

DEPARTMENT OF FINANCE

"To accomplish great things,
we must not only act but also
dream, not only plan but also
believe."

Anatole France

I like it,

EXECUTIVE SUMMARY

The Department of Finance plans, analyzes and manages the budget, financial operations and debt of the State. Finance develops policy options to make state services effective and efficient for the public. Finance forecasts revenues, controls expenditures per law, and reports financial information for the Governor, Legislature and the public on the operation, financial condition, and economic future of the State. Finance serves state agencies in their missions by providing financial services, consultation and information.

The department will focus on six objectives over the next 3 years. All of the objectives developed by the department contribute to achieving one or more of the 12 major goals of the administration.

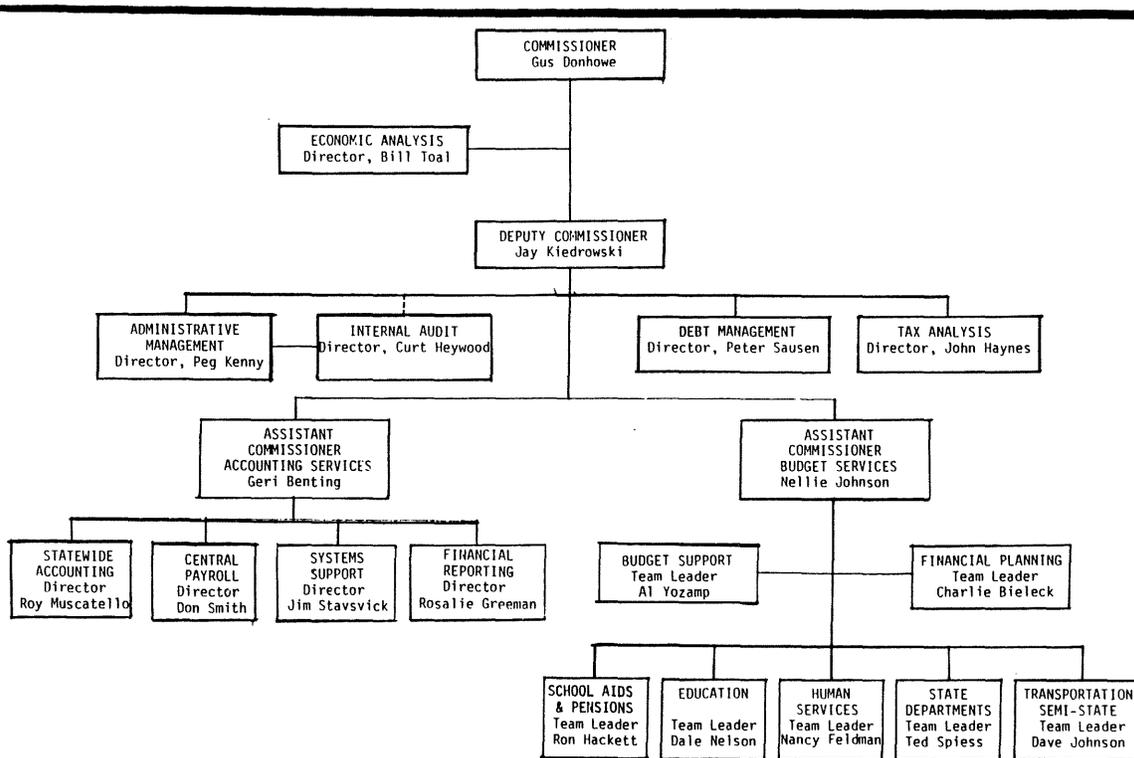
OBJECTIVES FOR F.Y. 1985-1987

- To report the financial condition and results of operations of the state completely and accurately.
- To improve information provided to assist the Governor and legislature in increasing the effectiveness of state expenditures within established budget limits.
- To achieve sound finance and management in the state.
- To improve the effectiveness and efficiency of the services provided for state agencies and within the department.
- To provide information on future revenues and expenditures under current law and options for changing them to assist the Governor and the legislature in financial planning.
- To manage long-term debt within policy guidelines, to reduce short-term debt and to utilize least cost debt and cash management.

MISSION STATEMENT

The Department of Finance plans, analyzes and manages the budget, financial operations and debt of the State. Finance develops policy options to make state services effective and efficient for the public. Finance forecasts revenues, controls expenditures per law, and reports financial information for the Governor, Legislature and the public on the operation, financial condition, and economic future of the State. Finance serves state agencies in their missions by providing financial services, consultation and information.

