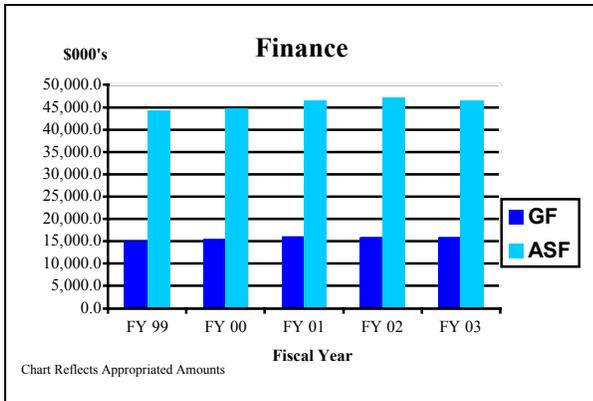
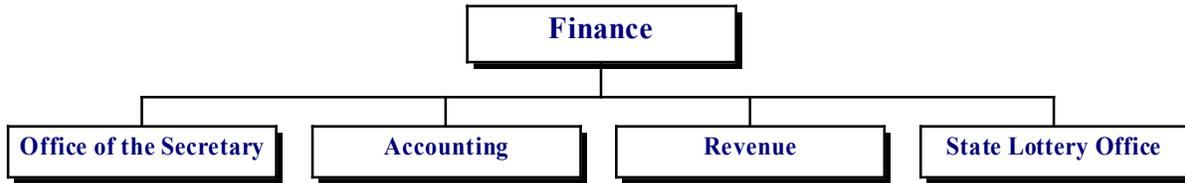


# FINANCE

## 25-00-00



### MISSION

To provide leadership in securing, creating, allocating and managing financial resources critical to the delivery of governmental services and promotion of Delaware's economic health.

### KEY OBJECTIVES

- Promote the financial health of the state by providing technical analysis, policy information and advice on state finances to the Governor, the legislature, state agencies, other government entities, pertinent constituency groups and the general public.
- Reduce administrative costs by re-engineering and streamlining state government to use resources more efficiently and effectively.
- Provide leadership and planning on global financial management issues, including revenues, debt and expenditures.

### BUDGET

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 GOV. REC.
GF	56,920.8	15,836.8	15,898.0
ASF	107,903.0	47,209.5	46,459.5
<b>TOTAL</b>	<b>164,823.8</b>	<b>63,046.3</b>	<b>62,357.5</b>

### POSITIONS

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 GOV. REC.
GF	267.0	267.0	271.0
ASF	30.0	30.0	30.0
NSF	--	--	--
<b>TOTAL</b>	<b>297.0</b>	<b>297.0</b>	<b>301.0</b>

### FY 2003 BUDGET HIGHLIGHTS

#### OPERATING BUDGET:

- ◆ Recommend enhancements of \$91.2 in Personnel Costs and 2.0 FTE Management Analyst IIIs to provide support to the Best Practices group established in FY 2002. The Best Practices group is responsible for reviewing agency practices and recommending changes, where appropriate and applicable, to improve the efficiency of state government.
- ◆ Recommend enhancement of 2.0 FTE Unit Operations Clerks in the Division of Revenue to provide tax support services.

# FINANCE

## 25-00-00

### OFFICE OF THE SECRETARY

#### 25-01-00

#### MISSION

To lead the state in developing and executing sound fiscal policies and practices.

#### KEY OBJECTIVES

- Make available all economic and financial information relevant to maintaining the state's financial position, policies and processes consistent with Delaware's designation as a Triple A rated state.
- Facilitate the exchange of necessary information between divisions within the Department of Finance, and among other state agencies, local governments and the public.
- Maximize effectiveness and efficiency by improving the state's fiscal operations through the use of appropriate financial and accounting controls.

#### BACKGROUND AND ACCOMPLISHMENTS

The Secretary of Finance is the state's Chief Financial Officer and is the central source for economic and fiscal policy and management of financial resources. The Office of the Secretary provides the Secretary of Finance with economic data, revenue and legislative analyses and public information services to assist the Secretary in his policy function. The office supports the Secretary by providing the operating divisions with managerial and technical support in achieving department-wide goals.

The office also provides management and oversight of General Obligation debt and overall coordination and management of all debt of the state and state authorities. In addition, the Secretary's Office builds the foundation for the state's General Fund budget process by providing the analysis and forecasting of revenues in support of the Delaware Economic and Financial Advisory Council (DEFAC).

The Office of the Secretary, because it addresses high-profile fiscal policy issues, operates in a very public environment. Its agenda is frequently established by external factors such as economic trends and federal legislation. As such, the office must be flexible and prepared to react to any number of complex issues with measured, well-developed policy solutions.

The following items attest to the office's success in accomplishing its mission:

- The office helped the State attain a reaffirmation of Triple A bond ratings from all three Wall Street rating agencies.
- The office secured the lowest interest costs for debt issuance in over 25 years.
- The office provided critical support and strategic guidance leading to the successful implementation of an integrated management system for the state, including a client/server Human Resources/Payroll system that will reduce paperwork and increase efficiency in state agencies and school districts. In support of this effort, the office has implemented a best practices review to identify areas for reducing costs and increasing efficiency in the ways that the state does business.
- To better serve DEFAC, the office provided members with a comprehensive overview of the state's economic and tax bases, and identified the long-term fiscal challenges facing the state. In addition, the office adopted the practice of one-on-one briefings with new members to ensure that they are able to make an immediate and meaningful contribution to the forecasting process.
- As a result of the office's successful renegotiations of the vendor contracts for video lottery machines, the annual revenue to the state was increased by an estimated \$50 million in Fiscal Year 2002. The total savings across the life of the renegotiated contracts reached over \$100 million.
- In support of the Governor's Livable Delaware agenda, the office partnered with other state agencies to recommend improvements to funding the Brownfields and open space programs.
- The office developed a proposal to restructure the debt of the Port of Wilmington to make the Port more self-sufficient and better able to make strategic investments of its own capital to attract new business and more jobs to the Port.

