



STATE OF DELAWARE
GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW BOARD

EXECUTIVE ORDER NUMBER FOUR
RECOMMENDATIONS TO GOVERNOR
FROM THE GEAR BOARD
DECEMBER 1, 2017

Executive Order #4, signed by Governor John Carney on February 16th, 2017, established the Government Efficiency and Accountability Review (GEAR) Board. At the time, the State faced a projected FY 2018 budget deficit of \$350 million that was subsequently addressed through a combination of spending cuts and tax increases. Similar deficits are likely to recur in the foreseeable future if long-term actions and structural spending and revenue reforms are not taken. As part of this effort, GEAR was created to develop recommendations for increasing efficiency and effectiveness across State government, improving the strategic planning process, improving the use of metrics in resource allocation decisions and developing continuous improvement practices.

GEAR is a long-term initiative. Since its formation, the GEAR Board has met five times. The Board established seven critical focus areas, identified team leadership and members, and completed written charters identifying process and program optimization opportunities.

Pursuant to the Executive Order, the Secretary of Finance and Director of Office of Management and Budget issued a report on May 1st, 2017 containing initial recommendations for the Fiscal Year 2018 budget. This report is available at <https://gear.delaware.gov>.

The Executive Order directs the GEAR Board to issue to the Governor an annual report, no later than December 1st of each year, containing recommendations that may be included in the Governor's Recommended Budget and policy priorities for Fiscal Year 2019.

The Board supports the recommendations described in the following focus areas:

- Criminal Justice
- Education
- Financial Services
- Health and Social Services
- Human Resources
- Information Technology
- Public/Private Partnerships
- GEAR

CRIMINAL JUSTICE RECOMMENDATIONS

The State has tried to incarcerate itself to safety, a tactic that has been costly and deepened some of the long-term factors driving crime rates. As the costs of prisons have grown, it has found itself in the perverse position of only being able to afford education, treatment and job training to those incarcerated, because the cost of the overall system limits its ability to fund community-based approaches that might be more cost-effective and do less harm to families. Due to cost pressures, decisions involving millions of dollars are often made with less than optimal

information and the State does not have the information systems and analytical staff that can help its criminal justice officials make better decisions.

To make positive reforms, it is essential that members of the system — police, corrections, youth rehabilitation, treatment and vocational providers, prosecutors, defense counsel, judges, and the information professionals who are vital to everyone — come together to make decisions.

Recommendations

This is an opportunity to resolve long-standing issues and inefficiencies by being more collaborative. Projects primarily focus on cross-agency initiatives that will result in better outcomes as well as producing savings and/or creating efficiencies in the system.

Improve technology and data sharing

Standardize the format and content of sentencing orders so that they are consistent, easy to understand and clear.

Implement an e-filing system in one case management system for civil and criminal cases.

Use available technology to reduce costs, such as costs associated with transporting inmates. This may require legislation.

Eliminate wasteful and unnecessary processes like the manual payment of bail.

Increase the capacity of data management and statistical research by providing additional resources for the Statistical Analysis Center and the Delaware Criminal Justice Information System.

Simplify and make statutes more coherent

Support the criminal code reform efforts of the General Assembly's Criminal Justice Improvement Committee (CJIC) to leverage best practices, eliminate redundancies, inconsistencies, and disproportionality that have arisen in two generations since Delaware adopted a criminal code. This will require legislation and updates to information systems.

Modernize the Pretrial system in collaboration with the General Assembly and the CJIC using best practices to determine the safety risk of those before the court. This will require legislation.

Give offenders a better chance to succeed

Implement policies to reduce debt burdens on ex-offenders when they reenter society so that offenders can focus on finding stable employment and housing, and make it more possible for them to pay other obligations such as child support. This will require legislation and updates to information systems.

Develop a Wilmington Community Court to focus on community partnerships and connections to the judicial system and provide resources to litigants. There will be associated legislation.

Review drug treatment policies and resources and look for opportunities for more community-based treatment.

