

OTHER ELECTIVE 12-00-00

Other Elective

Lieutenant Governor

Auditor of Accounts

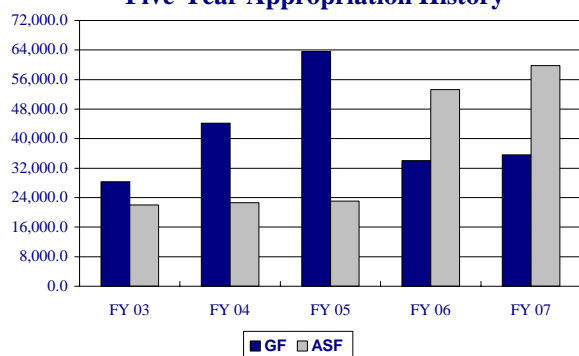
Insurance Commissioner

State Treasurer

- Regulatory Activities
- Bureau of Exam, Rehabilitation
and Guaranty

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

Five-Year Appropriation History



FUNDING

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	55,280.1	35,614.2	57,686.5
ASF	58,681.1	59,792.7	71,211.5
TOTAL	113,961.2	95,406.9	128,898.0

POSITIONS

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	55.5	55.5	55.5
ASF	92.5	94.5	98.5
NSF	2.0	2.0	2.0
TOTAL	150.0	152.0	156.0

Auditor of Accounts

- ◆ Recommend (\$28.1) and (\$2.3) ASF in Personnel Costs to reflect projected expenditures.

Insurance Commissioner

- ◆ Recommend \$2,000.0 ASF in Contract Examiners to broaden market conduct reviews of insurance companies.
- ◆ Recommend \$440.0 ASF in Captive Insurance Fund for captive insurance initiatives.
- ◆ Recommend \$822.1 ASF to cover increased operational costs.

State Treasurer

- ◆ Recommend \$5.4 in Contractual Services for printing and binding costs of public awareness documents.

FY 2008 BUDGET HIGHLIGHTS

OPERATING BUDGET:

Lieutenant Governor

- ◆ Recommend \$5.4 in Contractual Services to cover increased operational costs.

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LIEUTENANT GOVERNOR 12-01-01

MISSION

To fulfill the constitutional duties of the office by effectively presiding over the State Senate, fairly and equitably chairing the Board of Pardons, assisting the Governor when asked and providing complete and efficient services to constituents. Additionally, to help improve schools, promote healthier lifestyles, make government more constituent friendly and find new economic opportunities for Delaware.

KEY OBJECTIVES

- Promote healthy lifestyles as a tool to improve quality of life for all Delawareans and reduce the incidence of chronic diseases.
- Identify Delaware public schools that have shown continuous improvement in student achievement and provide those schools the opportunity to share their successes and methods with other schools.
- Create and facilitate a pilot mentorship between a school that has raised student achievement and one that is looking for proven methods to implement.
- Serve residents by helping them navigate state government to find the answers to their questions and the solutions to their problems.
- Continue to identify and develop solutions and alternatives to addressing health-related issues such as uninsured and underinsured, disparities that exist in different communities, and the rising cost of health insurance.

BACKGROUND AND ACCOMPLISHMENTS

The constitutional duties of the Lieutenant Governor are President of the Senate and President of the Board of Pardons. The office also handles constituent work and other initiatives to serve the residents of Delaware.

FUNDING

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	502.9	542.2	579.0
ASF	--	--	--
TOTAL	502.9	542.2	579.0

POSITIONS

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	6.0	6.0	6.0
ASF	--	--	--
NSF	--	--	--
TOTAL	6.0	6.0	6.0

ACTIVITIES

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

- President, Delaware State Senate;
- President, Board of Pardons;
- Chair, Delaware Health Care Commission;
- Chair, Criminal Justice Council;
- Chair, Science and Technology Council;
- Chair, Delaware Center for Educational Technology;
- Chair, Livable Delaware Advisory Council;
- Chair, Interagency Council on Adult Literacy;
- Past Chair, National Lieutenant Governors Association;
- Executive Committee, National Lieutenant Governors Association;
- Chair, Small Business Committee;
- Chair, Single Payer Committee;
- Member, Delaware River and Bay Oversight Committee;
- Member, State Budget Commission;
- Member, United Way Cabinet Committee;
- Honorary Chair, Delaware SafeKids; and
- Honorary Chair, State Employees Charitable Campaign.

