ago?

Ans. – Sec. Hastings: Before the 2015 revenue package was the last time there was a significant concern for capital available.

- Supply Costs (slide 15) – Overview of the annual supply costs from FY11-FY25. These costs include supplies, fuel, and materials outside the capital program. The dip in costs for FY21 was due to the ability to recode some fuel costs using state ARPA funding. Annual costs are usually around \$10M.
- Contractual Costs (slide 16) – There are contractual costs within the department’s operating budget as well. Examples include fixing equipment that cannot be done in-house and contracted technology staff. These costs have nearly doubled from FY11, with contractual labor staffing costing more year over year.

V. Capital Cost Review

Sec. Hastings & Dep. Sec. Clymer presented.

- Capital Transportation Funding Overview (slide 18) – Review of the four main revenue categories (road systems, grants and allocations, transit systems, and support systems).
 - Road Systems: Work on roads, bridges, and multi-modal infrastructure.
 - Grants and Allocations: Includes the Community Transportation Fund (CTF), the program where legislators receive money each year to spend on transportation projects within their districts. DelDOT administers the program, but the legislators have full purview on how those monies are expended, following Rule 12 that lays out the types of capital transportation projects allowed. George Lees noted an example of a project that CTF funds can be used for: buying a piece of equipment for a transportation purpose but not leasing or renting that equipment. Municipal Street Aid also is funded by Grants and Allocations, which allocates transportation funding for municipalities based on their road mileage and population. The amount of

funding that gets divided up between all the municipalities is \$6M. Lastly, the Transportation Infrastructure Investment Fund (TIIF) supports economic development projects that are required to build transportation improvements because of their development project. An example of this would be an intersection that is negatively impacted by the additional traffic generated from a development project. This is a reimbursable program and there is a Council, independent of the Department that reviews all requests for any TIIF grant application. The Council can recommend approving or not approving any given project, and both the Secretary of Transportation and the Secretary of State must approve or not approve the request. Improvements must be within the state's right-of-way or permanent easement and must show public benefit. This fund is for businesses that are moving to the state or have significant expansion within the state, and can show retained or additional high quality, permanent job creation.

- Transit Systems: Includes purchasing buses, transit facilities, bus shelters and pads, and any other assets that support the overall transit system.
- Support Systems: Facilities, equipment purchases like plow trucks, information systems such as all the technological purchases to support our overall transportation network.

Qu – Sen. Sokola: More towards operating, but a commuter train line that went from Philadelphia to Newark was cancelled. Understand that there are tough decisions that need to be made based on ridership but wanted to see if there was additional information that could be provided.

Ans – Sec. Hastings: SEPTA has faced numerous challenges over the past year. Ridership on that line was very low. DelDOT funds SEPTA's operation of the line, with costs are partially offset by fare revenue. Due to low ridership and budget constraints, the service was discontinued. *John Sisson can provide a summary of the changes that were implemented.*

- State and Federal Capital Expenditures by Fiscal Year (slide 19) – Summary of the capital expenditures from FY19 to FY25. As discussed previously, there are certain roads that are eligible for federal funding and ones that are not. Most of the federal funding requires a state match, usually 10 or 20% depending on the program. During the last five years, the department has utilized federal funding at higher levels than state funding.
- Capital Expenditure History (slide 20) – Reviewed the breakdown of projects by the phase, such as preliminary engineering, construction inspection, construction costs, and contingency. The largest expenditure is for the construction phase. Due to staffing shortages, consultants assist with construction inspection.
- Highway and Construction Costing History (slide 21) – The American Road and Transportation Builders Association (ARTBA) compiled data across the country related to cost increases for transportation projects. Since the pandemic, the industry has seen unprecedented cost increases.
- Construction Material Inflationary Impacts (slide 22) – Delaware-specific related information for a few categories: earthwork, pavement, and structures. In some cases, there has been over a 50% cost increase since the pandemic (earthwork and pavements)

and a 30% increase in structures (bridges). These cost increases directly affect the amount of projects we can do. Will do a deeper dive into the capital side at the next meeting, as well as discuss asset management. There will also be a presentation from the Pew Trust providing an independent perspective on how other states are addressing revenue constraints.

- Questions/Comments:

Qu - Rep. Collins: Construction inspection went from \$25M to almost \$50M in FY24? There also seems to be much larger stormwater management facilities nowadays.

