



**Government Efficiency and Accountability Review (GEAR)
Board Meeting Minutes**

November 14, 2018

8:00am to 10:00am

Conference Room 219, Haslet Armory, 122 Martin Luther King Jr. Blvd. South
Dover, DE 19901

FINAL

Introductions

Secretary Geisenberger opened the meeting at 8:00 am and announced that there is a quorum. Director Myran added that there is a tight schedule today because some members will need to leave early. Today's deep dive presentations will be on DHSS & Healthcare and P3 Public Private Partnerships. Director Myran explained that Mr. Dianastasis will be appearing remotely by phone. The deep dive presentations will occur in the first half of the meeting. The second half of the meeting will be devoted to discussing and finalizing the Annual Report which will be delivered to the Governor on December 1, 2018.

Board Member and/or Designees in Attendance:

The Honorable Rick Geisenberger, Secretary of Finance, Department of Finance

The Honorable James Collins, Secretary of the Department of Technology & Information
Chris Cohan, designee for The Honorable James Collins

Nohora Gonzalez, designee for The Honorable Ken Simpler, State Treasurer, Office of the State Treasurer

The Honorable Michael Morton, Controller General, Office of the Controller General

The Honorable Susan Bunting, Secretary of Education, Department of Education

The Honorable Leo Strine, Jr., Chief Justice of the Supreme Court
Evelyn Nestlerode, designee for The Honorable Leo Strine, Jr.

The Honorable Kara Odom Walker, Secretary of Health & Social Services, Department of Health & Social Services
Lisa Bond, designee for The Honorable Kara Odom Walker

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Ernest Dianastasis, CEO of The Precisionists, Inc., by phone

Bryan Sullivan, designee for The Honorable Michael Jackson, Office of Management & Budget

The Honorable Sandra Ross Johnson, Secretary of Human Resources, Department of Human Resources

Barbara McCleary, designee for The Honorable Sandra Ross Johnson

Other Attendees Introductions

- Jim Myran, Program Director for the GEAR Initiative, Department of Finance
- Donna Owens, Division of Revenue, Department of Finance
- Laurel Burns, Department of Finance
- Robert Zimmerman, Chief Operating Officer, Department of Natural Resources & Environmental Control
- Glen Gray, Computer Aid, Inc.
- Chuck Longfellow, Department of Education, Operations Support Team
- Dan Madrid, Office of the State Treasurer
- John Marinucci
- Julie Steward
- Jill Fredel, DHSS
- Emily Thomas, Office of Management & Budget
- Annie Norman, Department of State

OLD BUSINESS

Review/Approve Minutes

The meeting minutes from the September 18, 2018 GEAR meeting were sent to GEAR members in advance on November 1, 2018 for review.

Controller General Morton made a motion to approve the September 18, 2018 minutes.

Secretary Bunting seconded the motion.

All in favor: Unanimous

The minutes from the September 18, 2018 meeting are approved. The FINAL version will be posted on the Public Meeting Calendar and on the GEAR website.

PROPOSED 2019 GEAR Board Meeting Schedule

Director Myran announced that this is the last meeting of 2018 and that it is time to begin planning the 2019 schedule of meetings. He presented a schedule of meetings for 2019, very similar to the 2018 schedule, and assured everyone that meeting rooms have been reserved. He also presented a 2019 schedule of deep dive presentations. Education and IT will be the first focus groups to present in 2019 on January 17, 2019.

Secretary Geisenberger added that a few adjustments in the meeting schedule may occur to accommodate certain State agencies like DNREC, and others, that want to become more involved in the GEAR meetings.

NEW BUSINESS

GEAR Team Update

Director Myran mentioned that the focus area updates have all been done on the GEAR website and the 4-Blockers have been published. He briefly mentioned activities that have occurred in the P3 team meetings, the Financial Services Delivery team meetings and meetings that have occurred with the School District business managers.

GEAR Second Annual Report

Director Myran reiterated that the preliminary discussion and review of the Second Annual Report will happen in the second half of today's meeting. He highlighted the following deadlines:

Nov 19 th	Final comments due from Board members
Nov 21 st	Final version of the report is mailed to Board members
Dec 1 st	Presentation of the report to the Governor and the public

Secretary Geisenberger added that the one thing that is not included today is the Executive Summary. It has not been written yet. The total size of the report has doubled compared to the first year. He is planning to put together a summary of the core thoughts that would be about two or three pages long and it will be distributed to Board members as soon as it is completed.

DEEP DIVES

DHSS & HEALTHCARE

The Honorable Kara Odom Walker, Secretary of Health & Social Services, and Lisa Bond, the Director of the Division of Management Services, proceeded to explain in detail the goals that the Department of Health & Social Services (DHSS) is working on now. One of the most important projects has been the establishment of health care spending and quality benchmarks. These are sorely needed in Delaware, a state with the third-highest per capita personal health care spending in the United States. The cost of healthcare is spiraling out of control. The highest rate of increase is seen in the private sector. Ms. Bond stated that Delaware needs more transparency in healthcare spending and to focus on keeping people healthier in general instead of just treating episodic urgent events.

Several recommendations were made in the 2018 report to the Governor:

1. The spending benchmark should be a percent of the Potential Gross State Product (PGSP).

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2. The benchmark should stay in place for five years.
3. DEFAC should be involved through the creation of a Health Care Spending Benchmark Subcommittee.
4. The Health Care Commission (HCC) should also be involved.

