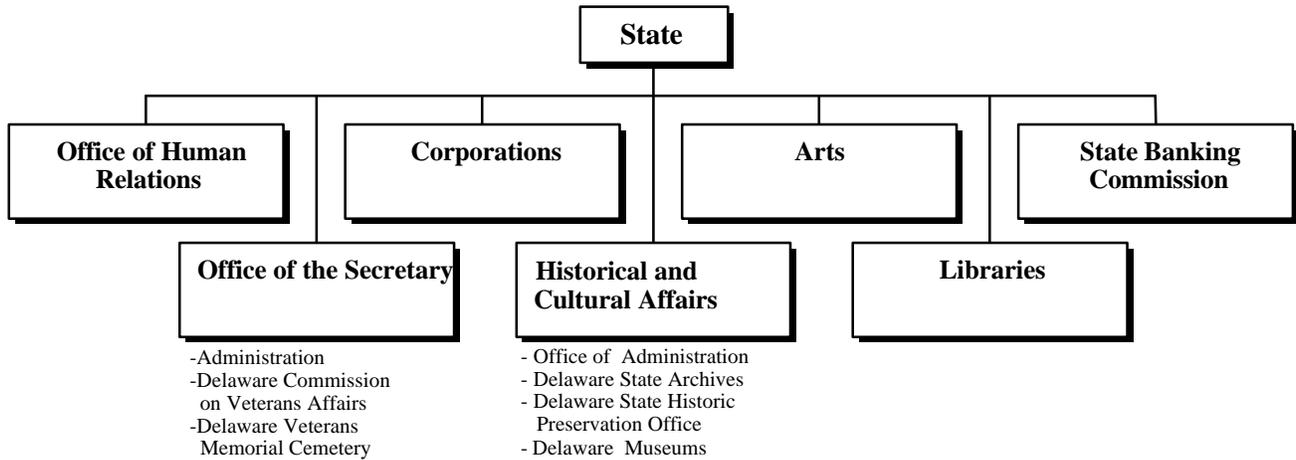


STATE
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MISSION

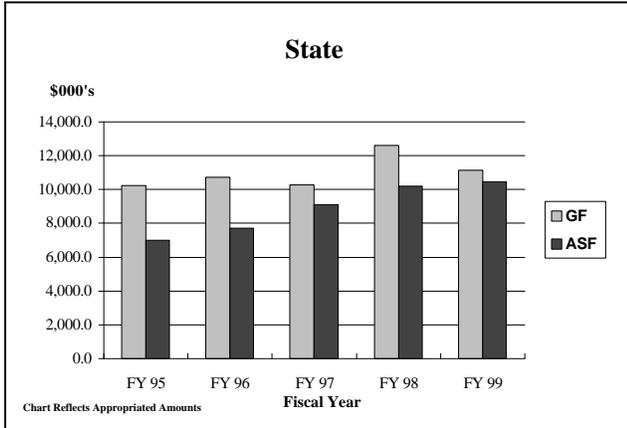
The Department of State improves the economic environment of Delaware by generating corporate franchise tax and related revenue, collecting bank franchise tax revenue, and by safeguarding the solvency of Delaware's financial institutions. The department also enhances the quality of life available to Delaware's citizens by preserving and managing a record of Delaware's past and by supporting artistic, historical, cultural, and educational activities. Additionally, the Department assures equal protection to all citizens in the areas of housing and public accommodations and provides special services to veterans who served our country in the armed services.

KEY OBJECTIVES

- Increase Corporation income by eight percent in FY 1998 and six percent in Fiscal Years 1999 and 2000.
- Increase the number of new incorporations by five percent per year in calendar years 1998 through 2000.
- Provide support to the Delaware Veterans Memorial Cemetery in FY 1998 in opening a new cemetery in Sussex County in FY 2000.
- Formalize a comprehensive training program for all department employees by FY 1999.

- Review electronic banking policy developments for possible legislation to facilitate electronic commerce in Delaware in FY 1999.
- Increase efforts to reach a greater number of veterans in need of services, particularly those in Kent and Sussex counties.
- Continue to provide adequate library facilities throughout the state through FY 2000.
- Initiate construction of the new Delaware public archives facility in FY 1998 with completion in FY 2000.
- Expand the public visibility of the Office of Human Relations and the Human Relations Commission.
- Annually continue to broaden the range of Delaware citizens who participate in and attend arts activities.
- Annually provide direction to support the development of the Port of Wilmington as a contributor to state employment and tax revenue.
- Continue the effort of automating business and communication processes department-wide to provide more effective services to department customers.

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CAPITAL BUDGET:

- ◆ Recommend \$5,279.0 to complete the construction of the Delaware Public Archives facility.
- ◆ Recommend \$1,254.1 for the construction of a veterans cemetery in Sussex County.
- ◆ Recommend \$1,000.0 to supplement the Minor Capital Improvements and Equipment Program.
- ◆ Recommend \$10,000.0 from the Infrastructure Investments Strategy for capital improvements at the Port of Wilmington.

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	10,704.6	11,157.7	11,664.8
ASF	8,009.7	10,201.4	10,445.5
TOTAL	18,714.3	21,359.1	22,110.3

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	135.1	138.3	141.3
ASF	108.9	112.9	111.9
NSF	17.8	21.8	18.8
TOTAL	261.8	273.0	272.0

FY 1999 BUDGET HIGHLIGHTS

OPERATING BUDGET:

- ◆ Recommend \$54.7 and 2.0 FTEs for the new Sussex County Veterans Cemetery. Also recommend \$111.3 for operating costs and equipment for the Sussex County Veterans Cemetery.
- ◆ Recommend \$35.6 and 1.0 FTE for a Public Programmer in the new Archives Facility.
- ◆ Recommend \$17.5 ASF and 1.0 ASF FTE for a Microfilm Operator for Delaware State Archives.
- ◆ Recommend an additional \$5.0 for Delaware Arts Grants.
- ◆ Recommend \$75.0 for Library Standards and \$50.0 for Library Technology Assistance Grants.

STATE
20-00-00

OFFICE OF THE SECRETARY
20-01-00

MISSION

To represent and promote the State of Delaware at state, national, and international levels concerning government and economic issues. The Office also provides direction and centralized services to the operating divisions within the department, as well as special services to Delaware's military veterans.

KEY OBJECTIVES

- Maintain revenue growth of corporate franchise taxes and fees and promote re-location to Delaware of certain banking operations to provide employment opportunities and lessen the personal tax burden on the citizens of Delaware.
- Continue the effort of developing business opportunities for the Port of Wilmington and guiding the Port toward financial stability.
- Continue the effort of automating business and communication processes department-wide to provide more effective services to department customers.
- Continue implementation of a comprehensive, formalized training program for all department employees in FY 1999 and FY 2000.
- Increase efforts to reach a greater number of veterans in need of services, particularly those in Kent and Sussex counties in FY 1999.
- Finalize plans for the Sussex County Veterans Cemetery and begin construction of the buildings and burial vaults in FY 1999.
- Upgrade various systems of the physical plant of the Delaware Veterans Memorial Cemetery through minor capital improvement projects in FY 1999.

