Our Mission

To provide a safe, efficient, and environmentally sensitive transportation network that offers a variety of convenient and cost effective choices for the movement of people and goods.
American Recovery and Reinvestment Act (ARRA)

The Act focuses on:

- Job preservation and creation
- Federal share is 100% - no state match requirement
- Restoration, repair, construction and other activities eligible for Federal Highway funds
- Expedited project award and construction
American Recovery and Reinvestment Act (ARRA)

Funds Apportioned to States

- $26.6 Billion total apportionment to States
  - $122M – Highways & Bridges
  - $ 18M - Transit
American Recovery and Reinvestment Act (ARRA)

Delaware program consist of:
- Paving & Rehabilitation statewide
- Bridge management and preservation
- Transit facilities and vehicles
- Traffic signals and roadway markings
- Transportation Enhancements
- Bicycle & Pedestrian Improvements
- Congestion Mitigation
ARRA Reporting Requirements

First Distribution:
- FHWA - 50% of funds apportioned must be obligated within 120 days
- FTA - 50% of funds apportioned must be obligated within 180 days

Second Distribution:
- After 1 year all unobligated balances will be redistributed. States will have until 9/30/2010 to obligate additional funds
ARRA Reporting Requirements

- Increase in labor reporting – Partnerships with Delaware Contractors Association & Disadvantaged Business Enterprise Firms

- Transparency – Website access
  http://www.deldot.gov/information/projects/recovery

We will tackle the historic unemployment rates and historic revenue shortfalls our state faces in the short-term. The only way we are going to solve these challenges in the long term is to get Delawareans back to work. The stimulus bill provides help that could create thousands of jobs. We will be open with how these resources are used and will track through this site its progress."

- Governor Jack Markell
MAJOR PROJECTS IN CONSTRUCTION
Statewide Paving Program

Construction Estimate: $89.0M
$50.5M State
$38.5M Federal
Indian River Inlet Bridge

Construction Estimate: $164.9M
  $ 32.9M State
  $132.0M Federal
Anticipated Completion: Summer 2011
SR 141 Kirkwood Highway to Faulkland Road

Construction Estimate: $28.3M
  $ 5.6M  State
  $22.7M  Federal

Anticipated Completion: August 2010
SR1, SR9 Grade Separated Intersection

Construction Estimate: $10.1M
$2.0M – State
$8.1M – Federal

Anticipated Completion: January 2010

Other Grade Separated Intersection Improvements:
• SR1 & SR30
• SR1 Little Heaven
• SR1 South Frederica
• SR1 Bay Road/Thompsonville
• SR1 North Frederica
St. Anne’s Church Road

St. Anne’s Church Road & Bridge
Roadway Construction Estimate: $4.3M
  $4.3M State
Bridge Construction Estimate: $7.0M
  $7.0M Federal

Anticipated Completion: April 2010
Governor’s Avenue, Webbs Lane to Water Street

Construction Estimate: $16.8M
$ 3.4M State
$13.4M Federal

Anticipated Completion: October 2010
SR10 & Sorghum Mill Road

Construction Estimate: $600k
  $  60k – State
  $540k - Federal

Anticipated Completion: July 2009
SR26 – Detour Route

SR26 Detour Route:
Construction Estimate: $12.0M
$2.4M - State
$9.6M - Federal

Anticipated Start: October 2009
Anticipated Completion: April 2011
Transportation Challenges
FY09 Transportation Trust Fund
Major Revenue Categories

- Motor Vehicle Fees: $123.5M
- Motor Fuel Tax: $120.6M
- Toll Road Revenue: $168.3M

Source: April 2009 DEFAC
Revenue Challenges
Fiscal Year 2009

DMV – $25.9 M
Auto sales volume ↓ 27.4%
Title transactions ↓ 15%

Motor Fuel Tax – $4.1 M
Fuel consumption ↓ 5.3%

Toll roads – $6.0 M
I-95 traffic ↓ 4.5%
Rt 1 traffic ↓ 5.8%

Investment income – $4.6 M
Weighted interest earnings 1.78% compared to 4.64% last year

Other transportation revenue – $1.6 M
Primarily dealer lease and license fees (moved to GF)

