



**STATE OF DELAWARE
GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW BOARD**

2018 ANNUAL REPORT

**EXECUTIVE ORDER NUMBER FOUR
RECOMMENDATIONS TO GOVERNOR
FROM THE GEAR BOARD
DECEMBER 1, 2018**



<https://gear.delaware.gov/>



**STATE OF DELAWARE
GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW BOARD**

**2018 ANNUAL REPORT
EXECUTIVE SUMMARY**

Executive Order #4, signed by Governor John Carney on February 16, 2017, established the Government Efficiency and Accountability Review (GEAR) Board to develop recommendations for increasing efficiency and effectiveness across State government, improve the strategic planning process, improve the use of metrics in resource allocation decisions, and develop continuous improvement practices.

GEAR is a long-term initiative. The GEAR Board has met eleven times since its formation. The Board has established seven critical focus areas, identified team leadership and members, completed written charters identifying process and program optimization opportunities, and initiated work on projects to take advantage of these opportunities.

The Executive Order directs the GEAR Board to issue a report to the Governor in December of each year. The 2018 GEAR Annual Report contains recommendations that may be included in the Governor's Recommended Budget and policy priorities for Fiscal Year 2020. What follows is an Executive Summary of key recommendations requiring support from the executive and/or legislative branches:

I. SYSTEMIC RECOMMENDATIONS TO SUPPORT GEAR

- Initiate Continuous Quality Improvement Training and Development – The Board recommends reinstating funding for the First State Quality Improvement Fund (FSQIF) (29 Del. C. § 6071) with a new focus on building the capacity and sustainability of GEAR and other continuous quality improvement initiatives. This funding would support the creation of cadre of trained practitioners throughout State government with skills in project management, change management, and business process improvement to lead and implement initiatives that improve the efficiency and effectiveness of government processes and programs statewide. The FSQIF was created in 1996. Epilogue language was adopted in 2009 that suspended funding of the program. New Epilogue language is needed to reinstate this program. Full restoration of funding of \$150,000 would support training for at least 20 state employees annually.
- Create a GEAR Expert team -- There are numerous opportunities to improve process efficiency and reduce costs, enhance the quality of services delivered and replace or terminate ineffective processes and services. These opportunities remain unaddressed primarily due to a lack of personnel with continuous improvement (CI) expertise, particularly in smaller State agencies. Recommend the formation of a GEAR Expert Team (a.k.a. "SWAT" team) of expert practitioners, organized under a project management office structure, whose purpose is to design and execute process and service quality improvement programs statewide. Recommend forming the team from employees, regardless of agency of origin, with demonstrated CI expertise and project management/program leadership experience.

II. CRIMINAL JUSTICE

- Support Reforms to the Criminal Code -- Work has been ongoing since 2014 with the General Assembly's Criminal Justice Improvement Committee (CJIC) to adopt best practices to eliminate redundancies, inconsistencies, and disproportionality that have arisen in two generations since Delaware adopted a criminal code. SB 209 and SB 210 were introduced, but not passed, as a starting point in the 149th General Assembly. Continuing adjustments have been made to these bills to address concerns of various interested parties and State

agencies and to include criminal bills that were passed in Fiscal Year 2018. Updated bills are anticipated to be introduced in the 150th General Assembly pending further discussions with key constituencies and the newly-elected Attorney General.

- Review Problem-Solving Courts -- Problem-solving courts began in 1997 and have been managed since that time without consistent or uniform review, metrics, or criteria. Family Court released its “Report on the Family Court Adjudicated Drug Court Program” in October 2018. Based on concerns regarding the program, the Family Court paused referrals to this problem-solving court in 2016. After reviewing current juvenile justice programs and the backgrounds of youth who were previously included in the program, the report concluded that there have been no gaps in services for the Juvenile Drug Treatment Court (JDTC) target population, nor have there been any identifiable negative impacts in terms of public safety or rehabilitation of delinquent youth. Given the pause in referrals and the lack of negative impacts, there is support for repeal of the Juvenile Drug Court Statute (10 *Del. C.* §1012).

III. EDUCATION

- Identify Strategies to Improve Cost Savings, Efficiencies and Equity within the Public Education System -- House Concurrent Resolution 39 (HCR 39) sponsored the School District Consolidation Task Force. Upon completion of its work, the General Assembly enacted HCR 94 recommending that the GEAR Board act upon recommendations made by the School District Consolidation Task Force. Specifically, HCR 94 endorsed the creation of formal committees composed of the responsible procurement officials for school districts to be tasked with analyzing any and all opportunities to reduce expenses and create organizational incentives that will result in measurable and significant savings within the current district system to be redirected to programs in schools throughout the State. The GEAR Board recommends supporting the creation of an education/K12-specific GEAR program. The objective is to introduce an appropriately scaled GEAR-like structure, organization, and set of processes under the leadership of the school districts (a.k.a. “EdGEAR”). To ensure the program’s success, accountability and ownership for the program should reside with Superintendents and/or District Business Managers, in partnership with the Department of Education, and with support from State agencies as required.

IV. FINANCIAL SERVICES

- Reintroduce Strategic Planning and Performance Budgeting Processes – Executive Order 4 tasked GEAR with recommending changes to the Delaware Governmental Accountability Act (“DGAA”) (see 29 *Del. C.* §105) to “better drive strategic planning, help develop meaningful performance metrics, foster more effective monitoring of performance and allocation of scarce resources as part of the budget process, and promote continuous improvement programs throughout State government.” In collaboration with GEAR, the Office of Budget and Management (OMB) and the Controller General’s Office (CGO) drafted legislation specifying that the State’s annual budget process be part of a performance management system that utilizes performance metrics when evaluating existing and proposed programs during the annual budget process. The proposed legislation would require full review of agency strategic plans, metrics and performance at least once every four years and allow OMB and CGO to group agencies into policy areas for the purpose of staggering reviews and evaluating cross-agency performance and planning opportunities. Legislation was sponsored by members of the Joint Finance Committee and introduced as SB 263 in the 149th General Assembly. The bill passed the Senate and was reported out of the House Appropriations Committee but was not voted upon in the waning hours of the 149th General Assembly due to other considerations. The GEAR Board recommends that the bill be reintroduced and passed in the 150th General Assembly and signed by the Governor. Full implementation of the revised Act would come with the Fiscal Year 2022 budget process.
- Implement a Comprehensive Review of the State’s Banking Structure -- Under the direction of the Office of the State Treasurer (OST) and in collaboration with the Cash Management Policy Board (CMPB) a comprehensive assessment of the State’s banking architecture was undertaken by PFM Asset Management LLC (PFM). PFM concluded that the State could conduct its banking business in a more efficient and effective manner thereby

realizing significant cost savings through the restructuring of its existing contracts. A comprehensive Request for Proposal (RFP) was issued in June of 2018, and responses were received in August of 2018. The evaluation process is nearly complete and, subject to approval by the CMPB and final contract negotiations, significant net savings opportunities are expected depending upon the level of banking services utilized. Upon award, OST will begin collaborating with the selected vendor(s) to define a detailed project plan documenting the transition of all in-scope services to the new vendor(s). Planning activities are expected to continue through the remainder of Fiscal Year 2019, with implementation scheduled to begin in Fiscal Year 2020. OST is requesting resources in its Fiscal Year 2020 budget request with experience managing large-scale banking projects to ensure State agencies receive the appropriate level of operational support, while ensuring sufficient resources are dedicated to a seamless and timely transition of these critical banking services to new providers.

- Review Office Space Leases – OMB’s Division of Facilities Management (DFM) oversees a portfolio of 117 leased properties covering 1.56 million square feet with total annual costs of \$27 million. Seventy-eight such leases expire in the next five years. DFM issued an RFP and has retained a real estate vendor to assist DFM in renegotiating existing leases, identifying alternative owned or leased locations, and identifying existing State-owned space opportunities that could be more efficiently utilized. While this project is in its early stages, the Department of Health and Social Services (DHSS) and the Department of Finance (DOF) have already identified savings of \$130,000 and \$75,000 respectively through relocating staff from leased space to State-owned space.
- Leverage Use of Delaware Population Consortium Projections across All Agencies -- The Delaware Population Consortium (DPC) was formed in 1975, with the goal of “providing a continuing forum for debate and discussion of matters relating to state and local population growth.” DPC is currently an informal organization with representation from State agencies, local jurisdictions, counties, and metropolitan planning organizations. DPC forecasts are widely used by many, but not all, State agencies and are only mandated to be used by county governments. The Office of State Planning and Coordination (OSPC) in collaboration with GEAR and others drafted legislation to define the DPC in the Delaware Code and require use of DPC projections by all counties, municipalities, school districts and State agencies while allowing the use of US Census population estimates when current year population estimates are required. Legislation was introduced as SB 219 and passed the Senate but was not acted upon by the House in the waning hours of the 149th General Assembly due to other considerations. The GEAR Board recommends that the bill be reintroduced and enacted by the 150th General Assembly and signed by the Governor.
- Leverage FirstMap for Data Sharing -- FirstMap is the State’s enterprise Geographic Information System, but it lacks a consistent management structure and is not used by all State agencies (who often purchase their own data). Delaware should establish a formal management structure for FirstMap and require all agencies to use FirstMap for shared geospatial data. A subcommittee of the Delaware Geographic Data Committee has determined that an independent survey looking at current practices, the efficacy of these practices and ways to improve management and coordination of all geospatial data and mapping efforts needs to be completed. The Delaware Department of Transportation (DelDOT) has volunteered to fund this study, using a contractual mechanism already in place with the University of Delaware Institute for Public Administration (UD/IPA). Findings from the study, which is expected to take 6-8 months to complete, will suggest resources needed to support these coordination/management efforts and may request an executive order for cooperation among agencies.
- Establish a State Land Inventory -- Currently, State agencies maintain multiple disparate databases of State-owned land, leased land, easements, etc. leading to multiple instances of conflicting information. As a result, the State lacks a clear and complete understanding of its real property holdings. A central database will enable more efficient management of the State’s real property portfolio, the identification of possible shared uses, and better tracking for facility siting and maintenance. OSPC anticipates contracting with UD/IPA to survey each of the State agencies involved in real property acquisition and leasing to determine their procedures. After agreements are reached and a path forward is determined, the OSPC will initiate a Business Case with DTI to

develop a centralized database to serve the needs of all agencies. The GEAR Board will review OSPC's findings and make further recommendations once the costs and benefits of such a system are understood.

