**Other Elective**

**12-00-00**

**Lieutenant Governor**
- Regulatory Activities
- Bureau of Exam, Rehabilitation and Guaranty

**Auditor of Accounts**
- Administration
- Debt Management
- Refunds and Grants
  *(Not a Unit for Budgeting Purposes)*

---

**BUDGET**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>GF</th>
<th>ASF</th>
<th>TOTAL</th>
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<th>NSF</th>
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**FY 2001 BUDGET HIGHLIGHTS**

**OPERATING BUDGET:**

**Auditor of Accounts**

- Recommend base funding adjustments to personnel costs, base salary and OEC reduced by ($88.8) ASF and contractual services by ($20.7) ASF. Recommend enhancements of $162.9 to transfer 3.0 FTEs from ASF to General Fund; 2.0 State Auditor and 1.0 Information Systems Audit Supervisor. Recommend one-time funding in Budget Office Contingency of $50.4 which includes $35.4 for staff training related to the new accounting system; and $15.0 in contractual services to cover peer review.

**Insurance Commissioner**

- **Regulatory Activities** - Recommend base funding to maintain Fiscal Year 2000 level of service with the addition of $12.5 ASF to personnel costs. Recommend inflation adjustments of ($4.0) ASF to align personnel costs with actual needs; $2.6 ASF for conference and training travel costs; $4.7 ASF for contractual services; $1 ASF for supplies and materials; and $20.0 ASF for continued upgrading of Fraud Unit’s Investigation and Enforcement Cases Information System. Recommend inflation adjustments of $4.7 for contractual services; and $.1 for supplies and materials.

- **Exam, Rehabilitation and Guaranty** - Recommend inflation adjustments of $17.4 ASF for training and conference travel; $12.6 ASF for general contractual services needs and $122.0 ASF for rent; $.9 ASF for general supplies and materials needs; $122.4 ASF for IS&T requirements; and $1,330.0 ASF for Contract Examiners line.

**State Treasurer**

- Recommend base funding adjustment of $63.4 ASF to personnel costs. Travel was increased by $4.0 for conference and training, offset by ($4.0) from contractual services. Recommend inflation adjustment of $100.0 ASF to Banking Services line.
**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.
- Member, State Budget Commission.
- Chair, Interagency Council on Adult Literacy.
- Chair, Committee to Improve Parental and Family Involvement in Education.
- Member, National Conference of Lieutenant Governors.
- Member, Council on Greenways and Trails.
- Member, Delaware River and Bay Oversight Committee.
- Member, United Way Campaign Cabinet Committee.
- Liaison between public and state agencies.
- Staff membership on Governor’s Council on Equal Employment Opportunity.
- Advocate for state government and personnel reform.
- Advocate for small business.
- Spokeswoman for Safe Kids Coalition.
- Hon. Chair, Read Aloud Delaware.
- Hon. Chair, State Employees Charitable Campaign.
- Hon. Chair, Rotary Chemo-Care Package Project.

**PERFORMANCE MEASURES**

The following are Fiscal Year 2001 goals of the Office of Lieutenant Governor:

- **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.
- **Transition.** Provide an orderly and responsible transition to the next occupant of the Lieutenant Governor’s office.

**BUDGET**

<table>
<thead>
<tr>
<th></th>
<th>FY 1999 ACTUAL</th>
<th>FY 2000 BUDGET</th>
<th>FY 2001 GOV. REC.</th>
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**POSITIONS**

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<td>6.0</td>
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</table>
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, 1998, 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:

- Evaluate management controls and policies relating to the use of all public resources and identify areas in which improvements can be achieved.
- 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.
• 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 1999 cumulatively identified more than $7.6 million in cost savings, questioned costs and potential fraud, waste or abuse of state and federal funds.

The Fiscal Year 1998 Single Audit, completed during Fiscal Year 1999, disclosed, questioned and disallowed costs that totaled $139,833.

The Fiscal Year 1998 Single Audit included 32 findings and recommendations.

The Fiscal Year 1998 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 mandated audit reports which resulted in potential cost savings of nearly $4,486.

The Office completed eight Economy and Efficiency Audits and three special reviews during Fiscal Year 1999. These audits identified savings of $6.1 million to the State of Delaware and its taxpayers. The eight major audits completed during Fiscal Year 1999 were:

- Twenty-First Century Fund
- Department of Natural Resources – Financial Management Controls
- Statewide Payroll
- Courts Revenue – Financial Management Controls
- Department of Transportation – Consultant Agreements
- Department of Health and Social services – Child Support Enforcement
- Tuition Tax Program
- State Treasurer – Bank Accounts Review

These reports contained 148 recommendations. In addition to the cost savings, several recommendations identified opportunities for improving the efficiency and effectiveness of government operations.

