



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

**2019 ANNUAL REPORT
EXECUTIVE ORDER NUMBER FOUR**

**RECOMMENDATIONS TO GOVERNOR
FROM THE GEAR BOARD**

DECEMBER 1, 2019



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

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2019 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 seventeen 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 2019 GEAR Annual Report contains recommendations that may be included in the Governor's Recommended Budget and policy priorities for Fiscal Year 2021. What follows is an Executive Summary of key accomplishments, progress on major initiatives, and key recommendations requiring support from the executive, legislative, and/or judicial branches:

I. SYSTEMIC RECOMMENDATIONS TO SUPPORT GEAR

- ***Create a GEAR Field Team*** – There are numerous opportunities to improve process efficiency, reduce costs, enhance the quality of services delivered, and replace or terminate ineffective processes and services. These opportunities had remained unaddressed primarily due to a lack of personnel with continuous improvement (CI) expertise in the State. In response, GEAR recruited an experienced resource from the private sector, and has deployed this resource to work on projects in several agencies. Consideration should be given to growing the size of the GEAR Field team in a manner consistent with the increasing demand on the team's resources.
- ***Build and Deploy Standard Practices and Tools for Continuous Improvement Projects*** – A common approach to documenting, modeling, and improving business processes was not practiced within the State until recently. The GEAR team has been developing a standard methodology in support of these critical activities. One application by the Department of Finance's Revenue division resulted in the documentation of 251 current-state business processes over a 6 month period. It is recommended that project managers statewide adopt this new methodology, and the software which supports it, as a standard practice with training and support provided by the GEAR team.

II. CRIMINAL JUSTICE

- ***Continue Criminal and Civil e-Filing Initiative*** – Court information sharing is inefficient because it is still largely paper driven. In critical areas like criminal and family law, cases continue to be filed manually. The Judicial Branch has embarked on an electronic filing project. Work to stabilize the existing legacy E-Filing, Case Management and Document management systems is expected to be completed in 2020. A Solicitation was issued on November 1st to 7 vendors able to meet the scope of this initiative. Proposals are due on December 15th. The transition to the new e-Filing system will span a 3-5 year period.

- **Continue Implementing Community Court** – The Community Court is a multi-court initiative involving the Superior Court, Family Court, Court of Common Pleas and the Justice of the Peace 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. The focus is on improving outcomes for the offender and reducing recidivism by addressing factors ranging from substance abuse to employment. These efforts will not only boost the quality of Delaware’s communities but will reduce the costs of delivering correctional services. Financial support was sought for this project and the Administrative Office of the Courts (AOC) was awarded the Community Court Implementation Grant from the Center for Court Innovation via funds provided by the Bureau of Justice Assistance (BJA). Through this grant, the AOC has accomplished the following: Creation of the Community Resource Center in the Leonard L. Williams Justice Center; Creation of the Annual Resource Center Fair and Back-to-School Drive; Implementation of Phase One of the Community Court.

III. EDUCATION

- **Drive Continuous Improvement Efforts in Public Education** – Department of Education (DOE), K12 schools and GEAR partnered to launch EdGEAR – a team focused on finding and acting upon continuous improvement opportunities in the public education system. The team is now actively identifying, prioritizing, and preparing to act on continuous improvement opportunities identified in the areas of duplicative information systems, procurement, surplus distribution and disposition of assets, and capital projects prioritization.
- **Support Data Standardization for Financial Transparency** – SB 172 included and further enhanced the federal school-level financial reporting requirements of Every Student Succeeds Act (ESSA). DOE is working with the Division of Accounting, FSF, and DTI to improve the quality and expand the amount of educational financial transaction data made available via the Open Data Portal, State Checkbook, and DOE Financial Transparency web page (<https://www.doe.k12.de.us/domain/558>). In July 2019, a website was launched that provides financial transparency down to the school level. The use of standardized expenditure coding now enables the discovery of best practices that may result in cost savings and process improvement opportunities for K12 schools. Standardization of revenue coding is now under way.

