

Government Efficiency and Accountability Review (GEAR)

Board Meeting Minutes

May 15, 2018, 10:00am to 12:00pm

FINAL

Introductions

Secretary Geisenberger opened the meeting at 10:00 am and cautioned everyone that there is a full agenda ahead and he will keep the meeting moving along. He announced that deep dive presentations will be given in Criminal Justice and Health Care, as well as discussion of some legislative matters.

Board Member and/or Designees in Attendance:

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

The Honorable James Collins, CIO, Department of Technology & Information

Jason Clarke, designee for The Honorable James Collins

The Honorable Ken Simpler, State Treasurer

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

Karen Field Rogers, designee for The Honorable Susan Bunting

The Honorable Leo E. 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 Walker, Secretary of Health & Social Services

Ernest Dianastasis, CEO of The Precisionists, Inc.

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

Barbara McCleary, designee for The Honorable Sandra Ross Johnson, Department of Human Resources

Other Attendees Introductions

- Jim Myran, Program Director for the GEAR Initiative, Department of Finance
- Donna Owen, Division of Revenue, Department of Finance
- Laurel Burns, Department of Finance
- Trudy Mifflin, Department of Human Resources
- Lynn Gedney, Operations Manager, Delaware Criminal Justice Information System (DELJIS)
- Art Jenkins, Office of the Controller General
- Dan Madrid, Office of the State Treasurer
- Robert Zimmerman, Chief Operating Officer, Department of Natural Resources & Environmental Control
- Amy Bonner, Deputy Director of the Office of Management & Budget
- Brian Calio, Department of Health & Social Services
- Verna Cole, Department of Health & Social Services
- Chris Cohan, Department of Technology & Information
- Daniel Gabriel
- Kathy McGuiness, Commissioner of the City of Rehoboth Beach
- Glen Gray, Computer Aid, Inc.
- Ken Kelman, Judiciary Information Center

OLD BUSINESS

Minutes

Secretary Geisenberger announced that the minutes from the last meeting on March 14, 2018 have previously been sent around to the Board members to review. He accepted a motion from Mr. Dianastasis to approve the minutes as is. Treasurer Simpler intervened and asked if one section of the March minutes could be re-done. Ms. Burns agreed to revise the section of Treasurer Simpler's presentation on Banking Architecture and send it to the Office of the Treasurer for review. The March minutes were approved, with the provision that the Banking Architecture section can be revised and resubmitted.

All in favor: Unanimous

The Minutes from the March 14, 2018 meeting are approved, pending revision of Banking Architecture.

2018 GEAR Board Schedule

Director Myran reviewed the schedule for 2018 and asked everyone to update their calendars. The next meeting will occur on July 11, 2018 in Dover.

GEAR Team Update

Director Myran quickly reviewed what the GEAR team has been doing since the last meeting. He mentioned that the website continues to be very active and thanked members who have written articles for posting. He also thanked the various task forces for continuing to update 4-Blockers and other documents. He announced that, in other news, the Education Task Force has concluded that GEAR will be involved in educational reforms in some capacity, with the details as yet to be determined.

Secretary Geisenberger explained that the Education Task Force consisted of four different subcommittees. Secretary Geisenberger, along with Mr. Myran and Mr. Sullivan, became particularly involved in the Structure Subcommittee. This committee did not decide whether or not to consolidate the school districts but, instead, it looked at ways the State can consolidate facilities, management, human resources, nutrition services, and IT. Secretary Geisenberger described these areas as “back-office educational support services.” The GEAR team learned that some of the groups, like the nutritionists, do meet frequently to share best practices but, other groups, such as the facility managers, rarely get together. It is thought that GEAR’s involvement will open up new opportunities within the Structure Subcommittee.

Secretary Collins mentioned that there is a movement to put together an overall governance group for the State. Secretary Geisenberger agreed and qualified that some groups will be statewide and some will not be. He mentioned, for example, that the facility managers can be supported on a county-wide basis. He finished by stating that he is happy with the results and asked Secretary Bunting if she had any comments.