PERFORMANCE MEASURES

The following are Fiscal Year 2008 goals of the Office of Lieutenant Governor:

- **Healthy Lifestyles:** Expand the Lieutenant Governor's Challenge. This healthy lifestyle initiative is meant to encourage Delawareans to increase their daily physical activity, thereby lowering their risk of suffering the most deadly chronic diseases, such as diabetes, heart disease and some cancers.
- **Education:** Continue the Models of Excellence in Education initiative and establish a pilot mentorship program. The Lieutenant Governor developed the initiative to identify those schools successfully raising student achievement and to provide them with a platform to share their successes and practices with other schools. This year the program will celebrate its

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third year of partnership with the State Chamber of Commerce's Superstars in Education.

- **Health Disparities:** Lead efforts to address and reduce the health disparities that exist in Delaware as co-chair of the Health Disparities Task Force, which will develop broad-based recommendations for action.
- **Constituent Service:** Continue to provide timely assistance to Delaware residents in need of help by connecting them with proper agencies and people within state government.
- **Economic Development:** Continue to lead efforts to retain and recruit businesses by partnering with the State Chamber of Commerce and other business organizations, and through role as chair of the State's Science and Technology Council.

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, 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.
- Identify and reduce fraud, waste and abuse in state and local organizations that receive state funds.
- Maintain a high quality of audit services as evidenced by passing the National State Auditor Association's external quality control peer review, and 100 percent of professional staff completing 80 hours of continuing professional education (CPE) requirements every two years.

The objectives of the Office/Contract Administration section are to ensure that the office operates in accordance with state laws and regulations and that audits are contracted out in accordance with state laws and regulations. This section also ensures that contracted audits are accomplished within the required timeframe as set forth by federal and state governments and provides information systems support to other audit sections within the office. This section is also responsible for the Statewide Single Audit Report that is required to be submitted to the federal government every March 31. The objectives of the Statewide Single Audit are as follows:

- To express an opinion as to whether the State of Delaware's financial statements are presented fairly in all material respects in conformity with Generally Accepted Accounting Principles and whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole.
- To report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- To express an opinion as to whether the State complied with laws, regulations and the provisions of

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contracts or grant agreements that could have a direct and material effect on each major program.

- To ensure that prior audit recommendations, questioned costs and disallowances reported in the Single Audit Report for fiscal year ending June 30, 2005, have been resolved.

The objectives of the Financial/Compliance section are to issue audit reports/engagements to improve the internal control structure, operations, compliance with laws and regulations, and opinions on financial statements in a timely manner.

The objectives of the Investigative Audit section are to conduct investigations that may involve activities of waste, fraud, or abuse of state and/or federal resources, and ensure that the Auditor's Hotline program is a viable service to the citizens of the State of Delaware.

BACKGROUND AND ACCOMPLISHMENTS

The audits and investigations completed by the office in Fiscal Year 2006 cumulatively identified more than \$13.9 million in cost savings and questioned costs and potential fraud, waste, or abuse of state and federal funds.

The Fiscal Year 2005 Single Audit Report, completed during Fiscal Year 2006, contained 48 findings and 67 recommendations and disclosed questioned and disallowed costs that totaled \$11.9 million.

During Fiscal Year 2006, the office completed mandated audit reports which resulted in potential cost savings of nearly \$1 million.

Thirty-two in-depth investigations were conducted which revealed waste, fraud or abuse of \$47,000 in federal and state funds. These investigations disclosed 59 findings and 94 recommendations.

FUNDING

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	2,673.0	3,194.6	3,324.7
ASF	695.0	873.8	871.5
TOTAL	3,368.0	4,068.4	4,196.2

POSITIONS

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	36.0	36.0	36.0
ASF	6.0	6.0	6.0
NSF	--	--	--
TOTAL	42.0	42.0	42.0

ACTIVITIES

The duties and activities of the Office of the Auditor of Accounts include:

- Evaluate whether the State's financial statements are fairly presented in accordance with accounting principles generally accepted in the United States.
- Evaluate whether government and quasi-government organizations included in the State's entity have expended federal funds in accordance with the Single Audit Act and various related federal regulations.
- Evaluate compliance with state laws, administrative regulations and guidelines.
- Investigate reported instances of fraud, waste or abuse pertaining to state and federal funds.