IV. FINANCIAL SERVICES

- **Lower Lease Costs and Restructure Lease Program** – The Office of Management and Budget/Division of Facilities’ (OMB/DFM) Real Property Management Program covers 116 leases and approximately 1.6 million square feet of rented space occupied by various agencies of Delaware Government costing \$27.4 million annually. To date, OMB/DFM lease restructurings have resulted in more than \$23.8 million in hard dollar rent savings and more than \$3.5 million in soft dollar rent savings (paint, carpeting, etc.) over the life of the renegotiated and extended leases. On average, reconstructed leases have been extended 14 years with approximate hard dollar rent savings of \$1.7 million and soft dollar savings of \$250,000 per lease. The program will continue to expand to encompass all real property utilized by the State.
- **Ensure Consistency and Efficiencies in the Use of Population Data** – In May 2019, SB 7 was signed into law to formally create the Delaware Population Consortium (DPC). The DPC produces a unified set of statewide population projections annually. The bill fulfills the GEAR recommendation that all Delaware counties, municipalities, school districts, and State agencies utilize DPC as the sole provider of demographic data for planning and policy purposes.
- **Leverage FirstMap for Data Sharing** – FirstMap is the State’s enterprise Geographic Information System (GIS), but it is not used by all State agencies. Some still purchase their own data. An overall geospatial management structure for the needs of all State agencies should be established. 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. The University of Delaware’s Institute for Public Administration (UD/IPA) has been contracted to perform an independent survey looking for ways to improve management and coordination of all geospatial data and mapping efforts. The study was started in August 2019 and a final report is due July 2020.

- **Establish a State Land Inventory** – It is critical for Delaware state government to have a full and complete understanding of the real property it owns and utilizes to ensure proper planning for all maintenance, insurance, emergency response, environmental compliance, and safety considerations. The Office of State Planning Coordination (OSPC) contracted UD/IPA to assess current agency practices for collecting, maintaining, and sharing information on state lands and facilities. The report was delivered in September 2019 and available on OSPC’s website (<http://www.stateplanning.delaware.gov/publications/index.shtml>). GEAR endorses the recommended next steps to form a core team of cross-agency stakeholders to develop and advance an IT business case.
- **Implement an Integrated Revenue Administration System (IRAS)** – The Delaware Division of Revenue (DOR) is responsible for collecting more than \$2.2 billion in annual state taxes. DOR’s current technology is over 25 years old, is mainframe based, and consists of over 100 client server applications. The IRAS implementation will fully modernize DOR’s process systems to create a web-based, real-time, and integrated user experience that automates processing capabilities, optimizes the efficiency and effectiveness of DOR staff, and strengthens security and internal controls. IRAS will improve DOR’s ability to mitigate fraud and will increase revenue with new audit programs and better technology to assist with the collection of delinquent taxes. Funding was provided in the FY20 budget and a contract awarded in July 2019. The project will be phased-in over a 3 year period.
- **Transform the State’s Strategic Planning and Performance Budgeting Processes** – Amendments to the Delaware Governmental Accountability Act (HB133) -- to drive better 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 -- have passed the House. GEAR endorses passage by the Senate.
- **Leverage Financial Service Delivery (FSD) GEAR Team to Drive Financial Process Improvements** – GEAR’s FSD Team meets at least quarterly to identify, prioritize, coordinate and discuss implementation of continuous improvement initiatives that address State financial issues and risks. The team is comprised of the State’s leading financial officers including the Secretary of Finance, Director of OMB, Controller General, State Treasurer, Auditor of Accounts, the Deputy State Court Administrator for Fiscal Policy and a representative from school district business managers. Team meetings provide a regular venue to discuss ways to improve the State financial management functions; develop processes and internal controls to prevent waste, fraud and abuse; eliminate duplicative internal financial service functions; and realize process efficiencies and cost savings.