DEPARTMENT OF FINANCE
ORGANIZATION CHART



STRUCTURE

The department is organized into three divisions: Accounting Services, Budget Services, and Fiscal Management and Administration.

Accounting Services manages and operates the statewide accounting and payroll systems, provides training to agencies in the operation of these systems and reviews financial systems proposed by other departments. In addition, this division prepares the Annual Financial Report and forecasts and monitors cash flow. This division is comprised of four budget activities: Accounting Services, Central Payroll, Financial Reporting and Financial Systems Support.

The Budget Services Division provides analytical policy development and evaluation, budgetary review, and financial oversight of state agencies. This division develops financial planning information and prepares periodic budgetary statements. Budget Services plans and operates the biennial budget process and other systems related to financial management. The division is divided into two budget activities: Budget Planning and Operations and Budget Analysis.

STRUCTURE (Contd.)

The Fiscal Management and Administration Division provides leadership in the financial affairs of the state. This division forecasts revenues and expenditures, manages short and long term debt, and analyzes and recommends tax policy for the state. This division also manages the internal operations of the department. Budget activities in this division are: Economic Analysis, Debt Management and Administrative Management.

THREE YEAR PLAN

The Department of Finance will focus on the following six objectives over the next 3 years.

OBJECTIVE: To report the financial condition and results of operations of the state completely and accurately.

SUPPORT OF ADMINISTRATION GOAL; This objective supports the Governor's responsibility as chief executive.

STRATEGIES TO ACHIEVE OBJECTIVE:

- Develop and encourage use of cost accounting systems.
- Achieve Certificate of Conformance for the state's Annual Financial Report.
- Prepare fund balances for all funds, in addition to the General Fund.
- Provide accounting reports relevant to management control of the operation of state agencies.
- Improve usefulness of Statewide Management Report for decisions makers.
- Require Single Audits of appropriate state subrecipients of federal funds.
- Continue to reduce management comments in the Annual Audit.
- Maintain quality of Quarterly Financial Report.

ACTIVITIES INVOLVED:

	Acct.	Payroll	Fin. Rep.	Systems	Bud. Plan. & Support	Bud. Anal.	Econ. Anal.	Adm. Mgmt.
Cost Accounting	P	P		P		S		
Cert. of Conformance	P		P	S				
Fund Balances			P		P			
Acct. Reports	P	S		P				
Statewide Mgmt. Report					S	P		P
Single Audit			P					
Annual Audit	S		P					S
Quarterly Financial			P		P		P	

P = Primary responsibility

S = Secondary responsibility

OBJECTIVE: To improve information provided to assist the Governor and legislature in increasing the effectiveness of state expenditures within established budget limits.

SUPPORT OF ADMINISTRATION GOAL: This objective contributes to the policy goals of the Governor. Financial and budgetary analysis will lead to recommendations on the allocation of resources to the programs and services provided by state government.

STRATEGIES TO ACHIEVE OBJECTIVE:

- Increase issue analysis and presentation of policy options.
In F.Y. 1985, these will include:
 - Propose an alternative state-local property tax system to improve accountability for tax decisions.
 - Develop a comprehensive policy on aging with special emphasis on housing and health care issues.
 - Propose alternatives to promote cost containment of income maintenance programs.
 - Provide Governor's options targeting programs that can be restrained, restructured or eliminated.
 - Continue work on pension reform to achieve a more efficient allocation of public dollars to public employee retirement plans.
- Assist agencies in development and monitoring of performance information so that results can be measured.
- Improve fiscal note and bill tracking processes.
- Link Quarterly Statewide Management Report to objectives and performance measures of the budget.
- Participate in Planning Agency's Issue studies.
- Analyze capital budget requests thoroughly.

ACTIVITIES INVOLVED:

	Bud. Plan. & Support	Bud. Anal.	Fin. Rep.	Econ. Anal.	Adm. Mgmt.	Debt Mgmt.
Issue Analysis	S	P		S	P	S
Performance Measures		P				
Fiscal Note	P	P				
Mgmt. Report		P				
Issue Studies		P				
Financial Planning	P	S	S	P	S	

P = Primary Responsibility

S = Secondary Responsibility

OBJECTIVE: To achieve sound public finance and management in the state.

SUPPORT OF ADMINISTRATION GOAL: This objective contributes to the goals of fiscal stability, cost-effective government, effective relationships with the private sector, and long-range planning.