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

- Past President and Member, National Association of State Auditors, Comptrollers and Treasurers;
- (AOA and Staff) Member, National State Auditors Association (NSAA); Accounting and Financial Reporting Committee and Single Audit Committee for NSAA;
- Member, State Board of Pardons;
- Member, State Insurance Determination Committee;
- (AOA and staff) Local Chapter President-Elect and Member, Association of Government Accountants;
- (AOA and staff) Member, Association of Certified Fraud Examiners;
- (Staff) Member, National Audit Forum;
- (Staff) State Representative and Program Committee Chairperson, Mid-Atlantic Intergovernmental Audit Forum;
- (Staff) Member, Association of Certified Fraud Specialists;
- (Staff) Member, American Institute of Certified Public Accountants; and
- (Staff) Member, Delaware and Pennsylvania Society of Certified Public Accountants.

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PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Budget	FY 2008 Gov. Rec.
% of audit reports issued within 45 days of end of fieldwork	60	75	75
% of recommendations implemented by auditee	82	75	75
% of cases with criminal allegations turned over to the Attorney General's Office within 7 working days after investigation	80	80	80
% of non-criminal reports issued to the State organization within 45 days after completion of fieldwork	75	75	75

INSURANCE COMMISSIONER 12-03-00

MISSION

The Insurance Commissioner of the State of Delaware and the Department of Insurance will strive to:

- Protect Delaware insurance consumers;
- Inform consumers of their options and rights when it comes to their insurance;
- Serve consumers by controlling the cost of insurance and increasing its availability;
- Advocate for and assist consumers in disputes with their insurance companies and agents; and
- Regulate the insurance industry - including the solvency of insurance companies and the licensure of insurance agents - with the best interest of Delaware's insurance consumers in mind.

KEY OBJECTIVES

Since January 2005, the goal of the Insurance Commissioner's Office has been to improve its service and responsiveness to and advocacy for Delaware citizens and businesses in the area of insurance. Key objectives for the Commissioner and staff include:

- Respond to consumer inquiries and complaints within 24 hours;
- Require insurance companies to respond to Commissioner's Office inquiries made on behalf of consumers within 21 days;
- Make public to consumers the number and nature of complaints against insurance companies;
- Expand the amount of consumer information and guidance on insurance topics provided to consumers by the Commissioner's Office through publications, online, public consumer alerts and community outreach;
- Increase the scrutiny of insurance company rate applications;
- Increase frequency of market conduct examinations of insurance companies when there are practices that appear to not be in the best interest of consumers;
- Analyze and assess the financial condition of insurance entities domesticated and doing business in Delaware;

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- Manage, rehabilitate or liquidate financially-impaired insurers;
- Increase activities and efforts to prevent and prosecute insurance fraud;
- Regulate agent licensing, with a goal of better service to consumers;
- Encourage competition in the Delaware insurance market; and
- Seek changes to the Delaware Code, insurance regulations and new programs within state government in order to better protect, inform, serve and advocate for consumers.

BACKGROUND AND ACCOMPLISHMENTS

With a continued focus on consumers, the Commissioner and the Department have recently completed the following:

- Implemented an online rate comparison website, providing consumers the ability to compare auto insurance premiums from more than 50 insurance companies;
- Sent the Reality Check Express, a mobile office with trained staffers and internet-connected computers, to more than 30 senior centers and other stops to counsel and enroll seniors for federal Medicare prescription drug plans;
- Obtained refunds for 1,400 Delawareans totaling \$135,000 after investigating an insurance company's use of credit scores in setting homeowner insurance premiums;
- Created a Fraudpatrol program to provide rewards for tips about insurance fraud;
- Reduced a proposed increase in workers compensation insurance premiums by 20 percent;
- Began confiscating license plates from uninsured vehicles;
- Began actively marketing Delaware as a location for captive insurance companies;
- Created new guides for consumers on homeowner, automobile, health and life insurance as well as guides to insurance issues for people with disabilities and for military personnel;
- Continued to expand the Department's website to make it more user-friendly and include more consumer information; and

- Conducted outreach sessions to provide insurance information and complaint services in community centers, senior centers and churches.

ACTIVITIES

- Member, Delaware Health Care Commission.
- Member, Delaware State Employee Benefits and Insurance Coverage committees.
- Member, National Association of Insurance Commissioners (NAIC).