Secretary Bunting stated that the Education Task Force was a very interesting experience. She participated in the group discussing academic needs and they identified ways that the Department of Education can better support students:

1. Support for ELL (English Language Learners)
2. Increasing access to mental health services for all students
3. Language support.

She made the point that some of the ideas do involve money for funding. In the end, her group came up with eleven proposals for supporting students throughout the State.

Lastly, Secretary Geisenberger asked for an update on the GEAR website. Mr. Myran reminded everyone that the GEAR website has been

up and running since November of 2017 and it continues to provide helpful feedback.

Secretary Collins gave a brief update on IT Centralization by explaining that the data-gathering portion of the project has been completed and the vendor has had a chance to validate the results. The report will become available to the public as early as this summer.

Ms. McCleary updated everyone on Human Resources Centralization. She reported that the Department of Human Resources is currently working with the Office of Management & Budget to establish funding guidance on the various positions. The Department of Human Resources is planning to have meetings with each of the cabinet secretaries and their human resources staff on their own sites. They will ask each site to paint a picture of what human resources currently looks like in their own agency.

Secretary Geisenberger added that meetings have occurred with the Office of Management & Budget, the Department of Finance, and with other agencies, for the purpose of establishing reliable metrics so we get an accurate picture of each agency's set-up. He compared this process to what happened when IT services were consolidated throughout the State. Much has been done, but there is still a lot to do.

NEW BUSINESS

Director Myran updated everyone on the developmental progress of the 4-Blocker. They are to be submitted by each task force two days before every meeting and will be posted for the public to view before the meeting. This is the State's tool to address our need for transparency.

A new step has been added to the 4-Blocker template. It's a little box located in the upper right hand corner called a "progress indicator." It

shows the project ***priority*** with the number 1, 2 or 3 and the project ***status*** with the color green, yellow, or red. Please see the chart below:

Project Priority

1. Urgent: Problem must be addressed immediately. High value to organization. High rate of investment. Critical public relations concern. Large opportunity cost. Highly impactful to customers.
2. Important: Must begin addressing problem in current year. Valuable to organization. Costly if not addressed. Rate of investment is significant. Public relations concern. Impactful to customers. Identifiable opportunity cost.
3. Opportunity for consideration: Undetermined or minimal value to organization. Some cost impact if not addressed. Low Rate of investment. Minimal public relations concern. Minimal impact on customer. Minimal opportunity cost.

Project Status

1. Green: The project is performing to plan. All aspects of project viability (time, cost, scope) are within tolerance. No action required.
2. Yellow: A problem has a negative effect on project performance but can be dealt with by the project manager or the focus area team. The project sponsor(s) must be notified.
3. Red: There are significant issues with the project. The project requires corrective action to meet business objectives. The issue cannot be handled solely by the project manager or focus area

team. One or more aspects of project viability (time, cost, scope) exceed tolerance set by project sponsor or board.

The main reason for adding this project indicator is to give us a way to answer specifically when asked the question, “How is GEAR going?” It’s recommended to give quantitative answers which include specific examples.

Director Myran also talked about how to address questions regarding the public feedback coming from the website. It’s recommended to be able to explain exactly what is being done with that feedback. The GEAR team has created four categories to sort the incoming comments into. The agencies are responsible for categorizing the comments after they have been received. Please see below:

1. Important and actionable
2. Informative but requires follow-up to determine if actionable
3. General suggestion.
4. Not actionable.

Director Myran reminded everyone that we are not the only state attempting to do this kind of a project. GEAR is actively seeking examples of ideas that have worked well in other states.

Secretary Geisenberger pointed out that not only is this the right thing to do but, also, the public, as well as the Governor’s office, is beginning to ask the question, “What, exactly, is GEAR doing?” We’re also beginning to get Freedom of Information Act (FOIA) requests and we are compelled to respond to those in a timely manner. Since GEAR is dealing with information that has been submitted to the government, the public has a right to view it in a redacted format.

GEAR has also been working with the Governor's Office and getting input from their website, Delaware.gov/ideas, which has been around for about a decade.