#### BUDGET

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 GOV. REC.
GF	42,743.6	1,426.1	1,655.5
ASF	69,050.0	2,595.0	1,845.0
<b>TOTAL</b>	<b>111,793.6</b>	<b>4,021.1</b>	<b>3,500.5</b>

**FINANCE**  
**25-00-00**

**POSITIONS**

	<b>FY 2001 ACTUAL</b>	<b>FY 2002 BUDGET</b>	<b>FY 2003 GOV. REC.</b>
GF	16.0	16.0	20.0
ASF	--	--	--
NSF	--	--	--
<b>TOTAL</b>	<b>16.0</b>	<b>16.0</b>	<b>20.0</b>

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***OFFICE OF THE SECRETARY***  
***25-01-01***

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**ACTIVITIES**

- Monitor, analyze and interpret proposed state and federal tax, revenue and spending policies and legislation.
- Provide analysis, forecasting and tracking of revenues for consideration by DEFAC.
- Manage and monitor the state's bond sales; and advise policymakers regarding the state's overall debt and capital acquisition strategies, and sound debt reduction strategies.
- Furnish guidance and direction in the management of the Twenty-First Century Funds consistent with the objective of using proceeds to meet the state's long-term infrastructure needs and mobilizing private involvement.
- Provide department management services for information/technology, personnel, financial oversight and legislative support to assist the divisions in achieving their objectives.

**ACCOUNTING**  
**25-05-00**

**MISSION**

To provide expert financial and technical accounting services on behalf of the State of Delaware.

**KEY OBJECTIVES**

- Complete reorganization of the Division of Accounting.
- Establish GASB 34 financial reporting standards.
- Provide expertise and technical support to the Payroll Human Resource Statewide Technology (PHRST) project.
- Provide oversight for the administration of the Super Card Purchase/Travel Program.
- Provide up-to-date training in financial accounting processes to customers.
- Identify and act on opportunities for outreach to agencies, school districts and vendors.
- Enhance and maintain the division's websites to improve services to agency and school districts customers.
- Deliver appropriate and continuous training to all Accounting staff.

**BACKGROUND AND ACCOMPLISHMENTS**

In fulfillment of its mission, the division's on-going initiatives will increase the efficiency of the state's financial transactions and enhance the availability of information to its customers. The division is committed to reaching these goals through the application of technology. Whenever possible, the division has worked to eliminate obsolete, paper-based processes in favor of more efficient electronic alternatives.

The division's reorganization initiative has complemented the successful implementation of PHRST and will provide financial expertise to other projects. Once fully implemented the reorganized Division of Accounting will be efficiently realigned, allowing for a more effective use of staff resources. The division will also be positioned to proactively help agencies and school districts comply with accounting and payroll policies and procedures, and adopt "best practices" in financial accounting.

# FINANCE

## 25-00-00

The division published the state's Fiscal Year 2000 audited Generally Accepted Accounting Principles (GAAP) statements as well as the Comprehensive Annual Financial Report (CAFR), meeting the standards prescribed by the Government Finance Officers Association (GFOA). The State received the Certificate of Achievement for Excellence in Financial Reporting for each fiscal year since 1995 from the GFOA.

### BUDGET

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 GOV. REC.
GF	2,784.2	3,048.0	2,816.8
ASF	--	--	--
<b>TOTAL</b>	<b>2,784.2</b>	<b>3,048.0</b>	<b>2,816.8</b>

### POSITIONS

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 GOV. REC.
GF	40.0	40.0	38.0
ASF	--	--	--
NSF	--	--	--
<b>TOTAL</b>	<b>40.0</b>	<b>40.0</b>	<b>38.0</b>

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## *ACCOUNTING*

### *25-05-01*

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### ACTIVITIES

With the advent of new technology, the division continues to modify the way it provides accounting and payroll services. Listed below are some of the activities the division will focus on during the next fiscal year.

- Establish and implement policies, procedures and regulations pertaining to the statewide accounting and payroll systems.
- Provide and present a comprehensive view of the state's financial condition through publishing regular financial statements and the CAFR. Provide analysis, forecasting and tracking of expenditures for consideration by DEFAC.
- Process the state's accounting and payroll transactions, certify the validity of transactions and coordinate accounting, payroll and other financial matters with key agency fiscal personnel.
- Maintain control of the state's Delaware Financial Management System (DFMS) including access to the information. Provide for periodic mass updates to the DFMS systems as a result of legislation, federal and state regulations and/or policy changes.
- Train statewide system users in the policies and procedures of the PHRST system.

- Work with consultants to bring the state into compliance with the Governmental Accounting Standards Board (GASB) Statement #34, which establishes new financial reporting requirements for state and local governments.

### PERFORMANCE MEASURES

	FY 2001 Actual	FY 2002 Budget	FY 2003 Gov. Rec.
% increase direct deposit participation by state employees	91	94	96
Decrease # of handwritten checks per year	N/A	N/A	50
Increase % state agencies and school districts using Super Card	65	75	90
Employees trained in the state Budget and Accounting Course	120	156	160

# FINANCE

## 25-00-00

### REVENUE

#### 25-06-00

#### MISSION

The primary revenue collector for the state, the Division of Revenue's mission is to collect 100 percent of the taxes and other revenues required by law, no more and no less, and to do so in a manner that creates the highest possible level of satisfaction on the part of the public with the division's competence, courtesy, effectiveness, and efficiency.

#### KEY OBJECTIVES

- Improve voluntary compliance through improved communication with taxpayers, better distribution and design of tax forms and overall simplification of the tax code.
- Improve enforced compliance through the use of technology and effective allocation of resources to collection activities.
- Increase the cost effectiveness of divisional activities through the use of process flow analysis, the establishment of meaningful benchmarks and the judicious application of technical and human resources.
- Enhance the capabilities of staff through the implementation of a structured, long-term training and professional development program.
- Complete the implementation of Revenue's Business Systems Master Plan as a separate phase of DFMS.

#### BACKGROUND AND ACCOMPLISHMENTS

Revenue revolves around three activities: tax processing, tax enforcement and policy formulation. Tax processing involves receiving documents and remittances (either in house or via lockbox or electronic means), depositing remittances, entering data from returns, validating the taxpayer's determination of tax, refunding overpayments and assuring proper accounting (including internal controls) and reporting of these transactions.

Each year the division processes over 400,000 personal and 600,000 business tax returns, and issues more than 270,000 tax refunds. In addition, Revenue computer staff is responsible for the design and administration of

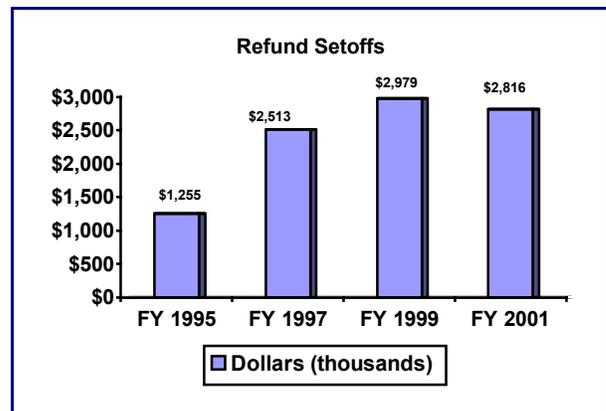
some of the most sophisticated and technically advanced processing and imaging systems in the state. Delaware has been a national leader in applying technology to tax administration.