Develop recommendations for improved prisoner reentry and reduced recidivism as determined by the Delaware Committee on Criminal Justice Reform.

EDUCATION RECOMMENDATIONS

Public education is approximately 1/3 of the State’s overall General Fund budget, \$1.4 billion dollars. This supports the education of approximately 137,000 students being served in 240 schools in 19 school districts and 24 charter schools. Increased enrollment in schools, especially special education enrollment, is the primary driver of growth in educational spending. The growth in public education appropriations associated with higher enrollment crowds out the ability to fund other initiatives and programs within public education as well as for other agencies and State functions. With the increase in demands on the State budget, public education should continue to explore efficiencies and ways to decrease administrative costs in support service areas such as transportation, facilities, food services, purchasing, information technology, and finance.

Support the findings of the Charter School Office Transportation Study

The State will spend \$92.4 million annually -- 7% of the State’s total education budget -- for school transportation services in FY18.

The shortage of bus drivers is a national problem that has impacted Delaware. Through the consolidation of busing services, Delaware families will have greater access to school choice. Delaware school districts and charter schools will save money on transportation costs and Delaware students will spend less time on buses.

The Department of Education (DOE) is conducting a study on a community-based transportation system where students are transported in accordance with their age range (elementary/middle and middle/high) and their residence to their schools using a small cohort of charter schools in New Castle County that have volunteered to be part of this study. This study will serve as a model for school districts and charter schools to highlight the potential cost savings and enhanced transportation service that could be provided through the implementation of a consolidated busing system.

DOE has received a draft of the full study report. The draft reports a potential savings in excess of \$500,000. Academia Charter School and Odyssey Charter School are already utilizing the preliminary results of this study. It is the goal of DOE to share the study with both districts and charters to allow all schools to implement changes for the 2018-2019 school year.

The identified savings from this very small study suggest the potential for much more significant savings across the system as a whole. Therefore, the State should engage nationally recognized student transportation experts to undertake a complete review of its system of public school transportation. The review should include recommendations to create a brand new system for student transportation that is more responsive to the needs of the schools and the students at a lower cost point for the State.

Support the creation of the Council on Education Technology

Establish the Council on Educational Technology, either through the budget epilogue process or through Executive Order. The council would be supported by staff from the DOE and the Department of Technology and Information (DTI), and be comprised of no more than 15 stakeholder representatives. The council would: (1) provide strategic guidance for public education technology by conducting needs assessments; (2) offer policy and budget recommendations with an eye toward achieving statewide efficiencies in the delivery of educational technology services; (3) engage in strategic planning to ensure alignment between state and local efforts; (4) define acceptable use policies, procedures and processes to ensure compliance with federal and state regulations; and (5) provide support for technology-related procurement.

Finding more cost effective ways to implement internet content filtering – as required by state and federal laws – is the first major initiative identified for study. Currently, the State expends \$7.5 million on content filtering annually. It's believed that these costs can be reduced to \$1.75 million dollars per year.

Partner with district superintendents and business managers to identify and implement cost saving opportunities

The GEAR Board is focused on driving greater efficiency in the provisioning of school support services. In addition to the transportation and technology projects outlined above, DOE and GEAR will work closely with key district managers to create working groups focused on how to achieve efficiencies in other educational support service areas, including, but not limited to insurance, facilities management, procurement, and finance. This recommendation is not meant to diminish the important and ongoing discussions underway regarding the relative cost saving opportunities, educational merits, and challenges of possible school or district consolidations. However, these issues must be addressed by the Governor and General Assembly, working in partnership with the Department of Education, school districts and other parties impacted by such potential consolidations.

FINANCIAL SERVICES RECOMMENDATIONS

While the State of Delaware is a leader for having implemented centralized financial and accounting systems, more work remains to realize greater efficiencies by leveraging these systems more fully.

Reintroduce strategic planning and performance budgeting processes

The State does not routinely perform agency or statewide strategic planning or performance budgeting processes, thereby depriving decision makers of data that would better inform the budget decisions affecting the allocation of scarce State resources.

