

OTHER ELECTIVE

12-00-00

Other Elective

Lieutenant Governor

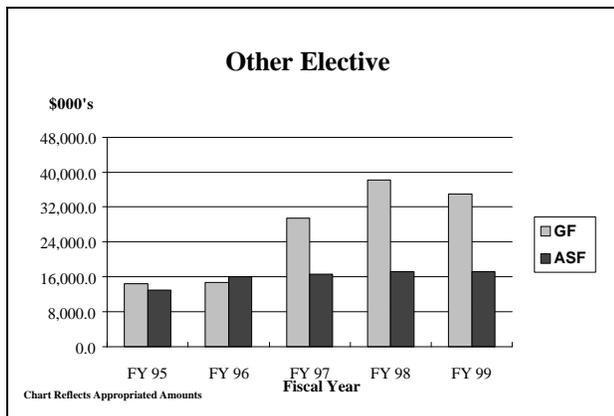
Auditor of Accounts

Insurance Commissioner

State Treasurer

- Regulatory Activities
- Bureau of Exam, Rehabilitation and Guaranty

- Administration
 - Debt Management
 - Refunds and Grants
- (Not a Unit for Budgeting Purposes)



BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	31,020.5	30,191.2	34,918.2
ASF	14,829.4	17,163.4	17,236.6
TOTAL	45,849.9	47,354.6	52,154.8

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	74.0	74.0	72.2
ASF	72.0	77.0	80.8
NSF	2.0	2.0	2.0
TOTAL	148.0	153.0	155.0

FY 1999 BUDGET HIGHLIGHTS

OPERATING BUDGET:

Lieutenant Governor

- ◆ Recommend an additional \$1.0 for travel.

Auditor of Accounts

- ◆ Recommend various reallocations and a reduction of (\$172.6) ASF to contractual services and supplies and materials. Recommend \$18.7 ASF for additional personnel costs.

Insurance Commissioner

- ◆ Recommend \$98.9 ASF within the Fraud Unit's budget to cover personnel costs, facility rent, and fleet rental.

Bureau of Exam, Rehabilitation and Guaranty

- ◆ Personnel costs were adjusted to remove excess funding and correct funding shortages. Recommend 1.0 ASF FTE Health Public Information Officer, 1.0 ASF FTE Insurance Premium Tax Specialist, 1.0 ASF FTE Agent Licensing File Clerk and \$84.5 ASF.

State Treasurer

- ◆ Recommend a reduction of (\$5.0) to the Blood Bank Membership Dues. Recommend \$50.0 for Flexible Benefits (DELAFLEX).
- ◆ Recommend one-time funding of \$11.7 for travel and conference fees related to the State Treasurer being elected as President of the National Association of State Auditors, Controllers and Treasurers.
- ◆ Recommend funding for one bond sale during the second half of Fiscal Year 1998 and an additional sale during the first half of Fiscal Year 1999. The bond sales are anticipated to be \$100.0 million each.

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LIEUTENANT GOVERNOR

12-01-01

MISSION

To promote citizen access to government and its services and continuously improve the quality and effectiveness of state government.

KEY OBJECTIVES

- Create and promote opportunities for state agencies to “reinvent” themselves and improve service to the customers of state government.
- Provide citizens with an understanding of and access to state government agencies, connecting them with appropriate resources and information when necessary.
- Promote adult education as a tool for strengthening families and the economy and keeping Delawareans off welfare and out of prison.

BACKGROUND AND ACCOMPLISHMENTS

The constitutional duties of the Lieutenant Governor are President of the Senate and President of the Board of Pardons. The incumbent has translated her knowledge of state government and her experiences as a business owner and adult student into efforts to streamline government and improve access to adult education. The office also has taken on a growing volume of constituent service work.

ACTIVITIES

The duties and activities of the Lieutenant Governor and staff include the following:

- President, Delaware State Senate.
- President, Board of Pardons.
- Vice-chair, Delaware Workforce Development Council.
- Co-chair, Council on Greenways and Trails.
- Chair, Interagency Council on Adult Literacy.
- Chair, Personnel Task Force Implementation Committee.
- Member, Open Space Council.
- Member, National Conference of Lieutenant Governors.
- Member, Delaware River and Bay Oversight Committee.