GOVERNMENT ACCOUNTABILITY ACT (GAA)

Mr. Sullivan gave an update on the progress of the Government Accountability Act (GAA) and thanked everyone who submitted input for revisions. He explained that the main point in revising the act is to shift the focus from the budget *books* to the budget *process*. The GAA makes the annual budget process a part of the performance management system dedicated to continuous process improvement by reducing costs and making government more efficient.

The current revision was approved by the GEAR Financial Services Delivery Team on May 4, 2018. Today, Mr. Sullivan is seeking formal endorsement from the entire GEAR Board and approval of all of the revisions in preparation for submitting the revised act to the General Assembly in May 2018.

Once accepted, the implementation phase will begin in the FY2022. As the revisions take place, Mr. Sullivan is hoping for helpful feedback from all of the GEAR members. The initial implementation is designed to take place over a 3-to-5-year period. The most important goal is to reduce the burden on the agencies. Each agency will have a strategic planning template to fill out and be reviewed every four years. Also, the agencies would be divided into eight policy area groups. The proposed groups are as follows:

1. **Criminal Justice:** Judicial, Legal, Department of Corrections (DOC), Department of Safety & Homeland Security (DSHS), the Criminal Justice Council (CJC), the Delaware Criminal Justice Information System (DELJIS), the Statistical Analysis Center (SAC)

2. **Health/Human Services:** Department of Health & Social Services, Department of Services for Children, Youth, & Their Families (DSCYF), the Governor’s Advisory Council for Exceptional Citizens (GACEC)
3. **Education:** Department of Education (DOE), University of Delaware (UD), Delaware State University (DSU), Delaware Technical Community College (DTCC), Delaware Guidance Services (DGS), Delaware Institute of Veterinary Medical Education (DIVME)
4. **Financial Services/Human Resources:** Office of Management & Budget (OMB), Office of the State Treasurer (OST), Department of Human Resources (DHR), Department of Finance (DOF), Department of Labor (DOL)
5. **Transportation:** Delaware Department of Transportation (DelDOT)
6. **Environment/Agriculture:** Department of Natural Resources & Environmental Control (DNREC), Delaware Department of Agriculture (DDA)
7. **Elected Officials:** Legislature, Office of the Governor (OGOV), Office of the Lieutenant Governor (LtGOV), Auditor of Accounts (AOA), Insurance Commissioner (InsComm), Elections
8. **Other:** Delaware State Housing Authority (DHSA), Department of Technology & Information (DTI), Department of State (DOS), Fire Prevention Commission (FIRE), Delaware National Guard (DNG)

The purpose of this is to make it a less of a burden, and to make the process useful to the agencies. Also, the Governor and the Joint Finance Committee will be required to use the information gathered on performance metrics in the budget process and decision-making.

The goal today is to get the endorsement from the GEAR Board on the two documents submitted here. Then, the documents will be taken to the Joint Finance Committee and they will bring the act before the Legislature. Ideally, the Governor will sign it into law at the end of this legislative session.

Chief Justice Strine stated that he felt that the accompanying side document implementation plan was actually more helpful than the act itself. He stressed that we need to hear a solid commitment to the agencies that they will be supported in this new process.

Treasurer Simpler proposed forming a small subcommittee of GEAR members who would commit for the next week to finalize the revisions.

The Chief Justice clarified that the Judicial Branch supports the GAA unconditionally but wants to suggest that GEAR re-address this issue again in more detail coming up in January of 2019.

Secretary Geisenberger argued that he is anticipating a number of changes to be taking place this year in the General Assembly and, specifically, in the Joint Finance Committee and he would rather get this done now. He pointed out that there have already been many conversations around this with members of the Joint Finance Committee and he would hate to backtrack.

The Chief Justice reiterated that he fully supports the revisions but that the second document is much more realistic and would be good to use to set up the structure. He said the first document looks like an old document that has been dusted off for re-use. He worries that staff may look at it as just another version of the annual review.

Secretary Geisenberger stated that he believes that the implementation plan needs to have some flexibility. It will need to be adjusted on an annual or quarterly basis.

The Chief Justice stressed the importance of avoiding the attempt to review all the agencies all at once every year. It is already clear that this doesn't work. The GAA is creating a schedule that will allow agencies to be reviewed periodically and grouped with other similar agencies. The

new GAA needs to be clear that this is not just the same old methods being used again.