BACKGROUND AND ACCOMPLISHMENTS

The Department of State, comprised of the Division of Corporations, the Office of the State Bank Commissioner, the Office of Human Relations, the

Division of Historical and Cultural Affairs, the Delaware Commission of Veterans Affairs, the Delaware Veterans Memorial Cemetery, the Division of the Arts, and the Division of Libraries, is an extremely diverse entity with responsibilities in many distinct areas.

In addition to providing direction as well as budgetary and policy guidance to the various operating divisions previously mentioned, the Secretary of State also serves as Chairman to the Diamond State Port Corporation (the operating entity of the Port of Wilmington). In that role, the Secretary has responsibilities for maintaining the Port's development and continued contribution to the state's economy. The Secretary of State also serves on the Board of the Christina Gateway Corporation, an entity contributing to the development of Wilmington's waterfront, chairs the Delaware Stadium Corporation, and serves on the Board of Pardons.

Through the Division of Corporations and the Office of the State Bank Commissioner, the department contributed approximately \$442.6 million in corporate and bank franchise tax revenues in FY 1997. The challenge facing the department in fiscal years 1998 – 2000 is to maintain this growth in revenue in order to continue to provide services offered by the department that citizens expect. In order to achieve this objective, the state must remain an attractive place to live and conduct business. Additionally, the department needs to be competitive in its efforts to attract companies to incorporate in Delaware. The Department must also continue to work with entities such as the Delaware Economic Development Office, to relocate certain financial institutions to Delaware.

The Delaware Commission of Veterans Affairs was established in 1987 to advocate for Delaware's veterans, their spouses and dependent children. Its initiatives are directed to innovative changes to current policy and to focusing on protecting and enhancing the delivery of benefits and entitlements to 77,000 veterans; 9.4 percent of the State's population.

The commission's organizational composition and unique position of a policy setting and service delivery organization, provides the mechanism required for effectively assessing and addressing constituent needs. The addition of a State Veterans Service Officer currently incorporates claims processing and representation before the federal Department of

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Veterans Affairs in matters pertaining to legal claims of veterans and their family members.

The commission has focused its efforts on technology enhancements to its operational delivery systems. Upgrades of hardware, the purchases of new software and training of staff members all have been vigorously pursued. The commission currently has a fully functioning computer system that meets the needs of its clients.

The commission's goal is to continue responding to the increasing number of veterans, their spouses and dependent children requesting State services, and to provide effective interaction and referral to services offered by the federal Department of Veterans Affairs as defined in Title 38, United States Code.

The Delaware Veterans Memorial Cemetery in Bear was dedicated in October 1989. Since that time, nearly 4,000 veterans and family members have been interred there. The amount of available burial vaults has been increased twice; most recently 3,144 additional vaults were provided to meet the increasing demand from Delaware veterans and their families. Currently, there are another 18,000 applications received that have been approved for burial at the cemetery.

In FY 1996 the Governor and General Assembly approved the construction of a second state veteran's cemetery to be located in Georgetown on land previously owned by the Stockley Center. Presently, plans are being finalized and infrastructure improvements are being made. Construction of the administrative and maintenance buildings along with the placement of the burial vaults is scheduled for FY 1999. The cemeteries continue to receive substantial support from the federal government which provides 50 percent of the funds for any initial construction and ongoing capital improvements.

The cemetery staff has recently initiated a campaign to market its services to those veterans who are not members of veterans' organizations and may not be aware of the cemetery. Advertisements have been placed in various local newspapers across the state and staff have appeared on several radio and television programs to promote their services.

Accomplishments

- Initiated and supported a department-wide plan to automate the business and communication processes of all operating divisions of the department.
- Completed and opened the Biggs Museum and Belmont Conference Center.
- Implemented employee recognition program for the department.
- Initiated and implemented performance standard/incentive program for the Division of Corporations.
- Initiated a comprehensive formalized training program for all department employees.
- Initiated an educational assistance program department-wide.
- Developed the department's first-ever Information Technology Plan.
- Maintained internet home page electronic informational data for access to services offered by the commission and the Federal Department of Veterans Affairs.
- Maintained an in-state toll free 800 number that provides 24-hour access to veterans information and services.
- Published *THE CENTURION*, a quarterly veterans newsletter distributed to over 8,000 homes and selected sites throughout the State.
- Improved access for veterans to obtain copies of their Statement of Military Service.
- Increased support for veterans outreach services provided by Listening Post-Lower Delaware (LP-LoDel).
- Initiated infrastructure improvements to establish a veterans cemetery in Georgetown.
- Completed the following improvement projects to the veterans cemetery in Bear: expanded number of burial vaults twice since opening in 1989; added a family room to the administration building; expanded parking; provided public rest rooms; expanded maintenance base twice; installed columbarium for cremains; installed informational kiosk; designed master plan for future expansion; and added Medal of Honor ceremonial area.

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	1,248.5	1,310.4	1,475.7
ASF	575.4	758.2	853.7
TOTAL	1,823.9	2,068.6	2,329.4

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POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	17.0	17.0	19.0
ASF	5.0	6.0	6.0
NSF	--	--	--
TOTAL	22.0	23.0	25.0

ADMINISTRATION

20-01-01

ACTIVITIES

- Promote State of Delaware at the state, national, and international levels concerning government and business issues.
- Provide marketing support both nationally and internationally in an effort to attract business organizations to incorporate in Delaware.
- Provide centralized services to operating divisions: financial, personnel, legislative, general administrative, and employee training.
- Serve as officers and staff to the Diamond State Port Corporation to expand the port's substantive contribution to the state's economy in terms of employment and tax revenues.
- Provide direction and policy-making functions for operating divisions within the Department of State.
- Set departmental priorities.
- Prepare budgets and control expenditures.
- Serve as staff to the Board of Pardons.
- Manage state Notary Public program.
- Co-sponsor First State Constitutional Scholarship Program.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
Employee Training Plans		150	250

DELAWARE COMMISSION ON VETERANS

AFFAIRS

20-01-02

ACTIVITIES

- Assist, advise, and represent Delaware's veterans and their families on all matters pertaining to

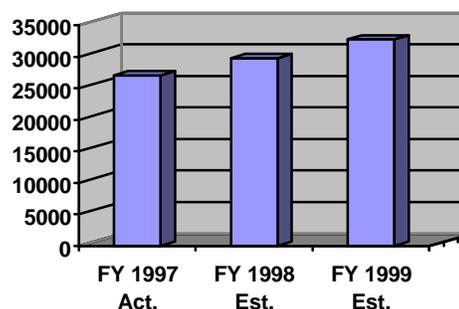
health, welfare and privileges authorized them under federal and state laws.