- Co-chair, Council of State Governments Eastern Region.
- Constituent services - liaison between public and state agencies.
- Staff membership on Governor’s Council on Equal Employment Opportunity.
- Honorary Chairperson, Read Aloud Delaware.
- Advocate for state government and personnel reform.
- Spokeswoman for breast cancer awareness and education.
- Spokeswoman for Safe Kids Coalition.
- Advocate for small business.
- Member, State Budget Commission.

PERFORMANCE MEASURES

The following are Fiscal Year 1999 goals of the Office of Lieutenant Governor:

- **Workforce Development.** As chair of the WDC Executive Committee, will implement the strategic plan, completed in Fiscal Year 1998, for a seamless system of state and federal-funded job training programs, eliminating duplication and turfism.
- **Adult literacy.** Secure continuing funding for pilot Groves High School Diploma-At-A-Distance program; develop partnership with non-profits and private sector to match tutors to students.
- **School Parents.** Undertake a campaign to encourage parents of public school children to become involved with classroom activities as a companion to Governor Carper’s mentoring initiative.
- **Family Court.** Initiate discussions between Family Court and other state agencies on promoting better understanding of court processes by citizens.
- **Constituent Service.** Continue to provide timely assistance to Delaware citizens in need of help by connecting them with proper agencies and people within state government.

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	305.2	324.5	326.9
ASF	--	--	--
TOTAL	305.2	324.5	326.9

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POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	6.0	6.0	6.0
ASF	--	--	--
NSF	--	--	--
TOTAL	6.0	6.0	6.0

AUDITOR OF ACCOUNTS 12-02-01

MISSION

The mission of the Office of Auditor of Accounts is to perform a post audit of all the financial transactions of all state agencies in accordance with Title 29, Chapter 29, Delaware Code and mandates set forth in the Budget Act, Bond Bill, Grant-In-Aid Bill and various other legislative bills.

KEY OBJECTIVES

- Issue timely reports that enhance public accountability and stewardship of state and federal government programs and operations.
- Provide high quality services in carrying out the Office's responsibilities and in responding expeditiously to customers' concerns.
- Maintain a work environment that fosters and values: trust, competence, open communications and the professional and personal satisfaction of all office personnel.

The broad objectives of the Federal Single Audit Section is to perform a post audit of all federal programs for which the State of Delaware receives funding from the federal government to:

- Determine whether the State of Delaware's internal control structure provides reasonable assurance that federal financial assistance programs are managed in compliance with applicable laws and regulations.
- Determine whether the State of Delaware complies with the requirements that are applicable to all federal assistance programs.
- Determine whether the federal financial reports submitted by the State contain accurate, reliable and useful financial data.
- Ensure that prior audit recommendations, questioned costs and disallowances reported in the Single Audit Report for fiscal year ended June 30, 1995, have been resolved.

The objectives of the state-mandated audit section are to complete audits required by the Delaware Code and/or to determine adherence with stated purposes, goals and

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expected results of operations as set forth by the Delaware General Assembly to:

- Determine whether the State of Delaware's internal control structure provides reasonable assurance that state mandated programs are managed in compliance with applicable laws and regulations.
- Complete financial/compliance audits for the following state programs:
 - Patient Trust Funds
 - Quarterly Bank Reconciliations of State Accounts
 - State Lottery Office
 - Dual Employment
 - Deferred Compensation
 - School Construction
 - Authorized Versus Actual Positions in School Districts
 - Student Accounting and Enrollment
 - Ten Percent Reserve in School Local Funds
 - Debt Service Accounts
 - School District Local Funds
 - Municipal Grants
 - State Pension Office
 - County Prothonotaries for State Fees.

The objectives of the economy and efficiency audit section are to evaluate management controls and policies relating to the use of all public resources and to identify areas where improvements in operations can be achieved.