Mr. Sullivan pointed out that it is clearly stated in the §10506 Implementation section as follows: “When reviewing agency strategic plans, performance metrics and agency performance, the Director of the Office of Management and Budget and the Controller General may consider grouping agencies into policy areas for the purpose of staggering said reviews. When agencies are already undertaking significant measurement or reporting responsibilities, the Director of the Office of Management and Budget and the Controller General may consider that these responsibilities can be used to meet the performance management system requirements under this Act.” So, it’s clearly stated that it will be a high-level view and that agencies will not be all reviewed at once.

Secretary Geisenberger proposed changing “may consider” to “shall consider.”

The Chief Justice added that §10502 (a.) starts out with the wording: “the annual budget process should...” It starts out using the word “annual” and wouldn’t that imply that it will be done every year? It sounds too much like previous budget proposals such as the one done in the last year of Governor Markell’s term. That was a waste of time and the agencies didn’t get anything in return for all the work.

The Chief Justice also brought up the question, “How is the Joint Finance Committee (JFC) going to do the oversight?” The JFC needs periodic review more than any of the other agencies. It is a terrible feeling to spend lots of time on a review that you know nobody is going to look at. He clarified that he thinks the first document should more closely match the second document.

Ms. McCleary added that the issue of training is not fully addressed. The key point to change at any time is to provide ample training for the new

policy to be facilitated. It would be a benefit to have some reference to that training and what it would look like in the initial document. Will agencies need help implementing the strategic planning or even understanding some of the terminology? Training is necessary if you want consistent results.

Chief Justice Strine pointed out that the document should also address who will provide the guidance in order to avoid repeating past mistakes when the agencies endured high turnover in analysts in OMB. He reminded everyone that the Judicial went through seven analysts in just three years. In order to succeed, each agency needs to have its own stable key contact person in place.

Treasurer Simpler made the point that there are four key pillars to this system. They are mentioned in the Preamble:

1. Strategic Planning
2. Development of Performance Measures or Metrics
3. Measuring the Outcomes Relative to those Metrics
4. Incorporating the Metrics into the Budget Process

The Treasurer expressed concern that these four key pillars are not clearly explained in the act and this may create confusion. It is a cumbersome and comprehensive process with four distinct parts and the needs of each of those parts has to be addressed in order to be successful. That being said, Treasurer Simpler repeated that he supports the intent 100%.

Secretary Bunting spoke up to add that the DOE also supports the intent of the act but she is concerned about a bill that Senator Sokola is introducing to the legislature that addresses educational transparency. A comparison with the GAA is essential to make sure there are no conflicts between the two. She does not want staff to be forced to do two different things that are in conflict with one another.

Secretary Geisenberger brought up the fundamental question about whether GEAR wants to complete this revision this year or not. Time is running out for making numerous changes.

Mr. Sullivan revealed that the revisions have been initially introduced to the JFC. He stated that it sounds like the GEAR members are supportive but want to see more details written into the act.

Treasurer Simpler proposed passing it now and returning to it again next year to add specific details.

Amy Bonner of OMB proposed trying to get it passed now and that adding details later would only make it better.

Secretary Geisenberger pointed out that, in the end, the OMB Director and the Controller General are the ones that will have to implement this. If there are sections that need more detail we can always come back to them next year. He stated that he thinks there is momentum right now to get it accepted. Sending the message now will help the JFC when they get ready to start their process.

Mr. Sullivan asked if he should circulate the documents one more time to the Board for comments.

The Chief Justice reiterated that he fully supports the revisions and added that he thinks that it must be implemented by more than just the OMB Director and the Controller General. He argued against sending the documents around for comments another time.

Chief Justice Strine moved to approve, generally, the concept of the GAA and support giving the Chairman the discretion to finalize the legislation for introduction to the General Assembly during this period that we are in now.

The motion was seconded by Treasurer Simpler.

All in favor: Unanimous

The motion was passed.

