

OTHER ELECTIVE 12-00-00

Other Elective

Lieutenant Governor

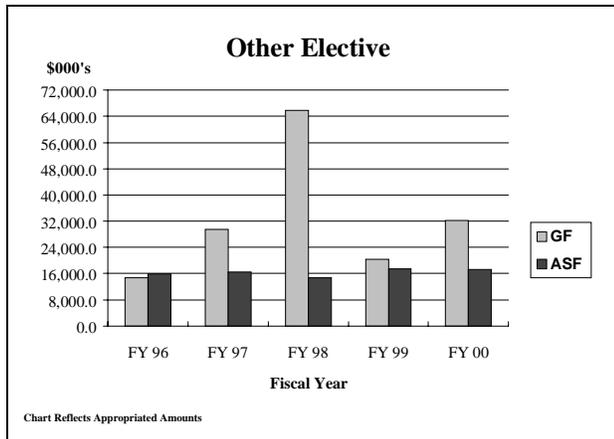
Auditor of Accounts

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 1998 ACTUAL	FY 1999 BUDGET	FY 2000 GOV. REC.
GF	65,762.5	20,420.6	32,290.9
ASF	14,678.5	17,490.7	17,306.3
TOTAL	80,441.0	37,911.3	49,597.2

POSITIONS

	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 GOV. REC.
GF	74.0	73.0	73.0
ASF	77.0	83.0	83.0
NSF	2.0	2.0	2.0
TOTAL	153.0	158.0	158.0

FY 2000 BUDGET HIGHLIGHTS

OPERATING BUDGET:

Lieutenant Governor

- ◆ Recommend an additional \$2.7 for personnel costs and \$.5 for supplies.

Auditor of Accounts

- ◆ Recommend base funding adjustments to personnel costs with the removal of excess OEC for a net (\$10.0), travel \$7.7, contractual services (\$27.7), and \$34.2 to capital outlay for office and computer equipment.

Insurance Commissioner

- ◆ Recommend base funding adjustments of (\$324.8) ASF including (\$174.8) from personnel costs and (\$150.0) from capital outlay. Recommend \$37.7 ASF to annualize 6.0 ASF FTE authorized in the Fiscal Year 1999 budget and \$15.0 ASF of travel funds for the new positions.

State Treasurer

- ◆ Recommend \$14.6 for generic check equipment service contracts.

OTHER ELECTIVE 12-00-00

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.
- Chair, Committee to Improve Parental and Family Involvement in Education.
- Member, National Conference of Lieutenant Governors.

- Member, Delaware River and Bay Oversight Committee.
- 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.
- Hon. Chair, State Employees Charitable Campaign.
- Hon. Chair, Rotary Chemo-Care Package Project.
- Member, United Way Campaign Cab. Committee.

PERFORMANCE MEASURES

The following are Fiscal Year 2000 goals of the Office of Lieutenant Governor:

- **Workforce Development.** As chair of the WDC Executive Committee, will implement the strategic plan, for a seamless system of state and federal-funded job training programs, eliminating duplication and turfism.
- **Adult literacy.** Insure adequate funding and staffing levels for adult learning programs as accountability reforms are implemented in public schools.
- **Education:** As chair of the Committee to Improve Parental and Family Involvement in Education, will formulate and implement a strategic plan to encourage parents and families to become involved in the education of their children.
- **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 1998 ACTUAL	FY 1999 BUDGET	FY 2000 GOV. REC.
GF	311.8	326.5	340.4
ASF	--	--	--
TOTAL	311.8	326.5	340.4

POSITIONS

	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 GOV. REC.
GF	6.0	6.0	6.0
ASF	--	--	--
NSF	--	--	--
TOTAL	6.0	6.0	6.0

OTHER ELECTIVE

12-00-00

AUDITOR OF ACCOUNTS

12-02-01

MISSION

The mission of the Office of Auditor of Accounts is to benefit all Delaware citizens and government leaders and managers by providing high quality audit, review and investigative services to improve the fiscal integrity and the efficiency, economy and effectiveness of State government operations.

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 are 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, 1997, 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

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 various state programs.

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.

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.

OTHER ELECTIVE 12-00-00

- 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 1998 cumulatively identified more than \$23.8 million in cost savings, questioned costs and potential fraud, waste or abuse of state and federal funds.

The Fiscal Year 1997 Single Audit, completed during Fiscal Year 1998, disclosed, questioned and disallowed costs that totaled \$508,000.

The Fiscal Year 1997 Single Audit included 27 Findings and Recommendations.

The Fiscal Year 1997 Single Audit Report, which met the requirements of OMB Circular A-133, was reviewed and accepted by the U. S. Department of Education, Office of Inspector General for Audit.

During Fiscal Year 1998, the Office completed 40 mandated audit reports which resulted in potential cost savings of nearly \$416,000.

In addition, 57 recommendations were made that will strengthen the internal controls of the programs audited.

