

## FINANCIAL SERVICES

### REINTRODUCE STRATEGIC PLANNING AND PERFORMANCE BUDGETING PROCESSES

Objectives and Achievements	In Progress
<ul style="list-style-type: none"> <li>• Issue: 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.</li> <li>• <b>Objective: Reinstitute strategic planning and performance budgeting processes to provide information for preparation of data-driven budget recommendations and budget decisions</b></li> <li>• Ongoing authorization for OMB to sweep special fund balances into the General Fund provided in HS1 for HB 275, FY 2018 Appropriation Act, Section 96.</li> </ul>	<ul style="list-style-type: none"> <li>• Draft of Delaware Governmental Accountability Act bill approved by GEAR Financial Services Delivery Team (May 4, 2018) and endorsed by GEAR Board for submission to General Assembly (May 15, 2018)</li> <li>• Bill introduced as SB 263, Sponsors Sen. McDowell &amp; Rep. M. Smith with co-sponsors Sens. Bushweller, Ennis, Poore, Lawson and Richardson and Reps. Carson, Heffernan, J. Johnson, Kenton and Ramone (June 19, 2018)</li> <li>• Passed Senate 19 Yes 2 Absent (June 21, 2018)</li> <li>• Reported out of House Appropriations Committee (June 26, 2018) and placed on House Agenda IV (Gray) for consideration on June 30, 2018</li> <li>• Bill NOT considered by House. Bill is dead.</li> </ul>
Next Steps (Future Activities)	Challenges (Issues and Risks effecting your effort)
<ul style="list-style-type: none"> <li>• Even though bill is dead, will go ahead with working through the initial implementation plan to identify resources, timeline, strategic planning and performance budgeting processes and business process improvement systems.</li> <li>• In January 2019, at start of new legislative session, resubmit GAA Bill and implementation plan to legislators (primarily co-chairs of JFC) for sponsorship and placement on General Assembly agenda. Goal is to have bill passed by General Assembly and signed by Governor during next legislative session (by end of June 2019).</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying existing, not new, resources and a very short timeframe for implementation.</li> <li>• Given 25% of the General Assembly is voluntarily not running for re-election and additional seats may turn over with the election in November, the effort to get the updated GAA passed will be starting from scratch.</li> </ul>

**FINANCIAL SERVICES**  
**Banking Architecture Redesign**

Objectives and Achievements	In Progress
<ul style="list-style-type: none"> <li>● <b>Issue:</b> A comprehensive assessment and re-engineering of banking needs has not been conducted in more than 25 years.</li> <li>● <b>Objective:</b> Implement a new statewide banking architecture to drive greater value to state agencies from banking partners.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Complete agency questionnaires and PFM follow-ups</li> <li>✓ Finalize scope of services to be included in RFP</li> <li>✓ Review high-level RFP timeline with key agencies</li> <li>✓ Integrate follow-ups into updated RFP draft</li> <li>✓ Publish RFP across multiple channels (6/13)</li> <li>✓ Collect Notices of Intent to Respond (6/22)</li> <li>✓ Collect vendor questions (6/22) and publish responses (7/5)</li> <li>● Host Pre-Proposal Conference (7/10)</li> <li>● Evaluate plan for Gateway Services and eCommerce (7/26)</li> </ul>
Next Steps (Future Activities)	Challenges (Issues and Risks effecting your effort)
<ul style="list-style-type: none"> <li>● Organize cross-functional selection committee(s)</li> <li>● Evaluate vendor proposals and identify finalists</li> <li>● Conduct finalist presentations (week of 9/17)</li> <li>● Evaluate and select successful awardees</li> <li>● Complete contract negotiations</li> <li>● Seek Cash Management Policy Board approval</li> <li>● Award contracts (11/14)</li> <li>● Create comprehensive implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>● Sustained participation of subject matter experts from state organizations is needed throughout the project life-cycle.</li> <li>● Multi-year/agency implementation requires quality project management and adequate resourcing.</li> </ul>

