Agenda

1. Introductions
2. Old Business
   - Review/approve minutes
   - 2019 Schedule
   - GEAR team update
3. New business
   - Review of 2018 annual report talking points
4. Deep Dive
   - Information Technology
   - GEAR 2019
5. Open Topics discussion -- Board
6. Public Comment
7. Adjourn
Opening Comments

• Welcome to 2019 -- the third year of GEAR!

• Welcome new Board members
Old Business

Review/Approve Minutes from Prior Board meeting

Sent to Board for review January 11th, 2019
New Business

2019 GEAR Board Schedule

Wednesday, January 17, 2019
9:00am to 11:00am
Haslet Armory, Conference Room 219

Tuesday, July 16, 2019
9:00am to 11:00am
Buena Vista, Buck Library

Tuesday, March 19, 2019
10:00am to 12:00pm
Buena Vista, Buck Library

Wednesday, September 18, 2019
10:00am to 12:00pm
Haslet Armory, Conference Room 219

Wednesday, May 16, 2019
8:00am to 10:00am
Haslet Armory, Conference Room 219

Tuesday, November 19, 2019
8:00am to 10:00am
Buena Vista, Buck Library
# New Business

## 2019 Deep Dive Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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</thead>
<tbody>
<tr>
<td>Wednesday, January 17, 2019</td>
<td>Information Technology Education → GEAR</td>
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<tr>
<td>Tuesday, March 19, 2019</td>
<td>P3 – Public/Private Partnership Financial Services, Education</td>
</tr>
<tr>
<td>Wednesday, May 16, 2019</td>
<td>DHSS &amp; Healthcare Criminal Justice</td>
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<tr>
<td>Tuesday, July 16, 2019</td>
<td>Information Technology Human Resources</td>
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<tr>
<td>Wednesday, September 18, 2019</td>
<td>Financial Services, Education Criminal Justice</td>
</tr>
<tr>
<td>Tuesday, November 19, 2019</td>
<td>DHSS &amp; Healthcare P3 – Public/Private Partnerships</td>
</tr>
</tbody>
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*Action: HR second Deep Dive schedule needed*
New Business

GEAR Team Update

• GEAR Annual Report Issued
  – Dec 1\textsuperscript{st} ➞ 3\textsuperscript{rd} Report posted on GEAR website
  – Dec 6\textsuperscript{th} Press release

• GEAR P3 Award to be announced January 17\textsuperscript{th} at State of the State address

• Cabinet Initiatives

• Information Technology update

• Human Resources Delivery update

• DNREC Connect

https://gear.delaware.gov/

Executive summary highlights from annual report:

• Criminal Justice
• Financial Services
• Health and Social Services
• Human Resources
• Public Private Partnerships (P3)
• Education
• Systemic recommendations to support GEAR
• Information Technology
Talking Points

• Criminal Justice
  – Support Reforms to the Criminal Code
  – Review Problem-Solving Courts

• Financial Services
  – Reintroduce Strategic Planning and Performance Budgeting Processes
  – Implement a Comprehensive Review of the State’s Banking Structure
  – Review Office Space Leases
  – Leverage Use of Delaware Population Consortium Projections across All Agencies
  – Leverage FirstMap for Data Sharing
  – Establish a State Land Inventory
Talking Points

• Health and Social Services
  – Establish Health Care Spending and Quality Benchmarks
  – Identify and Implement Overhead Cost Savings and Leverage Federal Funding
  – Increase Fees to Offset Costs of Service Delivery

• Human Resources
  – Implement and Integrate Human Resource Systems and Technology
  – Address Recommendations of the Total Compensation Study Consistent with Funding Availability
Talking Points

• Public Private Partnerships (P3)
  – Establish the Public-Private Partnership (P3) Innovation and Efficiency Award

• Education
  – Identify Strategies to Improve Cost Savings, Efficiencies and Equity within the Public Education System
Talking Points

• Systemic Recommendations to Support GEAR
  – Initiate Continuous Quality Improvement Training and Development
  – Create a GEAR Expert team

• Information Technology
  – Drive Information Technology (IT) Centralization
Information Technology

James Collins
Chief Information Officer
FOCUS: IT Efficiency – Key Excipio Findings

Current Environment
- Centralization strategy based on good intent
- Enterprise services (e.g., email, network, DELJIS, ERP)
- Technical teams competent but placed in difficult structure