Tax enforcement includes examinations and audits (i.e., determinations of underreporting of tax), and collection of delinquent accounts. The division's enforcement responsibilities encompass 15 different revenue sources, including the state's personal and corporate income taxes, gross receipts tax and realty transfer tax.

The division provides data, administrative support, and consultation to the Economic Analysis Group within the Office of the Secretary. The group is a central player in the development and analysis of Delaware's tax policy. It also plays a significant role in the coordination of economic development efforts with the state's overall fiscal strategy.

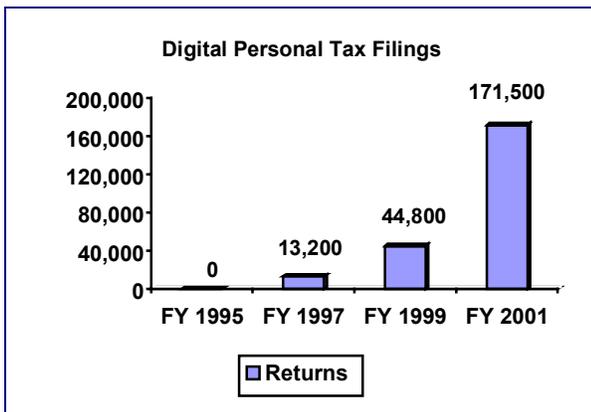
The division has focused on improving the quality of service to the customers. One of the initiatives implemented is the Quality Service Mailbox, which allows callers to leave comments for the division. If the calls request a response, the division responds within 48 hours.

Electronic filing of income tax returns has continued to expand statewide. The division received over 101,000 electronically filed personal tax returns in Fiscal Year 2001 (compared to 83,000, 33,000, and 6,100 personal tax returns in Fiscal Years 2000, 1998, and 1996, respectively). The division projects that it will receive 120,000 personal tax returns electronically in Fiscal Year 2002, which will represent approximately 30 percent of all Personal Income Tax returns filed. These returns do not require manual intervention in the form of sorting, data entry or return validation.

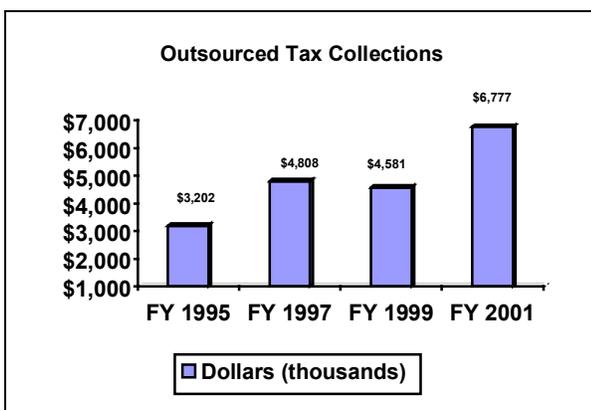


## FINANCE 25-00-00

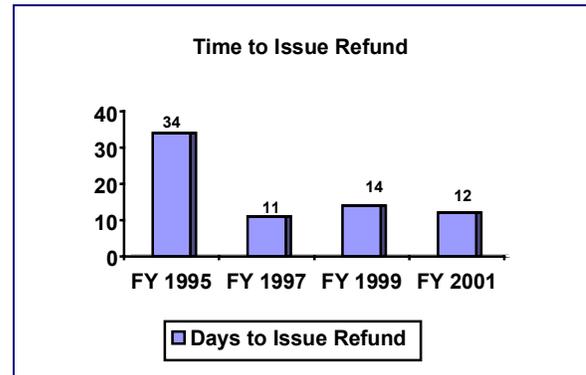
The refund setoff program intercepts debts owed to various state agencies, including Revenue, from tax refunds and Delaware Lottery winnings. Currently, ten state agencies participate in the program. The total amount of refunds intercepted for Revenue and other state agencies was \$2.8 million in Fiscal Year 2001, up from \$1.25 million in Fiscal Year 1995. In addition, Delaware was one of only five states to participate in a new program to offset federal refunds for state tax liabilities.



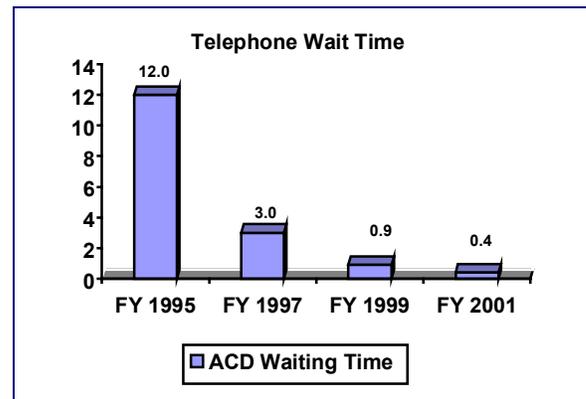
The division has aggressively pursued the method of filing personal tax returns in a digital format, consisting of Internet filing, electronic software filing, and bar coded paper filing. Digital returns reduce mail and data entry processing and as a result improve the refund issuance process and decrease seasonal and operating expenses. Since implementation after Fiscal Year 1995 the number of digitally filed returns has increased from zero in Fiscal Year 1995 to 171,500 in Fiscal Year 2001.



The practice of outsourcing delinquent tax collections started in May 1993, with six private firms currently deployed to collect delinquent taxes. The amount of outsourced collections increased from \$3.2 million in Fiscal Year 1995 to \$6.8 million in Fiscal Year 2001.



As part of the Business Systems Master Plan (BSMP), the division implemented an integrated imaging system into Personal Income Tax return processing that permits "exception" returns to be separated from non-exception returns. This initiative, along with improved training in preparation for tax season and the use of outsourced data entry, enabled the division to continue to reduce the average number of days to issue a tax refund from 34 days in Fiscal Year 1995 to 12 days in Fiscal Year 2001.



In mid-Fiscal Year 1996 the division acquired a digital phone system that included voice mail and Automated Call Distribution (ACD) systems. The ACD system has given the caller the capability to route his/her call quickly and efficiently to the appropriate area or person through the use of an automated menu option. These tools have allowed the division to reduce significantly the number of abandoned ACD calls, especially during tax season. During the Fiscal Year 1997 tax season, 17 percent of ACD calls were abandoned, compared to the Fiscal Year 2001 tax season when only five percent of all ACD calls were abandoned.