The following three quality benchmarks are in need of revision most urgently:

1. ER Visits
2. Opioid Addiction
3. Cardiovascular Disease Prevention

The focus should be on rewarding people, not penalizing them. The speakers provided a useful list of references which can be accessed in the written presentation at <https://gear.delaware.gov/reports-publications/>.

DHSS is focused on saving money in two different areas:

1. Reducing Operational Costs
 - a. Overtime calculation
 - b. Leases
 - c. Fleet Services (State vehicles)
 - d. Energy
 - e. Postage
2. Increasing Revenue
 - a. Better utilizing federal funding
 - b. Fee Revisions

A lengthy discussion ensued regarding whether fee increases should be made a part of the budget process, which is done annually, or whether fee increases should be set up on an “auto-pilot” system that would increase in increments to cover the cost of the service and inflation without any voting or change in legislation. Secretary Geisenberger suggested that this question would be best answered by forming a GEAR subcommittee that could compare different models in detail.

Ms. Bond concluded by reminding everyone that since the DHSS is so vast, consisting of eleven divisions and 194 services, even minor changes in several different areas could result in huge savings.

P3 PUBLIC PRIVATE PARTNERSHIP

Mr. Dianastasis, appearing by phone, began his presentation by introducing the twelve members of the PS Public Private Partnership Task Force. He reviewed the three categories of opportunities that this task force is focusing on: Aspirational, Strategic, and Tactical.

One of the biggest accomplishments of 2018 is the establishment of the Public/Private Innovation and Efficiency GEAR Award. It is an annual award to recognize and incentivize

individuals or groups of Delaware state employees who can demonstrate successful implementations of innovative, continuous improvement projects. The award will provide direct monetary incentive to awardees. The Delaware Business Roundtable and the Delaware State Chamber of Commerce have been supportive and several companies from the private sector have already invested in this project including the Bank of America, WSFS, Delmarva Power, and The Precisionists.

Secretary Geisenberger mentioned that Mr. Dianastasis has already managed to raise a total of \$12,500 and the Department of Finance has agreed to match that donation so the committee is starting out with a base foundation of \$25,000. There is also hope that an amount will be appropriated in the 2020 fiscal budget that will continue to fund this project.

The head of the State Chamber of Commerce, Mike Baranta, has been involved in discussions with Secretary Geisenberger about future continuity and expansion. Ms. McCleary spoke up to mention how the Department of Human Resources has also been involved in aligning this award with other awards and recognitions that are already in place. The first deadline for submission of candidates is coming up soon.

Mr. Dianastasis also explained that this task force is seeking to be involved in the implementation of the Delaware Governmental Accountability Act. This task force can be especially helpful in four areas:

1. A robust strategic planning process
2. Meaningful performance metrics
3. Evaluation methods
4. Continuous process improvement feedback loops.

Secretary Geisenberger weighed in on this issue by reminding everyone that, first, the goal is to get the Delaware Governmental Accountability Act passed. Then, the next step will be to put projects in order of priority. There are many areas where the State will be grateful for help that the private sector can provide. The loaned private-sector executive program may be one of the most helpful.

Secretary Johnson brought up the issue of implementing an e-filing system and that help from the private sector would be greatly appreciated. Director Myran confirmed that this is exactly the kind of project that would fit into this scenario.

Mr. Dianastasis continued his presentation by mentioning another proposal, a public/private Grant Proposal writing team that could be used to significantly increase Delaware's chance of winning grant money and awards. Secretary Walker and Secretary Bunting added that focus must also be made on raising funds to staff new projects, once a grant has been awarded.

The last project that Mr. Dianastasis highlighted was the development of the next generation of a workforce that is prepared to deal with all the improvements in digital communication. Secretary Collins also commented about how important education is in this area. Both public and private sector hiring managers are looking for a workforce with top-level computer skills. Private

companies like Microsoft, Apple, Amazon and Google are very involved in this. There have been legislative changes such as requiring computer skills to be taught at the middle school level. Secretary Johnson added that this need for computer skills filters up into the recruitment of employees with engineering experience or special licensing. This initiative would benefit both the public and the private sectors.

GEAR Annual Report: Review & Comments

The last half hour of the meeting was used for review and comments regarding the GEAR Annual Report. The report was sent out to Board members to preview on November 7, 2018. Director Myran reminded everyone that the last chance to make changes will be on November 19, 2018.

Secretary Geisenberger explained that, after today's meeting, work will begin on a 3-page Executive Summary.

Secretary Johnson suggested that connections between ideas and connections between agencies be made clearer. Chief Justice Strine agreed that this is important and that this is the main purpose of the GEAR Board. Ms. McCleary suggested that the Executive Summary might be the place to spell out these connections. Secretary Collins added that the Executive Summary could be the place to mention accomplishments, such as the completion of the state-wide IT assessment.

Secretary Geisenberger stated that, in terms of working toward a goal for next year, he would like to see more and more specific monetary savings. He said that the public, as well the legislature, will respond most strongly to definite dollar amounts. The report is twice as long as the report that was submitted last year.

There was some discussion about whether the next report should be agency-based or theme-based. This discussion will be taken up in the New Year.

PUBLIC COMMENT

An observer from the Delaware State Education Organization asked if public comment was accepted on the report. Director Myran explained that public comment is always accepted on the GEAR website at <https://gear.delaware.gov/> and that this report will be posted on the website on December 1, 2018. The recommendations in the report are made specifically to the Governor.

ADJOURN

At 10.07am, Secretary Collins made a motion to adjourn and Lisa Bond seconded.

The meeting was adjourned at 10:08 am.