V. HEALTH AND SOCIAL SERVICES

- Establish Health Care Spending and Quality Benchmarks – State spending on health care accounts for more than 30% of the State's budget. The rate of growth of spending is twice the State's revenue growth resulting in the crowding out of needed investments in schools, communities, and infrastructure. In 2017, HJR 7 authorized DHSS to establish a health care spending benchmark linked to growth in the overall economy. Establishing benchmarks for health care spending and quality is wholly consistent with the objectives of GEAR. The GEAR Board supports the recommendations made by DHSS to Governor Carney that formed the basis for the recent issuance of Executive Order 25 to establish health care spending and quality benchmarks.
- Identify and Implement Overhead Cost Savings and Leverage Federal Funding – DHSS is in the process of comprehensively reviewing its cost structure and has identified numerous opportunities to reduce overhead in order to free up resources to meet its core mission. As outlined in the attached report, DHSS is reducing its fleet, consolidating staff in State-owned facilities, identifying opportunities to reduce overtime and lost time, reducing energy consumption, and cutting back on unnecessary mailings and postage. DHSS has also created a cost-allocation unit that in Fiscal Year 2018 identified and drew down an additional \$2.2 million in federal funding toward staff salaries.
- Increase Fees to Offset Costs of Service Delivery – DHSS collects more than 75 different fees associated with costs of service delivery such as licensing of health care facilities. Most have not been reviewed in more than a decade and many no longer support the administrative costs associated with delivering these services. The General Assembly authorized DHSS to conduct a comprehensive review of these fees in the Fiscal Year 2019 Budget Act (see Section 184 of SB 235) that DHSS has completed. The GEAR Board recommends approval of DHSS' request for approximately \$900,000 in fee increases as part of its Fiscal Year 2020 budget request.

VI. HUMAN RESOURCES

- Implement and Integrate Human Resource Systems and Technology – Governor Carney signed HB 4 that reorganized State government by creating the Department of Human Resources (DHR) to ensure best practices are used when developing a high quality, diverse workforce and to provide human resource (HR) services in the more effective, efficient and consistent manner. DHR has identified several system and information technology infrastructure needs to be funded over multiple years including: 1) a Centralized Onboarding system to ensure full engagement of new hires, and consistency in the onboarding process; 2) a One Stop HR Case Management System to manage the entire lifecycle of HR requests, complaints, and cases that would create an efficient process enabling users to record, track, investigate, manage and communicate solutions and HR outcomes; and 3) an Electronic Personnel File System to enable comprehensive management of, and quick access to, State employees' employment records while eliminating paper files and forms to reduce costs of supplies, space, equipment, and labor related to maintaining paper files.
- Address Recommendations of the Total Compensation Study Consistent with Funding Availability – DHR has been conducting a Total Compensation Study for merit/merit comparable system employees as authorized in the Fiscal Year 2019 Budget Act (see Section 8(a)(5) of SB 235). The purpose of this study is to ensure the ability of the State to compete for a high quality, diverse workforce while ensuring consistent, fair, and predictable total compensation for State workers. The study will focus on hard-to-fill positions, collective bargaining negotiations and equity based on labor market data, gender and race. Support from the Governor and General Assembly will be needed to implement its recommendations.

VII. INFORMATION TECHNOLOGY

- Drive Information Technology (IT) Centralization -- In late 2017, the Department of Technology and Information (DTI) engaged the consulting firm Excipio to perform extensive analyses of Delaware government's current state of IT. Among the many report findings, Excipio estimated that Delaware could save \$11 million annually by centralizing State IT support using a DTI-brokered shared services model. DTI is now working with Excipio to execute several IT centralization projects including the review of all State IT contracts to identify cost savings and risk reduction opportunities, and the institution of a new procurement model for PC purchases. These IT assessment findings will be used to develop a new, shared services model to be presented to the Governor. In order to implement the shared services model, legislative updates will be needed to DTI's enabling statute (29 *Del. C. Ch. 90c*). Vital to the success of IT centralization efforts are 1) authorizing DTI to leverage a full chargeback model, 2) continuing to reassign IT staff from individual agencies to DTI and 3) reconstituting the Technology Investment Council to provide a more appropriate governance structure. A strategy that includes guaranteed return of a percentage of any captured savings to the Shared IT Services entity for continued improvement will be needed for this model to be self-sustaining.

VIII. PUBLIC PRIVATE PARTNERSHIPS (P3)

- Establish the Public-Private Partnership (P3) Innovation and Efficiency Award -- The GEAR program, DHR, and the Delaware business community represented by the GEAR P3 team, have collaborated to create an award in the form of a direct monetary incentive to recognize individuals or groups of State employees who demonstrate successful implementations of innovative, continuous improvement projects. This Award will address several of the Governor's GEAR strategies including: 1) developing ideas to improve the efficiency and effectiveness of government processes and programs statewide; 2) rewarding State employees that drive potential cost savings resulting from shared services which span State agencies; 3) identifying and showcasing quality improvement initiatives currently existing within State government; and 4) sharing best practices across State government. The Award will be incorporated into the existing Governor's Team Excellence Award process. Significantly, the program will be jointly funded by the private sector and the State of Delaware. This joint investment affirms the commitment of the private sector to supporting innovation and efficiency in our public sector, and enjoys support among key members of the Delaware Business Roundtable and the Delaware State Chamber of Commerce. Initial funding is available for awards in Fiscal Year 2019 and additional funding will be requested for the Fiscal Year 2020 budget.



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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 Fiscal Year 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 eleven times. The Board established seven critical focus areas, identified team leadership and members, completed written charters identifying process and program optimization opportunities and begun work on projects to take advantage of these opportunities.

The Executive Order directs the GEAR Board to issue to the Governor an annual report, no later than December 1st of each year, this 2018 report contains recommendations that may be included in the Governor's Recommended Budget and policy priorities for Fiscal Year 2020. This report is available at <https://gear.delaware.gov>.

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
- Government Efficiency and Accountability Review

CRIMINAL JUSTICE RECOMMENDATIONS

Introduction

To make Delaware's criminal justice system more effective, the approach GEAR is taking is vital. Unless all elements of the system—police, corrections, youth rehabilitation, treatment and vocational providers, prosecutors, defense counsel, judges, and the information professionals who are vital to everyone—work and share information with each other efficiently, Delaware cannot accomplish the comprehensive improvements that are needed. At times elements of the system must oppose each other—that is the obligation of a prosecutor and defense counsel in the courtroom—but never without understanding the shared desires of all for a just, fair and safe society.

Prior Recommendations

To make positive reforms, Delaware has to focus on ways to improve technology and data sharing, simplify and make statutes more cohesive, give offenders a better chance to succeed, and implement means to progress.

Project	Status	Comments
Improve Technology and Data		
Standardized Sentencing Orders	1 green	The solution has been developed and testing is underway. Full implementation planned for beginning of new calendar year.
Criminal and Civil e-Filing	1 yellow	The Judicial Branch is hiring a consultant to further the progress, but a lack of resources has been a major factor in the lack of progress so far.
Technology to Reduce Costs (such as costs for transporting inmates)	3 yellow	This is a future initiative.
Eliminate the Manual Payment of Bail	1 yellow	This project was stalled due to a vacancy. The position should be filled shortly and work will resume.
Increase the Capacity for Data Management and Statistical Research	2 yellow	Additional resources for SAC and DELJIS would add benefit to all the criminal justice agencies, and to the State as a whole because dollars on programming could be spent more wisely.
Simplify and Make Statutes More Cohesive		
Criminal Code Reform	1 green	SB 209 and SB 210 were introduced in the 149 th GA. Updated bills should be introduced in the 150 th GA after discussions with key constituencies and the new Attorney General.
Modernize the Pre-Trial System	1 green	Implementation of HB 204, the risk assessment tool and accompanying courts rules will go into effect January 1, 2019.
Give Offenders a Better Chance to Succeed		
Reduce Debt Burden on Ex-Offenders	1 yellow	The Judicial Branch has discussed this with the Department of Correction and has begun drafting legislation.
Develop a Wilmington Community Court	1 green	Much has already been accomplished, including establishing partnerships with the Department of Labor, engaging the community resources, hosting a community resource fair, and obtaining a federal grant.
More Community-Based Drug Treatment	2 yellow	This is a future initiative.
Reduce Recidivism	2 yellow	Workgroups on reentry, labor, behavioral health, education, housing and data and evaluation are on-going.
The Means to Progress		
Expansion of Process Improvement Efforts	1 yellow	This is on-going in the Judicial Branch, and other criminal justice agencies are included in these trainings at no cost to those agencies. New projects will focus on getting the courts and system partners ready for statewide e-filing in both criminal and civil cases.
Partner with Universities for Expanded Research Capacity	2 green	This is on-going in the Judicial Branch with its Judicial Fellows Program and other research. New research includes "Examining the Social Causes of Arrests and Criminal Processing in Delaware" by Ellen Donnelly and Karen F. Parker of the University of Delaware Department of Sociology and Criminal Justice, and "Does More Discretion Change Incarceration Sentencing" by Ellen Donnelly and John MacDonald (University of Pennsylvania).
Improved Organizational Structures	1 yellow	Work with the Governor and OMB to find the best fit for identified agencies and include the structural change in the Governor's Recommended Budget.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration. Green: project performing to plan. Yellow: project experiencing manageable challenges. Red: project experiencing significant issues. Gray: project withdrawn.