- Evaluate management controls and policies relating to the use of all public resources and to identify areas in which improvements can be achieved in the operations.
- Determine whether all state departments, divisions, agencies and institutions are executing their management responsibilities in compliance with applicable laws, regulations and management policies.
- Determine whether resources are being acquired and managed economically and efficiently.
- Determine the causes of inefficient and uneconomical practices.
- Determine how well agencies have complied with laws and regulations concerning economy and efficiency.
- Determine the extent that desired results or benefits established by the Legislature or other authorizing bodies are being achieved.

- Determine the effectiveness of the organization or the program, activity or functions.
- Determine compliance with specific requirements of program law and regulations.

The objectives of the investigative audit section are to perform investigations of complaints or inquiries regarding possible fraud, abuse and/or waste of state and/or federal funds.

- Conduct investigations that may involve activities of waste, fraud or abuse of state resources.
- Ensure that the Auditor's Hotline Program is a viable service to the citizens of the State of Delaware.

The objective of the Information Systems (IS) audit section is to examine computer systems that have an impact on the state's accounting and operating activities.

- Audit the general and application controls environments of the state's computer operations associated with major state financial management systems.
- Provide IS audit support to other audit sections within the office.

BACKGROUND AND ACCOMPLISHMENTS

The audits and investigations completed by the Office in Fiscal Year 1997 cumulatively identified more than \$7.6 million in cost savings, questioned costs and potential fraud, waste or abuse of state and federal funds.

The Fiscal Year 1996 Single Audit, completed during Fiscal Year 1997, disclosed, questioned and disallowed costs that totaled \$1.2 million.

The Fiscal Year 1996 Single Audit included 146 Findings and Recommendations.

The Fiscal Year 1996 Single Audit Report, which met the requirements of OMB Circular A-128, was reviewed and accepted by the U. S. Department of Education, Office of Inspector General for Audit on September 17, 1997.

During Fiscal Year 1997, mandated audits resulted in 167 recommendations that identified potential cost savings of \$212.0.

In addition, recommendations were made that will strengthen the internal controls of the programs audited.

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The results, if implemented, of the four Economy and Efficiency Audits completed during Fiscal Year 1997 could generate a savings of \$6 million to the State of Delaware and its taxpayers. The four audits completed during Fiscal Year 1997 were:

- Department of Correction, Prison Industries
- Department of Health and Social Services, Subsidized Day Care
- Department of Justice, Office of Attorney General, Management Activities
- Department of Public Instruction, follow-up report of Textbook Purchasing for Public Education

These reports contained 53 recommendations. In addition to the cost savings previously mentioned, several recommendations identified opportunities for improving the efficiency and effectiveness of government operations.

Nine in-depth investigations were conducted which revealed waste, fraud or abuse of \$200,000 in federal and state funds. These investigations disclosed 19 findings and recommendations.

Three individuals, whose activities were investigated by the office, were ultimately convicted of criminal activities during Fiscal Year 1997.

The office referred 13 cases to the Attorney General for further investigation as possible criminal activity, and 53 other cases were referred to other investigative units for review.

During the Fiscal Year 1997 audit cycle, the following IS audits were completed:

- DFMS
- State Payroll System
- State Pension System
- Dover Data Center
- Biggs Data Center

These audits included 13 recommendations to improve IS controls statewide.

Also in Fiscal Year 1997, this team assisted the investigative team on two major investigations. This team had key players participate as part of the team for one of the economy and efficiency audits.

ACTIVITIES

The duties and activities of the Auditor of Accounts and staff include the following:

- President Elect and Executive Committee - National State Auditors Association.
- Chairman and Executive Committee - Mid-Atlantic Audit Forum.
- Executive Committee - National Association of State Auditors, Comptrollers and Treasurers.
- Member - National Audit Forum.
- Member - Association of Government Accountants.
- Member - Government Finance Officers of America.
- Past President - Delaware Government Officers Association.
- Member - American Institute of Certified Public Accountants.
- Member - Delaware Society of Certified Public Accountants.
- Chairman - Emerging Issues Committee, National State Auditors Association.
- Chairman - Inter-Governmental Affairs Committee, National Association of State Auditors, Comptrollers and Treasurers.
- Member - State Board of Pardons.
- Member - State Insurance Determination Com-mittee.