Secretary Geisenberger clarified that he will work with a small group to do some “word-smithing” and that GEAR will plan to address this in more detail sometime in January or February of 2019. The two-page document may increase in size at that time.

Chief Justice Strine proposed that Director Jackson and Secretary Geisenberger select one grouping of agencies to go first as a pilot. Then, we could revise the wording at the same time that we are trying it out for the first time.

Treasurer Simpler asked Mr. Sullivan if, in the future, he could provide more detailed information about the groupings of the agencies. He proposed adding information on dollar amounts, percentages, headcount and budget to explain why certain agencies are grouped together. Chief Justice Strine even proposed that some agencies may not fit into just one grouping.

Mr. Sullivan thanked everyone for their input and Mr. Myran announced that the meeting will now move into the second half which consists of the deep dive presentations by the Criminal Justice Task Force first and, then, the DHSS & Healthcare Task Force.

CRIMINAL JUSTICE

Evelyn Nestlerode began the presentation regarding Criminal Justice by explaining that the focus group received helpful input from many agencies including the Department of Correction (DOC), Department of Safety & Homeland Security (DHS), the Delaware Criminal Justice Information System (DELJIS), the Criminal Justice Council (CJC), the Department of Technology & Information (DTI), the Department of

Finance (DOF), and the Office of Management & Budget (OMB). The 4-Blocker that was submitted today goes into all of the areas they are working on but, today, they will focus on just five of those:

1. Improved Criminal Code
2. Standard Sentencing Orders
3. Electronic Bail Payments
4. E-Filing
5. Data Sharing & Other Technology Issues.

Ms. Nestlerode pointed out #5, Data Sharing & Other Technology Issues, came into play in almost every single topic that the focus group addressed. She introduced Amy Quinlan who has served as the State Court Administrator for a little less than a year.

Ms. Quinlan started by stating that she has been working on the project of improving the Criminal Code since it was begun. The Criminal Justice Improvement Committee was created back in 2014 in the FY 15 Budget Act by the Joint Finance Committee. This group was asked to look at the foundational document. Currently, this document is full of redundancies and ambiguities but it wasn't always that way. Back in the 1970s, this code was created to be easy to read and easy to understand for all. However, it is no longer like that. Over the past 40 years, crime by crime was added to address specific situations and this was done without any overall consideration of the entire code. It has grown from less than 100 pages to a little over 400 pages.

People such as Judge Wharton, Judge Strine and Judge Carpenter were selected to serve on this committee along with members from ODS and the Attorney General's Office. Judge Wharton is probably one of the most experienced and well-respected prosecutors in the state, and Judge Carpenter was Ronald Reagan's U.S. Attorney. The Chief Justice explained that they are far to the right of any of our elected officials in the Judiciary but they are not soft on crime. Professor Robinson from the University of Pennsylvania was added in January of 2015.

Ms. Quinlan tried to give everyone an idea of the immensity of this project by explaining that misdemeanors and felonies are not currently contained in just Title 11, Title 16 and Title 21 that we are all familiar with. Misdemeanors and felonies are spread throughout numerous titles in the entire code. The committee created a huge database and then started to group and categorize and create an overall structure. They produced a preliminary report in March of 2017.

A huge emphasis was put on being transparent throughout this process. The DRAFT versions were shared with the Attorney General's Office, Law Enforcement, victims' groups, the General Assembly. Public hearings were held throughout the State and comments were collected. The Attorney General's comments alone were more than 80 pages!

All this work led to the drafting of two bills, SB209 and SB210 which are currently before the legislature for a vote. These bills have support from both Republicans and Democrats.

These bills contain a 20-month implementation period. Everything that is a felony or a motor vehicle crime will be in Title 11. Administrative crimes will be addressed in SB210. For example, a felony currently listed in Title 30 will be stricken and moved to Title 11. Ms. Quinlan emphasized that this code reform is not a re-write of the code. It is taking the existing code and fitting it into an overall structure. This will lead to sentencing guidelines, model jury instructions, bail reform and other reforms. Great care has been taken so that no part of the code is lost. The main emphasis is put on violent crimes, sex crimes and gun crimes. There is a cost involved in doing this but there is an even greater cost in *not* doing anything! Serious problems occur when the code is not clear.