## FINANCIAL SERVICES

### ENSURE EFFECTIVE INTERNAL CONTROL SYSTEMS ARE DEVELOPED AND MAINTAINED

Objectives and Achievements	In Progress
<ul style="list-style-type: none"> <li>• Issue: 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.</li> <li>• <b>Objective: Ensure effective internal control systems are developed and maintained</b></li> </ul>	<ul style="list-style-type: none"> <li>• The Auditor of Accounts is conducting an inspection to determine if internal control weaknesses exist in the State’s PCard program. The report will focus on key controls of authorization and independent receipt. The report will provide recommendations and share best practices. It will be issued in early 2018.</li> <li>• The Auditor of Accounts is conducting an inspection of school district expenses relative to unit counts for the last fiscal year. The three districts tested had errors in state funding. The report will be issued in early 2018.</li> </ul>
Next Steps (Future Activities)	Challenges (Issues and Risks effecting your effort)
<ul style="list-style-type: none"> <li>• Develop action plan to manage and improve the quality of data fundamental to the operation of FSF.</li> <li>• Make improvements to the tracking of school district positions relative to unit counts (estimated cost avoidance of \$800,000). [Currently this item on hold.]</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of guidance related to the usage and monitoring responsibility over Division I funding.</li> </ul>

**FINANCIAL SERVICES**  
**IMPROVE DATA INTEGRATION AND MAPPING**

<b>Objectives and Achievements</b>	<b>In Progress</b>
<ul style="list-style-type: none"> <li>● Issue: 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.</li> <li>● <b>Objective: Improve data integration and mapping so that better information is available for decision makers at some cost savings</b></li> </ul>	<ul style="list-style-type: none"> <li>● The Delaware Geographic Data Committee (DGDC) has convened a subcommittee to determine the path forward to ensuring the efficient and effective management of Geospatial Data and Infrastructure for the State of Delaware. Representatives of the following agencies are members of this subcommittee: OSPC, DTI, DelDOT, DNREC, DHSS, DSHS, DDA, DSHA, DEMA, DOE, New Castle County, Kent County, and Sussex County.</li> <li>● At the last meeting the decision was made to not create a strategic plan with long term goals but to assess the Geospatial situation and recommend some alternatives to make it function better. DelDot offered they have a grant with University of Delaware, Institute for Public Administration and could hire UD to assess the situation and provide recommendations to the GEAR committee.</li> </ul>
<b>Next Steps (Future Activities)</b>	<b>Challenges (Issues and Risks effecting your effort)</b>
<ul style="list-style-type: none"> <li>● Leverage FirstMap geographic information service (GIS). Develop and implement a viable Strategic Plan to ensure the efficient and effective management of the geospatial data and infrastructure into the future.</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>● The committee is uncertain of how the GEAR process will work once we provide an assessment of the situation and alternatives for consideration to improve the data integration and coordination of geospatial services..</li> </ul>

## FINANCIAL SERVICES

### REQUIRE ALL STATE AGENCIES TO USE DELAWARE POPULATION CONSORTIUM PROJECTIONS

<b>Objectives and Achievements</b>	<b>In Progress</b>
<ul style="list-style-type: none"> <li>Issue: The Counties are required to use the Delaware Population Consortium projections for planning, grants, loans, etc., State agencies, school districts and other levels of government are not.</li> <li><b>Objective: Requiring all State agencies to use Delaware Population Consortium projections for all planning grants, loans, performance metrics, etc.</b></li> <li>By using shared statewide data and population projections all entities will be able to agree on their accuracy as well as see the “big Picture” statewide.</li> </ul>	<ul style="list-style-type: none"> <li>Draft Legislation has been presented to Wilmapco and Dover Kent MPO director for comments. Also the draft has been distributed to all the County Executives for review and comment.</li> <li>A presentation to the League of Local Governments took place on March 22 at the meeting. Staff has presented the draft to Secretary Bunting of the Department of Education, Department of Transportation and are currently in the process of contacting the correct staff member with DNREC to discuss.</li> <li>Bill (SB 219) has sponsors—Senator Hanson and Representative Carson—waiting for date of introduction (and bill number).</li> </ul>
<b>Next Steps (Future Activities)</b>	<b>Challenges (Issues and Risks effecting your effort)</b>
<ul style="list-style-type: none"> <li>Create a list of suggested amendments, of which we have a few. We will incorporate suggestions into draft and hopefully in late March select sponsor for the bill and proceed with approval (initial sponsors have been identified).</li> <li>Amendments to the bill have been incorporated as of April 23, 2018.</li> <li>Passed the Senate unanimously on June 13, 2018.</li> </ul>	<ul style="list-style-type: none"> <li>Any problems would come from misinformation which is why the OSPC is circulating the bill for review and input. Currently staff has received positive comments. The funding is already in place, this legislation just codifies procedures most people are doing but eliminates spending unnecessarily on contracts being done for data the state already pays for and is available.</li> <li>As of April 23, 2018 no negative comments have been received.</li> <li>The bill never made it to the floor of the House for a vote. It was stated by legislators that there were no issues with this bill, but that other matters prohibited the bill from reaching the House floor. Will resubmit in January 2019.</li> </ul>