- Represent the State in concert with other states' veterans' agencies and the U.S. Department of Veterans Affairs on matters of mutual interest and concern.
- Maintain a repository for all veterans' "Statement of Service" or similar documentary verification of active military service.
- Advise all departments and agencies of the State on all matters pertaining to veterans, their dependents and survivors.
- Initiate state legislation and monitor federal legislation pertaining to veterans.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
Outreach	12,330	13,563	14,919
Federal/State Referral	2,515	2,767	3,044
Electronic Information	12,226	13,448	14,793

Total Veterans Served



DELAWARE VETERANS MEMORIAL CEMETERY

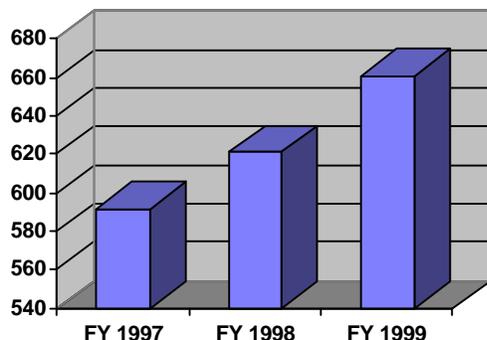
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ACTIVITIES

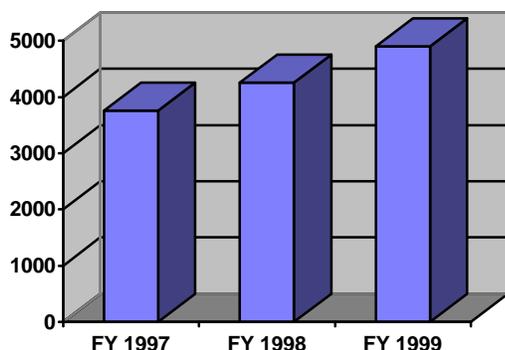
- Promote the services of the cemetery to all eligible veterans in the State of Delaware.
- Manage all capital improvement projects.
- Maintain the cemetery property as a memorial park in honor of Delaware's veterans and their families.

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20-00-00**

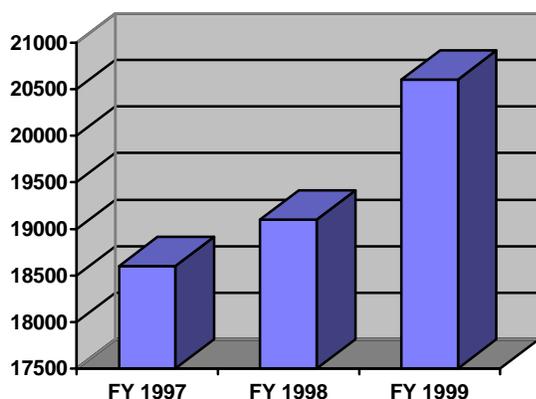
Number Of Interments



Grave Sites Maintained



Cumulative Approved Applications



**OFFICE OF HUMAN RELATIONS
20-02-00**

MISSION

To assure equal opportunity for all people of Delaware by protecting against practices that discriminate based on race, color, age, sex, religion, marital status, familial status, national origin, or disability so that all may enjoy the quality of life Delaware offers. To promote amicable relationships among genders as well as the racial, ethnic, religious, social, and cultural groups within the state.

KEY OBJECTIVES

- Annually resolve in excess of 80 percent of all housing and public accommodations complaints received and filed within the division.
- By FY 1999 develop strategic procedures relating to responding to hate crime and hate group activity.
- Expand cooperative efforts with law enforcement agencies in reporting incidents of hate crime through FY 2000.
- Expand the public visibility of the division and commission in promoting amicable relationships among all citizens of Delaware through FY 2000.
- Annually review division and commission statutory responsibilities and make appropriate changes to re-focus efforts toward education and advocacy.
- By FY 1999 implement a commission newsletter and annual report.

BACKGROUND AND ACCOMPLISHMENTS

Passage of the Delaware Fair Housing Act in 1992 and the Public Accommodations Act in 1996 marked two important milestones for the division. The Housing Act allowed Delaware's Office of Human Relations to remain certified as a "substantially equivalent fair housing agency" and allowed the division to continue to be eligible for federal funding assistance. It also allowed for a Human Relations Commission Panel or Superior Court to hear cases of alleged discrimination.

**STATE
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The Delaware Fair Housing Act requires the state to provide legal representation for complainants who allege housing discrimination. The Accommodations Act provides tougher penalties to those convicted of discriminating against citizens in providing accommodations to the public.

Despite the division's many successes in conciliating cases of alleged discrimination, the incidents of discrimination and hate activities have not leveled off. The division and commission realize that the future focus needs to be a proactive one of educating the public and promoting amicable relations among all citizens. This will require the division and the commission to redirect their activities and will also involve a reallocation or increase of division resources.

Accomplishments

- Passage and full implementation of the Delaware Fair Housing Act and resumption of federal funding to support division activities.
- Passage in 1996 of the Public Accommodations Act.
- Automated the division's administrative functions and recordkeeping. Implemented the HUD Case Tracking System.
- Established coalition of police, schools, and other community organizations to monitor crimes of hate, violence, and intimidation.

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	315.5	373.7	386.2
ASF	3.2	--	10.0
TOTAL	318.7	373.7	396.2

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	7.0	8.0	8.0
ASF	--	--	--
NSF	1.0	3.0	2.0
TOTAL	8.0	11.0	10.0

**OFFICE OF HUMAN RELATIONS
20-02-01**

ACTIVITIES

- Investigate, negotiate, and settle housing and public accommodations discrimination complaints.

- Promote amicable relations among all racial, cultural, and ethnic groups.
- Provide clerical, administrative, and fiscal support to the State Human Relations Commission and assist in monitoring the state Affirmative Action Plan.
- Conduct educational seminars on discrimination, fair housing, public accommodations, and hate issues.
- Serve as staff for the state Equal Employment Opportunity Council.
- Receive, investigate, and attempt mediation/conciliation in schools, prisons, and neighborhoods regarding incidents of excessive force, discrimination-related violence, neighborhood tension relating to discrimination or bias, and disparate treatment regarding consumer issues.
- Receive, investigate, and attempt conciliation in employment complaints in the Executive branch of state government.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
# programs	2	3	3
% housing and public accommodations cases conciliated	80	84	88

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CORPORATIONS
20-05-00

MISSION

To generate revenue for the State of Delaware through the collection of Corporate Franchise Taxes, and Corporate Business Trust, Trademark, Limited Partnership, Limited Liability Partnership, Notary Public, and Uniform Commercial Code filing fees. To provide superior services for the corporate customer in order to attract and maintain incorporations in Delaware and thereby promote a strong economy in the First State.

KEY OBJECTIVES

- Increase Corporation income by eight percent in FY 1998 and six percent in Fiscal Years 1999 and 2000.
- Increase the number of new incorporations by five percent in Fiscal Years 1998, 1999, and 2000.
- Annually review Delaware Corporate Law in order to determine whether any changes and improvements should be considered in order to maintain Delaware's body of corporate law as flexible and responsive to the industry.
- Annually review technology needs of the Division in order to maintain and improve speed and efficiencies in providing services to corporate customers.

BACKGROUND AND ACCOMPLISHMENTS

Franchise tax revenue has increased from \$255.9 million in FY 1993 to \$357.6 million in FY 1997 at a robust rate of nearly 40 percent. The success in generating such substantial state revenue is attributable to several factors including the following: the excellent business image and climate of Delaware; the foundation of 100 years of state corporate law; a prestigious Chancery Court system; on-going marketing initiatives; a state-of-the-art information processing system; a cooperative legislature that responds quickly to necessary changes in laws; and a history of excellent customer service by the division staff.

The primary focus of the Division of Corporations will continue to be on customer service and enhancing its

current technology. The division is continually making upgrades to its systems. These improvements are necessary in order to handle the dramatic increase in volume that the division has seen during the last few years.

Increasing competition, as well as the division's reliance on special funds to run its operation, will dictate the need to develop new services and revenues for the division. Hand in hand with the need to provide new services will be the need to maintain a staff which is trained in order to meet the increased service demands requested by the division's customers.