Significant Issues
- Inefficient technology model
- Unenforced standards
- Outdated equipment
- Security risks
- Immature shared services model
- Potential for $11M annual savings
FOCUS: IT Efficiency – Recommended Next Steps

1. Implement a true Shared Services model
2. Establish/Reconstitute technology governance
3. Realign IT services staffing
4. Determine data center(s) strategy
5. Institute Enterprise IT vendor management
FOCUS: IT Efficiency – Current Initiatives

Review of ALL major **State IT Contracts**
- $ 200M Total FY2018 IT Contracts
- Reduce risks
- Identify savings

Establish **Desktop-as-a-Service** Contract

Update **DTI enabling statute:**
Title 29, Chapter 90c
FOCUS: IT Efficiency – Current Initiatives

IT Centralization Progress

*Core Services may include: network, email, hosting and mainframe.
* Pass-through reimbursement (e.g., licenses [DTI], PCard purchases [Accounting])
FOCUS: IT Efficiency – Desktop-as-a-Service (DaaS)

Establish new contract to procure and manage user computer devices

CapEx model is costly, cumbersome – Example:

<table>
<thead>
<tr>
<th></th>
<th>60 Month Lifecycle</th>
<th>60 Month Lifecycle</th>
<th>36 Month Lifecycle</th>
<th>36 Month Lifecycle</th>
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<td><strong>Desktop Purchase</strong></td>
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<td>$ -</td>
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<tr>
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<td>$228.00</td>
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</tr>
<tr>
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<tr>
<td><strong>Laptop - DaaS</strong></td>
<td>$456.00</td>
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Move to OpEx subscription-based, commoditized service that is flexible, responsive

- Standardize system configurations enterprise-wide
- Device upgrades vendor’s responsibility
- Consumption-based: “pay for only what you use”
- Streamlined procurement/replacement process
FOCUS: IT Efficiency – Legislative Changes

ACTION ITEM
Update DTI’s enabling statute

- Reconstitute enterprise IT governance body
  - Decision-making Technology Investment Council
  - Include Cabinet-level agency/organization partner representatives

- Require commoditized IT services (email, servers, computers, service desk, desktop support, network, telephones, data centers, mainframe) to be either delivered or brokered by DTI
  - Reassign related State IT positions to DTI
FOCUS: IT Efficiency – Budget

Revise IT Funding Model

- Convert to a **total chargeback model** and ASF funding
- **Revise service catalog** based on realistically-defined financial model
- **Standardize** Service Level Agreements (SLA) and Statements of Work (SOW) with partner agencies
- Establish and enforce **statewide standards as a cost control measure**
- Migrate to **subscription-based IT services**
- **Actively reinvest IT savings** recovered to modernize and sustain Delaware’s IT environment
FOCUS: IT Efficiency – IT Governance

Enterprise-level IT Governance Body

- Based on industry-accepted IT Services Management Policy and Governance Model
- Exercise fiscal and budgetary oversight
- Vets technology offering choices, focused on delivering enterprise digital government
- Prioritizes and oversees IT projects
- Enforces compliance with security and regulatory requirements
- Includes broad, executive-level representation
  - OMB, executive agency and other organization/branch partners
  - Subject Matter Experts
FOCUS: IT Efficiency – People

IT Resource Deployment Model

- Realign State IT Staff resources providing commoditized services
  - Special considerations to support changes and mitigate impacts
    - Merit vs. Exempt options
    - Creation of associate-level positions to facilitate transitions
    - Workforce development/training
    - Minimize work site changes
- Strategically-placed teams require northern-based IT facility to support New Castle County locations most efficiently
FOCUS: IT Efficiency – Status and Timeline

Timeline/actual implementation is dependent on successful legislative update to DTI enabling statute.
FOCUS: IT Efficiency – Critical Dependencies

Risk mitigation and effective delivery of digital government will require IT reinvestment. IT efficiency gains are based on the following assumptions:

✓ Successful legislative update of statute in FY2019
✓ Smooth 18-24 month implementation period

• Governance model deployed
• SLAs/SOWs standardized
• Chargeback model/Service Catalog
• Resource realignment completed
• Vendor Management in place
Deep Dive

GEAR 2019
GEAR Objectives for 2019

• Reinstate the First State Quality Improvement Fund (FSQIF)
• GEAR Award
• Create a GEAR Expert team
• EdGEAR
First State Quality Improvement Fund