PERFORMANCE MEASURES

The performance for the Office of Auditor of Accounts is measured based on the completion and acceptance of the numerous audits required and/or requested to be completed during an audit cycle. Three specific criteria can be used to measure the performance of the office:

- Is the Federal Single Audit completed by the time established by the Federal government and does the Federal government accept it?
- Are the state mandated audits completed in a timely manner (within 12 months after the close of the fiscal year)?
- Does the office have an unqualified PEER Review Report?

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	1,898.2	2,126.7	2,136.4
ASF	1,317.7	1,696.6	1,542.3
TOTAL	3,215.9	3,823.3	3,678.7

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POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	35.0	35.0	35.0
ASF	16.0	16.0	16.0
NSF	--	--	--
TOTAL	51.0	51.0	51.0

INSURANCE COMMISSIONER 12-03-00

MISSION

The mission of the Insurance Commissioner is to protect the public interest by regulating the insurance industry through admissions and review, agent-licensing, review of consumer complaints and inquiries and enforcing the Unfair Trade Act as it relates to insurance. In addition, the commission administers a workplace safety program related to workers compensation insurance, as well as an arbitration program for auto, homeowners and health insurance clients.

The Fraud Prevention Bureau confronts the difficult social and economic problem of insurance fraud in the State of Delaware by facilitating the detection of insurance fraud, reducing the occurrence of such fraud through administrative and limited criminal enforcement, requiring the restitution of fraudulently obtained insurance benefits and reducing the amount of premium dollars used to pay fraudulent claims.

The mission of the Bureau of Exam, Rehabilitation and Guaranty is to provide financial oversight for domestic and foreign insurers licensed in Delaware, to provide supervision for the statutory and special examinations of those insurers and to review and approve, or contest, rate filings presented by insurers.

KEY OBJECTIVES

- Regulate agent licensing.
- Document agent appointments.
- Administer Workplace Safety Program.
- Consumer assistance and education.
- Provide a quick, easy and affordable forum for the resolution of claims disputes through arbitration.
- Facilitate detection and reporting of insurance fraud.
- Reduce the occurrence of fraud through administrative and limited criminal enforcement.
- Require the restitution of fraudulently obtained insurance benefits.
- Reduce the amount of premium dollars currently used to pay fraudulent claims.

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- License and regulate the activities of Delaware domestic insurers.
- Provide financial oversight for domestic and foreign insurers licensed in Delaware.
- Provide supervision for examinations of those insurers.
- Manage and rehabilitate, or liquidate, financially impaired insurers.
- License all insurers operating in Delaware, including foreign and alien insurers.
- Regulate the market conduct of insurers and other licensees and take enforcement action where appropriate.
- Review and approve, or contest, rate filings submitted by insurers.

BACKGROUND AND ACCOMPLISHMENTS

The Office of the Insurance Commissioner is a constitutional office created by Title 18, the Insurance Code.

House Bill 344 created the Delaware Insurance Fraud Prevention Bureau in July of Fiscal Year 1995.

The Bureau of Examination, Rehabilitation and Guaranty (BERG) was created under Title 18, the Insurance Code, in 1985.

FY 1997 ACCOMPLISHMENTS

Agent Licensing Unit

The Licensing Unit has the responsibility to administer a variety of tasks relating to producer licensing, appointments and continuing education. In the past, many of the tasks were labor-intensive and manually performed. With the upgrade of licensing computer hardware and software, the unit has been able to streamline processes resulting in a quicker turn-around time in responding to the industry and public.

The unit again realized a significant accomplishment in the area of in-house administration of the Continuing Education Program resulting in the following:

- Less than 1.5 percent discrepancies in records have been identified.
- Enhancing the quality of continuing education providers and courses resulting in a more informed agent base to better serve the citizens of Delaware.