Overview of Initiatives

Standardized Sentencing Orders

Staff at the Department of Correction spend valuable time trying to interpret sentencing orders that are inconsistently filled out and may include difficult-to-read handwritten notes. The goal is to have easily understandable sentencing orders

that do not require interpretation, with information that is easy to calculate properly. The solution has been developed. Testing is underway. Implementation should be complete by the beginning of Calendar Year 2019.

E-Filing

Information sharing is not as easy or as timely as desired. Court information is still largely paper driven. In critical areas like criminal and family law, cases continue to be filed manually. The Judicial Branch embarked on electronic filing when it was still an innovative concept 15 years ago. Because of a lack of investment, Delaware can no longer be seen as a leader in this key area. A consultant is being selected to further e-filing efforts. Recommend supporting the Criminal Justice request for increased technology funding for the electronic filing initiative.

Code Reform

Work has been ongoing since 2014 with the General Assembly's Criminal Justice Improvement Committee (CJIC) to eliminate the redundancies, inconsistencies, and disproportionality that have arisen in two generations since Delaware adopted a criminal code based on best practices. SB 209 and SB 210 were introduced in the 149th General Assembly (GA). Continuing adjustments have been made to these bills to address concerns of various interested parties and to include criminal bills that were passed in Fiscal Year 2018. Updated bills should be introduced in the 150th GA after discussions with key constituencies and the new Attorney General. Upon passage, tasks needed to implement code reform include: updating information systems, the model jury instructions, the SENTAC guidelines and providing training to police, prosecutors, defense attorneys and court personnel. Recommend Executive Branch support for the criminal code reform legislation.

Pretrial Reform

The objective is to use best practices to determine more objectively persons at risk to reoffend or fail to appear in court with possibility of detention or release with supervision and presumptive release for low risk persons. HB 204 was signed on January 25, 2018. The risk assessment tool and accompanying court rules will go into effect January, 1, 2019. Training has been provided at the Judicial Retreat and included staff from the Department of Correction, the Department of Justice and the Office of Defense Services.

Develop the Wilmington Community Court

The Community Court is a type of problem-solving court that addresses low-level crimes, public safety and quality of life issues at the neighborhood level. Community court programs are focused on improving outcomes for the offender and reducing recidivism by addressing factors such as substance use, mental health and unemployment that are generally linked to criminal behavior. In addition to helping connect individuals with things like treatment for substance abuse or mental health issues, the Community Court will also help connect individuals with employers who are willing to give people that all-important second or third chance – or for people who perhaps need a bit more help before joining the workforce – job training or assistance getting a G.E.D. or workshops on how to write a resume and prepare for a job interview. This court provides accountability to offenders by ensuring they give back to their communities through various community service initiatives. In Wilmington, the Community Court is planned to have a rotating calendar by neighborhood. The Community Court will welcome providers, neighborhood associations, and others vital to community empowerment and improvement and provide more convenient hours for truancy and problem-solving courts, making it possible for more people to comply without missing school or work.

Much has already been accomplished, including establishing partnerships with the Department of Labor, engaging the community resources, hosting a community resource fair, and obtaining a federal grant. Things left to do through the in the coming months include: finalizing policies and Community Court forms, developing legislative changes for alternative sentencing, and identifying the program objectives and performance measures. Long-term funding for continued operations may be necessary in the future.

Problem-Solving Courts

Problem-solving courts began in 1997 and have been managed since that time without consistent or uniform review, metrics, or criteria. This has changed.

- The Criminal Justice Council of the Judiciary (CJCJ) [Note: this is not the Executive Branch Criminal Justice Council] spent the last year reviewing Delaware’s problem-solving courts, it found that there were 9 drug courts between 3 courts and 3 counties, and that each court operated differently. It was also determined the participants of the various courts often have the same, overlapping treatment needs. Its recommendations are to bring uniform standards to all the problem-solving courts. Included in these recommendations are administrative and training requirements for problem-solving court staff. Additionally, the mental health courts and the drug courts were consolidated.
- Family Court released its “Report on the Family Court Adjudicated Drug Court Program” in October 2018, which was conducted with the Department of Services for Children, Youth and their Families, the Department of Justice and the Office of Defense Services. Based on concerns regarding the program, the Family Court paused referrals to the problem-solving court in 2016. After reviewing current juvenile justice programs and the backgrounds of youth who were previously included in the program, the report concluded that there have been no gaps in services for the Juvenile Drug Treatment Court (JDTC) target population, nor have there been any identifiable negative impacts in terms of public safety or rehabilitation of delinquent youth.
- Given the pause in referrals and the lack of negative impacts, there is support from all the team agencies to repeal the Juvenile Drug Court Statute. Recommend supporting the repeal of 10 Del. C. §1012.

EDUCATION RECOMMENDATIONS

Public education is approximately one-third of the State’s overall General Fund budget, \$1.4 billion dollars. This supports the education of approximately 139,000 students being served in 240 schools in 19 school districts and 23 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 operational costs in support service areas such as transportation, facilities, food services, purchasing, information technology, and finance.

Prior Recommendations Summary

Project	Status	Comment
Charter school transportation study	2 gray	Limited implementation. Project closed out.
Proxy/Content filtering	2 gray	Activity folded into Council on Educational Technology.
Council on Educational Technology	2 green	Established by budget epilogue. Designation of members and scheduling of initial meeting in progress.
Data standardization for financial transparency	1 green	Leveraging SB 172 and ESSA requirements to improve financial data coding, standardization, and reporting. Public meetings held. Designing a statewide approach to school expenditure reporting.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration. Green: project performing to plan. Yellow: project experiencing manageable challenges. Red: project experiencing significant issues. Gray: project withdrawn.

Overview of Current Initiatives

Council on Educational Technology

The Council on Educational Technology was formally established in 81 Del. Laws, c 280 Section 338 (Fiscal Year 2019 Appropriations Act). Establishment of the Council was a recommendation that came from the SCR 22 Task Force on State Education Technology to provide strategic guidance for educational technology for the state, districts, and charters. The former initiative to explore improvements in IT proxy services and content filtering is folded into this Council initiative.

The Council on Educational Technology will provide strategic guidance on several critical educational technology topics. A preliminary list of these include proxy/content filtering, eRate maximization, Wi-Fi standardization, telephony, bandwidth, server consolidation, and technology staffing. Other activities within the Council’s initial scope include conducting needs assessments, offering policy and budget recommendations, strategic planning to ensure alignment between state and local efforts, supporting technology-related procurement, and define acceptable use policies, procedures and processes.

The Department of Education is assembling the list of members and staff to the Council and will schedule the initial meeting for December 2018. The Council will be supported by staff from both the Department of Education and the Department of Technology and Information. A goal for the remainder of the fiscal year is to analyze needs and processes in time to inform the Fiscal Year 2021 budget process and where possible, recommend immediate action for improvements and/or savings.

Data standardization for financial transparency

In August 2018, Governor Carney signed SB 172 which included and further enhanced the federal school-level financial reporting requirements of Every Student Succeeds Act (ESSA). The intent is to increase transparency of public education expenditures by creating a statewide approach to reporting.

To date, Delaware has not reported education expenditures at the school level in a transparent and comparable manner due to several challenges, one of the most significant being the limited set of fiscal account codes available and differences in usage of existing codes across districts and charters. Furthermore, the Department of Education has existing federal data reporting requirements (F-33, NPEFS, IDEA MOE/Excess Costs) outside of ESSA that require large amounts of data transformation and calculation. That reporting effort could be streamlined with a better, more consistently used fiscal coding structure, thereby resulting in more accurate data and savings in staff time.

This project will establish a guide with common definitions and usage for reporting categories and codes. Input from the public, school districts, and charter schools will be solicited and integrated into the effort along the way. Requirements for SB 172, ESSA, and other federal reporting will be mapped backwards to determine need for additional codes and clearer guidance on usage. Current codes will be analyzed to see if they need to be split, discontinued, modified, or clarified for consistent use by schools. These efforts will be coordinated with the Department of Finance, Division of Accounting's (DOF/DOA) current effort to work with agencies on the coding structure. The Department of Education also intends to seek epilogue language strengthening the Department's authority to determine and require consistent use of codes in First State Financials (FSF) and Payroll Human Resources Statewide Technology (PHRST) to support more consistent revenue and expenditure reporting.

Recommendation

GEAR to partner with school districts to identify and implement additional strategies to improve cost savings, efficiencies and equity within public education.

House Concurrent Resolution 39 (HCR 39) sponsored the School District Consolidation Task Force. Upon completion of its work, the Legislature, through HCR 94, recommended that the GEAR Board act upon recommendations made by the School District Consolidation Task Force regarding formal committees tasked with finding savings in the Delaware school system.