Accomplishments

- Franchise tax revenue increased from \$278.2 million in FY 1994 to \$302.7 million in FY 1995 and to \$319.3 million in FY 1996 reaching an unprecedented growth rate of over 12 percent in FY 1997 at \$357.6 million.
- The migration from the Wang 12000 system to a Hewlett Packard 9000 open system has been completed. The new system is faster and more flexible in meeting the needs of the division's customers.
- Enhancements have been made to the telephone system allowing for a greater number of calls to be received and more effective service to customers.
- Uniform Commercial Code procedures were implemented within the Delaware Corporation Information System (DCIS) application to allow for automated filings, printing, and search procedures.
- Notary Public Commissions and search procedures are now completely automated.

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	1,206.4	1,291.3	1,312.9
ASF	4,719.1	6,507.1	6,591.8
TOTAL	5,925.5	7,798.4	7,904.7

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	29.5	29.5	29.5
ASF	53.5	56.5	57.5
NSF	--	--	--
TOTAL	83.0	86.0	87.0

STATE
20-00-00

CORPORATIONS
20-05-01

ACTIVITIES

- Incorporate business entities under the corporate laws of Delaware.
- Maintain official records of incorporation.
- Generate revenue through collection of franchise taxes and filing fees.
- Initiate necessary changes to Delaware Corporate Law.
- Market the attractiveness of incorporating in Delaware.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
Franchise Tax Revenue (\$ millions)	\$357.6	\$386.6	\$409.8
# new corporations	52,418	55,038	57,789

HISTORICAL AND CULTURAL AFFAIRS
20-06-00

MISSION

To enhance the cultural and historical quality of life in the State, promote government efficiency and protect citizen rights and heritage by identifying, protecting, collecting, preserving and exhibiting a record of Delaware's past, conducting outreach programs, sponsoring cultural projects and activities and administering a government records program.

KEY OBJECTIVES

Improve Service Delivery

- Oversee the construction and opening of the new public archives through FY 2000.
- Increase public awareness of and access to information about Delaware's history, culture and government through exhibits, programs, historic sites and the archives research room and information center through FY 2000.
- Increase public use of museums, archives research room and participation in programs by three percent per year through FY 2000.
- Increase services to owners of historic properties and sites through FY 2000.
- Increase physical preservation of state documents and conservation of museum collections through FY 2000.
- Increase agency compliance with records retention schedules through FY 2000.
- Provide historic preservation assistance and advice to Federal, State and Local governments and to private citizens in order to minimize the loss of historic properties and sites throughout the State.

Policy Improvements

- Integrate all electronic records into the records management process through FY 2000.

Improve Management

- Improve information processing capabilities throughout the division through FY 2000.

BACKGROUND AND ACCOMPLISHMENTS

The Division of Historical and Cultural Affairs is an agency with broad cultural and government service

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mission. The division is composed of three major public service units and the Office of the Director. The Delaware Public Archives administers the Delaware Public Records Law that directs the state's archives and records management program. The Delaware Public Archives is the permanent repository for state and local government records of enduring value and currently contain 55,000 cubic feet. These records require a full range of cataloging, protection, data migration and conservation services to ensure both long-term public access and long-term preservation. The public research room, located in the Hall of Records in Dover, is open five days a week and served an average of 4,255 researchers annually over the past three fiscal years.

In FY 1996 the General Assembly earmarked \$1.5 million for plans and specifications for a new Delaware Public Archives facility and through FY 1997 has committed \$9.9 million to its construction. The Department of State to date has privately raised more than \$2.25 million of a targeted \$3 million for the project. The new Delaware Public Archives will be constructed on the current site adjacent to Legislative Hall in two phases. Two above ground stories will be added to the existing underground records storage area. The existing Hall of Records will be completely renovated for public programming, exhibits and office space. New construction will connect these two. The new 85,000 square feet facility provides 95,000 cubic feet of storage for archival material, as well as public research space that more than doubles the current capacity. Phase I construction -- the addition to the underground records vault and the connector -- is scheduled to be completed and opened for public services in FY 1999. Renovation to the Hall of Records is scheduled for completion in FY 2000.

The records management program of the Delaware Public Archives provides records management consulting, records scheduling, document imaging, records center storage, record pick-up and delivery and record disposal services to state and local government agencies. The records schedules control the retention and disposition of every government document, the total new volume of which is estimated to be 15,000 cubic feet annually.

The Delaware State Historic Preservation Office operates programs to identify, evaluate and protect the state's archaeological sites, historic buildings, structures and districts. Since its inception 26 years ago, the Federal Historic Preservation Fund has provided to

Delaware survey and planning grants of over six million dollars to identify and protect the state's cultural resources as well as \$2.2 million in rehabilitation grants which were matched against an estimated \$38 million in private funds to restore/rehabilitate 85 historic buildings statewide.

The National Historic Preservation Act requires that each state determine the effect that all federally permitted or funded projects have on significant historic properties. In FY 1997 the State Historic Preservation Office reviewed 624 development projects throughout the state and it is estimated that there will be a five percent increase each year for the next two years.

Delaware State Museums operates and maintains eight museums (including the State Visitor Center in Dover) and two conference centers (Belmont Hall and Buena Vista). A ninth museum, the Octagonal School remains closed. State Museums also provides all operational support to the private non-profit Sewell C. Biggs Museum in the State Visitor Center.

Rapid changes in technology and increased application of information technologies affect government record keeping, archival programs and the internal management of information in the division. Electronic information technology currently used by government has profound implications for the management, archivability and continued public access to Delaware's public records. This has strategic implications for records management and archives program planning and for preservation and access to vital government information. Internally, much of the division's museum collections, archives holdings and historic site information is managed and access provided by manual systems. A need exists to provide automated systems to organize information and to make it available for use. A first step has been taken in Public Archives and Museums with the installation of a local area network in FY 1997. In FY 1998 a new local area network was installed in the Preservation Office. An objective for FY 1998 and FY 1999 will be to work from this installed base and implement projects to provide management capability in electronic form.

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Accomplishments

- Instituted partnership with the State Office of Planning and Coordination to review comprehensive plans of all Delaware communities and provide guidance on preservation issues.
- Acquired development rights of the Gibraltar property in Wilmington in partnership with Preservation Delaware, Inc. and the Open Space Council.
- Acquired Connor property adjacent to the John Dickinson Plantation, an important historic site.
- Completed environmental remediation projects and race/dam stabilization at Dayett Mill.
- Completed plans and specifications in FY 1997 for the new Public Archives facility.
- Moved all records from the underground State Records Center to off-site storage where the records will remain during new facility construction.
- Continued Legislative tapes conservation project initiated in FY 1994 at the request of the Legislature.
- Continued historic document preservation and museum collection conservation programs started in FY 1995.
- Responded to 305 requests from state agencies for assistance in developing new or amended record schedules or other technical assistance.
- Began two-year federally-funded \$101,774 Electronic Records Project to enhance Public Archives capacities to manage records created and maintained in electronic records systems.
- Researched and installed 13 new historic markers statewide.
- Created and installed the Delaware Public Archives internet Website.
- Acquired hardware and software for the Preservation Office Geographic Information System.
- Preservation Office co-sponsored workshop with State Planning Office. Preservation Delaware and Delaware Chapter of AIA on "Enhancing Delaware Communities through Historic District Zoning".
- Preservation Office awarded grants totaling \$190,000 to local government, one state agency, the University of Delaware and three non-profits for historic preservation projects.
- Conservation was completed on four State portraits and frames and a major portion of the H.M.S. DeBraak collection.
- Museums produced two major exhibits, six changing exhibits and six case exhibits in FY 1997.