FUNDING

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	--	--	--
ASF	25,258.8	21,877.7	25,139.8
TOTAL	25,258.8	21,877.7	25,139.8

POSITIONS

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	--	--	--
ASF	77.0	79.0	83.0
NSF	2.0	2.0	2.0
TOTAL	79.0	81.0	85.0

REGULATORY ACTIVITIES 12-03-01

ACTIVITIES

Fraud Prevention Bureau - Health care and workers compensation cases are reported to the Bureau. In Fiscal Year 2006, the Fraud Prevention Bureau investigated 539 cases. Approximately 65 percent of the cases were resolved by consent or arrest, deemed to be unfounded, or dispositions were suspended.

The Fraud Prevention Bureau has prevented more than \$5.3 million in reserves from being processed since it was created in 1995. Approximately \$25,427 in civil penalties was assessed in substantiated fraud cases during Fiscal Year 2006.

Several current members of the Fraud Prevention Bureau hold certifications in professional associations such as the Association of Certified Fraud Specialists (CFS), Association of Certified Fraud Examiners and Association of Accredited Healthcare Fraud Investigators.

Fraud investigators also maintain the following activities:

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- Member, Delaware Valley Chapter of International Association of Special Investigative Units (SIU);
- Member, NAIC Anti-Fraud Task Force;
- Member, National Insurance Crime Bureau (NICB);
- Member, International Association of Special Investigation Units;
- Member, National Health Care Anti-Fraud Association;
- Member, Federal and State Prosecutor's healthcare working group; and
- Special training on Health Care Fraud Detection and Investigation and Claims Fraud.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Budget	FY 2008 Gov. Rec.
# of new licenses:			
Producers	13,256	13,260	13,300
Adjusters	4,251	4,450	4,500
Appraisers	47	50	52
Public Adjusters	9	12	15
Fraternal Producers	17	18	20
Apprentice Adjusters	120	150	160
Apprentice Appraisers	5	5	5
Surplus Lines Brokers	167	175	200
Limited Lines Producers	561	565	570
Business Entities	736	760	800
# of agents appointed	58,212	42,000	58,300
# of consumer complaints/inquiries	11,134	14,930	12,000
# of consumer complaints resolved	10,883	13,920	11,000
# of arbitration cases heard	199	179	190
# of arbitration cases closed without hearing	152	233	200
# of participants in Workplace Safety program	1,279 (CY05)	1,400 (CY06)	1,500 (CY07)

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

ACTIVITIES

Examinations/Financial Analysis - The Financial Analysis and Examination units are continuing to evolve and are continually under review for changes to keep pace with the business environment of the insurance industry. The primary responsibilities for both units are to provide financial solvency oversight for Delaware domesticated companies and to perform financial and market conduct examinations as required by statute or as deemed necessary for the protection of Delaware policyholders. The State of Delaware is highly regarded in the business community for its organization and/or domestication. As such, the demand for domestication/redomestication is significant.

The Department received reaccreditation from the NAIC in 2003 for five years, which has since been extended a year to 2009.

Bureau personnel are responsible for the registration and/or licensing of 54 accredited reinsurers, two Medicare prescription plans, 106 surplus lines insurers, 28 premium finance companies, 36 reinsurance intermediaries, 103 third party administrators, 519 risk purchasing groups and 111 risk retention groups.

Market Conduct Oversight - This section conducts examinations of companies to be sure the companies are in compliance with the Delaware insurance code and regulations with respect to rating, underwriting and claim handling practices. Exams can be scheduled based on complaint activity, special requests or the regular schedule. In addition to regular examinations, the Department is currently targeting company reviews regarding homeowner coverage, credit scoring practices, rate increase practices in personal lines (auto, homeowner) and health insurance including long-term care insurance. The Department is also participating in the NAIC Market Analysis program, including market conduct and analysis collaboration efforts. This will streamline and enhance the market conduct review of those companies authorized to transact insurance in the State.

Agency Market Conduct - This section receives referrals from the public, insurance industry and the Consumer Services and Fraud Bureau sections regarding alleged misconduct of agents and agencies. In addition, this section conducts examinations of agents and agencies to make sure they are in compliance with the Delaware insurance code and regulations.