- Stronger enforcement of Continuing Education Audit Procedures resulting in the collection of over \$17,000 in fines.
- In addition, during Fiscal Year 1998, the unit will also monitor compliance with mandatory ethics credits required of producers ensuring professionalism of those who sell financial products to the citizens of this State.

Workplace Safety Program

The Workplace Safety Unit provides an incentive to small businesses in Delaware to create and maintain a safe workplace. Up to a 20 percent discount can be earned on workers' compensation by participating in this program. The number of employers continues to increase and savings are reaching close to \$2 million in credits annually.

Consumer Services Unit

Recent accomplishments of this unit include:

- Conducted in-house training to enhance the skills of consumer service representatives.
- Sent consumer service representatives to a National Association of Insurance Commissioners School for advanced training and supervision techniques.
- Improved the semi-annual publications of consumer information, including expanding the summer guide from eight to 12 pages.
- Conducted extensive outreach units for consumer education:
 - Health insurance products for seniors
 - Small employer health insurance products
 - Personal lines products (homeowners and auto)

Fraud Bureau Unit

The Delaware Insurance Fraud Prevention Bureau has been highly successful in achieving its mission of fraud prevention detection and prosecution.

- Prevented more than \$1.2 million in claims being processed.
- Ordered more than \$50,000 in restitution.
- Generated more than \$55,000 in fines.

PERFORMANCE MEASURES

An increase of five percent in number of cases received is anticipated.

Clear approximately 40 percent of assigned cases by administrative or criminal disposition.

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BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	865.2	839.0	772.5
ASF	12,047.9	13,638.0	13,856.1
TOTAL	12,913.1	14,477.0	14,628.6

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	16.0	16.0	14.2
ASF	48.0	53.0	56.8
NSF	1.0	1.0	1.0
TOTAL	65.0	70.0	72.0

REGULATORY ACTIVITIES

12-03-01

ACTIVITIES

The duties and activities of the Insurance Commissioner and staff include the following:

- Member, Delaware Health Care Commission.
- Member, Delaware State Employee and Insurance Coverage Committees.
- Member, National Association of Insurance Commissioners (NAIC).
- Member, NAIC Executive Committee.
- Vice-Chair, NAIC Northeast Zone Committee.
- Chair, NAIC Committee on Credit Insurance.
- Vice-Chair, NAIC Special Committee on Ethics and Conflict of Interest.
- Vice-Chair, NAIC Senior Issues.
- Member, National Insurance Crime Bureau.
- Member, International Association of Special Investigation Units.
- Member, Delaware Valley Chapter of SIU.
- Member, Chesapeake Chapter of SIU.
- Member, International Association of Arson Investigators.
- Member, National Health Care Anti-Fraud Association.
- Special Training:
 - Health Care Fraud
 - Claims Fraud
 - NICB Training Academy
 - Certified Fraud Examiner's Fraud Detection and Prosecution
 - Electronic Claims Fraud detection
 - Fraud and the Provider

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
# new agents licensed	6,300	6,500	6,500
# agents appointed	17,100	17,500	17,500
# consumer complaints/inquiries	16,300	16,800	17,400
Participation in Work-place Safety Program	600	650	700

BUREAU OF EXAM, REHABILITATION AND GUARANTY 12-03-02

ACTIVITIES

- Member, National Association of Insurance Commissioners.
- Member, Society of Financial Examiners.
- Member, Society of Insurance Examiners.
- Member, Casualty Actuarial Society.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
# rate and form filings	81,700	86,000	90,600
# companies regulated:			
Domestic	142	147	149
Foreign	1,420	1,440	1,460
# companies examined	50	55	57
# companies liquidated:			
Domestic	11	5	3
Ancillary	6	2	2
# companies under supervision/rehab	3	4	4

The Delaware Insurance Commissioner's Bureau of Examination, Rehabilitation and Guaranty is recognized as among the nation's best in insurance company regulation.