# FINANCE

## 25-00-00

### BUDGET

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 GOV. REC.
GF	11,392.8	11,362.7	11,425.7
ASF	806.4	1,265.5	1,265.5
<b>TOTAL</b>	<b>12,199.2</b>	<b>12,628.2</b>	<b>12,691.2</b>

### POSITIONS

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 GOV. REC.
GF	211.0	211.0	213.0
ASF	--	--	--
NSF	--	--	--
<b>TOTAL</b>	<b>211.0</b>	<b>211.0</b>	<b>213.0</b>

### **REVENUE** **25-06-01**

#### ACTIVITIES

- Disseminate tax information to the public and respond to taxpayer inquiries.
- Process and account for tax returns and associated remittances.
- Issue refunds of overpaid taxes and collect tax delinquencies.
- Conduct audits, examinations and reviews and prepare assessments when amounts are found to be due the state.
- Manage and supply records of filings for current and prior years.
- Provide support to core division activities in the form of computer systems support and development, and in the consideration of tax appeals, initiation and analysis of tax legislation, and proposed rulings and regulations.

#### PERFORMANCE MEASURES

	FY 2001 Actual	FY 2002 Budget	FY 2003 Gov. Rec.
Refund setoffs (\$M)	2.82	2.9	2.95
Outsourced tax collections (\$M)	6.78	5.75	7.00
Personal Income Tax refunds (days)	12	10	12
Digital Personal Returns (1,000)	171.5	*N/A	205.0
Revenue ACD telephone waiting time (seconds)	25	59	30

*\*New performance measure initiated in FY 2002.*

## STATE LOTTERY OFFICE

### 25-07-00

#### MISSION

To maximize revenue contributions to the state's General Fund, thereby helping to fund the delivery of governmental services to the people of Delaware:

- Through the marketing, sale and distribution of innovative, entertaining and secure lottery products that ensure the public's confidence in the integrity of the games, retailers, agents and lottery operations; and
- By providing leadership and a corporate culture that encourages productive change leading to improvement in every aspect of the business.

#### KEY OBJECTIVES

- **Lottery Sales** - By Fiscal Year 2005 attain \$116.7 million of sales in "traditional" lottery products and \$588.6 million in net proceeds from video lottery machines at the state's racetracks.
- **Lottery Games** - Maintain an aggressive/innovative marketing strategy to ensure forecasted sales.
- **Lottery Distribution Channels** - Optimize lottery distribution channels throughout the state to make playing lottery games convenient, easy and fun.
- **Public Awareness** - Increase favorable public awareness of the Delaware Lottery through positive image enhancements of quality-oriented service, integrity-driven personnel and innovative games.
- **Customer/Employee Satisfaction** - Actively anticipate and address customer and employee needs through the use of surveys and committees in order to enhance communication and service.
- **Lottery Resources** - Improve the operational effectiveness of the lottery by maximizing the use of technology and human resources.

#### BACKGROUND AND ACCOMPLISHMENTS

For the fifth consecutive year Delaware's Video Lottery was the most profitable operation of its kind in the country, generating more net proceeds per machine than any other state. Fiscal Year 2001 total net proceeds from all three racetracks topped the one-half billion

# FINANCE

## 25-00-00

mark for the first time. Delaware Park and Dover Downs completed expansion programs and added new machines, bringing each racetrack to 2,000 machines, the maximum allowed by current legislation. Harrington Raceway continued its on-going expansion process and by the end of Fiscal Year 2001 had just over 1,150 machines in place.

On the traditional lottery side, Fiscal Year 2001 saw the Lottery enter into successful strategic marketing efforts with the DaimlerChrysler Corporation, the Delaware State Fair, and Dover Downs Speedway. The Lottery also purchased rights to use licensed properties such as NASCAR race drivers and Monopoly, extending the value of its mature products to both regular and potentially new customers. In addition, the Lottery joined other members of the Multi-State Lottery Association in offering Rolldown, a new online drawing game.

Also, the Lottery completed a proactive program of accessibility at each licensed lottery retailer for persons with disabilities, in compliance with the Americans with Disabilities Act (ADA). This program promulgated regulations that stipulated a standard of physical accessibility based on ADA guidelines. The Lottery's retailers achieved full compliance with these regulations with less than one percent of the retailer network unable to meet the requirements.

For the second year in a row the Delaware Lottery was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). According to the GFOA, a nonprofit professional association, the Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting.

The demographic profile of Delaware Lottery players continues to closely resemble the profile of the adult population (aged 18 years and older) of the State of Delaware by region, gender, age, education and income. According to a recent study, 96 percent of the Delaware residents surveyed reported they were not opposed to the State offering lottery games and 95 percent believed the games to be honest. More than four in ten Delaware Lottery players highly agree that the Delaware Lottery is an essential fund-raising operation for the state and that funds raised by the Delaware Lottery help keep state income taxes down. Nearly one-half of the players (47 percent) highly agree that the Delaware Lottery encourages people to play responsibly, up significantly from 1999 (35 percent).

### Accomplishments:

- Delaware ranked first out of 38 U.S. Lotteries with per capita annual sales of \$767 for Fiscal Year 2001 (national average \$159).
- Delaware ranked first out of 38 U.S. Lotteries with per capita profit to the state of \$266 for Fiscal Year 2001.
- Delaware ranked fifth out of 38 U.S. Lotteries with percentage sales growth of eight percent in Fiscal Year 2001.
- Delaware ranked first out of 38 U.S. Lotteries with sales per Lottery employee of \$20 million for Fiscal Year 2001.
- Since the start of video lottery, the Delaware Lottery has contributed more than \$5.4 million to the Department of Health and Social services to help fund problem gambling in Delaware.

### BUDGET

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 Gov. REC.
GF	--	--	--
ASF	38,046.7	43,349.0	43,349.0
<b>TOTAL</b>	<b>38,046.7</b>	<b>43,349.0</b>	<b>43,349.0</b>

### POSITIONS

	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 Gov. REC.
GF	--	--	--
ASF	30.0	30.0	30.0
NSF	--	--	--
<b>TOTAL</b>	<b>30.0</b>	<b>30.0</b>	<b>30.0</b>

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### *STATE LOTTERY OFFICE*

#### *25-07-01*

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### ACTIVITIES

- Continue to expand the present lottery retailer network.
- Continue to control the video lottery online gaming system.
- Provide the public with games that are fun, easy and exciting to play.