With a new administration and new budgeting system, the time and environment are right to reinstitute strategic planning and performance budgeting. Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization/entity does, why it does it and creates a view of, and set of actions planned for the future. Performance budgeting enables budget decisions to be made about the allocation of limited resources based on the performance of services delivered. Decision makers are provided with better information about the achievements or failures of programs and policies — thereby shifting the terms of debate from inputs, to outcomes and results. With these two processes reinstated, the Office of Management and Budget (OMB) will be able to take key information from agency strategic plans and develop a performance dashboard. This information will then be used to evaluate resource requests in the context of actual achievements, and thereby allow the preparation of data-driven budget recommendations for gubernatorial and legislative consideration.

In the effort to improve budget-related processes, the Financial Services program will seek to amend the Delaware Governmental Accountability Act and reinstitute strategic planning and performance budgeting with the intent to use outcome data to make budget decisions about the allocation of limited resources.

The program will create legislation to support continuing the authorization for OMB -- in consultation with the co-chairs of the Joint Finance Committee -- to sweep Special Fund balances into the General Fund as a measure to both control agency expenditures and clear out unused and underutilized appropriated balances for further use.

Conduct a comprehensive review of State’s banking structure

A comprehensive assessment of all State agency banking needs has not been conducted in more than 25 years. As a result, it is unknown whether the State’s needs are being met or whether it is receiving the best value for the services currently utilized.

Four overarching themes need to be addressed to improve the existing banking structure and delivery of services: the State must 1) simplify internal and external strategic and operational banking structures; 2) review all policies and procedures related to banking governance; 3) assess current and future technological capabilities needed; and 4) identify accountability gaps in both the delivery and utilization of banking services.

Last April, the State of Delaware Cash Management Policy Board engaged PFM Asset Management LLC., a consultant with substantial public sector experience, to 1) undertake a structural review of and make recommendations regarding the State's banking architecture, 2) assist with procurement processes for banking services, 3) review and offer suggestions for vendor management based on industry best practices, and 4) provide transition support as needed to give effect to the engagement of new vendors and/or banking services. The consultant has been working directly with the Office of the State Treasurer and the Banking Structure Task Force comprised of several key State agency financial officers representing significant end users of banking services.

Eliminate duplicative internal financial service functions

State agencies have traditionally operated with significant autonomy. As a result, many administrative and financial service functions are duplicated statewide, resulting in unnecessary expenditures for employee and contractor time, software licenses, and computing service costs.

The State will reduce overall financial process complexity and total cost of operation (TCO) by adopting an enterprise financial services delivery model for selected financial functions common to multiple agencies.

The Financial Services program will develop a prioritized list of financial processes common across agencies. The processes will be considered for consolidation and migration onto common statewide platforms. Legacy financial management systems (e.g., Quick Book applications for tracking grants or agencies using separate financial management systems) will be identified and migrated to the First State Financials (FSF) system -- the statewide financial management system.

Ensure effective internal control systems are developed and maintained

The Financial Services Delivery program will work with key agencies to identify opportunities for process improvement to eliminate bottlenecks slowing transaction approvals, reimbursements and related business processes.

Documenting and improving critical processes will increase financial transparency -- allowing the public to understand how tax dollars are spent -- and will ensure that appropriate levels of financial controls are maintained or improved so that waste, fraud, and abuse are prevented, and the sharing of best practices statewide is enabled. Some examples include:

1. Develop an action plan to improve the quality of data in the State’s financial system. High quality data is necessary to enable successful data analysis and benchmarking efforts.
2. Increase procurement card (PCARD) usage to streamline payment of vendors and realize estimated savings of up to \$1.6 million.

3. Make improvements in tracking authorized school district positions relative to unit counts and realize estimated cost avoidance of \$800,000.
4. Reduce travel per diem complexity that leads to inefficiencies in use and enforcement and realize estimated savings of \$800,000.