Eight in-depth investigations were conducted which revealed waste, fraud or abuse of nearly $1.3 million in federal and state funds. These investigations disclosed 36 findings and recommendations.

The office referred five cases to the Attorney General for further investigation as possible criminal activity, and one case was referred to other investigative units for review.

During the Fiscal Year 1999 audit cycle, the following IS audits were completed:

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

These audits included 26 recommendations to improve systems controls statewide.

- Also, in Fiscal Year 1999, this unit assisted the Investigative and Economy and Efficiency audit teams.

**ACTIVITIES**

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

- Evaluate whether the State’s financial statements are fairly presented in accordance with generally accepted accounting principles;
- Evaluate whether government and quasi-government organizations included in the State’s entity have expended federal funds in accordance with the Single Audit Act of 1984, as amended and various related federal regulations;
- Evaluate compliance with State laws, administrative regulations and guidelines, as well as prior year recommendations;
- Evaluate whether State programs are operated economically and efficiently and make recommendations for improvement as needed; and
- Investigate reported instances of fraud, waste or abuse pertaining to State and federal funds.

The Auditor of Accounts and his staff are active in the following organizations:

- Past President Executive Committee - National State Auditors Association.
- Past 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.
Member – Association of Certified Fraud Examiners.
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 – National Electronics Clearinghouse.
Member - State Board of Pardons.
Member - State Insurance Determination Committee.

**BUDGET**

<table>
<thead>
<tr>
<th></th>
<th>FY 1999 ACTUAL</th>
<th>FY 2000 BUDGET</th>
<th>FY 2001 GOV. REC.</th>
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</thead>
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**POSITIONS**

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<tbody>
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<td>- -</td>
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<tr>
<td>TOTAL</td>
<td>51.0</td>
<td>51.0</td>
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</table>

**INSURANCE COMMISSIONER**

**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.
- Provide 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.
• 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 1999 ACCOMPLISHMENTS**

**Producer Licensing Services Division**

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 Producer Licensing Services Division has successfully integrated an ethics portion to the state licensing exams and continues to develop all exams through an annual test development process.

The division continues to provide the administration of the Continuing Education Program to over 18,000 resident and non-resident licensees.

The result of continued producer test development and administration of the continuing education program ensures that only those qualified sell and service insurance and financial products to the citizens of our state.

In addition to the above, the Producer Licensing Services Division moved from manually typing insurance licenses by streamlining the license process through automation, thereby increasing productivity and efficiency and decreasing cost.

The division implemented a new check processing system, which effectively reduced processing time and increased efficiency.

Licensing Section business objectives for FY 2001:

• Reduce state and provider administrative work by automating the continuing education reporting process.
• Automate producer form filing process through imaging or more accessible technology.
• Develop website to allow industry and producers to download all licensing forms and reduce the number of phone calls received by the division.
• Increase effective market conduct surveillance for the citizens of Delaware through full participation in the NAIC National Producer Database.
• Consider adoption of the NAIC Producer Licensing Model Act. The Licensing Model Act takes on particular significance in light of the uniform licensing provisions in the pending financial service modernization legislation in Congress.
• Continue assessment of the effectiveness of continuing education administration and course content.

**Workplace Safety Program**

In 1989, the first year the Workplace Safety Program was offered to employers, 74 participants earned discounts on their workers’ compensation premiums of approximately $278,000.

At the end of 10 years, over 600 employers enjoyed the benefits of the program. However, due to the work of the Task Force the program will be available to more companies with the removal of the high-end limit of $60,000. This change was implemented July 1, 1999.

To date over 700 employers already have participated for discounts of over $2 Million. Employers are currently being notified of their eligibility for the year 2000, in which a record number of participants are expected.

The administration of the Workplace Safety Program now necessitates two full-time employees.
**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**

- Fourteen percent reduction in cases received in 1998 from the previous year, (1997 was an extraordinary year due to the receipt of approximately 50 cases from the Federal Insurance Fraud Task Force in Philadelphia in the final two months of the period.
- Fifty-five percent of cases resolved by consent, arrest, unfounded or suspended.
- Investigations include several labor-intensive, Health Care fraud cases, most with federal law enforcement agencies, which require outside analytical services. A small number of these Health Care fraud cases still consume a disproportionate number of investigative hours, though the results usually yield larger amounts of fraud.
- Of the three major federal investigations initiated in 1999, one case closed with arrest-awaiting trial and two cases are still under investigation.
- Prevented more than $3.9 million in Reserves from being processed since 1995.