### PERFORMANCE MEASURES

	FY 2001 Actual	FY 2002 Budget	FY 2003 Gov. Rec.
Increase GF revenue collections (millions)	\$204.5	\$216.4	\$222.0
Operating costs as % of sales	12.8	10	10

**FINANCE  
DEPARTMENT SUMMARY**

25-00-00 Appropriation Units	POSITIONS				DOLLARS			
	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Recommend	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Recommend
<b>Office of the Secretary</b>								
General Funds	16.0	16.0	20.0	<b>20.0</b>	42,743.6	1,426.1	1,699.9	<b>1,655.5</b>
Appropriated S/F					69,050.0	2,595.0	2,595.0	<b>1,845.0</b>
Non-Appropriated S/F					1,988.3			
	<u>16.0</u>	<u>16.0</u>	<u>20.0</u>	<u><b>20.0</b></u>	<u>113,781.9</u>	<u>4,021.1</u>	<u>4,294.9</u>	<u><b>3,500.5</b></u>
<b>Accounting</b>								
General Funds	40.0	40.0	38.0	<b>38.0</b>	2,784.2	3,048.0	2,956.8	<b>2,816.8</b>
Appropriated S/F								
Non-Appropriated S/F								
	<u>40.0</u>	<u>40.0</u>	<u>38.0</u>	<u><b>38.0</b></u>	<u>2,784.2</u>	<u>3,048.0</u>	<u>2,956.8</u>	<u><b>2,816.8</b></u>
<b>Revenue</b>								
General Funds	211.0	211.0	213.0	<b>213.0</b>	11,392.8	11,362.7	11,533.7	<b>11,425.7</b>
Appropriated S/F					806.4	1,265.5	1,265.5	<b>1,265.5</b>
Non-Appropriated S/F					14,783.1			
	<u>211.0</u>	<u>211.0</u>	<u>213.0</u>	<u><b>213.0</b></u>	<u>26,982.3</u>	<u>12,628.2</u>	<u>12,799.2</u>	<u><b>12,691.2</b></u>
<b>State Lottery Office</b>								
General Funds								
Appropriated S/F	30.0	30.0	30.0	<b>30.0</b>	38,046.7	43,349.0	43,349.0	<b>43,349.0</b>
Non-Appropriated S/F								
	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u><b>30.0</b></u>	<u>38,046.7</u>	<u>43,349.0</u>	<u>43,349.0</u>	<u><b>43,349.0</b></u>
<b>TOTAL</b>								
General Funds	267.0	267.0	271.0	<b>271.0</b>	56,920.6	15,836.8	16,190.4	<b>15,898.0</b>
Appropriated S/F	30.0	30.0	30.0	<b>30.0</b>	107,903.1	47,209.5	47,209.5	<b>46,459.5</b>
Non-Appropriated S/F					16,771.4			
	<u>297.0</u>	<u>297.0</u>	<u>301.0</u>	<u><b>301.0</b></u>	<u>181,595.1</u>	<u>63,046.3</u>	<u>63,399.9</u>	<u><b>62,357.5</b></u>
<b>OTHER AVAILABLE FUNDS - REGULAR OPERATIONS</b>								
General Funds					0.2	4,265.4		
Special Funds					0.1			
					<u>0.3</u>	<u>4,265.4</u>		
<b>TOTAL DEPARTMENT - REGULAR OPERATIONS</b>								
General Funds					56,920.8	20,102.2	16,190.4	<b>15,898.0</b>
Special Funds					124,674.6	47,209.5	47,209.5	<b>46,459.5</b>
					<u>181,595.4</u>	<u>67,311.7</u>	<u>63,399.9</u>	<u><b>62,357.5</b></u>
<b>TOTAL DEPARTMENT - FIRST STATE IMPROVEMENT FUND - SPECIAL FUNDS CAPITAL IMPROVEMENTS - SPECIAL FUNDS</b>								
<b>GRAND TOTAL</b>								
General Funds					56,920.8	20,102.2	16,190.4	<b>15,898.0</b>
Special Funds					124,674.6	47,209.5	47,209.5	<b>46,459.5</b>
					<u>181,595.4</u>	<u>67,311.7</u>	<u>63,399.9</u>	<u><b>62,357.5</b></u>
				( Reverted )	87.9			
				( Encumbered )	963.3			
				( Continuing )	3,302.1			

**FINANCE  
OFFICE OF THE SECRETARY  
APPROPRIATION UNIT SUMMARY**

25-01-00

Programs	POSITIONS				DOLLARS			
	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Recommend	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Recommend
<b>Office of the Secretary</b>								
General Funds	16.0	16.0	20.0	<b>20.0</b>	42,743.6	1,426.1	1,699.9	<b>1,655.5</b>
Appropriated S/F					69,050.0	2,595.0	2,595.0	<b>1,845.0</b>
Non-Appropriated S/F					1,988.3			
	<u>16.0</u>	<u>16.0</u>	<u>20.0</u>	<u><b>20.0</b></u>	<u>113,781.9</u>	<u>4,021.1</u>	<u>4,294.9</u>	<u><b>3,500.5</b></u>
<b>TOTAL</b>								
General Funds	16.0	16.0	20.0	<b>20.0</b>	42,743.6	1,426.1	1,699.9	<b>1,655.5</b>
Appropriated S/F					69,050.0	2,595.0	2,595.0	<b>1,845.0</b>
Non-Appropriated S/F					1,988.3			
	<u>16.0</u>	<u>16.0</u>	<u>20.0</u>	<u><b>20.0</b></u>	<u>113,781.9</u>	<u>4,021.1</u>	<u>4,294.9</u>	<u><b>3,500.5</b></u>