- The First State Quality Improvement Fund (FSQIF) was created in 1996 (29 Del. C. § 6071)
- Beginning FY2009 epilogue language suspended funding of the program
- GEAR Board supported reinstating funding for the FSQIF
- New focus on building the capacity and sustainability of GEAR and other continuous improvement (CI) initiatives
- Support creating a cadre of trained practitioners throughout State with skills in project management, change management, and business process improvement
- Expect trainees to lead and implement initiatives that improve the efficiency and effectiveness of government processes and programs statewide
- FY2020 full restoration of funding ($150,000) will support training for ~20+ state employees annually
First State Quality Improvement Fund

- Legacy FSQIF does not require funding proposals to be submitted by State agencies – submission criteria/process for the Fund must be revised:
  - Trainee nominated by a Cabinet Secretary or Director
  - Trainee must have a GEAR/CI project to lead
- FSQIF certification includes a Delaware Quality Partnership (DQP) membership for the first year after the certification
- Objective is to build a community of practice, supported by DQP, to sustain continuous learning through regular meetings and workshops
GEAR-P3 Innovation and Efficiency Award

- The GEAR P3 award is a cooperative effort between the State of Delaware, Delaware Business Roundtable, and Delaware State Chamber of Commerce

- Intended as the apex award within the Delaware Governor’s Team Excellence Awards process

- The award will:
  - Recognize outstanding teams comprised of State employees
  - Leverage attributes of the existing Team Excellence award – but raise the bar considerably
  - Expand upon, and add to, the current continuous improvement criteria of the Team Excellence award
  - Seek to identify and award exemplar(s) of specific, ranked attributes

- Awards people and teams that clearly demonstrate they have risen above and beyond the expectations of their job
GEAR-P3 Innovation and Efficiency Award

• Award provides Governor with means to compensate employees directly for demonstrating commitment to sustainable continuous improvement and GEAR

• Designed to drive:
  – Innovative and efficient business processes and services
  – Connections to industry and academic partners
  – Interest in continuous improvement methodologies and project management skills
  – Understanding that these skills contribute to greater career mobility
  – Commitment of resources to formal project management, PMO, 6 Sigma, Lean, etc. training
  – Discovery of existing centers of excellence so that a formal, statewide community of practice can be formed
GEAR-P3 Innovation and Efficiency Award

• Business Community Sponsors
  – Mark Turner  WSFS
  – Chip Rossi  Bank of America
  – Gary Stockbridge  Delmarva Power
  – Ernest Dianastasis  The Precisionists, Inc.
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
- Opportunities remain unaddressed due to a lack of personnel with continuous improvement (CI) expertise -- particularly in smaller agencies
- Directed to form a GEAR Expert Team (a.k.a. “SWAT” team)
  - Comprised of experienced practitioners
  - Organized as a project management office
  - Tasked to design and execute process and service quality improvement programs statewide
- Intend to form the team from multiple State agency employees
  - Need those who can demonstrate CI expertise, project management and/or program leadership experience
- Expect to utilize additional non-State resources, i.e. loaned executives, university students, interns, and consultants as the situation requires
We are Creating a GEAR Virtuous Cycle

- Partnerships with UD and DMEP
- Methodology training 6S, Lean, other
- Seed funding for CI projects (internal VC)

First State Quality Fund

Governor and DE Business Community Award

Delaware Quality Partnership

- Recognition
- Incentivize teams and individuals
- Promote CI and GEAR brand
- Promote DE business community partnering
- Proof of progress

- Sustain the gain through a community of practice
- Broad-based training to drive interest in CI
EdGEAR: GEAR Partners with School Districts

- House Concurrent Resolution 39 (HCR 39) sponsored the School District Consolidation Task Force

- The Legislature, through HCR 94, recommended that the GEAR Board act upon recommendations regarding formal committees tasked with finding savings in the Delaware school system

- GEAR will partner with school districts to identify and implement additional strategies to improve cost savings, efficiencies and equity within public education
EdGEAR: GEAR Partners with School Districts

• 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
EdGEAR: GEAR Partners with School Districts

- The Governor supports 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”)
- 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
• Open topics Discussion – Board
• Public Comment
Adjourn
Contact

Please direct any inquiries about the Delaware GEAR program to:

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