**BUDGET**

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**POSITIONS**

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**REGULATORY ACTIVITIES**

**ACTIVITIES**

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

- Member, Delaware Health Care Commission.
- Member, Delaware Valley Chapter of SIU.
- 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, 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**

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<td># agents appointed</td>
<td>19,307</td>
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<td># consumer complaints/inquiries</td>
<td>16,753</td>
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<td>Participation in Work-place Safety Program</td>
<td>680</td>
<td>750</td>
<td>780</td>
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**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 will be supplementing this segment through an additional Market Conduct Examiner to oversee life and health concerns. Timely claims payments and advertising agents’ conduct relative to product solicitations will be primary responsibilities.

**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.

The Bureau of Exam, Rehabilitation and Guaranty (BERG) unit was the catalyst for the Insurance Department accreditation from the National Association of Insurance Commissioners (NAIC) for this period. Every five years, NAIC performs an onsite review of the department’s insurance laws, procedures, standards and work-product of the financial analysis and examination sections. Both sections of BERG were among the highest scoring states in the nation.

The goal for the Rates and Forms section for the upcoming year is to move from manual review of policy forms and rates, to an electronic system of review. With the number of policy filings increasing each year, the electronic filing process initiated by the NAIC will be more efficient for the analyst charged with the responsibility of daily review.

**PERFORMANCE MEASURES**

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**ELDERinfo**

ELDERinfo is the State Health Insurance Program (SHIP) for Delaware’s 112,000 Medicare beneficiaries. A public service of the Delaware Insurance Department and Delaware Health and Social Services’ Division of Services for Aging and Adults with Physical Disabilities, ELDERinfo is funded, in part, through a grant from the Health Care Financing Administration.

In September 1998, the termination of Aetna/US Healthcare, Optimum Choice and AmeriHealth contracts with the Health Care Financing Administration, affected approximately 13,000 Medicare beneficiaries in Delaware. ELDERinfo went into the community and addressed the questions of concerned seniors by town meetings held at senior centers throughout Delaware. ELDERinfo offered support to seniors, answered their questions, and provided informational packages to assist the beneficiaries with making an informed decision. A video, created to address the situation, aired on local cable TV stations throughout the state and was dispersed to all senior centers.

Due to the cancellation of the HMO’s, the call volume at the ELDERinfo office rose 882 percent from the previous year, the highest increase in the nation. In order to accommodate this increase, additional office personnel were added in 1999.

ELDERinfo volunteer counselors continue to attend extensive training on health insurance to provide individualized assistance with Medicare, Medicaid, Medicare Supplemental Insurance, Long Term Care Insurance and other health insurance.

The key objective of ELDERinfo is to educate the beneficiaries through:

- Direct mailers
- Health fairs
- Outreach programs
- Radio/TV interviews
- Senior forums
**STATE TREASURER**

**12-05-00**

**MISSION**

To maximize taxpayer value by promoting responsible cash management and investment practices statewide.

**BUDGET**

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**POSITIONS**

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**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**

- Re-engineer and automate the reconciliation of the state’s bank accounts.
- Improve cash receipts process.
- Increase participation of eligible employees in Deferred Compensation program through effective marketing and investment education.
- Mail all state employee paychecks.
- With Department of Finance, streamline, focus and improve 403(b) program for education employees.

- Increase number of households participating in College Investment Program.
- Increase number of local governments participating in DELGIP (Delaware Local Government Investment Program).
- Continue to be a champion for electronic commerce.
- Improve accuracy of the interest income forecast to DEFAC.
- Cross-train employees to ensure efficient operations and improve customer service.

**BACKGROUND AND ACCOMPLISHMENTS**

The actual budget for Fiscal Year 2000 reflects a decrease of 16 percent from the Governor’s Recommended Budget for the State Treasurer’s Office.

In July 1999, four positions were transferred to the State Personnel Office to consolidate the administration of employee benefits. This move will improve the design and delivery of employee benefits. Legislation consolidating all benefits-related councils into one Employee Benefits Council also will streamline administration of employee benefits.

Also in July, the Treasurer signed a contract with Fidelity Investments to overhaul the state’s $160 million Deferred Compensation program. The new program eliminates the $12 per participant annual administrative fee and provides for an annual stipend of $50,000 from Fidelity to the State of Delaware. The new plan provides:

- Significantly more investment options, including approximately 250 funds available at no charge;
- Consolidated statements that track the employee’s investment allocation and personal rate of return;
- Live phone representatives available from 8 a.m. to midnight Monday through Friday, and 24-hour Internet and telephone access; and
- Education on issues such as investments, retirement planning, and understanding quarterly statements.

More than 150 employee meetings were held in September to educate current and prospective participants about the plan. Assets were transferred to Fidelity on September 30. The Governor appointed the State Treasurer chair of the Delaware College Investment Board. The Treasurer would like to market the plan more effectively and boost enrollment.
The generic check operation is now producing payroll, pension, Delaflex and vendor checks. This system has proven to be very secure, flexible and cost-efficient. Beginning with the 2000 tax season, the Division of Revenue plans to produce its tax refund checks through this operation, eliminating the unsecured transport of checks from Dover to Wilmington and the delay associated with it.