Total Revenue Shortfall
$42.2 M
Economy Impacted Revenues

**Toll Transactions (millions)**

- FY 2001: 340,000.0
- FY 2002: 360,000.0
- FY 2003: 380,000.0
- FY 2004: 400,000.0
- FY 2005: 420,000.0
- FY 2006: 440,000.0
- FY 2007: 460,000.0

**MFT Consumption (gals) (thousands)**

- FY 2001: 150
- FY 2002: 160
- FY 2003: 170
- FY 2004: 180
- FY 2005: 190
- FY 2006: 200
- FY 2007: 210
- FY 2008: 220
- FY 2009: 230

**Vehicles Titled (thousands)**

- FY 2001: 20
- FY 2002: 21
- FY 2003: 22
- FY 2004: 23
- FY 2005: 24
- FY 2006: 25
- FY 2007: 26
- FY 2008: 27
- FY 2009: 28
- FY 2010: 29

FY09 & FY10 are estimates
Effects of Economy on Revenues

FY2010 Revenue—Original Forecast $553.6M vs. Forecasted Actual $460.4M

Difference of $93.2M
Overall Budget Shortfall

FY09 Capital Transportation Program

July 2008 CTP $290.8M
Revenue Shortfall $(42.2)M
Other $(17.5)M

Increased Material Costs
Increased Rate of Construction Costs

Cut Program by $59.7M - 20% of Program
Transportation Challenges

Federal Program (FHWA & FTA)

- Previous Year Apportionments
  - FY06 $128.8M
  - FY07 $141.1M
  - FY08 $141.6M

- Rescissions
  - FY07 $17.8M
  - FY08 $12.3M
  - FY09 $12.3M
  - FY10 ??

SAFETEA-LU: Next Generation?
State Capital Program Trend

$ in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Spend (in millions)</th>
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<tbody>
<tr>
<td>2007</td>
<td>$183.6</td>
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<td>2008</td>
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<td>2009</td>
<td>$244.5</td>
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<td>2010</td>
<td>$192.3</td>
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<td>2011</td>
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<td>2012</td>
<td>$185.8</td>
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<td>2013</td>
<td>$163.6</td>
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<td>2014</td>
<td>$142.7</td>
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<tr>
<td>2015</td>
<td>$121.2</td>
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</table>
Governor’s Performance Review

Cost Efficiencies:
- Reduction in Overtime
- Extending Asset Life
- Consultant Cost Reductions
- Virtual Workshops
- Review Take Home Vehicle Policy
- Real Estate Acquisition Process
- DMV e-government initiatives
Next Steps

**FY10 Proposed Capital Transportation Plan**
- Maintain funding for extensive construction contracts
- Maintain state match to Federal funds
- Remaining funds allocated to 100% State ONLY projects
- Maintain 50/50 Pay-go

**FY10 – FY15 Proposed 6-Year Plan**
- Fiscally constrained based upon May DEFAC revenue projection
- Significant delay in overall program for design, real estate acquisition and construction
Next Steps:

Back in June to:

- Review of May DEFAC Revenues
- Finalize Cost Efficiencies
- FY10 Paving Program Review
- FY10 Transportation Enhancement Program Review
- FY10 Capital Authorization Request and 6-Year CTP
- FY10 Epilogue Review
Questions?
Thank You
Supplemental Slides
Effect of Asphalt Adjustment on Hot-mix
American Recovery and Reinvestment Act (ARRA)

Funding categories for federally eligible roadways include:

- 3% - Transportation Enhancement projects
- Urbanized Areas over 200k population
- Areas with population equal to or less than 200k
- Rural areas with population under 5k
Revenue Trend

Growth Rates Estimates:
- SR1 - 3.7%
- I-95 - 1.8%
- Motor Fuel Taxes - 2%
- Motor Vehicle Fees - 3%