Improve data integration and mapping

The use of multiple data sources for State decision making leads to duplication of efforts, conflicting and competing analyses, and higher costs for both analyses and decisions made. The Office of State Planning and Coordination (OSPC) seeks to improve data integration and mapping through the following recommendations:

1. Require all State agencies to use Delaware Population Consortium projections for all planning, grants, loans, performance metrics, etc. Though counties are required to use these projections for planning, State agencies, school districts and other levels of government are not. By using shared statewide data and population projections all entities will be able to agree on their accuracy as well as see a “big picture” statewide.
2. Prepare regular updates to school district enrollment projections and use these updates to evaluate school district capital master plans and Certificate of Necessity requests (to determine needs for new schools) as well as assist other entities that interact with children in the allocation of their resources. Centrally updated enrollment projections done on a regular basis can be used to improve long-range planning and the allocation resources in both capital and operating budgets within individual school districts and across multiple districts.
3. Leverage FirstMap for data sharing. FirstMap is the State’s enterprise Geographic Information System, but it lacks a consistent management structure and it is not used by all State agencies (who often purchase their own data). A management structure for FirstMap should be established and all agencies be required to use FirstMap for shared geospatial data. Leveraging FirstMap data will provide essential information for all agencies to use for long-range planning for school sites, demographic trends, transportation, State service centers, natural resources and other topics.

Create a financial services roundtable

Currently, there is no centralized entity identifying continuous improvement opportunities or potential issues and risks affecting the State’s financial management functions. Such responsibility falls to individual agencies performing these functions and the response and solutions are often fragmented and ineffective.

GEAR recommends the Governor task the State’s senior financial officers from all agencies -- but particularly from the Office of Management and Budget, Department of Finance, Office of the Controller General, Auditor of Accounts, and Office of the State Treasurer -- to address issues and risks in the State’s financial practices and to identify, prioritize and implement continuous improvement opportunities. This roundtable would function similarly to that of the current Human Resources Roundtable and take advantage of the GEAR Financial Services Delivery Focus Area Team experience. The newly created Financial Services Roundtable would develop processes and internal controls to proactively prevent waste, fraud and abuse.

HEALTH AND SOCIAL SERVICES RECOMMENDATIONS

The Department of Health and Social Services (DHSS), the largest agency in State government, is working to address healthy living, reduce health disparities, and improve health outcomes and lower costs for all Delawareans through efforts to address access to care, cultural competency, chronic conditions, healthy eating, and obesity.

DHSS sustained almost \$25 million in reductions in the Fiscal Year 2018 budget. These reductions occurred in the department's base budget and will have to be absorbed in Fiscal Year 2018 and moving forward. Wherever possible these reductions took advantage of efficiencies, such as leveraging Medicaid funding, or cost containment strategies such as eliminating contracts. However, the vast majority of reductions were true reductions or elimination of services.

In addition, to the budget reductions, DHSS has eliminated more than 650 full-time positions (FTEs) since Fiscal Year 2009 – 300 of those within the last three years. While this was feasible due to changing from a facility-based model of service to a community-based model of service and the closure of Emily P. Bissell Hospital, the demand for most DHSS services has steadily increased.

The Secretary of DHSS has been tasked under HJR 7 to develop a healthcare spending benchmark linked to economic growth. In a federal analysis released this summer, Delaware had the third-highest per capita spending for health care in the country, behind only Alaska and Massachusetts, and 27% percent higher than the U.S. average. This work is important for the entire State budget as well Delaware's economy.

DHSS' GEAR focus will be on achieving efficiencies within the department as follows:

Reduce operating costs

1. Reducing overtime costs requires DHSS to address factors that drive overtime such as recruiting for hard to fill positions.
2. Minimizing lease cost increases. OMB negotiates leases on behalf of DHSS. Leases are long-term, have built in escalators, and requests to fund these escalators have been denied – causing DHSS to absorb \$900,000 in lease increases over the last 5 years. DHSS will work with OMB to renegotiate leases and move more employees into state-owned space.
3. Reducing Fleet Services costs. DHSS will analyze how it uses Fleet Services with the goal of eliminating underutilized blocked vehicles. The results of the DHSS Fleet Services analysis program will then be leveraged to assist other agencies to identify cost savings from their fleet utilization, as well as considering potential cost savings in statewide Fleet Services.