Also, a pending expansion of the contract with the generic check software vendor, will allow vendors to be paid electronically without the manual preparation now required. Increased payment by Automated Clearinghouse (ACH) will reduce the cost of printing and mailing vendor checks.

Desk manuals were created for key office operations in response to Auditor’s Office requests and to facilitate cross-training of agency employees.

**ACTIVITIES**

- Daily settlement of the state’s cash position to ensure that funds are in appropriate accounts while maximizing dollars available for investment.
- Administration and promotion of state Deferred Compensation program.
- Daily recording and deposit of receipts.
- Reconciliation of major state bank accounts and lockboxes.
- Expeditious disbursement of funds to meet the state’s financial obligations, including ACHs, wire transfers, and daily processing of vendor checks.
- Processing of payroll, pension and Delaflex checks.
- Initiation of cash management projects at the statewide and agency levels that improve efficiency by reducing float, eliminating paper, and streamlining processes.
- Reconciliation of state payroll and payment of federal taxes.
- Process grants-in-aid, municipal street aid, and calculate and disburse funds for fire organizations and police pensions.

**PERFORMANCE MEASURES**

- 50 percent increase in eligible employees participating in Deferred Compensation program.
- 50 percent increase in dollar volume of ACH/wire transfers.
- 100 percent increase in households participating in Delaware College Investment Plan.
- 100 percent of state employee paychecks mailed.
- 90 percent reduction in Tax-Shelter Annuity (403b) vendors.
- 50 percent reduction in time to reconcile state’s accounts.
- DEFAC interest income projection accurate within +/- 12 percent.
- Ensure employees are cross-trained in six key office procedures.

**DEBT MANAGEMENT**

**MISSION**

To manage the state’s debt and credit interest to the state’s school and special funds with maximum accuracy and efficiency.

**KEY OBJECTIVES**

- Develop an overall accounting and data retrieval system in the Treasurer’s Office that will link bond authorizations, bond sales, amortizations, debt budgeting, and debt payments into an integrated system with less reliance on manual calculations and operations.
- Amend Title 29, Section 75 and Title 14, Section 1923, Delaware Code, to calculate school interest in same manner as all other special funds.
- Improve upload and download of special and school funds interest within debt management.

**BACKGROUND AND ACCOMPLISHMENTS**

During Fiscal Year 1999, all debt service payments to the Depository Trust Company were met on the bond due dates. This entailed:

- disbursement of $110.0 million for 16 General Obligation issues on $720.2 million outstanding; and
- collection of $13.0 million from schools for the repayment to the State of their local share of school construction on $120.6 million outstanding local share bonds.

Capital Improvement funds were monitored and information provided to the Department of Finance that supported the $110 million in new bond funding.
Further efforts to reduce the state’s bonded indebtedness was accomplished by the General Assembly, which appropriated $30.4 million in cash to fund previously authorized bond projects. The surplus cash was used to fund $11.8 million for the New Castle County courthouse; $11.5 million for prison construction; $2.4 million for the Department of Natural Resources and Environmental Control’s Aquatic Center; $1 million for Delaware Technical and Community College’s Wilmington Campus; and the balance to several library projects throughout the state. The unissued bonds for these projects were then deauthorized, thus saving the state principal and interest payments on these projects for 20 years.

**ACTIVITIES**

- Maintain records required for bond projects as authorized by the yearly bond bill from authorization through bond sale and 10- 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, calculate and pay interest on almost 400 special funds on deposit with the State Treasurer. Interest in Fiscal Year 1999 totaled more than $24.2 million.
- Provide assistance to local school districts in acquiring Attorney General’s opinion in securing a Bond Anticipation Note or permanent bond financing of their local share.
- Maintain the school interest table in the DFMS system which calculated interest to schools for their operation, debt service and construction funds on deposit with the State Treasurer. Interest paid to school districts on their funds on deposit with the State Treasurer totaled $12.6 million for Fiscal Year 1999.
- Assist the general public with any inquiries concerning state bonds.

**PERFORMANCE MEASURES**

- Automate 45 percent of Debt Management’s accounting and data retrieval system to electronically link bond authorizations, bond sales, amortizations, debt budgeting and debt payments into an integrated system to enhance speed and accuracy of calculations.

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**REFUNDS AND GRANTS**

**12-05-04**

**MISSION**

To process revenue refunds for improperly collected fees or receipts and maintain an accurate accounting of fiscal year refunds issued.

**KEY OBJECTIVES**

- Streamline the processing of revenue refunds.

**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**

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