



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

September 18, 2018
9:00am to 11:00pm
Buck Library, Buena Vista Conference Center, 661 S. DuPont Highway
New Castle, DE 19720

FINAL

Introductions

Secretary Geisenberger opened the meeting at 9:00 am and announced that today's deep dive presentations will be on Financial Services Delivery and Education.

Board Member and/or Designees in Attendance:

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

Chris Cohan, designee for The Honorable James Collins

The Honorable Ken Simpler, State Treasurer, Office of the State Treasurer

Art Jenkins, designee for the Honorable Michael Morton, Controller General

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

The Honorable Leo Strine, Jr., Chief Justice of the Supreme Court

Amy Quinlan, designee for The Honorable Leo Strine, Jr.

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

Ernest Dianastasis, CEO of The Precisionists, Inc.

The Honorable Michael Jackson, Director, Office of Management & Budget

Bryan Sullivan, designee for The Honorable Michael Jackson

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
- Amy Bonner, Office of Management and Budget
- Glen Gray, Computer Aid, Inc.
- Greg Lane, Department of Technology & Information
- Janet Villarreal, Department of Health & Social Services
- Cheryl Heiks
- David Edgell, Office of Management & Budget
- Marynash Wilson, Office of Management & Budget
- Miriam Pomilio, Office of Management & Budget
- Chuck Longfellow, Department of Education, Operations Support Team
- Jamie Croce
- Dan Madrid, Officer of the Treasurer
- Evelyn Nestlerode, Controller, Supreme Court
- Erin Goldner

OLD BUSINESS

Review/Approve Minutes

The meeting minutes from the July 11, 2018 GEAR meeting were sent to GEAR members in advance and have been reviewed.

Mr. Dianastasis made a motion to approve the July 11, 2018 minutes.
Treasurer Simpler seconded the motion.
All in favor: Unanimous

The minutes from the July 11, 2018 meeting are approved. The FINAL version will be posted on the Public Meeting Calendar.

2018 GEAR Board Meeting Schedule

Director Myran announced that the next meeting will occur on November 14, 2018 from 8:00am to 10:00am at the Haslet Armory, Conference Room #219. This will be the last meeting of 2018.

GEAR Team Update

A spokesperson from each task force gave a brief update on recent activities.

DTI: Mr. Lane mentioned IT updates that have been accomplished utilizing over sixty people.
DHR: Ms. McCleary described the transfer of staff from each agency to DHR with two meetings completed and four more to go.

P3: Mr. Dianastasis announced exciting news about a GEAR initiative creating a new category of employee excellence recognition called “Innovation & Process Improvement.”

DHSS: Ms. Bond gave an update on the \$4.5 million project to replace indoor/outdoor light fixtures in 46 buildings.

NEW BUSINESS

Annual Report

Discussion centered around the timeline to complete the 2nd Annual GEAR Report which is due to the Governor on December 1, 2018. Director Myran stated that the format will be the same as last year:

Focus Area #1

Introduction

Prior Year Initiatives

Status of Prior Year Recommendations

Future Plans

The DRAFT version of the report will be ready for review and approval by the members on November 14, 2018.

DEEP DIVES

Financial Services Delivery

Improve Data Integration & Mapping

Mr. Edgell and Ms. Pomilio gave a detailed overview of the efforts to improve data integration and mapping in Delaware. At issue is the current use of multiple data sources throughout the State to make decisions. This leads to duplication of efforts, conflicting and competing analyses, and higher costs. In 2016, a valuable tool for collecting geospatial data, known as FirstMap, was launched but without any formal statewide oversight. A subcommittee has been formulated to effectively manage FirstMap.

DelDOT has offered to pay for the creation of the Recommendation document but support is needed from all agencies. It is hoped that GEAR can come into play once there are recommendations to attain dedicated funding.

Require all State Agencies to Use Delaware Population Consortium Projections

Mr. Edgell explained that, currently, the Delaware Population Consortium is an informal body whose population projections are used by the Counties but by no one else. It is recommended

that the DPC be formalized by statute and that all agencies be required to use their projections. An effort was made in the last legislative session to do this but it was not successful.