**FINANCIAL SERVICES**  
**CREATE A FINANCIAL SERVICES ROUNDTABLE**

<b>Objectives and Achievements</b>	<b>In Progress</b>
<ul style="list-style-type: none"> <li>• Issue: 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.</li> <li>• <b>Objective: Objective is to create a financial services roundtable composed of senior financial officers to comprehensively address issues with the State’s financial management functions.</b></li> <li>• <b>Objective: Eliminate duplicative internal financial service functions and realize process efficiencies and cost savings.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Initially, FSD Team will constitute the roundtable:               <ul style="list-style-type: none"> <li>○ Secretary of Finance</li> <li>○ Director of OMB</li> <li>○ Controller General</li> <li>○ State Treasurer</li> <li>○ Auditor of Accounts</li> </ul> </li> <li>• Rounding out the participants:               <ul style="list-style-type: none"> <li>○ Chief Financial Officer of the Delaware Judiciary</li> <li>○ Representative from school district business managers</li> </ul> </li> <li>• Rick asked Jane to lead the Work Team/Focus Group and he will send e-mail to FSD agencies and Jerry to send e-mail to district business managers both asking agencies and districts to identify persons to participate on the Work Team/Focus Group</li> </ul>
<b>Next Steps (Future Activities)</b>	<b>Challenges (Issues and Risks effecting your effort)</b>
<ul style="list-style-type: none"> <li>• Work Team/Focus Group to identify onerous paper processing requirements imposed by internal controls, policies, practices and legislation:               <ul style="list-style-type: none"> <li>○ What processes no longer need to be done?</li> <li>○ What processes can be streamlined (efficiencies through technology or reduction of redundant steps)?</li> </ul> </li> <li>• Work Team/Focus Group to develop project plan to address identified onerous processes.</li> <li>• Work Team/Focus Group to recommend/implement changes to the identified onerous processes.</li> </ul>	<ul style="list-style-type: none"> <li>• Changing fragmented financial practices that have “worked” for individual State entities.</li> <li>•</li> </ul>

## FINANCIAL SERVICES

### ENSURE EFFECTIVE INTERNAL CONTROL SYSTEMS ARE DEVELOPED AND MAINTAINED: TRAVEL PER DIEM

1

Objectives and Achievements	In Progress
<ul style="list-style-type: none"> <li>Issue: 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.</li> <li><b>Objective: Ensure effective internal control systems are developed and maintained: Reduce travel per diem complexity that leads to inefficiencies in use and enforcement compliance and auditing (estimated savings \$800,000).</b></li> <li><b>Total Travel spend FY 2017 \$3.7 M (all funds, no HiEd or SDs).</b></li> <li><b>Leadership: OMB (Sullivan) and DOF (Cole).</b></li> </ul>	<ul style="list-style-type: none"> <li>DOF working with OST to issue joint PCard RFP so that PCard spending, rebates, cost savings and banking fees addressed comprehensively. GEAR Board approval given for joint DOF/OST PCard RFP. Current PCard contract extended through March 31, 2019. RFP published June 13, 2018.</li> <li>OMB reviewing Federal General Services Administration (GSA) travel policy and per diem standards and travel policies of several states.</li> </ul>
Next Steps (Future Activities)	Challenges (Issues and Risks effecting your effort)
<ul style="list-style-type: none"> <li>Rick asked that the travel policy updates be completed by the end of this summer (September 2018)</li> <li>Looking into adjusting current travel approval processes to see if efficiencies can be gained (e.g., raise the threshold for OMB/DOF review of missing receipt affidavits from \$20.00 to \$100.00 and the threshold for OMB/DOF approval of lodging exceeding 150% of GSA rate).</li> <li>Revising the State's travel policy in the Budget and Accounting Policy Manual so it conforms to any new policy changes, approval practices and so on.</li> </ul>	<ul style="list-style-type: none"> <li>Engaging a travel management company is dependent upon both the revision of the travel policy and awarding of the new PCard contract including issuance of new cards.</li> <li>DOF identifying travel management services companies who may be interested in managing the State's travel and impose consistency regarding booking conveyance and lodging and use of per diem. Until travel policy revised and new PCard vendor is contracted, the search for travel management company is suspended.</li> </ul>