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 Gov. REC.
GF	4,125.7	4,231.7	4,389.9
ASF	424.4	598.8	602.6
TOTAL	4,550.1	4,830.5	4,992.5

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 Gov. REC.
GF	65.8	66.8	67.8
ASF	7.4	7.4	8.4
NSF	4.8	6.8	4.8
TOTAL	78.0	81.0	81.0

**OFFICE OF ADMINISTRATION
20-06-01**

ACTIVITIES

- Monitor state and federal legislation, funding opportunities and inter-agency opportunities for program development and service delivery.
- Establish and support priorities for division-wide programs and expenditures.
- Meet with constituents and identify needs and opportunities for program change or development.
- Prepare news releases, media packets and arrange media coverage of division programs, exhibits and events.
- Prepare and review policies and procedures.
- Respond to requests for information from the media, elected officials and the general public.
- Represent the division and its programs and mission through correspondence, meetings and speaking engagements.
- Prepare and review legislation on division programs.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
Acquire four key parcels adjacent to museum sites (cumulative)	2	3	4

**STATE
20-00-00**

***DELAWARE STATE ARCHIVES
20-06-02***

ACTIVITIES

- Ensure access to public records for present and future generations of Delawareans and promote the availability and use of public records as a unique and invaluable source of information.
- Identify, collect, and preserve public records of enduring historical and evidential value.
- Advise and educate in the creation, management, use and preservation of public records.
- Determine final disposition of all government records regardless of physical format.
- Administer central documenting imaging services program.
- Administer central state Records Center program to provide economical and secure agency records storage.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1998 Gov. Rec.
# researchers served in Research Room	4715	4856	5000
Increase % on-line reference services to 50 by FY 2000	7	10	30

***DELAWARE STATE HISTORIC PRESERVATION
OFFICE
20-06-03***

ACTIVITIES

- Administer federal program grants for survey, planning and public outreach.
- Identify and evaluate historic buildings, structures, districts and archaeological sites throughout the State.
- Maintain centralized files of information of the state's historic properties and sites including files in a Geographic Information System (GIS).
- Nominate significant properties and sites to the National Register of Historic Places.
- Review and comment on federal, state and local development projects and proposed land use changes for their potential effects on significant archaeological sites and/or historic properties.

- Review and comment on applications for federal tax incentives for historic property rehabilitation.
- Provide technical advice to agencies and individuals on historic preservation and archaeology.
- Assist local governments with preservation planning.
- Convey to Delaware's citizens an awareness and understanding of the state's history and heritage and provide information about the benefits of historic preservation.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
% GIS Project complete	25	25	50
# technical info. requests	1200	1400	1500

***DELAWARE STATE MUSEUMS
20-06-04***

ACTIVITIES

- Exhibit and interpret Delaware history through artifacts, objects programs and publications.
- Collect artifacts and objects significant to all aspects of Delaware history.
- Conserve artifacts and objects in state collections.
- Develop and present teacher education programs on Delaware history as interpreted through division facilities.
- Advise local historical societies on museum development and operation.
- Operate and maintain eight state museums and two state conference centers; operate the state visitor center in Dover.
- Conduct public speaking engagements on state museums sites, programs, exhibits, collections and Delaware history.
- Participate in state and county tourism planning and promotion.
- Develop, plan, coordinate and monitor restoration, maintenance projects on 14 other division historic properties.

STATE
20-00-00

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
# museum visitors	89,551	90,000	90,000
# people attending teacher in-service/museum seminars	6,069	6,251	6,500
# people reached in public outreach programs	8142	8400	8600
# conference centers users	13,067	13,459	13,863

ARTS
20-07-00

MISSION

The Delaware Division of the Arts provides leadership in promoting, supporting and expanding creative expression and the role the arts play in our lives.

KEY OBJECTIVES

- Enhance a supportive environment for artists and arts organizations in Delaware by annually providing grants in excess of \$1 million to assist Delaware's non-profit arts organizations and artists.
- Sustain lifelong learning in the arts by advancing comprehensive arts education for all Delaware students with a goal of full implementation of the "Visual Performing Arts Curriculum Framework Standards" by the year 2000.
- Promote the value of the arts in the state's economic, educational, social, and cultural life by developing a long-term marketing plan for the arts in Delaware by FY 1999.
- Insure that the arts are considered a tool for economic development by establishing plans for cultural tourism and community redevelopment by FY 1999.
- Continually update existing channels for arts information such as "Artline" and "Arts Online." By utilizing technology such as the Internet (via "Arts Online") in addition to printed publications ("Artline"), provide access to information regarding the arts to all Delawareans by FY 2000.
- Act as a catalyst in making the arts an integral part of life in Delaware by annually responding to the needs of the state's artistically under-served communities by encouraging and supporting at least 25 opportunities for such communities to expand the reach of the arts in their area.

STATE 20-00-00

BACKGROUND AND ACCOMPLISHMENTS

The Delaware Division of the Arts (DDOA) was created as a result of a change in legislation in 1989, having been established originally in 1969 as the Delaware State Arts Council. Throughout its history the division has supported Delaware's cultural environment by providing grants and services to artists, arts organizations and others involved and interested in the arts.

The division is continuing its efforts to bring arts opportunities to a broad range of Delawareans. While supporting the efforts of traditional arts organizations and artists, the division has expanded its services to those Delawareans who seldom or never participate in the arts. Through NEA grants designed to stimulate interest in underserved communities, the division has successfully brought arts activities to ethnic festivals, libraries, historical societies, parks, and a wide range of community organizations. It has also collaborated with economic development agencies such as the state Office of Tourism, Wilmington 2000, and Sussex County Convention Bureau to promote the inclusion of arts and artists in the economic development efforts of Delaware cities and towns.

The arts play a significant role in the economic base of Delaware. A 1992 study showed that the arts industry ranked 11th in the state among all industries. Over 1,700 people were employed by the arts. It also indicated that the industry contributed \$7.3 million in state and local tax revenues in 1992. It has also been determined by the Delaware Economic Development Office that a community's cultural environment is a major factor in a business' decision to relocate to or remain in a particular area.

A collaboration of the division, corporations, foundations and the Delaware legislature in the early 1990's led to the creation of a five year fundraising effort known as the Delaware Arts Stabilization Fund. With \$5 million provided by the state, a \$21.5 million endowment fund has been created to support the facility needs of these arts organizations. This fund is currently generating income to assist with facilities maintenance of arts organizations.

The U.S. Congress continues its attempts to scale back support to the National Endowment for the Arts. This will affect the division's efforts in supporting the traditional arts organizations. Any further reduction in

subsequent years may adversely affect the division's efforts to underserved communities and Arts in Education programs.

The division continues to participate in education reform, assisting the Department of Education with the development of Visual and Performing Arts Curriculum Frameworks and their implementation. The division's Arts in Education program will be redesigned to work with the new standards.