For the period January through September 2006, the section investigated more than 65 complex cases; resulting in funds returned to consumers totaling \$407,074.

Producer Licensing - This section is responsible for the licensing and administration of the following license types: Producer, Adjuster, Appraiser, Public Adjuster, Fraternal Producer, Apprentice Adjuster, Apprentice Appraiser, Surplus Lines Broker, Limited Lines Producer and Business Entities. The section is also responsible for insurance company appointments, continuing education, investigations, and insurer licensing market conduct issues.

The section has continued to enhance the electronic application process by providing both residents and non-residents the ability to apply online with the capability to attach all supporting documents. A Licensee Verification system has also been added to our website to enable licensees and the public to verify licensed status. The section also offers an Online Licensee Service (OLS) to allow Delaware licensees the ability to update license

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information, such as name, address and line of authority changes.

Workplace Safety Program - The Workplace Safety program, available to employers doing business in Delaware, offers participants the opportunity to earn up to a 19 percent discount on workers compensation premiums. Employers who have been in operation three years or more, and whose annual workers compensation premium is \$3,161 or more are eligible to participate.

The program works with the Delaware Compensation Rating Bureau, qualified inspectors, insurance industry and employers to ensure accuracy of information and expeditious processing of each employer's safety credit.

Since its inception in 1988, the program has yielded a savings of approximately \$55 million for Delaware employers. Participation was 1,279 in calendar year 2005, with a projection of 1,434 participants in calendar year 2006.

Rates and Forms - Company filing applications have been revised to increase the efficiency of the overall review of advertisements, forms, rates and rules. A database was developed to enhance the tracking and monitoring of all filings submitted. The section is now able to produce concise management reports regarding the status of the rate and form filings.

ELDERinfo - ELDERinfo is the State Health Insurance Program (SHIP) for Delaware's Medicare population of approximately 125,000. The program is a public service of the Delaware Insurance Department and funded, in part, through a grant from the Centers for Medicare and Medicaid Services (CMS).

The program is designed to assist, educate and empower people with Medicare and their caregivers with complex and often confusing matters concerning: the Medicare Prescription Drug Improvement and Modernization Act of 2003; Medigap and other supplemental insurance; medical bills; enrollment issues; non-renewals; Medicare Advantage options; guaranteed issue rights; financial assistance with prescriptions; Medicare Savings programs; long-term care insurance; and other health insurance matters.

Staffing consists of four employees and more than 40 volunteer counselors throughout the State conducting one-on-one counseling. From April 2005 through March 2006, the unit assisted 5,278 beneficiaries with one-on-one counseling and reached more than 13,538 individuals through interactive public presentations, health fairs and direct mailings. The unit mailed 367 Delaware Prescription Assistance Program (DPAP) applications, and 75 Medicaid applications, resulting in potential savings of

more than \$997,150 with prescription drug benefits and savings for the Medicare premium reimbursement

In 2006, ELDERinfo focused on counseling Delaware seniors on the new federal Medicare Part D prescription drug plans. Staffers visited more than 30 locations around the State to conduct one-on-one counseling sessions with seniors, comparing plans online and signing up seniors if appropriate. The unit will continue to educate the Medicare population through direct mailers, health fairs, outreach programs, radio/TV interviews, senior forums, and one-on-one counseling.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Budget	FY 2008 Gov. Rec.
# of rates received	2,641	2,750	2,705
# of forms received	30,655	25,500	32,000
# of advertisements received	493	495	500
# of rules received	2,495	2,500	2,550
# of companies regulated:			
Domestic	141	137	145
Foreign	1,179	1,310	1,239
# of companies examined	51	49	60
# of companies liquidated:			
Domestic	4	4	5
Ancillary	0	0	0
# of companies under supervision/rehabilitation	2	4	3
# of market conducts	74	74	80

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STATE TREASURER 12-05-00

MISSION

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

FUNDING

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	52,104.2	31,877.4	53,782.8
ASF	32,728.2	37,041.2	45,200.2
TOTAL	84,832.4	68,918.6	98,983.0

POSITIONS

	FY 2006 ACTUAL	FY 2007 BUDGET	FY 2008 GOV. REC.
GF	13.5	13.5	13.5
ASF	9.5	9.5	9.5
NSF	--	--	--
TOTAL	23.0	23.0	23.0

ADMINISTRATION 12-05-01

MISSION

To ensure the accuracy of financial records under the agency's control; manage the State's cash balances in accordance with approved guidelines; administer and assist State employees with the financial aspects of the Deferred Compensation Program; respond in a timely, accurate and courteous manner to any inquiry directed to the office; and faithfully discharge any and all further obligations given under statute.