The Office completed four Economy and Efficiency Audits and three special reviews during Fiscal Year 1998. These audits identified savings of \$23.8 million to the State of Delaware and its taxpayers. Based on the Office's cost to perform these audits, this represents a return of about \$14.75 in savings for every \$1.00 spent. The four major audits completed during Fiscal Year 1998 were:

- Operations Management System
- Department of Transportation, Highway Construction Program
- Statewide Information Technology
- Department of Health and Social Services, Audit and Recovery Management Services

Ten in-depth investigations were conducted which revealed waste, fraud or abuse of nearly \$100,000 in federal and state funds. These investigations disclosed 30 findings and recommendations.

The office referred four cases to the Attorney General for further investigation as possible criminal activity, and 11 other cases were referred to other investigative units for review.

During the Fiscal Year 1998 audit cycle, the following IS audits were completed:

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

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 Committee.

PERFORMANCE MEASURES

The Office has developed a strategic plan for the three-year period ended June 30, 2002. An integral part of that strategic plan are measures to gauge the Office's performance. Following are the results achieved by the Office for selected performance measures included in its strategic plan:

OTHER ELECTIVE

12-00-00

Measure: Is the Federal Single Audit report issued by the mandated time frame?

Result: Yes

Measure: Did the Office receive an unqualified opinion in the external peer review report?

Result: Yes

Measure: What is the dollar value of cost savings and revenue enhancements identified in the Offices audit reports?

Result: About \$23.8 million in Fiscal Year 1998

Measure: What percentage of recommendations included in Office audit reports are implemented by the audited agencies?

Result: 77.5 percent of the recommendations followed-up in Fiscal Year 1998 were found to be fully and/or partially implemented.

BUDGET

	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 GOV. REC.
GF	2,036.9	2,132.9	2,172.2
ASF	1,561.0	1,549.4	1,567.6
TOTAL	3,597.9	3,682.3	3,739.8

POSITIONS

	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 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.
- License and regulate the activities of Delaware domestic insurers.

OTHER ELECTIVE 12-00-00

- 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 1998 ACCOMPLISHMENTS

Agent Licensing Unit

The Producer Licensing Services Division has the responsibility to administer a variety of tasks relating to producer licensing, appointments, continuing education, producer investigations and insurer licensing market conduct issues.

The Producer Licensing Services Division continues to be recognized throughout the industry for customer service and license application turnaround time.

The division again realized a significant accomplishment in the area of legislation passed to increase licensing fees that will reflect parity with area states that charge a similar fee to Delaware residents. Another significant accomplishment is the in-house administration of the Continuing Education Program through promulgation of amended Regulation 47. The result of which added ethics requirements to resident producers that will strengthen professional service to the citizens of Delaware. The amended regulation also accomplished a biannual reporting period moving the administration of the program in line with national licensing and continuing education standards. This move will enhance the quality and

efficiency of the continuing education provider, instructor, and course evaluation process in the following areas:

- Simplify and standardize submission requirements.
- Improve consistency in assessment of course credit hours/units.
- Reduce costs and redundancy.
- Increase course and provider quality.

In addition to the above, the Producer Licensing Services Division has collected over \$100,000 in administrative fines for CE compliance and licensee misconduct.

Licensing Division Business Objectives for administration of amended Regulation 47 and Licensing Administration:

- Reduce state and provider administrative paperwork.
- Reduce review and approval process to 30 days.
- Maintain current registry of all CE providers and ethic providers.
- Support all types of providers (national, regional, and local).
- Work with NAIC and states to streamline licensing and CE processes.
- Establish clear mechanism to assess the effectiveness of CE administration and course contents.
- Assess the role technology will play in continuing education and licensing issues and processes.
- Complete development of department Website on Producer Licensing Services.
- Website development will allow industry and producers to download all licensing forms and reduce the number of phone calls received by the division.
- Posting of statute and regulatory changes on website will increase efficiency of industry compliance through streamlining notification of changes to department laws, rules and regulations.
- Participation in the NAIC Producer Database will increase effective market conduct surveillance for the citizens of this state.

Workplace Safety Program

The Workplace Safety Program has provided an incentive to small businesses to create and maintain a safe workplace. Discounts on Workers' Compensation insurance premiums are earned by participating in this program. During Fiscal Year 1998, a task force was appointed to review and revise the program to extend the benefits to even more employers. By removing the high-end premium limit requirement, the opportunity to participate in the program will be offered to a higher number of employers with policies renewing July 1, 1999.

OTHER ELECTIVE 12-00-00

Acquired another new inspection company to conduct the annual surveys resulting in more timely and thorough inspections.

Six hundred program participants maintaining safety standards in the workplace and saving \$2 million in Workers' Compensation insurance premiums.

Consumer Services

- Continued in-house training to enhance the skills of Consumer Services investigators.
- Enrolled Consumer Services investigators in national organization training seminars.
- Encouraged individual investigators to enroll in programs designed to expand knowledge of the insurance industry and business practices.
- Up-dated and expanded consumer information guides including the addition of new publications.
- Increased outreach programs to offer consumer access to information and assistance in the ever changing insurance market.