Accomplishments

- Eight community festivals were enhanced with arts events funded through "Celebration of Cultures" grants.
- Grants to non-arts organizations supported performing arts programs in 30 Delaware towns and cities.
- Special Ventures grants were awarded for nine innovative partnerships between community groups and artists/arts organizations.
- A video was produced and aired on WHYY public television plus channel 22, highlighting Special Ventures projects.
- Fourteen artist residency projects were sponsored in FY 1997, covering all three counties, serving more than 4,400 individuals in school-related or summer-related projects. The residency program is being revised to address the state's Visual and Performing Arts Curriculum Standards.
- Eleven Education Resource grants were issued in FY 1997 to five schools and six arts organizations which stimulated the development of standards-based curriculum models and/or programs for the enhancement of the Visual and Performing Arts Standards.
- Grant application forms and guidelines were designed to streamline access for clients to receive grant funds and to ease administration of an increasing number of grants.
- Eighty-eight arts organizations were supported through DDOA grants.

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	1,311.3	1,486.5	1,516.1
ASF	--	--	--
TOTAL	1,311.3	1,486.5	1,516.1

STATE
20-00-00

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	5.8	6.0	6.0
ASF	--	--	--
NSF	3.0	3.0	3.0
TOTAL	8.8	9.0	9.0

OFFICE OF THE DIRECTOR
20-07-01

ACTIVITIES

- Annually provide financial and technical support for the artistic growth and development of Delaware's artists and arts organizations.
- Create opportunities for artists and arts organizations to work with other community, civic and social service groups, resulting in new programs and services.
- Facilitate coordination and communication among artists, arts organizations and the arts community, resulting in new collaborative efforts.
- Insure that the arts are considered a tool for economic development, cultural tourism and community revitalization.
- Advance comprehensive arts education for all Delaware students with a goal of full implementation of the Visual and Performing Arts Curriculum Frameworks standards by FY 2000.
- Support and collaborate with Delaware artists and arts organizations to serve as educational resources for schools and communities.
- Be the information clearinghouse and the source for information on the arts and arts education in Delaware.
- Encourage and support opportunities for communities to expand the reach of the arts, especially into the state's artistically under-served communities.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
Partnerships in under-served communities created	6	8	10
% increase readership to Artline	10	10	10
\$ income from Delaware Art Stabilization Fund distributed (in thousands)	40	55	65
Increase number of hits to Arts home page	3,300	3,630	3,993

STATE

20-00-00

LIBRARIES

20-08-00

MISSION

To provide general direction over the extension and improvement of library services statewide in order to assist Delaware libraries in meeting the informational and educational needs of their communities.

KEY OBJECTIVES

- Establish a curriculum development team in FY 1998 that will evaluate the computer/technology training offered to the staffs of Delaware's public libraries.
- By FY 1999 improve the automation and networking capabilities of Delaware libraries to enable them to provide expanded and user friendly information services through an upgrade of public library system equipment and graphic services.
- Improve public library facilities by opening new libraries and constructing additions to existing libraries in FY 1999.
- Improve public library services by implementing "BASE: The New Standard for Public Libraries," that requires public libraries to conduct comprehensive cooperative planning and evaluation of the services they provide.
- Annually insure adequate state funding for public library grants which includes enabling public libraries to conduct the "BASE" program.
- Continue to provide a basic level of information equity for Delawareans by providing a digital library and access to the Internet to anyone who has a Delaware public library borrower's card (via hundreds of public library computers).

BACKGROUND AND ACCOMPLISHMENTS

The Division of Libraries strengthens Delaware families and advances improvement in the quality of education available in the First State by providing educational support centers for students of all ages, discovery and

learning centers for pre-school children, as well as opportunities for life-long learning for adults. More than 2.6 million visits were made in 1996 to Delaware's public libraries. Libraries also play an important role in developing and expanding family literacy by providing information and referral services for low-literate persons, acquiring special materials for new adult readers, and offering local literacy training.

The Division of Libraries has achieved a series of goals established to automate and network Delaware's libraries and to provide computerized, automated library services (including Internet services) to Delawareans throughout the state. Currently, all 31 of Delaware's public libraries offer a variety of electronic and computer-based services via more than 200 public access computer/terminals.

Delaware public and academic libraries provide "automated Integrated Library Systems" (ILS) that access local, county, and state library holdings. There are four public library ILS systems throughout Delaware: Kent County's "KentNet", Wilmington Institute's "WilmNet", New Castle County's "TIPCAT", and Sussex County's "HolliNet".

The Division of Libraries is implementing a comprehensive strategic planning tool at Delaware's public libraries known as the "BASE" program. Through the BASE program Delaware's public libraries will conduct a comprehensive program to determine the appropriate services and programs for the communities that they serve.

To complete the program Delaware public libraries will perform the following tasks: (a) conduct a professional evaluation of their community needs and library services; (b) determine their specific library mission and role within their community; (c) develop a benchmarking partnership with an "outstanding" library; (d) set standards of service; (e) create an action plan; (f) conduct interim and annual evaluations of their progress. Based on this information, the libraries will develop a strategic plan. The libraries will implement the strategic plan in the following three to five years.

ACCOMPLISHMENTS

- Automating and Networking Delaware Public Libraries. The division has coordinated a three year project that supports automating all Delaware public libraries, networking all Delaware public and academic library systems, and providing access to the Internet to all citizens through their local public

**STATE
20-00-00**

library. In 1995 the public libraries of Kent County and Wilmington were completed, in 1996 the public libraries of New Castle County were completed, and in 1997 the public libraries of Sussex County were completed.

- Building, Expanding and Renovating Public Libraries. The division has assisted in the building of new public libraries in Hockessin, Milford, Bethany Beach, and Millsboro; expansion and renovation of public libraries in Dover, New Castle, Wilmington, Smyrna, Greenwood, Corbit Calloway, and Claymont; and planning of new public libraries in Bear, Brandywine Hundred, North Wilmington, and Rehoboth Beach. Land has been purchases in Newark and Bethany Beach libraries for future expansion.

The division implemented DelAWARE™ (The Digital Library of the First State) which provides online library information services to Delaware public libraries and their users. Databases are available which provide the text of over 3,000 periodicals; federal, state, and local government information; and internet access to the public. These services are accessible to Delawareans from public libraries, home, or office

- Administer state aid to public libraries through contracting for library services which addresses meeting state standards.
- Administer the DELNET project which automates and networks all Delaware public libraries.
- Provide *Del-AWARE™*: The digital library of the First State which includes statewide public access to full text magazines, government information, and the Internet.
- Provide the Delaware Library for the Blind and Physically Handicapped.
- Provide statewide coordination of the Summer Library Reading Program.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
Number of hits to the DelAWARE™ home page	718,944	826,785	950,803
Full text usage of DelAWARE™	29,473	32,420	35,662

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	2,497.0	2,464.1	2,584.0
ASF	0.2	--	2.0
TOTAL	2,497.2	2,464.1	2,586.0

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	10.0	11.0	11.0
ASF	--	--	--
NSF	9.0	9.0	9.0
TOTAL	19.0	20.0	20.0

**LIBRARIES
20-08-01**

ACTIVITIES

- Administer federal Library Services and Technology Act program and funds.
- Administer the Delaware Library Construction Assistance Act program and funds.