FINANCE  
OFFICE OF THE SECRETARY  
OFFICE OF THE SECRETARY  
INTERNAL PROGRAM UNIT SUMMARY

25-01-01	FY 2001	FY 2002	FY 2003	FY 2003	Inflation	Structural	Enhance-	FY 2003
Lines	Actual	Budget	Request	Base	& Volume Adjustment	Changes	ments	Recommend
<b>Personnel Costs</b>								
General Funds	1,025.9	1,238.8	1,480.8	1,253.2		92.0	91.2	1,436.4
Appropriated S/F								
Non-Appropriated S/F								
	<u>1,025.9</u>	<u>1,238.8</u>	<u>1,480.8</u>	<u>1,253.2</u>		<u>92.0</u>	<u>91.2</u>	<u>1,436.4</u>
<b>Travel</b>								
General Funds	11.3	16.9	16.9	16.9				16.9
Appropriated S/F								
Non-Appropriated S/F	<u>7.8</u>							
	19.1	16.9	16.9	16.9				16.9
<b>Contractual Services</b>								
General Funds	121.4	152.2	184.0	184.0				184.0
Appropriated S/F								
Non-Appropriated S/F	<u>1,045.1</u>							
	1,166.5	152.2	184.0	184.0				184.0
<b>Supplies and Materials</b>								
General Funds	13.0	16.7	16.7	16.7				16.7
Appropriated S/F								
Non-Appropriated S/F	<u>10.0</u>							
	23.0	16.7	16.7	16.7				16.7
<b>Capital Outlay</b>								
General Funds		1.5	1.5	1.5				1.5
Appropriated S/F								
Non-Appropriated S/F	<u>925.4</u>							
	925.4	1.5	1.5	1.5				1.5
<b>Other Items</b>								
General Funds	41,099.6							
Appropriated S/F	60,665.9							
Non-Appropriated S/F	<u>101,765.5</u>							
<b>Elder Tax Relief &amp; Ed Exp Fund</b>								
General Funds	470.9							
Appropriated S/F								
Non-Appropriated S/F	<u>470.9</u>							
<b>Tax Relief &amp; Ed Exp Fund</b>								
General Funds	1.5							
Appropriated S/F								
Non-Appropriated S/F	<u>1.5</u>							
<b>Information System Development</b>								
General Funds								
Appropriated S/F	1,408.2	2,595.0	2,595.0	1,845.0				1,845.0
Non-Appropriated S/F	<u>1,408.2</u>	<u>2,595.0</u>	<u>2,595.0</u>	<u>1,845.0</u>				<u>1,845.0</u>
<b>Tech Improvement Fund SOF</b>								
General Funds								
Appropriated S/F	90.1							
Non-Appropriated S/F	<u>90.1</u>							

**FINANCE  
OFFICE OF THE SECRETARY  
OFFICE OF THE SECRETARY  
INTERNAL PROGRAM UNIT SUMMARY**

25-01-01 Lines	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Base	Inflation & Volume Adjustment	Structural Changes	Enhance- ments	FY 2003 Recommend
<b>IIP Farmland Perservation</b>								
General Funds								
Appropriated S/F	1,120.0							
Non-Appropriated S/F	<u>1,120.0</u>							
<b>Water/Waste Water</b>								
General Funds								
Appropriated S/F	3,765.8							
Non-Appropriated S/F	<u>3,765.8</u>							
<b>IIP Housing Development</b>								
General Funds								
Appropriated S/F	2,000.0							
Non-Appropriated S/F	<u>2,000.0</u>							
<b>TOTAL</b>								
General Funds	42,743.6	1,426.1	1,699.9	1,472.3		92.0	91.2	<b>1,655.5</b>
Appropriated S/F	69,050.0	2,595.0	2,595.0	1,845.0				<b>1,845.0</b>
Non-Appropriated S/F	<u>1,988.3</u>							
	113,781.9	4,021.1	4,294.9	3,317.3		92.0	91.2	<b>3,500.5</b>
<b>IIPU REVENUES</b>								
General Funds								
Appropriated S/F	61,234.0	2,595.0	2,595.0	1,845.0				<b>1,845.0</b>
Non-Appropriated S/F	<u>61,234.0</u>	<u>2,595.0</u>	<u>2,595.0</u>	<u>1,845.0</u>				<b>1,845.0</b>
<b>POSITIONS</b>								
General Funds	16.0	16.0	20.0	16.0		2.0	2.0	<b>20.0</b>
Appropriated S/F								
Non-Appropriated S/F	<u>16.0</u>	<u>16.0</u>	<u>20.0</u>	<u>16.0</u>		<u>2.0</u>	<u>2.0</u>	<b>20.0</b>

**BASE, INFLATION, STRUCTURAL CHANGES, ENHANCEMENTS AND ONE-TIME ITEMS**

\* Base adjustments include (\$750.0) ASF in Information Systems Development reflecting the decision to terminate the ASAP project.

\* Recommend structural change transferring \$92.0 in Personnel Costs; 2.0 FTEs (1.0 Director of Management Efficiency, and 1.0 Deputy Principal Assistant) and \$31.8 in Contractual Services from Accounting (25-05-01).

\* Recommend enhancements of \$91.2 in Personnel Costs and 2.0 FTEs Management Analysts IIIs to support Best Practices group established in FY 2002. Do not recommend additional enhancement of \$74.4 in Personnel Costs to support Best Practices group.

**FINANCE  
ACCOUNTING  
APPROPRIATION UNIT SUMMARY**

**25-05-00**

<b>Programs</b>	<b>POSITIONS</b>				<b>DOLLARS</b>			
	<b>FY 2001 Actual</b>	<b>FY 2002 Budget</b>	<b>FY 2003 Request</b>	<b>FY 2003 Recommend</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Budget</b>	<b>FY 2003 Request</b>	<b>FY 2003 Recommend</b>
<b>Accounting</b>								
General Funds	40.0	40.0	38.0	<b>38.0</b>	2,784.2	3,048.0	2,956.8	<b>2,816.8</b>
Appropriated S/F								
Non-Appropriated S/F								
	<u>40.0</u>	<u>40.0</u>	<u>38.0</u>	<u><b>38.0</b></u>	<u>2,784.2</u>	<u>3,048.0</u>	<u>2,956.8</u>	<u><b>2,816.8</b></u>
<b>TOTAL</b>								
General Funds	40.0	40.0	38.0	<b>38.0</b>	2,784.2	3,048.0	2,956.8	<b>2,816.8</b>
Appropriated S/F								
Non-Appropriated S/F								
	<u>40.0</u>	<u>40.0</u>	<u>38.0</u>	<u><b>38.0</b></u>	<u>2,784.2</u>	<u>3,048.0</u>	<u>2,956.8</u>	<u><b>2,816.8</b></u>