KEY OBJECTIVES

- Continue to re-engineer and automate the reconciliation of the State's bank accounts and the accounting of the State's cash position and investments.
- Increase participation of eligible employees in the Deferred Compensation Program through effective marketing and investment education.
- Increase the volume of vendor payments made electronically and expand consolidated payments to vendors.
- Increase the number of households participating in the Delaware College Investment Plan.

- Maintain statewide financial literacy efforts.
- Increase efforts, such as demographic analyses and tools for seniors, to help Delaware prepare for future trends impacting State finances.
- Continue to champion electronic commerce.

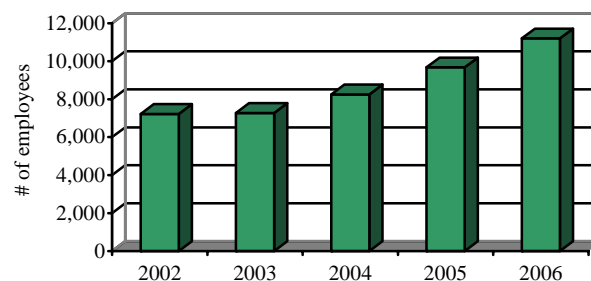
BACKGROUND AND ACCOMPLISHMENTS

During Fiscal Year 2007, the State Treasurer's Office continues to develop and meet ambitious objectives related to improving internal operations and services to agencies, vendors, State employees, and taxpayers. Equally important, this agency continues its successful promotion of financial literacy. Nurturing a savings/investment ethic among State employees and the Delaware citizenry, the Office of State Treasurer partners several financial education initiatives.

Deferred Compensation Program

Since the October 1999 conversion, participation in the State of Delaware Deferred Compensation Program has grown from 3,400 to 11,200 in September 2006. Since the passage of Senate Bill 425, which provides a \$10-per-pay employer match to employee contributions, more than \$14.5 million has been contributed to State employee match accounts. State employees now contribute more than \$1.2 million per paycycle and have over \$274 million saved toward their retirement. The match also allows for rollovers into and out of 401(k)s, Individual Retirement Accounts and other qualified retirement plans.

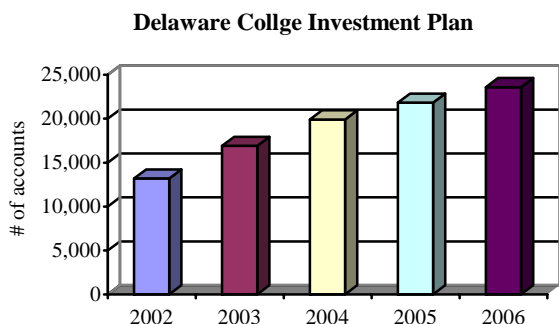
Deferred Compensation Program Participation



College Savings

Since the appointment of the State Treasurer to chair the Delaware College Investment Plan Board in July 1999, the number of new accounts has grown from 824 to more than 23,808. Assets now total more than \$320 million, up from \$263 million this time last year.

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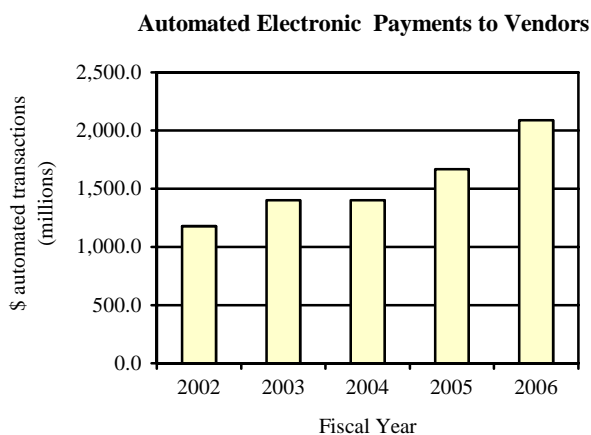
Reconciliation

Improvements continue to be made in reconciling the State's major accounts. The Treasurer's Office has expanded the use of technology to automate processes for reconciliation, stale and cancelled checks, and retrieving bank information.