Solvency Oversight: In December 1993, the department became accredited by the NAIC because of the strength of its solvency oversight program, the first state in the Mid-Atlantic region to do so. The department in 1994 received further recognition from the NAIC by achieving accreditation status for five years.

Financial Analysis: The department is in the process of filling approved positions in the financial analysis unit. The additional staff will allow the unit to:

- Analyze additional indicators of financial condition, such as fast ratios, 10K and other SEC filings.

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- Detect financial difficulties in earlier stages of an insurer's financial deterioration.
- Take quick action to protect policyholders and claimants by preventing further financial losses.

STATE TREASURER 12-05-00

MISSION

To provide the citizens of Delaware with highly competent and successful money management and to ensure the accuracy of state financial records under the agency's control by using the most efficient technology available.

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	27,951.2	26,901.0	31,682.4
ASF	1,463.8	1,828.8	1,838.2
TOTAL	29,415.0	28,729.8	33,520.6

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	17.0	17.0	17.0
ASF	8.0	8.0	8.0
NSF	1.0	1.0	1.0
TOTAL	26.0	26.0	26.0

ADMINISTRATION 12-05-01

MISSION

To ensure the accuracy of financial records under the agency's control; administer and assist state employees with the financial aspects of the fringe benefit programs authorized in Delaware; respond in a timely, accurate and courteous manner to any inquiry directed to the division; and faithfully discharge any and all further obligations given under statute.

KEY OBJECTIVES

- Maintain an accurate and timely accounting of the state's cash disbursements, cash deposits and balances.
- Administer employee fringe benefit programs efficiently
- Disburse funds in payment of the state's financial obligations expeditiously.

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BACKGROUND AND ACCOMPLISHMENTS

The administrative function has successfully and accurately administered:

- Cash receipts and disbursement accounting, which includes bank reconciliations, NSF checks received and processing of all cash receipts for the State.
- Employee benefit accounting which includes group health, group life, Blood Bank, Dental health, Delaflex and Deferred Compensation.
- Reissuing stale dated checks.
- Accounting of payroll taxes withheld.

Changes in programs have included multiple coverage on Group Life; administration of Flexible Spending Plan (Delaflex); change in time state checks are valid (from two years to six months); availability of Blood Bank Membership to permanent part-time employees; and, availability of Group Health Insurance to any Delaware Authority or Commission.

ACTIVITIES

- Receipts are recorded and deposited daily.
- Major state bank accounts are reconciled either semi-monthly or monthly.
- Vendor checks are processed for accuracy, signed and mailed. Records are maintained.
- Employee fringe benefit programs are administered on a daily basis. Interface with service provider. Respond to employee requests and applications.
- Process grant-in-aid, municipal street aid, student and teacher loans and calculate and disburse police pension funds and fire organizations.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
% checking accounts reconciled within 1 month	100	100	100
% receipts recorded & deposited within 1 day	100	100	100
% on time payrolls	100	100	100
% vendor checks processed within 24 hrs.	80	80	80
% fringe benefit requests processed in 1 day	100	100	100

Cash Management Unit

To implement cash management policies and procedures for improvement which will benefit the taxpayers of

Delaware and to carry out the requests of the Cash Management Policy Board and the State Treasurer.

BACKGROUND AND ACCOMPLISHMENTS

Pursuant to Title 29, Chapter 27, §2716, Delaware Code, which created the Cash Management Policy Board when it was signed into law on July 13, 1981, the Treasurer's Office has provided staff support through the Cash Management Unit.

As a result of the implementation of better cash management procedures, products and services, the State has significantly reduced the time between when the state agency receives revenue and when those funds actually become available for investment. The reduction in revenue collection time provides state taxpayers with benefits, such as:

- Enhanced and modernized financial programs and services which greatly reduced idle balances in the state's banks. These balances are now invested and receive interest income.
- Improved fiscal safeguards and controls which has been implemented to protect the state's investment portfolios.
- As a result of completed assignments, safeguards and controls, the State continues to move closer to state-of-the-art cash management with each passing year. The size of the state's annual investment income for the state's General Fund has averaged \$14.1 million over the past ten years.