The GEAR Board now has additional responsibility to drive greater efficiency in the provisioning of school support services. School districts are a major client of the state's financial support systems, representing more activity both in terms of dollars and transactions than any other state agency. GEAR will continue developing a relationship with school districts to maximize opportunities for economies-of-scale. State agencies and school districts will be encouraged to increase their collaboration efforts. School districts will be provided the opportunity to become a more active strategic partner in state initiatives such as streamlining state financial processes and procedures and improving financial reporting consistency, and transparency.

It is recommended the Governor support the introduction of an education/K12-specific GEAR program. The objective is to introduce an appropriately scaled GEAR-like structure, organization, and set of processes to the school districts (a.k.a. "EdGEAR"). To ensure the program's success, the ownership and accountability for the program should reside within superintendents and/or district business managers' team, who will work in partnership with the Department of Education.

FINANCIAL SERVICES RECOMMENDATIONS

Prior Recommendations Summary

Project	Status	Comment
Reintroduce strategic planning and performance budgeting processes	1 green	Revised Delaware Governmental Accountability Act (SB 263). Introduced and passed in Senate. Stalled in House on July 1. Will be reintroduced in upcoming legislative session.
Conduct a comprehensive review of State's banking structure	1 green	Review phase of project completed. RFP issued. Vendor selection in process.
Eliminate duplicative internal financial service functions	2 gray	Activity tabled. Resources allocated to effective internal controls project.
Ensure effective internal control systems are developed and maintained	2 yellow	Activity paused until arrival of newly elected Auditor of Accounts.
Improve data integration and mapping	1 green	Delaware Geographic Data Committee working with University of Delaware to determine path forward.
Require all State agencies to use Delaware Population Consortium projections	1 green	Legislation drafted (SB 219) and passed the Senate. Stalled in the House on July 1. Will be reintroduced in upcoming legislative session.
Establish centralized land inventory database	2 green	Project moved from DHSS to FSD. OSCP working with other agencies and University of Delaware to develop path forward.
Create a financial services roundtable	1 green	Roundtable formed and working on new continuous improvement projects.
Ensure effective internal control systems are developed and maintained: Travel per Diem	1 green	Restarted DOF Financial Advisory Committee working on policy changes. DOF reaching out to travel management companies.
Ensure effective internal control systems are developed and maintained: PCard	1 green	DOF working with OST to select PCard vendor.
Department of Finance Integrated Revenue Admin System (IRAS)	1 green	RFP fielded and proposals due soon. Also working on business process management.
OMB (DFM & GSS) contractual real estate support to address office space leases	1 green	Real property management support contract awarded to vendor. Vendor and State addressing various leases and other real estate needs.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration. Green: project performing to plan. Yellow: project experiencing manageable challenges. Red: project experiencing significant issues. Gray: project withdrawn.

Overview of Current Initiatives

Reintroduce strategic planning and performance budgeting processes

Per Executive Order #4 GEAR was tasked with recommending changes to the Delaware Governmental Accountability Act that will better drive strategic planning, help develop meaningful performance metrics, foster more effective monitoring of performance and allocation of scarce resources as part of the budget process, and promote continuous improvement programs throughout State government.

The proposed rewrite of the act shifts the focus from the budget books to the budget process. The new language specifies that the State's annual budget process should be part of a performance management system, dedicated to incentivizing continuous process improvement and making government more efficient. The performance management system (not a new IT application) would be composed of 1) strategic planning, 2) performance measurement/evaluation and 3) performance budgeting. The Governor and the Legislature (Joint Finance Committee (JFC)) would be directed to use

performance metrics when evaluating programs and program enhancements during the annual budget process. Full implementation of the revised act would come with the FY 2022 budget process (starting Fall of Calendar Year 2020)—agencies would present budget requests for Fiscal Year 2022 that incorporate performance metrics to support reallocation of resources to more productive programs/projects or requests for additional resources for existing or new programs/projects.

The revised Delaware Governmental Accountability Act was sponsored by members of JFC and introduced as SB 263. It passed the Senate, was reported out of House Appropriations Committee and placed on a House agenda for consideration on June 30, 2018. Due to other considerations on the House floor, SB 263 was not considered by House. In January 2019, at start of new legislative session, the bill (with a new bill number) and implementation plan will be resubmitted to legislators (primarily co-chairs of JFC) for sponsorship. The goal is to have this bill passed by General Assembly and signed by Governor during the 2019 legislative session.

Passage of the bill is a first step in the reintroduction process. During preparation of the draft bill and subsequent GEAR Financial Services Delivery (FSD) Team and GEAR Board review and approval meetings there was robust discussion on potential obstacles to successfully implementing the act, e.g. resource constraints, time commitment, existing agency expertise, etc. The Office of Management and Budget (OMB) will follow up with GEAR members to catalogue these potential obstacles and develop strategies to mitigate and overcome them so that the act can be successfully implemented.

GEAR supports 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. This authorization appears in 81 Del Laws, c. 280 Section 72 (Fiscal Year 2019 Appropriations Act).

Conduct a comprehensive review of State's banking structure

A comprehensive assessment of all State agency banking needs had not been conducted in more than 25 years. As a result, it was unknown whether the State's needs were being met or whether it was receiving the best value for the services currently utilized. Under the direction of the Office of the State Treasurer (OST) a comprehensive assessment is currently being conducted.

The Office of the State Treasurer provides the State with transaction and cash management services ensuring sound fiscal stewardship over financial assets, systems, and processes. OST's Banking Services Unit (BSU) is responsible for the design, implementation, management, and continuous evolution of the State's banking architecture. In August of 2016, BSU convened a Banking Task Force (Task Force) to evaluate the State's current banking architecture. In January of 2017, BSU and the Task Force issued an RFP seeking consulting services. The scope of work on the engagement included: i) a structural review of and recommendations regarding the State's existing banking architecture, ii) assistance with the procurement process for banking services, iii) development of a vendor management program based on industry best practices, and iv) transition support to give effect to the engagement of new vendors and/or banking services.

On behalf of the Cash Management Policy Board (CMPB), OST engaged the consultant, PFM Asset Management LLC (PFM), in April of 2017. In the first quarter of 2018, OST and PFM finalized the comprehensive banking architecture analysis and completed presentations with key stakeholders to share the most relevant findings. PFM concluded that the State may be able to conduct its banking business in a more efficient and effective manner, realizing significant cost savings by restructuring its existing contracts. Four overarching recommendations were highlighted to improve the delivery of services: the State must: i) simplify internal and external strategic and operational banking architectures; ii) review all policies and procedures related to banking governance; iii) assess current and future technological capabilities needed; and, iv) identify accountability gaps in both the delivery and utilization of banking services.

Based on the results of the banking study, the CMPB conditionally adopted PFM's recommendations to amend the current banking architecture and approved the issuance of a comprehensive banking RFP. The RFP intends to seek proposals from qualified vendors to provide banking services, as well as feedback regarding the new banking architecture.

The comprehensive banking RFP was issued in June of 2018, with responses received in August of 2018. A diverse Evaluation Committee was assembled to review the proposals, including representatives from the DOF/DOA, Department of Technology and Information (DTI), OST, and other key agencies. At this time, the evaluation process is nearly complete, and contracts are expected to be awarded prior to the end of the calendar year. Upon award, OST will begin collaborating with the selected vendor(s) to define a detailed project plan documenting the transition of all in-scope services to the new vendor(s). Planning activities are expected to continue through the remainder of Fiscal Year 2019, with implementations scheduled to begin in Fiscal Year 2020.

In parallel with the banking RFP is a separate exercise to perform a structural evaluation and analysis of the State's Merchant Services program. The goal of this analysis is to determine the optimal structure that will ensure the most efficient engagement of providers and delivery of services to state agencies and organizations. The analysis includes the existing relationships, infrastructure, and equipment used for merchant processing, gateway services (payment capture), and payment card industry (PCI) compliance. The analysis will identify risks that may be present in the current architecture, as well as opportunities for the State to implement services offered by current or potential providers. The initial phase of this assessment is scheduled to begin in November of 2018, with the final report scheduled for delivery in February of 2019.

Given the ongoing operational support requirements of OST, and the resource-intensive nature of a complex, multi-year banking implementation, OST has submitted a request to increase its capital, operating, and personnel costs for Fiscal Year 2020. Additional resources with experience managing large-scale banking projects are being requested, and would complement current project resources. OST would appreciate Governor Carney's thoughtful consideration of this request, to ensure all State agencies continue to receive the appropriate level of operational support, while ensuring sufficient resources are dedicated to the seamless and timely transition of these critical banking services to new providers.

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 Delivery Team will be working through the Financial Services Roundtable and the Financial Advisory Committee (FAC) to 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 FSF -- the statewide financial management system.

Ensure effective internal control systems are developed and maintained

Documenting and improving critical budget and accounting 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.