Source: April 2008 DEFAC
Hot Mix Market Changes

Price Per Ton $
Fixed Costs Volatility

Excludes DTC
Increased Transit Demand

Delaware Transit Corporation
Fixed Route Ridership

Source: FY2008 Year End Ridership Report

Delaware Transit Corporation
Paratransit Ridership

Source: FY2008 Year End Ridership Report
### Operating Budget Growth Rates (DTC and DelDOT)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009 DEFAC</th>
<th>Average Growth</th>
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<tbody>
<tr>
<td>DelDOT Operating Expenditures</td>
<td>135.3M</td>
<td>149.7M</td>
<td>157.9M</td>
<td>129.9M</td>
<td>148.3M</td>
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<tr>
<td>Growth</td>
<td>7.9%</td>
<td>10.7%</td>
<td>5.5%</td>
<td>(17.8%)</td>
<td>14.1%</td>
<td>4%</td>
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<td>DTC Operating Expenditures</td>
<td>70.4M</td>
<td>74.5M</td>
<td>79.3M</td>
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<tr>
<td>Growth</td>
<td>8.3%</td>
<td>5.8%</td>
<td>6.4%</td>
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<td>3.0%</td>
<td>6%</td>
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# History of State Capital Program

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<td>State</td>
<td>205.5</td>
<td>279.7</td>
<td>266.2</td>
<td>183.6</td>
<td>220.7</td>
<td>224.5</td>
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<td>Federal</td>
<td>94.8</td>
<td>117.9</td>
<td>109.9</td>
<td>104.5</td>
<td>155.7</td>
<td>245.6</td>
<td>251.0</td>
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## Financial Plan

### Base Financial Plan

($ in 000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td><strong>Sources of Funds</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Existing Pledged Revenue</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>I-95 Tolls &amp; Concessions</td>
<td>123,200</td>
<td>124,600</td>
<td>126,600</td>
<td>128,700</td>
<td>130,700</td>
<td>132,700</td>
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<td>Motor Fuel Tax Admin.</td>
<td>120,600</td>
<td>123,000</td>
<td>125,500</td>
<td>128,000</td>
<td>130,500</td>
<td>133,100</td>
<td>135,700</td>
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<td>DMV Fees</td>
<td>123,500</td>
<td>125,320</td>
<td>129,090</td>
<td>132,950</td>
<td>136,900</td>
<td>141,000</td>
<td>145,220</td>
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<td>Interest Income</td>
<td>5,400</td>
<td>6,000</td>
<td>8,000</td>
<td>8,000</td>
<td>8,000</td>
<td>8,000</td>
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<tr>
<td><strong>Total Pledged Revenue</strong></td>
<td>372,700</td>
<td>378,920</td>
<td>389,190</td>
<td>397,650</td>
<td>406,100</td>
<td>414,800</td>
<td>423,620</td>
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<tr>
<td><strong>Non-Pledged Revenues</strong></td>
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<td>SR 1 Tolls</td>
<td>45,100</td>
<td>45,800</td>
<td>46,900</td>
<td>48,600</td>
<td>50,300</td>
<td>52,100</td>
<td>53,900</td>
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<td>New Violation/Fine Revenue</td>
<td>3,500</td>
<td>3,500</td>
<td>3,500</td>
<td>3,500</td>
<td>3,500</td>
<td>3,500</td>
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<tr>
<td>Escheat</td>
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<td>0</td>
<td>24,000</td>
<td>24,000</td>
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<tr>
<td>DE Transit (Farebox, FTA, &amp; Other)</td>
<td>16,219</td>
<td>16,543</td>
<td>16,874</td>
<td>17,212</td>
<td>17,556</td>
<td>17,907</td>
<td>18,265</td>
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<td>Port of Wilmington - Refinancing</td>
<td>1,618</td>
<td>1,618</td>
<td>1,618</td>
<td>1,618</td>
<td>1,618</td>
<td>1,618</td>
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<td>New One-Time Property Sale</td>
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<td>5,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Other Transportation Revenue</td>
<td>18,173</td>
<td>9,000</td>
<td>9,200</td>
<td>9,300</td>
<td>9,400</td>
<td>9,500</td>
<td>9,600</td>
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<tr>
<td><strong>Total Non-Pledged Revenue</strong></td>
<td>84,610</td>
<td>81,461</td>
<td>102,092</td>
<td>104,230</td>
<td>106,374</td>
<td>108,625</td>
<td>110,883</td>
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<tr>
<td><strong>Total Sources of Funds</strong></td>
<td>457,310</td>
<td>460,381</td>
<td>491,282</td>
<td>501,880</td>
<td>512,474</td>
<td>523,425</td>
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</tbody>
</table>