ACTIVITIES

- Effective and efficient settlement of the state's cash position on a daily basis making certain that sufficient funds are in various accounts to meet the state's obligations and commitments.
- Continue to assist the Cash Management Policy Board and State Treasurer in completing and finalizing projects and tasks covering the area of cash and investment management and banking services.
- Review, examine and recommend changes to the state's current cash management system, including cash management operations at the agency level.
- Continue to spearhead the Electronic Data Interchange/Electronic Funds Transfer (EDI/EFT) project by working and coordinating the major areas of the state that should be involved in this project.

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- Represent the State at meetings of national and regional Treasury Management and EDI associations and work groups.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
100% Investment Of Available State Funds	Daily	Daily	Daily

DEBT MANAGEMENT 12-05-03

MISSION

To maintain accounting records for authorized and unissued bonds of the State; to ensure that bond authorizations are neither underfunded nor oversold; to make debt service payments to paying agents and the Depository Trust Company; to maintain and monitor state and school special funds deposited with the State Treasurer and calculate and pay interest on these funds per specific agreement or as established by Delaware Code.

KEY OBJECTIVES

- Ensure the correct combination of state funds and escrowed funds due to defeasance and refunding are wired to proper paying agent or the Depository Trust Company on the date that the principal and interest are due.
- 100 percent accuracy in debt payments. Anything other than 100 percent accuracy constitutes a technical default that would be noted by bond rating agencies and could have an adverse effect on the state's credit rating.

BACKGROUND AND ACCOMPLISHMENTS

In Fiscal Year 1996, all Debt Service payments to Mellon Bank and the Depository Trust Company were met on the bond due dates. This entailed:

- disbursement of \$92,563,691 for over 30 General Obligation Issues.
- collection of \$7,816,915 from schools for the repayment to the State of their local share of school construction.

Capital Improvement funds were monitored and information provided to the Department of Finance that supported the \$100,000,000 bond sale in April 1996.

Over 60 amortization tables were required to update the state's bonded indebtedness program that is the basis for all agency indebtedness. These are the source of information for timely and accurate debt service payments.

Funds deposited were monitored and drawn down to reimburse the General Fund in a manner to limit arbitrage.

ACTIVITIES

- Maintain records required for bond projects as authorized by the yearly bond bill from authorization through bond sale and ten or 20-year amortizations of the projects.
- Provide Budget Office with the fiscal year principal and interest payments due. Provide by department, division and organization.
- Provide Bond Counsel with data relating to bond projects including project identification, description, volume and chapter required to obtain legal opinion for the bond issue.
- Set up, monitor, maintain, calculate and pay interest on over 300 special funds on deposit with the State Treasurer. Interest in Fiscal Year 1996 totaled over \$18.3 million.
- Provide assistance to local school districts in acquiring Attorney General's opinion in securing a Bond Anticipation Note or permanent bond financing of their local share.
- Maintain the school interest table in the DFMS system which calculates interest to schools for their operation, debt service and construction funds on deposit with the State Treasurer.
- Pay Debt Service payments on over 30 bond issues of the State and school districts. Adjust school district's debt service account to reflect the payment of local share to the State.
- Assist the general public with any inquiries concerning State Bonds.

REFUNDS AND GRANTS 12-05-04

MISSION

The mission is to process revenue refunds for improperly collected fees or receipts as predetermined by agency

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which collected revenue; maintain an accurate accounting of fiscal year refunds issued.

KEY OBJECTIVES

- Execute payment voucher for refund of improperly collected fee or receipts to the state General Fund.
- Interface, often a liaison, between originating agency and individual or collection firm requesting refund.
- Approve expenditure of payment voucher issuing escheated moneys.

BACKGROUND AND ACCOMPLISHMENTS

As per Title 29, Chapter 27, §2713, Delaware Code, the Treasurer executes a payment voucher as a direct claim in the event that any agency improperly collects fees or receipts that become revenue to the General Fund.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
Revenue Refunds Processed	1 Day	1 Day	1 Day