The Financial Services Delivery Team will, through the newly created Financial Services Roundtable, work with key agencies to identify opportunities for process improvement to eliminate bottlenecks slowing transaction approvals, reimbursements and related business processes. 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. Nearly 20 years ago, the State implemented the PCard program and since then the State has experienced significant growth in both annual expenditures and the use of the PCard as a mechanism to pay vendors and reduce employee reimbursements. The program, as operated under DOF/DOA, has always been bid and negotiated separate from other banking services. As a result of the recommendations of the comprehensive review of the State's banking structure along with the requirement to rebid the PCard services, DOF/DOA and the GEAR FSD Team determined it was prudent to issue a joint RFP with OST. The goal of the joint RFP, issued in June 2018, was to leverage the volume of business transacted with one or two banking partners to reduce costs for banking services and increase the rebate received from PCard transactions. The State received competitive proposals from twelve banks for the PCard and virtual card program. These were narrowed to five finalists invited for presentations and after the presentations, three of the five were eliminated for PCard services. The remaining two banks were asked to provide their best and final financial costs and rebates. The final vendor selection will be made in early November and the State will begin contract negotiations with the implementation scheduled for January 2019. The Department of Finance, Division of Accounting is currently in the process of reviewing the Budget and Accounting Policy Manual (BAM) Chapter 12 for the PCard to streamline processes and procedures creating efficiencies while ensuring effective internal controls are maintained. In conjunction with this implementation, DOF/DOA is exploring the use of a travel management company that will connect to the employee's PCard, increasing the usage of the PCard, improving efficiencies with travel booking and costs and optimizing internal controls for travel expenditures.
3. Make improvements in tracking authorized school district positions relative to unit counts and realize estimated cost avoidance of \$800,000. This effort currently on hold pending discussion with newly elected Auditor of Accounts.
4. Reduce travel per diem complexity that leads to inefficiencies in use and enforcement and realize estimated savings of \$800,000. Total travel spend in Fiscal Year 2017 was \$3.7 million (all funds, not including Higher Education or school districts). Proposed solution is to engage a travel management company and revise the State's travel policy in the BAM. A travel management company would manage the State's travel and impose greater consistency regarding the booking of conveyance and lodging and use of the per diem. Engaging a travel management company is dependent upon both the revision of the travel policy and the awarding of a new PCard contract and the issuance of new cards. The review of the travel policy is on the agenda for examination by the DOF/DOA's newly restarted FAC. Initial (potential) policy adjustments include raising the thresholds for OMB and DOF/DOA review of missing receipt affidavits and approval of lodging with costs over 150 percent of the federal GSA rate.

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:

Delaware Population Consortium Legislation

The Delaware Population Consortium (DPC) was formed in 1975, with the goal of "providing a continuing forum for debate and discussion of matters relating to state and local population growth." It is currently an informal organization with representation from State agencies, local jurisdictions, counties, and metropolitan planning organizations.

The University of Delaware's Center for Applied Demography and Survey Research (CADSR) has been the source for the DPC projections for decades. The methodology is accepted by the demographic community and has a long-standing reputation. Delaware Population Consortium population projections are widely used for other planning projects and grant applications statewide, and form the basis of forecasting done by CADSR for DEFAC.

Delaware Population Consortium projections are not consistently used by all State agencies, local governments and school districts. One set of mutually agreed-on demographic projections, developed by a consortium that includes a broad cross-

section of stakeholders, is vital to efficient and effective land use planning, economic development, school planning and other state functions. Requirements in Delaware Code that DPC projections be used are limited. Language from the 1988 Quality of Life Act (9 Del Code, §2656(g) (1), §4956(g) (1), and §6956(g) (1)) requires use of DPC data by county governments but not by local jurisdictions or State agencies.

The proposed solution is develop legislation to define DPC in Delaware Code and have it passed by the General Assembly and signed by the Governor. Legislation was drafted in early 2018 to formalize DPC. The text of the legislation draws heavily from the organization's existing by-laws and further clarifies the membership. The bill requires that the DPC projections are used by counties, municipalities, school districts and State agencies and allows the use of US Census population estimates when current year population estimates are needed. The legislation was introduced as SB 219 and passed the Senate. The House did not consider the legislation prior to the end of the session. Although it was not passed by both houses of the legislature, it should be noted that there were no concerns or objections to the legislation. The legislation will be reintroduced when the legislature reconvenes in January.

School District Enrollment Projections

School district enrollment has a significant impact on the State operating and capital budgets. 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. Statewide enrollment projections have been produced twice in the recent past, once in 2007 and again in 2014. These efforts were useful at those points in time, but they have not been updated to reflect changing demographic conditions.

This project would develop a schedule and prepare regular updates to statewide 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.

There has been no progress on this project. The school district enrollment projections could be integrated into the work of DPC. The focus this year has been on the legislation to formalize DPC. Once this is completed, we can move on to this task.

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 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.

There is a lack of geospatial coordination for all State agencies. The goal of this project is to provide a coordination mechanism for all State agencies to use and buy-in for the geospatial data in the state to be shared and used and purchased for statewide use.

A subcommittee of the existing Delaware Geographic Data Committee has been formed to determine the best path forward for establishing a management structure for geospatial coordination. This subcommittee has determined that an independent survey looking at current practices, the efficacy of these practices and ways to improve management and coordination of all geospatial data and mapping efforts needs to be completed. The Delaware Department of Transportation (DelDOT) has volunteered to fund this study, using contractual mechanism already in place with the University of Delaware Institute for Public Administration (UD/IPA). Once the scope of work is finalized it is anticipated that this study would take 6-8 months to complete.

It is requested that the GEAR Board and the Governor support the findings of the UD/IPA study. At this point the findings are unknown, but they may suggest resources (human and financial) to support the coordination/management efforts, as well as perhaps an executive order for cooperation from all agencies. A phased approach for coordination and management may also be an outcome of the study.

Establish a State Land Inventory

Currently, multiple State agencies maintain disparate databases of State-owned land, leased land, easements, etc. leading to multiple instances of conflicting information. This results in the State not having a clear understanding of the real property it is responsible for. 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 shared uses, and better tracking for facility siting and maintenance.

This project will provide an in-depth look at the various practices at each agency responsible for the purchase and/or leasing of real property to document and examine ways to improve and unify the data collection and ultimate single-point-of-information source for lands owned and/or leased by the State of Delaware. The final goal will be to provide a central database to which all real property will be tracked with similar attributes. This centralized database will allow decision makers to find information quickly and efficiently on a variety of parameters.

The Office of State Planning and Coordination anticipates contracting with UD/IPA to survey each of the State agencies involved in real property acquisition and leasing to determine their procedures. Then UD/IPA will be able to compare and evaluate the various procedures and working with the agencies and OSPC determine the best path forward to ensure the workflows continue and will work with a centralized database. After agreements are reached and a path forward is determined, the OSPC will initiate a Business Case with DTI to develop a centralized database to serve the needs of each agency.

It is requested that the GEAR Board and the Governor support the survey and study of the real property acquisitions and leases. It is possible there will need to be an executive order or some other means (e.g., Memorandum of Understanding) between all of the involved agencies to work together to provide more efficient and unified tracking of real property to be in a centralized database. And finally the development of the centralized database will need to be funded. An estimate on this is not yet available.

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 recommended the Governor task the State's senior financial officers from all agencies -- but particularly from OMB, DOF, Office of the Controller General, Auditor of Accounts, and OST -- 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 FSD Team experience. The newly created Financial Services Roundtable would comprehensively address the issues with the State's financial management functions: develop processes and internal controls to proactively prevent waste, fraud and abuse, eliminate duplicative internal financial service functions and realize process efficiencies and cost savings.

Initially, FSD Team will constitute the roundtable: Secretary of Finance, Director of OMB, Controller General, State Treasurer, Auditor of Accounts, the Chief Financial Officer of the Delaware Judiciary and a representative from school district business managers. Undertaking the roundtable's work will be the DOF/DOA's newly restarted FAC comprised of financial officers from OMB, DOE, DHSS, DNREC, DelDOT, DOC, DOS and the local school district business managers. The FAC has developed a priority list and is currently focusing on three major areas: elimination of onerous paper processing requirements imposed by policies or legislation; standardization of the use of account codes, including elimination of existing accounts or creation of new accounts; and addressing purchasing and travel processes. The FAC is currently meeting bimonthly with recruiting underway to create the three subcommittees to address these major areas. The subcommittee meetings will begin in late 2018 with the expectation to achieve results during 2019.

Department of Finance Integrated Revenue Administration System (IRAS)

The Department of Finance, Division of Revenue (DOF/DOR) is undertaking a major transformation to replace its legacy infrastructure and 100+ systems into a holistic and modernized system, allowing for better security and providing an improved single view of the taxpayer. The team has developed and issued a comprehensive RFP, and the solution will be implemented in 3 major releases over 4 years. Underlying the Integrated Revenue Administration System (IRAS) project are approximately 1,500 business and technical requirements that will be implemented within a program of clearly defined governance and project management processes, and a complete software testing program.

The Department of Finance, Division of Revenue modernization RFP was completed and issued on August 10, 2018, and vendor proposals were due on November 7, 2018. The expectation is that a vendor will be selected in January 2019 and the project will be launched during the spring of 2019. The Department of Finance, Division of Revenue modernization team is currently working with nine other states that have implemented tax system modernization projects to define key project planning activities, business and technical resource requirements, technology needs and best practices.

Contractual Real Estate Support to Address Office Space leases

This GEAR project began in DHSS with its need for minimizing lease cost increases. OMB's Division of Facilities Management (OMB/DFM) 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 five years. DHSS sought to work with OMB to renegotiate leases and move more employees into State-owned space.

Independent of the DHSS GEAR project, OMB/DFM sought to contract with a vendor with real estate expertise to help it address its real estate leases and their associated costs. The Office of Management and Budget, Division of Facilities Management's current leased real estate portfolio is 117 properties (1,561,084 sf) with current cost of \$27.0 million. Of the 117 leased properties, 78 leases are expiring within the next five years. Currently, real estate-related tasks are decentralized across numerous State agencies; leads to duplication of effort and expenditure.

As a result of an RFP process, earlier this Fall OMB/DFM engaged 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. The Office of Management and Budget, Division of Facilities Management will reorganize lease negotiation approach toward longer term benefits where constituent needs are fine-tuned and closely considered and agencies are located where complimentary State/county and local government resources co-reside or are located immediately nearby. The objective is to find where the overall lease-term costs are most efficient.