Source: March DEFAC
## Financial Plan

### Base Financial Plan

($ in 000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Total Debt Service</td>
<td>122,291</td>
<td>125,294</td>
<td>131,603</td>
<td>135,318</td>
<td>137,834</td>
<td>138,761</td>
<td>138,667</td>
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<td>Department Operations</td>
<td>148,246</td>
<td>148,820</td>
<td>159,237</td>
<td>170,384</td>
<td>182,311</td>
<td>195,073</td>
<td>208,728</td>
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<td>Delaware Transit Corp. Operations</td>
<td>88,429</td>
<td>90,189</td>
<td>96,502</td>
<td>103,257</td>
<td>110,485</td>
<td>118,219</td>
<td>126,495</td>
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<tr>
<td>Total Operations</td>
<td>236,675</td>
<td>239,009</td>
<td>255,740</td>
<td>273,641</td>
<td>292,796</td>
<td>313,292</td>
<td>335,222</td>
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<tr>
<td>Total Uses of Funds Before Capital</td>
<td>358,966</td>
<td>364,303</td>
<td>387,343</td>
<td>408,959</td>
<td>430,631</td>
<td>452,053</td>
<td>473,890</td>
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<tr>
<td>State Resources Available for Capital</td>
<td>98,344</td>
<td>96,078</td>
<td>103,939</td>
<td>92,921</td>
<td>81,843</td>
<td>71,372</td>
<td>60,614</td>
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<tr>
<td>Beginning Capital Cash Balance</td>
<td>37,419</td>
<td>6,599</td>
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<tr>
<td>Federal Funds</td>
<td>245,516</td>
<td>251,018</td>
<td>258,966</td>
<td>208,869</td>
<td>198,654</td>
<td>150,008</td>
<td>108,346</td>
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<tr>
<td>Bond Proceeds</td>
<td>115,336</td>
<td>109,479</td>
<td>103,939</td>
<td>92,921</td>
<td>81,843</td>
<td>71,372</td>
<td>60,614</td>
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<tr>
<td>Total Funds Available for Capital Expenditures</td>
<td>496,615</td>
<td>463,174</td>
<td>486,844</td>
<td>414,711</td>
<td>382,340</td>
<td>312,753</td>
<td>249,573</td>
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<tr>
<td>Less:</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>State Capital Expenditures</td>
<td>244,500</td>
<td>192,156</td>
<td>207,879</td>
<td>185,842</td>
<td>163,686</td>
<td>142,745</td>
<td>121,227</td>
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<tr>
<td>Federal Capital Expenditures</td>
<td>245,516</td>
<td>251,018</td>
<td>258,966</td>
<td>208,869</td>
<td>198,654</td>
<td>150,008</td>
<td>108,346</td>
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<td>Total Capital Spending</td>
<td>490,016</td>
<td>443,174</td>
<td>466,845</td>
<td>394,711</td>
<td>362,340</td>
<td>292,753</td>
<td>233,573</td>
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</table>

Source: March DEFAC
## Financial Plan

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</thead>
<tbody>
<tr>
<td>Pay Go Revenue</td>
<td>98,344</td>
<td>96,078</td>
<td>103,939</td>
<td>92,921</td>
<td>81,843</td>
<td>71,372</td>
<td>60,614</td>
</tr>
<tr>
<td>State Capital</td>
<td>244,500</td>
<td>192,156</td>
<td>207,879</td>
<td>185,842</td>
<td>163,686</td>
<td>142,745</td>
<td>121,227</td>
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<tr>
<td>Pay Go Percentage</td>
<td>40.2%</td>
<td>50.0%</td>
<td>50.0%</td>
<td>50.0%</td>
<td>50.0%</td>
<td>50.0%</td>
<td>50.0%</td>
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<td>Additional Senior Bond Test</td>
<td>3.39</td>
<td>2.99</td>
<td>2.91</td>
<td>2.89</td>
<td>2.89</td>
<td>2.93</td>
<td>3.00</td>
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Source: March DEFAC
FY10 Spending Plan

Construction Encumbrances: $ 
20% match to Federal Funds: $ 

Remaining for State ONLY Projects