Ans - Sec. Hastings: Those costs fluctuate for a variety of reasons, such as project complexity, size, and constraints like a railroad or wetland. An example like I-95/SR 896, which is a \$200M project, needs a lot of inspectors to ensure the contractor is doing what they need to do. There are also cost increases in their salaries as well. **Mark Luszcz** noted that preliminary engineering has become significantly more complex over time, attributing to stricter laws and regulations. **Mark Buckalew** explained that there is a growing gap between the inflation line and the material inflation cost. Project complexities have contributed to that gap including factors like night work, roadside safety hardware, and increased specialized inspection requirements. Build America/Buy America laws and regulations have also contributed to increased costing.

Qu - Rep. Collins: The task force may want to explore cutting regulations to both the state and federal agencies, on items could be done responsibly to help bring the cost of transportation projects down.

Ans - Sec. Hastings: We have engaged with the American Association of State Highway and Transportation Officials (AASHTO), which represents all states and conducts significant advocacy, such as initiatives to streamline environmental approvals for safety projects.

Qu - Rep. Osienski: Is there a way to show data on how much capital projects are funded at the start and the cost at the end of the project?

Ans - Sec. Hastings: Usually a 10% contingency is added to projects, but sometimes that is exceeded by things like a change of scope, an unforeseen field conditions, or changing the maintenance of traffic scheme. *We can compile some information and share with the group.*

Qu - Kendall Barbour: Can the operating costs for DTC employees be shared (allocated resources, vacancies) within each department?

Ans - Sec. Hastings: *Yes, DTC can share some information.*

Qu - Rep. Collins: Pandemic has been over for a while, why has the cost increases not gone away?

Ans - Mark Buckalew: Inflation surged significantly during COVID and has not returned to 2018–2019 levels. Across industries, most costs have remained elevated, with little evidence of deflation.

Qu - Alex Meitzler: Also seeing increased regulations and complexity in the developer world, which have increased costs of design and construction. Where are there opportunities to streamline?

Ans - Sec. Hastings: On the development side, the Development Coordination Section has gone through a service efficiency blitz through the GEAR program to identify ways to streamline the traffic impact study process, as well as entrance and record plan approvals. For instance, looking into how plans being developed in other states as compared to Delaware, and are there lessons learned that can be implemented while still following laws and regulations. Also looking for opportunities like not requiring a TIS within a downtown development district. Will be implementing a re-check lane for development projects to streamline the time and effort it takes to review entrance and record plans. Once a full set of comments have been made from the various support sections, when the plans are re-submitted, they will go into the re-check lane, where we will only be checking to make sure all the previous comments have been addressed, not giving new comments. This re-check lane will also come with a shortened review timeframe.

Have also tasked the DelDOT team with creating an overall transportation master plan for the entire state. This effort will consist of compiling corridor studies, master plans, and transportation improvement districts (TID's) that have already been done and identifying them on one GIS-based map. Will then be able to determine what the future use of each roadway and identify any gaps to have a holistic framework for all the transportation infrastructure within the state.

Ans - Mark Luszc: On the capital project side, we have developed a streamlined construction inspection and acceptance framework process to aid in shorter timeframes. On the design side, it is a bit harder with laws and regulations, but we are looking at ways to improve the process all the time. The environmental and right-of-way realm is heavily regulated. Also looking to try to design with more in-house staff rather than utilizing consultant firms.

Comment - Sen. Sokola: With 35 years of experience in the state legislature, I have seen many homeowner drainage issues. It is important to ensure that systems are designed correctly from the outset, as early problems can lead to significant issues down the line.

Qu - Chris Dukes: Usually use traditional ways of contracting designs; has the department looked at innovative ways of contracting differently?

Ans - Mark Luszc: Yes, we will be piloting lump sum design contracts to reduce the administrative burden between all parties.

Qu - Rep. Collins: Having different parties with differing viewpoints; would one point of contact who is knowledgeable on all major decisions be helpful to sort through the various recommendations and solve conflicts?

Ans - Sec. Hastings: In developer projects, we have done just that. We have created a new division called Economic Development Coordination (EDC), to bring together the design side as well as the construction side under one director. Back in 2002 this was done with the staff working on capital projects where a reorganization of the planning/design/construction sections was put in place and has been successful.

VI. Action Items

Sec. Hastings: Will be looking to develop ideas on engaging stakeholders and members of the public at our next meeting. Please also join the Dropbox link and let us know if you have any issues. Lastly, a survey will be sent to determine the next meeting location.

VII. Public Comment

No public comment was given.

VIII. Adjournment

Sec. Hastings adjourned the meeting at 2:23 p.m.

The next meeting will be held on February 11th from 1:30 pm -3:00 p.m.