**FINANCE  
ACCOUNTING  
ACCOUNTING  
INTERNAL PROGRAM UNIT SUMMARY**

25-05-01 Lines	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Base	Inflation & Volume Adjustment	Structural Changes	Enhance- ments	FY 2003 Recommend
<b>Personnel Costs</b>								
General Funds	1,946.0	2,368.0	2,338.1	2,340.1		-92.0		2,248.1
Appropriated S/F								
Non-Appropriated S/F								
	<u>1,946.0</u>	<u>2,368.0</u>	<u>2,338.1</u>	<u>2,340.1</u>		<u>-92.0</u>		<u>2,248.1</u>
<b>Travel</b>								
General Funds	21.3	26.6	26.6	26.6				26.6
Appropriated S/F								
Non-Appropriated S/F								
	<u>21.3</u>	<u>26.6</u>	<u>26.6</u>	<u>26.6</u>				<u>26.6</u>
<b>Contractual Services</b>								
General Funds	612.6	481.6	432.3	432.3				432.3
Appropriated S/F								
Non-Appropriated S/F								
	<u>612.6</u>	<u>481.6</u>	<u>432.3</u>	<u>432.3</u>				<u>432.3</u>
<b>Supplies and Materials</b>								
General Funds	62.1	54.7	42.7	42.7				42.7
Appropriated S/F								
Non-Appropriated S/F								
	<u>62.1</u>	<u>54.7</u>	<u>42.7</u>	<u>42.7</u>				<u>42.7</u>
<b>Capital Outlay</b>								
General Funds	69.3	87.1	87.1	62.1				62.1
Appropriated S/F								
Non-Appropriated S/F								
	<u>69.3</u>	<u>87.1</u>	<u>87.1</u>	<u>62.1</u>				<u>62.1</u>
<b>State Accounting Course</b>								
General Funds	32.9	30.0	30.0	5.0				5.0
Appropriated S/F								
Non-Appropriated S/F								
	<u>32.9</u>	<u>30.0</u>	<u>30.0</u>	<u>5.0</u>				<u>5.0</u>
<b>Dual Payroll</b>								
General Funds	38.3							
Appropriated S/F								
Non-Appropriated S/F								
	<u>38.3</u>							
<b>Technology</b>								
General Funds	1.7							
Appropriated S/F								
Non-Appropriated S/F								
	<u>1.7</u>							
<b>TOTAL</b>								
General Funds	2,784.2	3,048.0	2,956.8	2,908.8		-92.0		2,816.8
Appropriated S/F								
Non-Appropriated S/F								
	<u>2,784.2</u>	<u>3,048.0</u>	<u>2,956.8</u>	<u>2,908.8</u>		<u>-92.0</u>		<u>2,816.8</u>
<b>IPU REVENUES</b>								
General Funds	0.8							
Appropriated S/F								
Non-Appropriated S/F	176.6							
	<u>177.4</u>							

**FINANCE  
ACCOUNTING  
ACCOUNTING  
INTERNAL PROGRAM UNIT SUMMARY**

25-05-01 Lines	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Base	Inflation & Volume Adjustment	Structural Changes	Enhance- ments	FY 2003 Recommend
<b>POSITIONS</b>								
General Funds	40.0	40.0	38.0	40.0		-2.0		<b>38.0</b>
Appropriated S/F								
Non-Appropriated S/F	40.0	40.0	38.0	40.0		-2.0		<b>38.0</b>

**BASE, INFLATION, STRUCTURAL CHANGES, ENHANCEMENTS AND ONE-TIME ITEMS**

\* Base adjustments include (\$60.0) in Personnel Costs; (\$25.0) in Capital Outlay; and (\$25.0) in State Accounting Course. Additional base adjustments include (\$17.5) in Contractual Services and (\$12.0) in Supplies and Materials as a result of implementing the Payroll Human Resource Statewide Technology (PHRST) system.

\* Recommend structural change transferring (\$92.0) in Personnel Costs; (2.0) FTEs (1.0 Director of Management Efficiency; 1.0 Deputy Principal Assistant) and (\$31.8) in Contractual Services to Office of the Secretary (25-01-01).

**FINANCE  
REVENUE  
APPROPRIATION UNIT SUMMARY**

25-06-00

Programs	POSITIONS				DOLLARS			
	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Recommend	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Recommend
<b>Revenue</b>								
General Funds	211.0	211.0	213.0	<b>213.0</b>	11,392.8	11,362.7	11,533.7	<b>11,425.7</b>
Appropriated S/F					806.4	1,265.5	1,265.5	<b>1,265.5</b>
Non-Appropriated S/F					14,783.1			
	<u>211.0</u>	<u>211.0</u>	<u>213.0</u>	<u><b>213.0</b></u>	<u>26,982.3</u>	<u>12,628.2</u>	<u>12,799.2</u>	<u><b>12,691.2</b></u>
<b>TOTAL</b>								
General Funds	211.0	211.0	213.0	<b>213.0</b>	11,392.8	11,362.7	11,533.7	<b>11,425.7</b>
Appropriated S/F					806.4	1,265.5	1,265.5	<b>1,265.5</b>
Non-Appropriated S/F					14,783.1			
	<u>211.0</u>	<u>211.0</u>	<u>213.0</u>	<u><b>213.0</b></u>	<u>26,982.3</u>	<u>12,628.2</u>	<u>12,799.2</u>	<u><b>12,691.2</b></u>

**FINANCE  
REVENUE  
REVENUE  
INTERNAL PROGRAM UNIT SUMMARY**

25-06-01 Lines	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Base	Inflation & Volume Adjustment	Structural Changes	Enhance- ments	FY 2003 Recommend
<b>Personnel Costs</b>								
General Funds	9,505.1	9,580.0	9,751.0	9,641.0				9,641.0
Appropriated S/F								
Non-Appropriated S/F								
	<u>9,505.1</u>	<u>9,580.0</u>	<u>9,751.0</u>	<u>9,641.0</u>				<u>9,641.0</u>
<b>Travel</b>								
General Funds	38.9	47.4	47.4	47.4				47.4
Appropriated S/F								
Non-Appropriated S/F								
	<u>38.9</u>	<u>47.4</u>	<u>47.4</u>	<u>47.4</u>				<u>47.4</u>
<b>Contractual Services</b>								
General Funds	1,437.9	1,522.2	1,522.2	1,522.2				1,522.2
Appropriated S/F								
Non-Appropriated S/F	<u>1,692.2</u>							
	3,130.1	1,522.2	1,522.2	1,522.2				1,522.2
<b>Energy</b>								
General Funds	4.2	2.7	2.7	4.7				4.7
Appropriated S/F								
Non-Appropriated S/F								
	<u>4.2</u>	<u>2.7</u>	<u>2.7</u>	<u>4.7</u>				<u>4.7</u>
<b>Supplies and Materials</b>								
General Funds	128.5	129.9	129.9	129.9				129.9
Appropriated S/F								
Non-Appropriated S/F								
	<u>128.5</u>	<u>129.9</u>	<u>129.9</u>	<u>129.9</u>				<u>129.9</u>
<b>Capital Outlay</b>								
General Funds	119.0	80.5	80.5	80.5				80.5
Appropriated S/F								
Non-Appropriated S/F								
	<u>119.0</u>	<u>80.5</u>	<u>80.5</u>	<u>80.5</u>				<u>80.5</u>
<b>Debt Service</b>								
General Funds	159.2							
Appropriated S/F								
Non-Appropriated S/F								
	<u>159.2</u>							
<b>Other Items</b>								
General Funds								
Appropriated S/F	706.0	1,070.5	1,070.5	1,070.5				1,070.5
Non-Appropriated S/F	<u>13,090.9</u>							
	13,796.9	1,070.5	1,070.5	1,070.5				1,070.5
<b>Escheat</b>								
General Funds								
Appropriated S/F	100.4	195.0	195.0	195.0				195.0
Non-Appropriated S/F								
	<u>100.4</u>	<u>195.0</u>	<u>195.0</u>	<u>195.0</u>				<u>195.0</u>
<b>TOTAL</b>								
General Funds	11,392.8	11,362.7	11,533.7	11,425.7				11,425.7
Appropriated S/F	806.4	1,265.5	1,265.5	1,265.5				1,265.5
Non-Appropriated S/F	<u>14,783.1</u>							
	26,982.3	12,628.2	12,799.2	12,691.2				12,691.2