Ken Kelman, the Deputy Information Systems Manager for the Judicial Information Center, spoke next about the need for reform in sentencing guidelines. The problems that the courts are dealing with now are

inconsistent forms, handwritten notes, paper documents, and the faxing of documents. The process desperately needs to be streamlined.

Time will be saved in staff time in the Department of Correction as well as in the reduction of errors. Once the information is entered into the system, it will not need to be entered again. Orders will be sent electronically.

The date of implementation is projected to be June of 2018. It has been estimated that this initiative will save at least 1,040 hours of staff time annually. In 2014 alone, there were 41,553 sentence calculation made with 18 defects and one known lawsuit. The total savings to the State has been calculated at \$2,250,000 per year! A detailed log of every step is being recorded to reduce errors.

DHSS & HEALTHCARE

Karen Odom Walker discussed the Delaware Department of Health & Social Services (DHSS). She explained that Delaware is ranked 30th in America's Health Rankings and that healthcare is currently the fastest growing expense in the state. Compared to other states, Delaware is the 3rd highest spending state in healthcare and this amount is projected to double between 2015 and 2025.

She explained that reform of the healthcare system in Delaware needs to be addressed urgently and that benchmarks in healthcare are needed. It was also agreed that it's essential that Delaware starts talking to other states to see what they are doing.

Lisa Bond took over to explain in detail how the Department of Health & Social Services is constructed. Here are the 11 divisions included in it:

1. Management Services
2. Public Health
3. Medicaid & Medical Assistance
4. Substance Abuse & Mental Health
5. Developmental Disabilities
6. Visually Impaired
7. Aging Adults with Physical Disabilities
8. Child Support Services
9. Long Term Care Residents Protection
10. Social Services
11. State Service Centers

Ms. Bond explained that centralizing medical billing functions in the state is currently being considered as a way to 1) decrease staffing levels; 2) increase revenue; 3) promote consistent practices; and 4) address succession planning.

A great deal of discussion centered around DHSS Fleet Services which manages a total of 322 block vehicles, many of which are being underutilized. Reform in this area is projected to save as much as \$350,000. One possibility is to get rid of most of the vehicles and just keep a few vehicles on hand for limited use.

Reducing overtime is another topic that inspired lengthy discussion. Chief Justice Strine suggested that we learn from the mistakes that were made in the Department of Correction. The system did not work well and it was extremely difficult to take vacation time. Ms. Bond pointed out that reducing overtime is a cost saving opportunity that could be implemented throughout the whole state.

The next topic discussed was the use of office space throughout the state. Ms. Bond pointed out that an excellent opportunity is coming up next year. As many as 70% of the leases statewide are up for renewal at the same time! Two DHSS office moves are currently in progress. Staff is evaluating the savings that could be generated by moving into state-

owned space. Mr. Dianastasis proposed looking outside the box at such alternative working environments as work-from-home, collapsed office space, telecommuting and others.

Also, a major analysis has been conducted of the DHSS fee structure throughout the state. These fees have not been raised in at least 10 years and could bring in a large increase of revenue. Chief Justice Strine recommended that an “automatic increase” be put in place for all fees. As many as 1.8 million dollars in fee increases have been identified.

In summary, DHSS has established a “Healthcare Financing Workgroup,” reviewed and updated the cost allocation plan including an increase in the federal funding for IT staff by 1 million dollars, worked on centralizing billing, and looked at the possibility of having partners partially match federal grant funding.

Secretary Geisenberger reminded everyone that Criminal Justice will present again in September of 2018 and DHSS will present again in December 2018. He also went over the details of HR8, the Budget Smoothing bill being introduced to get the state out of an 8-year cycle of revenue increases and decreases. The purpose of the bill is to even out the curves that are created by the change in the amount of revenue from year-to-year. It would produce a smoother growth curve. This report is available on the Department of Finance website.

PUBLIC COMMENT

There was no comment from the public.

ADJOURN

Secretary Geisenberger made a motion to adjourn. Treasurer Simpler seconded it.

The meeting was adjourned at 12:30pm.