## FINANCIAL SERVICES

### ENSURE EFFECTIVE INTERNAL CONTROL SYSTEMS ARE DEVELOPED AND MAINTAINED: PCARD

1

Objectives and Achievements	In Progress
<ul style="list-style-type: none"> <li>• Issue: 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.</li> <li>• <b>Objective: Ensure effective internal control systems are developed and maintained: Increase PCARD usage (each additional \$250M in spend will increase rebates \$300K and lower costs for processing checks)</b></li> <li>• <b>Current PCard spend 2017 \$130.1 M</b></li> <li>• <b>Leadership: DOF (Cole) and OST (Gonzalez).</b></li> </ul>	<ul style="list-style-type: none"> <li>• OST/DOF joint RFP issued and initial questions from prospective bidders have been addressed. Vendor proposal meeting is set for July 10, 2018.</li> <li>• Extended current PCard contract through March 31, 2019.</li> <li>• Reviewing Budget and Accounting Manual Policy Chapter 12 – PCard for potential changes to streamline policy for greater efficiencies that can be implemented with a new contract.</li> </ul>
Next Steps (Future Activities)	Challenges (Issues and Risks effecting your effort)
<ul style="list-style-type: none"> <li>• Review and issue the comprehensive RFP.</li> <li>• Meet with DTI to develop an implementation plan for integration of products with FSF.</li> <li>• Together with travel continue explorations of travel management services which through connection to the PCard will result in increased usage.</li> <li>• Reduce the current pay cycle for checks and ACH transactions from daily to weekly or biweekly to drive more payments to the Single Use Account (SUA) within the PCard program.</li> </ul>	<ul style="list-style-type: none"> <li>• Current capacity of the ERP team to handle additional workload required to implement new banking products/services.</li> </ul>



## Department of Finance

<b>Objectives and Achievements</b>	<b>In Progress</b>
<p style="text-align: center;"><b>Integrated Revenue Admin System (IRAS)</b></p> <ul style="list-style-type: none"> <li>• <b>Objective:</b> The Division of Revenue is undertaking a major transformation to replace its legacy infrastructure and 100+ systems into a holistic modernized system, allowing for better security and provided an improved single view of the taxpayer. The team is developing a well thought out RFP, designed as phased implementations and a strong testing plan for the new Integrated Revenue Admin System (IRAS).</li> </ul>	<ul style="list-style-type: none"> <li>• The DOR modernization RFP is well underway following extensive research with other states. Our goal is to issue the RFP by late August in order to receive Vendor pricing to feed into the annual budgeting process in September/October. The RFP is expected to be issued by the end of August 2018. The collective team is also focusing on business process management and the annual tax season process to ensure optimal efficiency is gained allowing for more time to be dedicated to modernization.</li> </ul>
<b>Next Steps (Future Activities)</b>	<b>Challenges (Issues and Risks effecting your effort)</b>
<ul style="list-style-type: none"> <li>• The team is current finalizing content for the 38 business and technical workstreams before a final review and approval of the RFP in July. The RFP is expected to be issued by the end of August 2018.</li> <li>• Key timeline:               <ul style="list-style-type: none"> <li>• Issue RFP (3Q 2018)</li> <li>• Bidders Conference (3Q 2018)</li> <li>• Vendor Demos (4Q 2018)</li> <li>• Vendor Selection (4Q 2018)</li> <li>• Contract (TBD)</li> <li>• Project Launch (2Q 2019)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Team capacity will be a consistent watch item throughout the phases of the project. The team has a tremendous amount of work to complete with a core team that is responsible for modernization and business as usual activities.</li> </ul>