STATE 20-00-00

STATE BANKING COMMISSION 20-15-00

MISSION

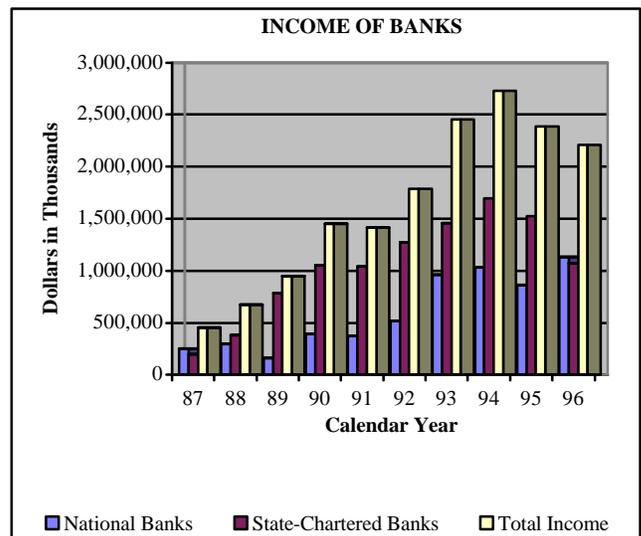
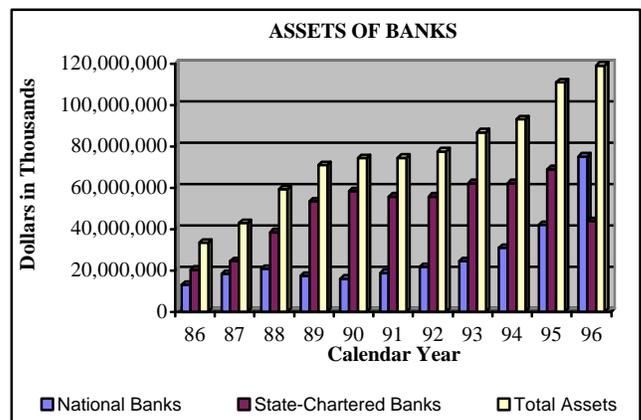
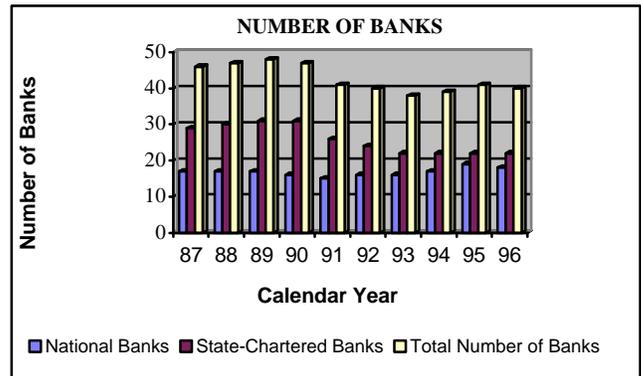
To serve the public interest by regulating depository institutions for safety and soundness and non-depository institutions for compliance with state and federal laws and regulations. To also provide effective and efficient application procedures to keep Delaware's economic environment attractive to the financial industry. This office also has the responsibility for collecting and administering the bank franchise tax that covers all financial institutions operating in the state.

KEY OBJECTIVES

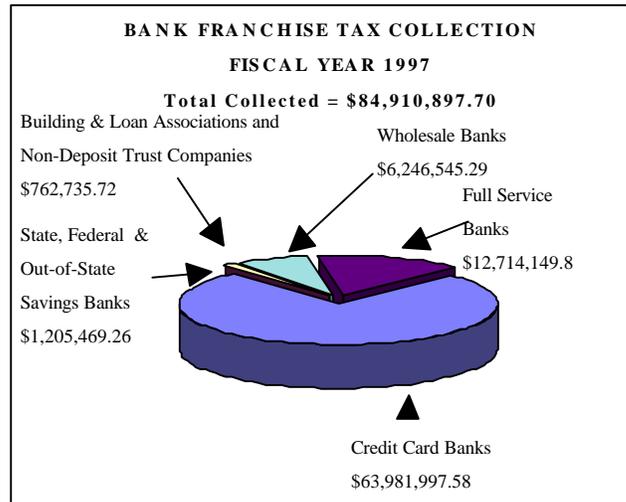
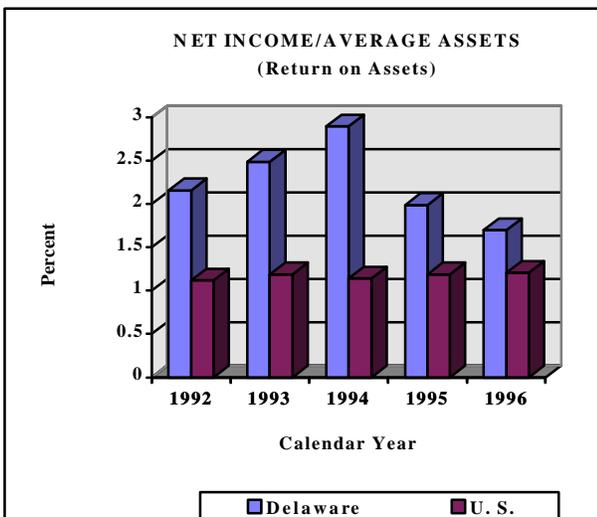
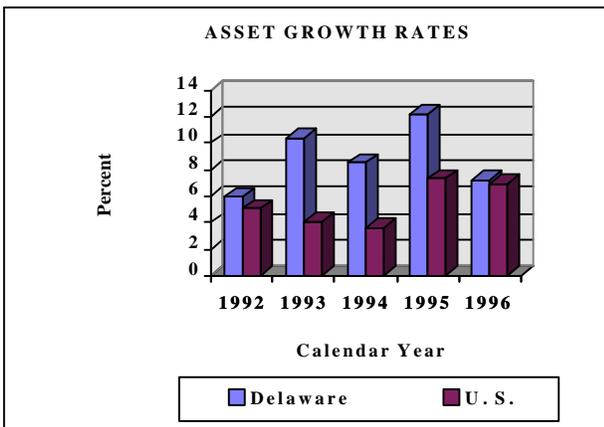
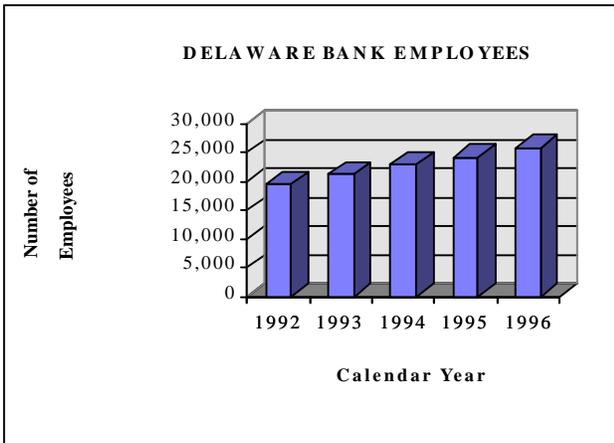
- Review electronic banking policy developments for possible legislation to facilitate electronic commerce in Delaware.
- Continue the improved supervision of non-depository institutions by maintaining the number and frequency of in-state and out-of-state field examinations of non-depository institutions.
- Maintain formal accreditation from the Conference of State Bank Supervisors.
- Pursue regulatory streamlining for applications, procedures, and related filings.
- Facilitate communications with the Delaware banking community and public by providing an Internet home page, producing a quarterly newsletter, and hosting an annual Day with the Commissioner.