**FINANCE  
REVENUE  
REVENUE  
INTERNAL PROGRAM UNIT SUMMARY**

25-06-01 Lines	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Base	Inflation & Volume Adjustment	Structural Changes	Enhance- ments	FY 2003 Recommend
<b>IPU REVENUES</b>								
General Funds	1,207,537.4	1,174,600.0	1,174,600.0	1,174,600.0				1,174,600.0
Appropriated S/F	1,069.8	1,275.5	1,275.5	1,275.5				1,275.5
Non-Appropriated S/F	14,836.2							
	<u>1,223,443.4</u>	<u>1,175,875.5</u>	<u>1,175,875.5</u>	<u>1,175,875.5</u>				<u>1,175,875.5</u>
<b>POSITIONS</b>								
General Funds	211.0	211.0	213.0	213.0				213.0
Appropriated S/F								
Non-Appropriated S/F								
	<u>211.0</u>	<u>211.0</u>	<u>213.0</u>	<u>213.0</u>				<u>213.0</u>

**BASE, INFLATION, STRUCTURAL CHANGES, ENHANCEMENTS AND ONE-TIME ITEMS**

- \* Base adjustments include (\$110.0) in Personnel Costs.
- \* Recommend enhancement of 2.0 FTEs Unit Operations Clerk.

**FINANCE  
STATE LOTTERY OFFICE  
APPROPRIATION UNIT SUMMARY**

25-07-00

<b>Programs</b>	<b>POSITIONS</b>				<b>DOLLARS</b>			
	<b>FY 2001 Actual</b>	<b>FY 2002 Budget</b>	<b>FY 2003 Request</b>	<b>FY 2003 Recommend</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Budget</b>	<b>FY 2003 Request</b>	<b>FY 2003 Recommend</b>
<b>State Lottery Office</b>								
General Funds								
Appropriated S/F	30.0	30.0	30.0	<b>30.0</b>	38,046.7	43,349.0	43,349.0	<b>43,349.0</b>
Non-Appropriated S/F								
	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u><b>30.0</b></u>	<u>38,046.7</u>	<u>43,349.0</u>	<u>43,349.0</u>	<u><b>43,349.0</b></u>
<b>TOTAL</b>								
General Funds								
Appropriated S/F	30.0	30.0	30.0	<b>30.0</b>	38,046.7	43,349.0	43,349.0	<b>43,349.0</b>
Non-Appropriated S/F								
	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u><b>30.0</b></u>	<u>38,046.7</u>	<u>43,349.0</u>	<u>43,349.0</u>	<u><b>43,349.0</b></u>

**FINANCE  
STATE LOTTERY OFFICE  
STATE LOTTERY OFFICE  
INTERNAL PROGRAM UNIT SUMMARY**

25-07-01 Lines	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 2003 Base	Inflation & Volume Adjustment	Structural Changes	Enhance- ments	FY 2003 Recommend
<b>Personnel Costs</b>								
General Funds								
Appropriated S/F	1,509.6	1,579.4	1,661.9	1,661.9				1,661.9
Non-Appropriated S/F								
	<u>1,509.6</u>	<u>1,579.4</u>	<u>1,661.9</u>	<u>1,661.9</u>				<u>1,661.9</u>
<b>Travel</b>								
General Funds								
Appropriated S/F	26.4	50.0	50.0	50.0				50.0
Non-Appropriated S/F								
	<u>26.4</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>				<u>50.0</u>
<b>Contractual Services</b>								
General Funds								
Appropriated S/F	36,424.0	41,454.7	41,372.2	41,372.2				41,372.2
Non-Appropriated S/F								
	<u>36,424.0</u>	<u>41,454.7</u>	<u>41,372.2</u>	<u>41,372.2</u>				<u>41,372.2</u>
<b>Supplies and Materials</b>								
General Funds								
Appropriated S/F	44.2	47.9	47.9	47.9				47.9
Non-Appropriated S/F								
	<u>44.2</u>	<u>47.9</u>	<u>47.9</u>	<u>47.9</u>				<u>47.9</u>
<b>Capital Outlay</b>								
General Funds								
Appropriated S/F	42.5	217.0	217.0	217.0				217.0
Non-Appropriated S/F								
	<u>42.5</u>	<u>217.0</u>	<u>217.0</u>	<u>217.0</u>				<u>217.0</u>
<b>TOTAL</b>								
General Funds								
Appropriated S/F	38,046.7	43,349.0	43,349.0	43,349.0				43,349.0
Non-Appropriated S/F								
	<u>38,046.7</u>	<u>43,349.0</u>	<u>43,349.0</u>	<u>43,349.0</u>				<u>43,349.0</u>
<b>IPU REVENUES</b>								
General Funds	204,562.0	215,600.0	215,600.0	215,600.0				215,600.0
Appropriated S/F	38,223.3	51,766.1	51,766.1	51,766.1				51,766.1
Non-Appropriated S/F								
	<u>242,785.3</u>	<u>267,366.1</u>	<u>267,366.1</u>	<u>267,366.1</u>				<u>267,366.1</u>
<b>POSITIONS</b>								
General Funds								
Appropriated S/F	30.0	30.0	30.0	30.0				30.0
Non-Appropriated S/F								
	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>				<u>30.0</u>

**BASE, INFLATION, STRUCTURAL CHANGES, ENHANCEMENTS AND ONE-TIME ITEMS**

\* Recommend base funding to maintain Fiscal Year 2002 level of service.