The Office of Management and Budget, Division of Facilities Management and the vendor will 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. This project leverages 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. This project will also need to address GASB Statement 87 reporting requirements with DOF/DOA. These requirements mandate capitalization of leases and breakout of lease component costs. There are also recommendations for the development of a standard lease or buy calculation and policy.

HEALTH AND SOCIAL SERVICES RECOMMENDATIONS

Prior Recommendations Summary

Project	Status	Comment
Overtime Reduction	2 yellow	This involves internal controls and look at the way overtime is calculated.
Lease Cost Containment	1 green	Working with OMB's Division of Facilities Management on leased space options.
Energy Savings	1 green	Complete energy-saving improvements that will increase the energy efficiency of the agency's facilities, enhance the facility environment, and lower the agency's environmental impact.
Fleet Cost Reduction	1 green	Initial phase complete- work will be ongoing.
Mailing and Postage	2 yellow	Some one time investments are needed to make communications available electronically.
Increasing Fees	1 green	Initial phase complete- work will be ongoing.
Leveraging Federal Funding	1 green	Look for opportunities to realize increased federal match for state-funded programs.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration. Green: project performing to plan. Yellow: project experiencing manageable challenges. Red: project experiencing significant issues. Gray: project withdrawn.

Culminating nearly a year of outreach to and feedback from health stakeholders across the state, Department of Health and Social Services (DHSS) sent recommendations for establishing health care spending and quality benchmarks to Governor John Carney in August 2018. The work on the benchmarks began last summer when the General Assembly passed House Joint Resolution 7 authorizing DHSS to develop a health care spending benchmark. The Governor signed that legislation in September 2017, and that fall, DHSS began a series of summits to explore how a spending benchmark could work in Delaware. While the overall health of Delawareans has been improving – Delaware is ranked 30th among the states, according to America's Health Rankings – the pace of that improvement is trailing the growth of health care spending across the state.

As a way to increase transparency and to tie health care spending to improved outcomes for Delawareans, Governor Carney signed Executive Order 19 in February 2018, creating an advisory group of health care leaders and other key stakeholders to provide feedback to DHSS on strategies for developing spending and quality benchmarks. The advisory group provided its summary report in June 2018.

Based on months of feedback, research and deliberations, recommendations to Governor Carney include:

- The health care spending benchmark should be expressed as a rate using a calculated measure of the per-capita potential gross state product (PGSP) growth, that the Governor should set the initial benchmark for 2019 and that the initial benchmark should remain in place for five years.
- The Delaware Economic and Financial Advisory Council (DEFAC) should establish a new Health Care Spending Benchmark Subcommittee to review the inflation component of the benchmark and the methodology of calculating the benchmark for 2024 and beyond.
- The Health Care Commission (HCC) should be responsible for setting the health care spending benchmark in the future and consider changes to the benchmark target between 2020 and 2023 if the DEFAC Health Care Spending Benchmark Subcommittee so recommends.

- The Health Care Commission should collect timely and accurate data from licensed health insurers – using the Health Care Claims Database – to inform setting the spending and quality benchmarks, and assessing performance.
- The quality benchmarks should be established to “monitor and establish accountability for improved health care quality that bends the health care cost growth curve.”
- The quality benchmarks should be focused on high-priority areas, including ambulatory care-sensitive emergency department visits; opioid-related overdose deaths and co-prescribed opioid and benzodiazepine prescriptions; and cardiovascular disease prevention.
- That there should be aspirational benchmarks along with more incremental annual benchmarks, and that the HCC should convene a time-limited advisory group to inform the HCC on whether the quality measures should change to reflect new priorities or improved performance.

Recommendations

https://dhss.delaware.gov/dhss/files/reporttogovernor_082718.pdf

In addition to the health care spending benchmark, DHSS has several projects underway to achieve efficiencies within the department. The Department of Health and Social Services management has identified ways to reduce operating costs by reducing overtime, addressing the growing cost of leased space, and reducing the cost of fleet services and energy. The department is also exploring opportunities to increase revenue by increasing fees and leveraging federal funding.

Overview of Current Initiatives

Reduction of Overtime

The Department of Health and Social Services has several initiatives in progress to address the systemic causes of overtime. Internally it can improve recruitment practices for hard to fill positions, review staffing ratios in 24/7 facilities and develop better procedures and tools for managing short term disability, family medical leave, workman’s compensation, alternate duty and call outs. Assistance is needed to help examine the impact of paying overtime based on compensable hours (vacation, sick, etc.), instead of only on -hours actually worked. Preliminary analysis indicates that this costs DHSS \$750,000 per year. A statewide analysis of cost and a review of any language in the merit rules and budget bills that dictate this calculation of overtime is requested.

Containing the Growth of Lease Costs

The department has established a space committee that will coordinate with OMB/Division of Facilities Management to 1) renegotiate existing leases, 2) identify alternative and leased locations, and 3) identify existing State-owned space opportunities. In 2018, DHSS moved two groups from leased space to state-owned space. The initial savings were invested in the moves and renovations. The annual savings, starting in year two, will be \$130,000.

Reducing Fleet Services Costs

The department worked with OMB’s Fleet Services to do a cost benefit analysis that compared the cost of its blocked cars against daily rentals based on trends in utilization. In 2018, DHSS reduced the number of blocked cars by 13 and redeployed an additional five cars to areas of higher need. Estimated cost saving are up to \$150,000 per year depending on rental costs. Usage will be monitored quarterly moving forward.

Saving Energy Costs Project

The Department of Health and Social Services has started green, energy-saving improvements that will increase the energy efficiency of the agency's facilities, enhance facilities' environments, and lower the agency's environmental impact. The project will save approximately 9 percent of the current annual electric consumption, 5 percent of water consumption and 1 percent of the current annual heating fuel consumption while reducing the district's carbon footprint by 7 percent by improving efficiencies. The projected annual savings is \$230,000 per year.

Reducing Mailing and Postage Expenses

Based on a suggestion from the GEAR website, DHSS eliminated the mailing of four paper letters that were sent to child care providers participating in the Purchase of Care program. The information is available to the providers online. DHSS saved \$4,000 in postage expenses in September of 2018 and will continue to document savings. The department will be looking at all mailings to see if there are additional opportunities to reduce costs.

Increasing Fees

The department 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 ten years and the amount collected no longer supports the administrative costs of delivering services. The Department of Health and Social Services has completed a comprehensive review of all fees and is proposing approximately \$900,000 in increases in the Fiscal Year 2020 budget cycle.

Leveraging Federal Funding

The Department of Health and Social Services has created a cost-allocation unit whose purpose is to maximize federal reimbursements by analyzing the appropriate statistics in order to identify, accumulate and distribute allowable costs among state and federal funding sources. In State Fiscal Year 2018 this unit identified and drew down an additional \$2,262,099 in federal funding toward staff salaries.

Initiation of strategic planning

In August, DHSS released an RFP to obtain consultation services for assistance in the design, development and completion of a strategic plan. The plan will focus on structural, organizational and process improvement strategies that can be implemented across the department. The department will coordinate with its stakeholders, including the GEAR Board, throughout the process.

HUMAN RESOURCES RECOMMENDATIONS

Prior Recommendations Summary

Project	Status	Comment
Implement HR centralization	1 green	<ul style="list-style-type: none"> Signed Service Level Agreements with four State agencies to transfer agency HR staff to the Department of Human Resources. Requirements for Onboarding and e-Personnel Records systems drafted by workgroups. Implemented a new Memorandum of Understanding to provide career development training to State employees as part of the Blue Collar Fund Program.
Talent Acquisition – Resetting Recruitment and Retention	1 green	<ul style="list-style-type: none"> Implemented multiple best practices for filling State vacancies including enhancements to the State’s recruitment system. Completed phase I of the Statewide Compensation Study draft report.
Reduce healthcare operating costs	1 green	<ul style="list-style-type: none"> Increase freestanding imaging utilization by 19% and increased the ratio of urgent care to emergency room usage by 20%. Reduced co-pays for urgent care and imaging and tiered copays for lab and basic imaging. Eliminated copays for high tech imaging services done at non-hospital affiliated freestanding facilities. Improved employee engagement healthcare-related tools such as MyBenefitsMentor with 27% increase in self-service enrollment over last year.
Insurance Coverage - Reduce Workers’ Compensation Costs	1 green	<ul style="list-style-type: none"> Reduced the average number of lost work days. Reduced overall worker’s compensation costs compared to the medical inflation rate Provided monthly safety training to state employees Increase number of participants reporting electronically to 97%.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration. Green: project performing to plan. Yellow: project experiencing manageable challenges. Red: project experiencing significant issues. Gray: project withdrawn.

Implement HR centralization

The Department of Human Resources (DHR) was established by 81 Del Law, C.66 and Title 29 §9003D signed into law by Governor Carney on July 16, 2017. The law creates a cabinet-level human resource department with a focus on diversity and inclusion, women’s advancement and advocacy, and the centralization of human resources (HR) and uniform practices, policies and procedures. This new department enables 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’s goal is to foster a culture of improvement in the delivery of HR services throughout the employee lifecycle.

Implement and integrate human resource systems and technology

As a result of feedback from stakeholders and in concert with the centralization of HR, several system and information technology infrastructure needs are identified. A preliminary assessment of system and technology needs indicates that the following systems need to be implemented and integrated:

- Employee OnBoarding System
- Request, Complaint, and Investigation Tracking Software
- Recruitment and Selection System
- Electronic Personnel Records Management System
- Central Timekeeping System
- The integration of systems, i.e., recruitment, onboarding, PHRST, and training, and electronic personnel records management systems, and software that allows for automation of manual tasks such as e-verify for I-9 verification.