Increase revenue

1. Review Fees. DHSS has over 75 fees that are collected to offset the costs of some services such as licensing health care facilities. Many fees have not been reviewed or updated in over 10 years and the amount collected no longer supports the administrative costs of the services. DHSS is conducting a comprehensive review of all fees and will propose increases based on factors such as program cost and effectiveness. Many fees are authorized under the Delaware Code and require legislative action. DHSS will propose epilogue language to allow for more flexibility to review and periodically adjust fees assessed and collected by the department in order to more fully cover the cost of service delivery and reduce reliance on General Funds.

2. Leverage federal funding. DHSS has created a workgroup that is looking for opportunities to realize federal match for state-funded programs. Most of the opportunities exist in the Medicaid arena and will require extensive coordination with the Center for Medicare/Medicaid around a state plan amendment or a waiver of certain requirements as permitted under Section 1115 of the Social Security Act.
3. Seek alternative funding for Maintenance of Effort. Per Section 797(b) of the Public Health Service Act, the Maintenance of Effort (“MOE”) provision requires federal grant recipients “to maintain non-federal funding for activities described in their application at a level which is not less than expenditures for such activities during the fiscal year prior to receiving the grant or cooperative agreement.” Currently DHSS uses General Fund dollars toward MOE. The department is exploring the possibility of using community partner resources as MOE in lieu of General Fund dollars. This may be explored further through the use of public private partnership models in coordination with GEAR.
4. Establish a State land inventory. Currently, multiple State agencies maintain disparate databases of State-owned land, leased land, easements, etc. Among agencies there is no agreement on a standard data format, the centralization of this data or procedures to govern real property acquisitions. A management structure needs to be established for a central State land inventory and all agencies must be required to use this database to maintain their land inventory. The central database will enable a more efficient management of the State’s real property portfolio, the identification of possible joint uses, and better tracking for facility siting and maintenance.

HUMAN RESOURCES RECOMMENDATIONS

Implement HR centralization

The Department of Human Resources (DHR) was established by House Bill 4 and was signed into law by Governor Carney on July 16, 2017, creating a cabinet-level human resource department with a focus on diversity and inclusion, women’s advancement and advocacy, and centralizing human resources (HR). This separate and independent office will enable the State to streamline the delivery of HR services with a focus on issues important to State employees, reduce the cost of HR by leveraging shared services across the State, and implement efficiencies by reducing redundant HR systems and processes. By collaborating with department leadership and HR professionals across the State, DHR will foster a culture of improvement in the delivery of HR services throughout the employee lifecycle.

Identify and fund HR systems and technology needs

As a result of feedback from stakeholders and in concert with the centralization of HR effort, several HR system and information technology needs have been identified. A preliminary assessment of system and technology needs include:

- New employee OnBoarding System and OnBoarding Centers
- Shared Service Centers, Help Desk, and incident resolution ticketing software
- Electronic personnel system
- Recruitment
- The integration of systems, i.e., recruitment, PHRST, and training

Support recommended legislative changes

Clarify scope of HR centralization program. House Bill 4 outlines 16 Executive Branch departments included within the scope of the HR centralization. Excluded were the Judiciary, school districts, Fire Marshal, Fire School, and elected offices. Clarification is needed to determine if these entities were purposefully or inadvertently excluded from the law.

Protect the funding of employee development. The need to develop and prepare employees for promotions has never been more evident. Employees in paygrades 10 and below working in skilled crafts, trades, and administrative support positions are often overlooked when it comes to employee development. In the past, DHR/Training and Organizational Development (DHR/T&OD) was provided \$100,000 from the Department of Labor (DOL) through the Delaware Economic and Development Office's (DEDO) Workforce Development Fund. This funding was used to provide technical training to employees leading to promotional opportunities, or to administrative staff to provide needed computer skills training. With the dissolution of DEDO, these funds are at risk of not being available to develop State employees. This can be corrected by amending 19 Del. C. §3402 under "Disbursement of Special Funds" to remove DEDO as the agency disbursing the funds and transferring the funds directly from DOL. Additional funding could also be used to support retraining of administrative staff to better focus resources on the direct delivery of services to the public.