BACKGROUND AND ACCOMPLISHMENTS

1996 was another successful year for banking in Delaware. The average rate of return on assets, asset growth rate, and ratio of tier one capital to average assets for Delaware banks are significantly higher than the national average. Six of the 15 most profitable credit card banks in the country are located in Delaware. Commercial bank employment in Delaware has grown from less than 5,000 in 1981 to approximately 26,000 in 1996. During Fiscal Year 1997, three regulatory applications involving banks were approved.



STATE 20-00-00



Since 1981, the responsibilities of the Office of the State Bank Commissioner have increased significantly. As a result of the increased responsibilities, the staff has grown in size from 15 authorized positions to 43. In 1981, the office supervised 14 state-chartered banks with assets of \$4.3 billion. Today the office supervises 27 banks and trust companies with assets of nearly \$44 billion. Additionally, the office has looked to contain operating costs and, indeed, lowered the supervisory assessment rate for banks for Fiscal Year 1998 to its lowest in seven years due to expense control and more equitable billing for expenses related to the supervision of non-depository institutions.

**Yearly Comparison of Number of Banks
1995 vs. 1996**

Type of Bank	1995	1996
State-Chartered Banks	23	19
National Banks	19	22
Limited-Purpose Trust Companies	1	2
State Non-Deposit Trust Companies	5	5
National Non-Dep. Trust Companies	*	1
State Savings Banks	1	1
Federal Savings Banks	3	4
Out-of-State Federal Savings Banks	4	2
Out-of-State Banks with Delaware Branches	*	2
State-Chartered Savings and/or Building and Loan Associations	4	4
TOTAL	60	62

* Not included in previous comparisons.

Additionally, the office regulates non-depository institutions that operate in the state as well as conducts escheat examinations of all state and nationally chartered banks and federally chartered credit unions with locations in Delaware. This growth of the Delaware financial services sector is primarily attributable to state initiatives (Financial Center

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Development Act; Bank and Trust Company Insurance Powers Act of 1989), national issues (the non-bank bank; the Interstate Banking and Branching Act of 1995), and changes in federal law (the Competitive Equality Banking Act).

Yearly Comparison of Number of Licenses Issued 1995 vs. 1996

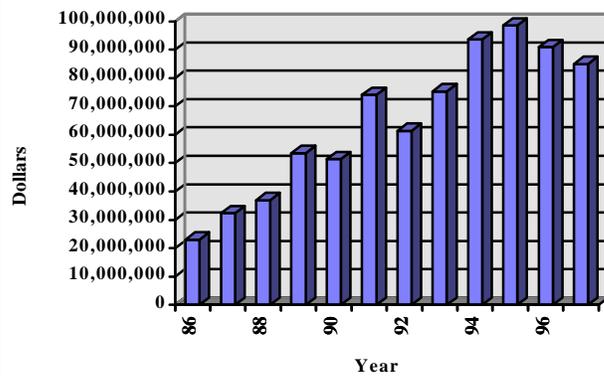
Type of Licensee	1995	1996
Licensed Lenders	345	369
Exempt Licensed Lenders	*	57
Motor Vehicle Sales Finance	122	139
Mortgage Loan Broker	47	43
Non-Processing Mortgage Loan Broker	*	77
Transportation of Money and Valuables	4	3
Sale of Checks, Drafts & Money Orders	17	18
Cashing of Checks, Drafts and Money Orders	11	11
Pre-need Funeral Contract	31	38
TOTAL	577	621

* Not included in previous comparisons.

The Delaware banking environment is affected not only by state and federal laws and regulations, but also by market and economic trends, new products in the financial markets, local and national problems within the financial industry, political issues, budget restraints, and demands in the labor force. The regulation of the banking industry as a whole has become increasingly complex.

Banks as well as their affiliates and subsidiaries are engaging in increasingly sophisticated transactions in the areas of securitization of assets, funds management, and swap transactions. The office's employees need to continue their professional training, both in-house and externally, to keep current on these developments and have the ability to access all relevant information affecting a bank's financial condition. Resources are also needed to provide the technological tools, primarily computer support, to permit the office and field staff to review these new bank activities from a safety and soundness standpoint.

**BANK FRANCHISE TAX HISTORY BY FISCAL
YEAR**



As Delaware has moved to the forefront in the banking industry, the information demands of the public also have increased. During Fiscal Year 1997, the office responded to over 5,100 consumer complaints or inquiries.

Accomplishments in Fiscal Year 1996 and Fiscal Year 1997

- Obtained formal accreditation from the Conference of State Bank Supervisors in December 1996.
- Established an Internet home page, bi-monthly intra-office newsletter, and a quarterly newsletter to be distributed to Delaware financial institutions.
- Passed legislation in 1997 to allow the creation of Delaware state chartered savings banks.
- Collected nearly \$85 million in bank franchise taxes in Fiscal Year 1997, with 25 institutions using the newly refined ACH payment option (electronic filing). Will continue to emphasize ACH payment option.
- Continued efforts with respect to comprehensive upgrading of the office's computer system and field capability which will allow greater automation of bank examination functions and receipts of various reports/information from financial institutions.
- Entered into cooperative agreements drafted by OSBC and colleagues in adjacent states and the Federal Reserve Banks of Philadelphia, Cleveland and the FDIC to permit supervision of multi-state branch banks.
- Began conducting examinations of check sellers in 1997. Participated in joint exams with the State of Pennsylvania.

**STATE
20-00-00**

BUDGET

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	--	--	--
ASF	2,287.4	2,337.3	2,385.4
TOTAL	2,287.4	2,337.3	2,385.4

POSITIONS

	FY 1997 ACTUAL	FY 1998 BUDGET	FY 1999 GOV. REC.
GF	--	--	--
ASF	43.0	43.0	40.0
NSF	--	--	--
TOTAL	43.0	43.0	40.0

**STATE BANKING COMMISSION
20-15-01**

ACTIVITIES

- Regulate and supervise depository and non-depository institutions and serve the public through the following activities:
 - Charter banks and limited purpose trust companies.
 - Approve/disapprove bank branch applications.
 - Examine state-chartered institutions for safety, soundness, and compliance.
 - Approve/disapprove changes of control, acquisitions, mergers, bank holding companies.
 - Examine state and national banks and federal credit unions for compliance with Delaware escheat laws.
 - License foreign bank agency and representative offices; building/savings and loan associations; licensed lenders; pre-need funeral contract providers; the sale of checks, drafts, and money orders; the cashing of checks, drafts, and money orders; the transportation of money and valuables; business and industrial development corporations; motor vehicle sales finance companies; and mortgage loan brokers.
- Examine non-depository institutions for compliance with state and federal laws and regulations.
- Collect the bank franchise tax (and submit revenue estimates for same).
- Investigate consumer complaints against Delaware financial institutions.

PERFORMANCE MEASURES

	FY 1997 Actual	FY 1998 Budget	FY 1999 Gov. Rec.
# in-state and out-of-state lender examinations	124	170	170
# banking examinations	25	26	25
# bank examination processing days	27	20	20
# non-depository examination processing days	30	21	21
# days for decision time for completed non-depository applications	30	15	15