Centralized Onboarding

Welcoming new employees to the State of Delaware is currently performed independently by each State agency and not always consistent with information and approach. Centralized onboarding assures that all new hires are fully engaged, informed of benefits and uniform practices, policies and procedures and provided an overview of State's organization and inclusive culture. There will be several locations in which new employees will experience a curriculum for benefits enrollment and engagement in the onboarding process.

A centralized onboarding system addresses the Action Plan for Delaware, the Diversity and Inclusion Report recommendations and the Governor's priority for a strong and stable State workforce. A Request for Information (RFI) is being drafted, based on functional requirements recommended by the Onboarding workgroup.

Complaint Management and Investigation Tracking Software

The need has never been greater for the DHR to manage the entire lifecycle of HR requests, complaints, or cases using a streamlined, easily accessible and efficient process that enables users to record, track, investigate, manage and communicate the solution or outcome. A one stop case management software system from filing to resolution would provide employees and managers easy access to submit and track requests submitted and enable assignment of work to HR staff through an organized workflow; enable full reporting to ensure compliance with statutes, and facilitate measurement and tracking of customer service delivery and responsiveness.

Complaint management tracking software will support the Governor's priority for an inclusive workplace environment with a strong and stable State workforce and enable metrics to be developed to drive continuous improvement toward ever more responsive HR delivery. This system could also be leveraged to track other HR service requests and provide the mechanism to track response times.

Recruitment and Selection System

The State of Delaware's recruitment and selection system, Delaware Employment Link (DEL), provides job applicants with an interactive user experience when applying for State jobs. In 2006, the State automated its hiring process with a modern semi-automated system allowing it to post jobs by vacancy and position. The system provides applicants and State employees 24/7 online access to State jobs. The system prescreens and autoscores applicants leading to improved speed of hire. It incorporates e-mail alerts, electronic notices and online testing. With numerous reporting tools, there is access to real time applicant flow. Ad hoc reports allow better management of applicant data and recruitments. In 2017, over 67,000 applicants used the system to apply to over 2,200 postings.

Electronic Personnel File System

An electronic personnel file system will enable the comprehensive management of the State employees' complete employment history and enable quick access to employee records. Similar to a content management system, DHR is interested in leveraging the benefits of information technology to manage HR data and documents throughout the employee lifecycle, including: Eliminating paper files and forms, thus saving costs in supplies, space, equipment, and labor related to maintaining employee paper files.

- Providing timely access to employee records.
- Improved and enhanced security of employees files.

An electronic personnel file system addresses the Governor's priority of providing consistent and uniform information and practices resulting in a strong and stable workforce. The e-File Personnel Record Workgroup drafted functional requirements to address the human resource needs statewide. Support and resources are needed to acquire and implement a statewide electronic personnel filing system to improve access to accurate records, link employee documents to electronic data, make available valuable space in state offices currently used to store employee records, and enhance compliance with record retention schedules.

Central Timekeeping System (eSTAR)

There are over six different timekeeping systems used throughout the State from triplicate forms and spreadsheets to an automated system called eSTAR. Currently the model used by the State is based on which agencies have the funds to support the system. Through the process of HR centralization, the need to move to a central timekeeping has never been more evident. Training HR staff to use and support the various systems is costly and time consuming. Moving to a central timekeeping system will enable the State to improve the management employees using Family Medical Leave Act (FLMA) leave as well as enable centralized auditing of leave records. Developing a creative solution to provide eSTAR to all State agencies is critical to moving to a central approach to managing employees' time. Discussions are underway with the Enterprise Resource Planning (ERP) Executive Sponsors on the best approach to moving the State towards centralized timekeeping.

Implement Initiatives that improve HR Processes

Talent Acquisition and Retention

DHR is taking a multi-prong approach to resetting talent acquisition and retention including developing best practices for filling vacancies in the shortest time with excellent customer service. There are several achievements to date including identifying a nurse recruiter position, hiring investigators to improve the speed of background checks, developing incentive and referral bonus programs, expanding participation in job fairs, and implementing direct email contact with candidates applying for State jobs. Work continues in hard-to-fill positions across the State and along with establishing benchmarks for the hiring process and high level of agency engagement is needed to achieve the objectives of the State.

Total Compensation Study

Maximizing results while adhering to funding availability, is critical in implementation of the recommendations from the Total Compensation Study. The timing and paygrades compensation strategy methodology must include considerations for hard-to-fill positions, collective bargaining negotiations, and equity based on the labor market data, gender and race and in accordance with an established and published pay policy. The State's pay policy needs predictability and consistency. Equally important in implementing recommendations from the Total Compensation Study with a strategic approach including a communications plan so employees can clearly understand how the implementation of the strategy affects them. Support is needed from the administration to implement recommendations from the Total Compensation Study.

Support recommended legislative changes

Expand scope of HR services to include Department of Education (DOE). As technology is deployed for HR services, the question that continues to be 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 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

Prior Recommendations Summary

Project	Status	Comment
Statewide IT Assessment	1 Green (completed)	Completed statewide IT assessment with the participation of 44 agencies and over 60 people contributing to the discovery and data collection efforts. The findings will be used to develop the state centralization strategy and governance structure.

*Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.
Green: project performing to plan. Yellow: project experiencing manageable challenges. Red: project experiencing significant issues. Gray: project withdrawn.*

In order to more aggressively realize the many benefits of Information Technology Centralization (ITC), Delaware needs to adopt a standardized IT services delivery model, with shared services either delivered or brokered by DTI. Based on the findings of the recent statewide IT assessment, the next steps include: creation of a centralization plan that defines the delivery strategy for commoditized services and identifies how agency-specific needs will be addressed; identification of cost savings, efficiencies, and timelines and development of a plan for fiscal and IT employee resources. Significant executive level support will be necessary to navigate this transformational change that will serve as the underpinnings for many State priorities and initiatives.

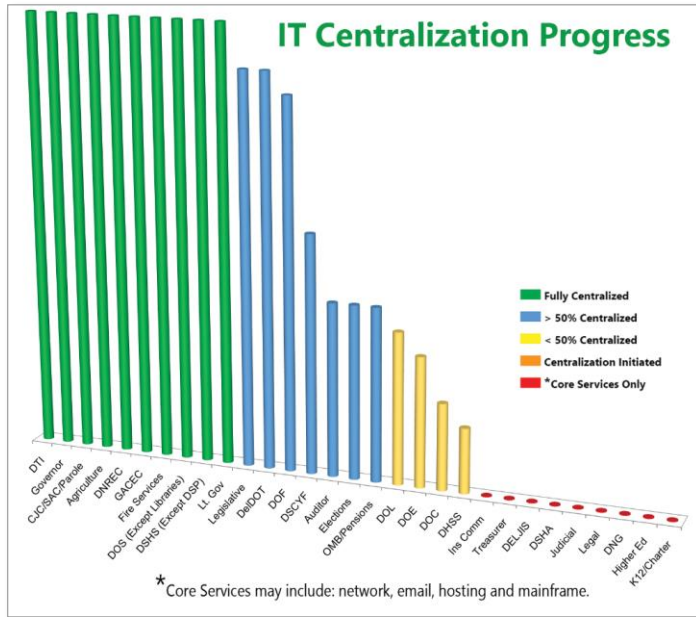
Prior Recommendation Strategy

Implement an enterprise IT centralization strategy that provides an equitable, efficient and cost-effective approach to delivering IT services. The key objective was to establish a multi-agency governance board to institute standardization across commodity-based services, including server infrastructure, network, end-user computer support and service desk. These efforts would enable the state to leverage data as a strategic asset, deploy an enterprise cyber security strategy, reduce spending and deliver intuitive digital government for all Delawareans.

Overview of Current Initiatives

Leveraging the oversight and governance of the GEAR team, in late 2017, DTI engaged a vendor partner with experience in IT centralization, Excipio, to perform extensive analyses of Delaware government’s current state of IT. Excipio completed Delaware’s assessment with the participation of 44 agencies and over 60 people contributing to the discovery and data collection efforts. The outcomes of the study were shared with the GEAR Board in July and several next steps identified. Among the many report findings, it is estimated that Delaware could save \$11.0 million annually by centralizing State IT support in a DTI brokered shared services model.

Shifting to a Brokered Shared Services Model



ITC Optimization

- Data Centers Saving \$500,000+ Annually
- Reduced IT Positions - \$640,000 Savings
- Eliminated 5 IT Contractor Positions - \$262,000 Savings
- Consolidated Help Desk Support for 4,500 PCs

Managed Service Provider

- \$2.9M cost avoidance from single contract for IT consulting services

Enterprise Licensure Contracts

- \$3.7M in savings

Cloud First Policy

- Virtual servers \$3M

The State must redefine DTI's role in delivering IT. Ensuring the State is capturing, evaluating, and accurately categorizing IT spend is key to allowing DTI to target areas for innovative shared solutions. DTI is working with OMB and DOF/DOA to add account codes to better capture IT expenditures.

The Department of Technology and Information is working with Excipio to execute several projects that will advance IT centralization efforts. One such project is the review of all state IT contracts to identify cost savings and risk reduction. Excipio will also immediately assist the state to institute a new procurement model for PC purchases. Finally, IT assessment findings will be used to develop a new shared services model to be presented to the GEAR Board and Governor Carney

Recommendations

In order to implement the shared services model, legislative updates to DTI's enabling statute (Title 29, Section 90c) are necessary. Authorizing DTI to leverage a full chargeback model, reassigning IT staff from individual agencies to DTI and reconstituting the Technology Investment Council are vital to the success of IT centralization efforts. A strategy that includes guaranteed return of a percentage of any captured savings to the Shared Services entity for continued improvement is imperative for this model to be self-sustaining.