Expand scope of HR services to include Education. As technology is deployed for HR services, the question that continues to plague the executive branch is if and how the State can support the expansion of the technology to the school districts and charter schools as a true enterprise solution. Having one system for the executive branch and one or more for the Department of Education (DOE) and schools not only creates issues with the transfer of information but is costly to the State. This is currently the issue in delivering training services to schools for Benefits, PHRST, FSF, procurement, and statewide training where the demand for training continues without the funding to support the effort. Legislative changes should be made to ensure plans driving the automation of HR processes include DOE and schools in the project scope to ensure cost effectiveness statewide.

INFORMATION TECHNOLOGY RECOMMENDATIONS

Delaware has made great strides towards an Information Technology Centralization (ITC) shared services ideal. However, the centralization initiative is incomplete and unsustainably based on an outdated 2001 model. Sustainability and transparency require a consistent, standardized service delivery model based on an accurate and comprehensive total cost of service delivery.

Invest in the strategic development and implementation of enterprise-wide IT centralization

Implement an IT centralization strategy that provides an equitable, efficient, innovative, and cost-effective approach to delivering IT services to all State entities. DTI is engaging third party professionals who have a proven track record of developing and implementing IT Centralization strategies that provide an equitable, efficient, innovative, and cost-effective approach to delivering IT services to all State entities. This includes:

- Develop a comprehensive understanding of IT expenditures and IT needs across the enterprise
- Define the true cost of ownership for IT services
- Define standardization across commodity-based services
- Invest in IT resources with skills to support current and future enterprise IT needs
- Create governance for network and data security

- Develop methodologies for project governance that control costs
- Broker IT services the State determines can more efficiently be procured than provided, and
- Ensure scalability for sustainability

These efforts will result in a clear direction that agencies can adopt. They lay the groundwork to enable the State to leverage data as a strategic asset, promote the transparency needed to make better decisions, target services, reduce spending and deliver innovative digital government services to all Delawareans.

Provide an executive level directive to accomplish IT centralization

Require the support and participation of all State agencies and organizations in a statewide assessment process to develop the roadmap to Delaware's IT centralization end state. The roadmap, based on a full understanding of agency needs, true costs of IT service delivery, will clearly define governance, services and resources required. The need for strong leadership to prioritize, navigate and implement this transformation makes this project a prime candidate for GEAR Board sponsorship.

PUBLIC PRIVATE PARTNERSHIPS (P3) RECOMMENDATIONS

Every year it becomes increasingly complex for the State of Delaware to provide the goods and services to its citizens with the budgeted funds available. In addition, the expertise to advance some of the most important and strategic initiatives such as economic development, the entrepreneurial economy, healthcare innovation and education reform, does not all reside in the public sector.

The State will benefit by carefully forming P3 partnerships with the private sector where they could leverage expertise, leadership support, 'financial investment', and significant other resources to accelerate initiatives that are critical to the health and financial well-being of Delaware's citizens.

Opportunity and objectives

The program will seek opportunities to form P3 partnerships that will advance critical State initiatives in a timely fashion.

The team will identify critical projects such as affordable healthcare, building an entrepreneurial economy, K-12 education transformation, infusing Six Sigma best practices State-wide, and many other potential initiatives that would positively impact the services provided by the State to the citizens of Delaware.

The critical P3 opportunities will fall into one of three categories.

1. Aspirational: Five to ten year horizon, transformative in quality of life or financial impact to Delaware, can reduce costs or increase revenue by \$20 - \$500 million annually through major innovation.
2. Strategic: Two to five year horizon, systemic quality of life or financial impact to Delaware, can reduce costs or increase revenue by \$2 – 20 million annually through continuous process improvement.
3. Tactical: One to two year horizon, incremental quality of life and/or financial impact to Delaware, can reduce costs and/or increase revenue by \$50K - \$2 million annually through continuous process improvement.