The Treasurer's Office has also maintained a constant improvement policy on fraud prevention, including the use of positive payee, positive pay amount and check number on vendor and payroll checks. The office also works with other State agencies on internal processes and increasing professional education to keep up with ways to fight fraud.

Payables

The Treasurer's Office continues to work on improvements to vendor payments. Most importantly, the office continues to expand the use of consolidated checks and consolidated Automated Clearinghouse (ACH) payments. This technology combines multiple agency payments into one transaction while maintaining all the necessary payment detail for the vendor.



Financial Literacy

During October and November 2006 there have been a number of exciting financial education events. The Purses

to Portfolios free women's money conference continued its success with a celebration on the Riverfront for those who have completed the course and a community education event at Delaware Technical and Community College in Georgetown. Howard High School hosted the annual Money Smarts Kids and Parents Conference, and this year marked the second Treasurer's Summit for High School kids from throughout Delaware. In partnership with financial professionals throughout Delaware, the Delaware Money School featured over 100 classes in fall 2006. The Treasurer's Office also continues to partner with the Delaware State Chamber of Commerce and University of Delaware, Center for Economic Education in the Bank-In-School program operating in elementary and secondary schools throughout the State.

ACTIVITIES

- Daily settlement of the cash position to ensure that funds are recorded in appropriate accounts while maximizing dollars available for investment.
- Administration and promotion of the State Deferred Compensation Program.
- Daily recording and deposit of receipts including tracking ACH activity.
- Reconcile major State bank accounts and lockboxes.
- Disburse funds to meet financial obligations, including ACHs, wire transfers and daily processing of vendor checks.
- Provide service to agencies and schools by issuing stop payment/reissues and other check requests.
- Manage 218 agreements statewide with the Federal Social Security Administration.
- Process payroll, pension and personal income tax refunds.
- Facilitate cash management projects statewide that improve efficiency by reducing float, eliminating paper and streamlining processes.
- Reconcile State payroll and payment of federal taxes.
- Disburse municipal street aid, support to fire organizations and police pensions.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Budget	FY 2008 Gov. Rec.
# of Deferred Compensation participants	10,500	11,500	12,500
# of Delaware College Investment Plan accounts	23,300	24,600	25,800
Time to reconcile major accounts (days)	5	5	5
\$ ACH vendor payments (billions)	2.0	2.2	2.4

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DEBT MANAGEMENT 12-05-03

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.
- Work with the Division of Accounting to improve electronic reporting of special and school funds interest within the Delaware Financial Management System (DFMS).

BACKGROUND AND ACCOMPLISHMENTS

During Fiscal Year 2006, all debt service payments to the Depository Trust Company were met on the bond due dates which entailed:

- Disbursement of \$162.8 million for 15 General Obligation issues on \$1,045.2 million outstanding; and
- Collection of \$38 million from schools for the repayment of their local share of school construction on \$401.8 million outstanding local share bonds.

ACTIVITIES

- Maintain records required for bond projects as authorized by the annual Capital Improvement Act from authorization through bond sale and 10 or 20-year amortizations of the projects.
- Provide the Office of Management and Budget with the principal and interest payments due 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.
- Establish, monitor, calculate and pay interest on approximately 445 special funds on deposit with the State Treasurer. Interest in Fiscal Year 2006 totaled more than \$16.1 million.
- Provide assistance to local school districts in acquiring an Attorney General's opinion in securing a Bond

Anticipation Note or permanent bond financing of the local share.

- Maintain the school interest table in DFMS to calculate 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 \$9.8 million for Fiscal Year 2006.
- Assist the general public with any inquiries concerning state bonds.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Budget	FY 2008 Gov. Rec.
% of accounting automation for debt issuances	100	100	100

REFUNDS AND GRANTS 12-05-04

MISSION

To process refunds for improperly collected fees or receipts and maintain an accurate accounting of fiscal year refunds issued. To accurately and timely process grants-in-aid in accordance with legislation.

KEY OBJECTIVES

- Streamline the processing of revenue refunds.

BACKGROUND AND ACCOMPLISHMENTS

As per 29 Del. C. §2713, the State 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.

In accordance with the annual grants-in-aid legislation, this agency makes quarterly disbursements to non-profit organizations.