Workforce: Building the Next Generation of IT Professionals for an Innovation Economy

Task the GEAR P3 Team to coordinate with a multi-industry group to foster programs that produce next generation IT professionals in Delaware. Delaware and the nation continue to experience significant adverse economic impacts due to a lack of IT resources. These deficits result in talent being imported from other states and even abroad instead of Delaware educational institutions and communities serving as workforce pipelines. Bureau of Labor Statistics data shows that by 2020, there will be 1.4 million new computer science jobs, but only 400,000 computer science graduates are projected. In our digital world, coding and other IT expertise are 21st Century skills as necessary as reading and math. Coding underpins computer science that affects all aspects of technological innovation from artificial intelligence and autonomous vehicles to modern medicine.

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.

Prior Recommendations Summary

Project	Status	Comment
Establish the Public-Private (P3) Innovation and Efficiency Award	1 green	Establish a joint State and Business community award to recognize excellence in innovation and process continuous improvement.
Identify P3 Opportunities	1 green	Encourage agencies to identify State initiatives that are resource or funding constrained, and possible candidates for P3
Loaned Executive program	1 green	Re-establish the private-sector loaned executive program
Connect to Lerner School of Business and Economics	2 yellow	Broaden connection to UD Lerner College of Business and Economics as a source for continuous improvement methods (Six Sigma etc.) and best practice models from other states and industry
Assist in the implementation of the Delaware Governmental Accountability Act	1 yellow	Leverage private sector expertise to help the State with the implementation of the revised Delaware Governmental Accountability Act.
Expert public/private RFP and Grant Proposal writing team	2 yellow	Create a P3 team that responds to significant federal government research grants and funding opportunities for Delaware
Next generation workforce for digital innovation	2 yellow	Develop the next generation workforce that is ready to participate in digital innovation. Obtain support from large Delaware-based corporations.

Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration. Green: project performing to plan. Yellow: project experiencing manageable challenges. Red: project experiencing significant issues. Gray: project withdrawn.

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 \$50 thousand - \$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.

The GEAR P3 team will ensure that there is full engagement from both the Delaware Business Roundtable and the Delaware State Chamber of Commerce.

2018 Accomplishments

Establish the Public-Private (P3) Innovation and Efficiency Award

The GEAR program, DHR, DOF, and the Delaware business community represented by the GEAR P3 team, has established an annual award to recognize and incentivize individuals or groups of Delaware State employees who can demonstrate successful implementations of innovative, continuous improvement projects. Those selected for the award will serve as models that promote interest and awareness in State government continuous improvement activities, encourage information sharing, and demonstrate the advantage of leveraging successful strategies to other organizations.

The Public-Private (P3) Innovation and Efficiency Award addresses several of the Governor's GEAR strategies including: developing ideas to improve the efficiency and effectiveness of government processes and programs statewide; rewarding State employees that drive potential cost savings resulting from shared services which span State agencies; identifying and showcasing quality improvement initiatives currently existing within State government; and sharing best practices across State government.

- The award provides a direct monetary incentive to awardees.
- The award recognizes project teams and employees who can demonstrate continuous improvement solutions with verifiable results in process and/or service quality, speed, or cost savings.
- Judges will include selected cabinet secretaries and division directors from the Executive Branch and members of the Delaware business community represented by the GEAR dP3 team.
- The award will be incorporated into the existing Governor's Team Excellence Award process
- The program is jointly funded by both the private-sector and the State of Delaware. This joint investment truly cements the commitment to a public-private partnership. This program has the strong support of the Delaware Business Roundtable and the Delaware State Chamber of Commerce from the private-sector.

Ideas and Initiatives for 2019

Assist in the implementation of the Delaware Governmental Accountability Act

The P3 team can leverage private sector expertise to help the State implement the revised Delaware Governmental Accountability Act. This expertise can address how to develop 1) a robust strategic planning process, 2) meaningful performance metrics, 3) evaluation methods, and 4) continuous process improvement feedback loops. This then could assist the Executive Branch and General Assembly to re-invent the budget process so that performance-based decision-making becomes the norm and not the exception. P3's efforts add value at all three levels: tactical – advisory support to the state; strategic – through loaned private-sector executives; and aspirational – by creating a true “open government” citizen-facing web portal which shows all the metrics, scorecards and actual measurements, highlighting that Delaware is best in class across all fifty states in accountable, transparent and measurable government.

Create expert public/private RFP and grant proposal writing team

Create a P3 team that responds to significant federal government research grants and funding opportunities for Delaware. A strong team comprised of top people from the private- and public-sectors could significantly increase Delaware agencies' chance of winning major grants and awards that would allow significant investments to be made in education reform and healthcare support programs.

Develop next generation workforce for digital innovation

Develop the next generation workforce that is ready to participate in digital innovation. There are already elements of this occurring in the State. The P3 team will explore whether to expand the existing programs or help develop a more coordinated approach. P3 team has broached the topic with the Microsoft, Apple, Amazon and Google; they have indicated interested in participating.

GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW (GEAR) RECOMMENDATIONS

GEAR was established to be the catalyst for a sustained effort to continuously identify, monitor, and implement programs, policies and processes that enhance efficiency to bend the cost curve of State government downwards. To this end, GEAR supports, champions and recognizes the efforts undertaken by all State government agencies.

Prior Recommendations Summary

Project	Status	Comment
Require the establishment of continuous improvement teams in State agencies	1 green	Seven GEAR teams were established by the Board to address continuous improvement opportunities in each agency, financial services organizations, and P3.
Initiate continuous quality improvement training and development	1 green	The Administration supports reinstatement of the First State Quality Funds (29 Del. C. § 6071), and has instructed DHR to include reinstatement in their list of priorities for the upcoming legislative session.
Augment leadership training provided by the State	2 yellow	Partnering with the Alfred Lerner College of Business and Economics will be pursued post-reinstatement of the First State Quality Improvement Fund.

*Status key: 1 - high value and priority; 2 – significant value and priority; 3 – opportunity for consideration.
Green: project performing to plan. Yellow: project experiencing manageable challenges. Red: project experiencing significant issues. Gray: project withdrawn.*

Initiate continuous quality improvement training and development

Reinstate First State Quality Improvement Funds (FSQIF) (29 Del. C. § 6071) with a new focus on building the capacity and sustainability of GEAR and other continuous quality improvement initiatives. The need for trained and knowledgeable employees in the areas of change management, project management, and process improvement have never been greater. This funding would support training of State employees annually, creating bench strength of continuous quality improvement practitioners. The goal is to train 20 employees in Fiscal Year 2020.

The intent of the fund – which was created in 1996 and suspended in 2009 -- is to improve the performance and delivery of services to State citizens by helping State agencies and employees to implement quality improvement initiatives. The FSQIF will be primarily managed by the Department of Human Resources/Training and Organizational Development and will:

- Focus on building the capacity and sustainability of GEAR and other continuous quality improvement initiatives.
- Train State employees responsible for implementing quality improvement initiatives.
- Provide a cohort of trained and certified practitioners available to assist in statewide process improvement.

The FSQIF supports the mission of GEAR by creating a strong and stable workforce through the development of State employee continuous improvement knowledge and skills. The fund will support the development a bench of employees with the capability to improve the efficiency and effectiveness of government processes and programs statewide.

Additionally, reactivating the fund will assist in the identification of existing quality improvement initiatives within State government, and recommend ways these initiatives can work together to establish formal continuous improvement programs.

A statute already exists that established and defined the FSQIF; however, Epilogue language in 2009 suspended the funding of the program. New Epilogue language is requested to be inserted for Fiscal Year 2020 to reinstate the program.

Further, in the Fiscal Year 2020 budget process, DHR will request \$25,000 to fund this program; however, additional sources of funding totaling \$125,000 for the program are needed to restore the fund to previous levels.

Augment leadership training provided by the State

GEAR will seek to improve State leadership training by developing partnerships with the University of Delaware's Institute for Public Administration, the University's School for Continuing Education, the Delaware Manufacturing Extension Partnership.

GEAR will also encourage process improvement initiatives in agencies without significant in-house continuous improvement resources by seeking to augment existing State resources with university undergraduate and graduate students.

Require the establishment of continuous improvement teams in State agencies

Recommend all State agencies identify within their organizations a team of persons to be dedicated to continuous improvement. Recommend 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.

Recommend that GEAR create a new "core team" comprised primarily of Board designees. The team's mission is to identify continuous improvement opportunities within and across State agencies, enable the creation of projects to pursue the opportunities, and report on the progress made by each agency led initiative.

Create a GEAR Expert team

There are numerous opportunities to improve process efficiency and reduce costs, enhance the quality of services delivered and replace or terminate ineffective processes and services. These opportunities remain unaddressed primarily due to a lack of personnel with continuous improvement (CI) expertise, particularly in smaller State agencies.

Recommend the formation of a GEAR Expert Team (a.k.a. "SWAT" team) of expert practitioners, organized under a project management office structure, whose purpose is to design and execute process and service quality improvement programs statewide. Recommend forming the team from employees, regardless of agency of origin, with demonstrated CI expertise and project management/program leadership experience.

Support the Reintroduction of the GAA and Population Consortium legislation

The Delaware Governmental Accountability Act (GAA) and Delaware Population Consortium bills were introduced and passed in the Senate, in the recently concluded legislative session. After being sent to the House these bills were not debated on the floor prior to the end of the session. The GEAR team recommends that the Governor support the reintroduction of the two bills.