The team will identify major State initiatives that are either resource constrained or funding constrained, and brainstorm to determine if a P3 approach would bring enough leverage to drive the requirements forward. Then specific task teams for each P3 opportunity would lay out a charter and build a 100-day action plan to build momentum. After the first 100 days, the team can review results and determine if longer plans should be developed to

see the specific initiative through to conclusion. Sometimes this will be important, and sometimes the State may just continue on with strong momentum, and the P3 for that specific initiative can be disbanded.

The P3 team will also be an important voice with the legislature for key initiatives that will need legislative and executive office support, such as the recent P3 for economic development (DEDO/Prosperity Partnership).

Finally, the program team will:

- Study best practices models of P3's in other states and even other countries
- Brainstorm to build, and then oversee the list of identified P3 initiatives
- Work with each specific P3 team to identify target objectives and a scorecard for success
- Provide ongoing support and guidance to each P3 initiative, including infusing more talent as required to help drive each initiative
- Report back to the GEAR team the scorecard results and progress being achieved through P3 initiatives.

The P3 team will ensure that there is full engagement from both the Delaware Business Roundtable and the Delaware State Chamber of Commerce, as well as the agencies, executive branch and legislative branches of the State so that the right resources are engaged ongoing.

GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW (GEAR) RECOMMENDATIONS

GEAR has been established to be the catalyst for a sustained effort to continuously identify, monitor, and implement programs, policies and processes that bend the cost curve downwards, boost efficiency and cut costs within State government. To this end, GEAR can facilitate, champion and recognize the efforts undertaken by State government agencies, however, it cannot be a substitute for agency actions.

Require the establishment of continuous improvement teams in State agencies

To drive GEAR forward, it is critical that State agencies have embedded in their organization a team of persons dedicated to continuous improvement. GEAR recommends that the Governor require cabinet secretaries to assign two to three persons knowledgeable/experienced in 1) policy development, 2) finance and 3) continuous improvement/quality to work with GEAR. Alternatively, if agencies cannot provide such knowledgeable/experienced persons, GEAR and these agencies will work with outside entities to obtain the services of loaned executives from the private sector or graduate students from universities to form the required team.

Initiate continuous quality improvement training and development

First State Quality Funds (29 Del. C. § 6071) should be reinstated with a new focus on building the capacity and sustainability of GEAR and other continuous quality improvement initiatives. As the State moves to find more efficient ways to conduct business, the need for trained and knowledgeable employees in the areas of change management, project management, and process improvement has never been greater. The fund would be used to provide training to State employees responsible for implementing continuous quality improvement initiatives.

Specifically, First State Quality Funds, should be allocated to DHR/Training and Organizational Development (DHR/T&OD) in the amounts of \$150,000 in Fiscal Year 2018 and \$300,000 in Fiscal Year 2019. This phased approach would enable DHR/T&OD to train 15 employees initially, with the subsequent certification of an additional 30 employees, and create a core of continuous quality improvement practitioners. After the first group of employees is certified, additional funding in Fiscal Year 2020 of \$400,000 (a \$100,000 increase over the prior year) is recommended for targeted training of supervisors/managers, and employees actively working in the areas of change management, project management, process improvement and leading continuous quality improvement projects.

Augment leadership training provided by the State

Augment process improvement efforts and State leadership training using the judicial branch’s three-year-old partnership with the University of Delaware’s Alfred Lerner College of Business and Economics as a model. Other State agencies can emulate this partnership arrangement for implementing specific quality improvement projects.

Partner with the State’s higher education institutions to expand agency research capacity. For example, the Judiciary has formed a relationship with the University of Delaware, which allows the Judiciary to employ extra research capacity through the Judicial Fellowship program with the Institute for Public Administration. The Institute for Public Administration could also place students in the Undergraduate Public Administration Fellows and Undergraduate Summer Public Policy Fellows programs in State government to assist in research and data collection that can drive process improvements in State agencies.