Fraud

- 30 percent increase in number of cases received from 1996.
- 45 percent of cases received closed by consent, arrest, unfounded or suspended.
- Initiated three major federal investigations (still active).
- Prevented more than \$700,000 in claims being processed.
- Prevented more than 3 million dollars in claims being processed since 1995.
- Include involvement in health care fraud cases which require a great deal of time and effort to pursue a to a successful conclusion, but usually result in significant savings to the consumer.

BUDGET

	FY 1998 Actual	FY 1999 BUDGET	FY 2000 Gov. Rec.
GF	817.8	848.1	875.4
ASF	11,591.4	13,924.9	13,713.5
TOTAL	12,409.2	14,773.0	14,588.9

POSITIONS

	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 Gov. Rec.
GF	16.0	15.0	15.0
ASF	53.0	59.0	59.0
NSF	1.0	1.0	1.0
TOTAL	70.0	75.0	75.0

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 1998 Actual	FY 1999 Budget	FY 2000 Gov. Rec.
# new agents licensed	6,686	7,000	7,000
# agents appointed	19,927	20,900	20,900
# consumer complaints/inquiries	17,191	17,859	18,566
Participation in Work-place Safety Program	600	650	750

OTHER ELECTIVE 12-00-00

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.

ACCOMPLISHMENTS

Market Conduct Oversight - The department has received approval in the Fiscal Year 1999 to hire another Market Conduct Examiner who will specialize in health care oversight. This individual will be responsible in regard to advertising agents conduct in solicitation of various products and timely claims payments.

Financial Analysis - The financial analysis unit is evolving and under review for changes to keep pace with the business environment of the insurance industry. The State of Delaware is considered well in the business community for organization and/or domestication. As such, the demand for domestication/redomestication is significant.

The goal for B.E.R.G. is to decrease the ratio of companies reviewed by each analyst to a level that would result in the best quality analytical review. This goal will be accomplished with the additional manpower requested in the 1999 Budget.

PERFORMANCE MEASURES

	FY 1998 Actual	FY 1999 Budget	FY 2000 Gov. Rec.
# rate and form filings	97,640	102,973	110,236
# companies regulated:			
Domestic	148	150	152
Foreign	1,430	1,450	1,460
# companies examined	42	49	46
# companies liquidated:			
Domestic	11	5	3
Ancillary	6	3	3
# companies under supervision/rehab	3	4	4
# targeted market conduct	4	8	10

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 1998 Actual	FY 1999 BUDGET	FY 2000 GOV. REC.
GF	62,596.9	17,113.1	28,902.9
ASF	1,525.8	2,016.4	2,025.2
TOTAL	64,122.7	19,129.5	30,928.1

POSITIONS

	FY 1998 ACTUAL	FY 1999 BUDGET	FY 2000 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.

OTHER ELECTIVE 12-00-00

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.

Benefit Administration is continuing to experience a state of change.

- Effective July 1, 1998, the Delaware Code was amended to add the availability of Group Health insurance to any county or municipality in the state.
- Effective July 1, 1998, an additional dental insurance provider was added.
- Effective January 1, 1999, the Employee Assistance Program will begin for all state employees enrolled in the Group Health insurance program.
- The introduction of the PHRST (Payroll & Human Resource System Technology) has required intense participation of the Benefits Administration section. This has ensured the benefit programs continue to meet all requirements. New procedures are being implemented in conjunction with the PHRST implementation team.

New equipment was purchased and installed to process the first phase of Generic Checks including pension and payroll checks.

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 1998 Actual	FY 1999 Budget	FY 2000 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.	95	100	100
% 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

OTHER ELECTIVE 12-00-00

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

PERFORMANCE MEASURES

	FY 1998 Actual	FY 1999 Budget	FY 2000 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 1998, all Debt Service payments to Mellon Bank and the Depository Trust Company were met on the bond due dates. This entailed:

- disbursement of \$103.9 million for over 30 General Obligation Issues.
- collection of \$12.4 million 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 million in new bond funding and \$32.3 million of older higher coupon bonds being refunded for a savings of \$600,000 in Fiscal Year 1998 and \$1.2 million over the life of the affected issues.

Over 330 amortization tables were required to be updated to reflect the issuance of the combined general obligation and refunding issue. These records are the source of information for the timely and accurate debt service payments.

Bond funds invested with Fidelity and bond fund disbursements were monitored and drawn down to reimburse the General Fund in a manner to limit arbitrage.

Received \$536,300 refund of arbitrage paid to federal government due to refunding of the bond issue the arbitrage was paid against.

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.

OTHER ELECTIVE 12-00-00

- 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 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 1998 Actual	FY 1999 Budget	FY 2000 Gov. Rec.
Revenue Refunds Processed	1 Day	1 Day	1 Day