The next step is to reintroduce the bill in January 2019 in the 150th General Assembly. It is asked that GEAR continue to support this legislative effort and to encourage everyone to use the DPC projections.

Establish Centralized State Land Inventory Database

At issue is the lack of one central list or database of all lands owned or leased by the State. This leads to inefficient and duplicative efforts to manage this property. A proposal has been made to create a Business Case with DTI that would maintain accurate and up-to-date data information on all of the State's assets.

It is not currently known how much funding will be needed to create this database and agency interface. Also, it must be flexible enough to accommodate the unique needs of all the users. Again, it is hoped that GEAR will encourage participation as well as offer help in developing funding.

Contractual Real Estate Support

The current State portfolio consists of 118 leases which cost the State a total of \$28M annually, and 55 of those leases will be expiring in the next five years. The objective is to find a vendor that will implement best practices to manage these assets.

The first step was a Kick-Off Meeting on September 20, 2018 with the vendor. This agreement is set up to compensate the vendor by commission, based on how much savings can be generated.

Integrated Revenue Admin System

This is an all-out effort to replace the Division of Revenue legacy infrastructure, which consists of over 100 systems, with a modern system. The solution to this problem will be implemented in 3 major releases over the next 4 years, starting this spring. The goal is to increase security and efficiency and make it user-friendly for the taxpayer.

Vendor proposals are due on November 7, 2018 and vendor demonstrations will occur throughout January of 2019. The winning vendor will be announced on January 25, 2019.

One of the biggest challenges in this project is to find a balance between the modernization work and the regular operational responsibilities and work load of the Division of Revenue.

Governmental Accountability Act

Mr. Sullivan explained that the Governmental Accountability Act will be presented again to the 150th General Assembly in January of 2019. The latest version of the bill will be presented to the GEAR Board on November 14, 2018 for endorsement.

Banking Architecture Redesign

Treasurer Simpler gave an update on the progress of the Banking Architecture Redesign project. The final presentations by the candidates have already occurred in September 2018 and the winners will be announced at the Cash Management Policy Board meeting in November 2018. It is particularly important that all State agencies continue to support this project over the long-term.

Travel Per Diem & Pcard

A brief update on these projects was given. A new Pcard program is slated to begin in March of 2019 whereas the Travel Per Diem is still in the initial stages of reviewing the Travel Policy before beginning the search for a travel management company.

Senior Financial Officer Roundtable

The last topic was the Senior Financial Officer Roundtable in which the members have been identified and a leader has been appointed. The next step is to evaluate the paper processing requirements and make plans to implement changes.

Secretary Geisenberger turned the chair over to Amy Bonner, the Deputy Director for the Office of Management & Budget, because he had to depart early to make it to another meeting. Ms. Bonner led the meeting into the second deep dive on Education.

Education

Secretary Bunting introduced the newest member of the Operations Support Team, Chuck Longfellow, who just started his position on August 1, 2018. Much of the discussion centered on the proposal to consolidate the school districts throughout Delaware. The final conclusion seemed to be that consolidation will not eliminate the challenges that currently face the Department of Education. This task force recommends that efforts be divided into four subcommittees: Student Needs, Finance, Structure, and Teacher Needs.

Two areas that would be extremely helpful to Teacher Needs are:

1. Developing a statewide tracking service for students
2. Upgrading technology in the schools

Mr. Longfellow announced that the charter transportation redesign project is coming to a close. It has been found that money can be saved as well as a reduction in the number of buses that are needed.

The recently established Council on Education has started a new project regarding financial reporting data standardization. This was spearheaded by the Every Student Succeeds Act (ESSA)

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which requires expenditure reporting at the school level. The ESSA “Report Card” is replacing the School Profiles. It was agreed that other agencies may benefit from a similar act.

Even though all the schools are using the FSF system to track expenditures, the way the FSF system is used is not the same throughout the school districts. Codes must be standardized to be able to analyze categories of spending.

The issue of school district consolidation continued and weaved its way through the discussion, coming up again and again. There was no consensus on this issue.

PUBLIC COMMENT

Several comments were offered by the public in conclusion.

ADJOURN

At 11:15am, Deputy Secretary Bonner made a motion to adjourn and Secretary Johnson seconded.

The meeting was adjourned at 11:15 am.