STRATEGIES TO ACHIEVE OBJECTIVE:

- Advance an increase in budget reserve to 5% of General Fund biennial expenditures.
- Inform public of causal linkage in revenue forecasts and expenditure readjustments.
- Inform public, legislature, special interest groups, financial community and state agencies about financial issues.
- Participate in management of state government.
- Promote the prompt payment of state bills.
- Coordinate work plans with the legislature and other state agencies.
- Learn from and assist other financial officials by participating in outside, professional organizations.

ACTIVITIES INVOLVED:

	Payroll	Acct.	Fin. Rep.	Bud. Anal.	Econ. Anal.	Adm. Mgt.	Budget Plan. & Support	Debt Mgmt.
Budget reserve				S	S	P		
Revenue forecasts					P		S	
Financial Issues		P	P	P	P	P		S
Mgmt. role		P	S	P		P	S	
Prompt pay		P						
Coordinate plans				P		P		S
Prof. org.	S	S	P	P	P	P		S

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S = Secondary responsibility

OBJECTIVE: To improve the effectiveness and efficiency of the services provided for state agencies and within the department.

SUPPORT OF ADMINISTRATION GOAL: This objective helps to meet the goal of an efficient and effective state government.

STRATEGIES TO ACHIEVE OBJECTIVE:

- Increase efficiency of automated systems used by department and across state agencies.
- Develop fully performance management system in department.
- Strengthen management and accounting reporting.
- Utilize data bases available in other agencies.
- Understand needs of agencies.
- Increase training efforts within agency and to other agencies.
- Improve communication within department (particularly between various locations).

ACTIVITIES INVOLVED:

	Acct.	Payroll	Fin. Rep.	Fin. Systems	Bud. Plan. & Support	Bud. Anal.	Econ. An	Debt Mgmt.	Adm. Mgmt.
Efficient systems	P	P	P/S	P	S		P/S		
Performance Mgt.									P
Reporting	P	P/S	S	P	P	P	P	S	
Utilize data bases				P		P	P		
Needs	P	P	S	P	P	P		P	P
Training	P	P	P	P	P	S	P		P
Communication	P	S	S	S	S	P	S	S	P

P== Primary responsibility

S = Secondary responsibility

OBJECTIVE: To provide information on future revenues and expenditures under current law and options for changing them to assist the Governor and the legislature in financial planning.

SUPPORT OF ADMINISTRATION GOAL: This objective contributes to goal of improving the fiscal stability of the state and adopting a long-term perspective on state activities.

STRATEGIES TO ACHIEVE OBJECTIVE:

- Provide realistic and timely forecasts of state revenues.
- Develop alternative long-range revenue projections.
- Improve federal, expenditure trend and demographic analyses.
- Assist administration in simplifying and reforming state income, sales and corporate tax structure.
- Project future cash needs for capital improvement project bonding.

ACTIVITIES INVOLVED

	Economic Analysis	Budget Plan & Support	Budget Analysis	Financial Report	Admin. Mgmt.	Debt Mgmt.
Forecasts	P	S	S	S	S	S
Alternative Projections	P	S	S		S	S
Improved Analyses		P	S		S	
Simplify Taxes	S				P	
Capital Improvement	S				S	P

OBJECTIVE: To manage long-term debt within policy guidelines, to reduce short-term debt and to utilize least cost debt and cash management.

SUPPORT OF ADMINISTRATION GOAL: This objective contributes toward continuation of actions to increase fiscal stability.

STRATEGIES TO ACHIEVE OBJECTIVE:

- Attain AAA rating or equivalent on general obligation debt instruments.
- Reduce intra-year revenue and expenditure imbalances.
- Explore and utilize innovative financing techniques.
- Increase interest earnings from processing of revenues and improved communication with State Board of Investment.
- Coordinate revenue debt issued by all state agencies.
- Improve capital budget process.
- Achieve Certificate of Conformance.

ACTIVITIES INVOLVED:

	Acct.	Fin. Rep.	Bud. Anal.	Bud. Plan & Support	Debt Mgmt.	Econ. Anal.	Adm. Mgmt.
AAA rating		S		S	P	S	P
Reduce imbalances		S	S	S	S		P
Innovative financing					P		S
Cash management		S			P		
Revenue debt			S		P		
Capital budget			P		S		
Cert. of Conformance	S	P					

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