## FINANCIAL SERVICES

### OMB (DFM & GSS) Contractual Real Estate Support to Address Office Space Leases

Objectives and Achievements	In Progress
<ul style="list-style-type: none"> <li>• Issue: OMB/DFM’s current leased real estate portfolio is 117 properties (1,561,084 sf) with current value of \$27.0 million. Of the 117 leased properties, 78 leases expiring within the next 5 years. Currently, real estate-related tasks decentralized across numerous State agencies; leads to duplication of effort and expenditure.</li> <li>• <b>Objective: Engaging a real estate Vendor to enhance staff resources managing the State’s real estate portfolio by implementing industry best practices and partnering with the State in lease negotiations and administration, portfolio and facility management and other services.</b></li> <li>• Coupling constituent needs as well as individual agency’s needs by location along with geographically-oriented State-needs to help identify best target locations for leases.</li> <li>• Reorganize lease negotiation approach toward longer term benefits where:             <ul style="list-style-type: none"> <li>○ Constituent needs are fine-tuned and closely considered.</li> <li>○ Agencies are located where complimentary State/County and Local government resources co-reside or are located immediately nearby.</li> <li>○ Overall lease-term costs are most efficient.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• RFP issued on June 11, 2018 (OMB18001-Property_Mgt) with due date for proposals of July 11, 2018</li> <li>• RFP Scope of Work addresses:             <ul style="list-style-type: none"> <li>○ Negotiations with potential Lessors</li> <li>○ Reporting on progress</li> <li>○ Available services any firm may offer to restructure approach to lease management</li> </ul> </li> <li>•</li> <li>•</li> </ul>
Next Steps (Future Activities)	Challenges (Issues and Risks effecting your effort)
<ul style="list-style-type: none"> <li>• Evaluate proposals submitted per this RFP requirements.</li> <li>• Undertake the work to renegotiate existing leases, identify alternative and leased locations and identify existing State-owned space opportunities that could be more efficiently utilized.</li> <li>• Address GASB Statement 87 reporting requirements with DOF/DOA. These requirements mandate capitalization of leases and breakout of lease component costs.</li> <li>• Development of lease or buy calculation and policy.</li> <li>• Leverage contractor resources toward renewing leases or relocating leased properties for State operations where they are most efficiently accessible by constituents as well as most economically efficient for lease costs and buildout.</li> </ul>	<ul style="list-style-type: none"> <li>• Software for tracking leases/State-owned space.</li> <li>• The erratic flow of staffing requirements necessary to manage all flow of work including and beyond negotiation of leases.</li> <li>• Individual agencies acting on their own without OMB/DFM knowledge.</li> <li>• The process flow currently in place requiring multiple agencies to act on lease opportunities.</li> </ul>

*Withdrawn: Objectives of this project to be incorporated within the Financial Service Roundtable project*

## FINANCIAL SERVICES

### ELIMINATE DUPLICATIVE INTERNAL FINANCIAL SERVICE FUNCTIONS

Objectives and Achievements	In Progress
<ul style="list-style-type: none"><li>• Issue: 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.</li><li>• <b>Objective: Eliminate duplicative internal financial service functions and realize process efficiencies and cost savings.</b></li></ul>	<ul style="list-style-type: none"><li>• Formed the Senior Financial Officer Roundtable: Objective is to comprehensively address issues with the State’s financial management functions.</li></ul>
Next Steps (Future Activities)	Challenges (Issues and Risks effecting your effort)
<ul style="list-style-type: none"><li>• Adopt enterprise financial services delivery model for selected financial functions common to multiple agencies.</li><li>• Encourage all agencies to participate in the discovery, prioritization, and migration/consolidation of redundant financial services and systems into FSF.</li></ul>	<ul style="list-style-type: none"><li>• Text</li></ul>