While many FSD initiatives are led by individual financial service agencies, the FSD Team is further supported by the Financial Advisory Committee (FAC) comprised of financial officials from numerous Cabinet and other agencies. The FAC is currently focused on three major priorities – 1) eliminating onerous paper processing requirements that create significant additional work with limited or no benefits; 2) standardizing and simplifying the use of account codes to boost transparency and consistency in financial reporting; and 3) simplifying purchasing and travel processes and reducing related overhead. Accomplishments in 2019 include 1) improved transparency in educational spending with the launch of new expenditure codes, 2) revisions to the Budget and Accounting Manual that will simplify processing and approvals of purchase orders and receivable write-offs, and 3) simplifications and improved management of the State’s \$6 million annual travel spend.

- **Conduct a Comprehensive Review of the State’s Banking Structure** – Collaborating with agencies throughout State government, the Office of the State Treasurer (OST) has led efforts to consolidate the State’s banking service providers and leverage economies of scale. Through a competitive bid, contracts have been awarded and negotiated in 2019 for general banking (electronic collection and disbursement), lockbox services, purchasing card, stored value card, check printing and local depository services. As a result of price concessions and other service improvements, the State can expect to realize cost savings of approximately \$650,000 per year once fully transitioned – plus nearly \$250,000 in additional purchasing card rebates.
- **Pursue Debt Service Savings Opportunities** – The State’s Triple-A bond rating combined with an historically low interest rate environment has enabled Delaware to realize substantial debt service savings. In November of 2017, the State undertook an advance refunding of \$115 million of previously issued debt, saving \$4.7 million in future debt service. In August of 2019, a refunding of \$123 million of Series 2009D Build America Bonds saved more than \$15 million in debt service over the next decade. The refunding occurred through a competitive bid process at an all-in borrowing cost of 1.12% - the lowest in modern state history for debt of a similar maturity.

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, House Joint Resolution 7 authorized DHSS to establish a health care spending benchmark linked to growth in the overall economy. In 2018, Executive Order (EO) 25 established a subcommittee of the Delaware Economic and Financial Advisory Council (DEFAC) for setting the health care spending benchmark. The benchmark was set at 3.8% for calendar year 2019 and 3.5% for 2020. A report on performance relative to the quality and spending benchmarks will be available in the 4th quarter of 2020. Delaware is the second state in the country to establish a health care spending benchmark and the first to establish health care quality benchmarks.
- **Develop Department-wide Strategic Planning** – DHSS is comprised of eleven divisions and their 193 individual programs and services. In August of 2018, DHSS issued an RFP to create a new strategic plan. DHSS is reaffirming and clarifying the Department’s overall mission and vision and examining the alignment of processes and tasks with Department goals and structure. DHSS has engaged Health Management Associates (HMA), a national consulting and research firm to facilitate the strategic planning process. Final strategic plan recommendations - built through a series of outreach efforts involving DHSS leadership from all divisions, service providers, advocacy groups and the public – are expected to be complete in February 2020.
- **Modernize Public Safety and Security** – DHSS has four campuses and fifteen service centers across the state. Public safety and security functions are decentralized. This results in inconsistent policies and procedures, and disparate staffing levels, funding and equipment. DHSS is working with a consulting firm specializing in campus safety, security and regulatory compliance, to centralize, modernize and appropriately resource these functions.
- **Introduce Telework** – With almost 4,000 employees, DHSS is the largest agency in state Government. DHSS Management Services’ Project Planning Group is researching how a progressive telework policy can be used to help DHSS address challenges with staff recruitment and retention, improve the agency’s ability to maintain operations during an emergency and reduce its need for leased space. A draft telework policy will be ready in early 2020.
- **Save Energy Costs** – DHSS has completed many energy-saving improvements at its buildings and 24/7 facilities. These improvements have resulted in an annual 9% reduction in electric consumption, 5% reduction in water consumption, and 1% reduction in heating fuel consumption. This translates to annual savings of \$230,000. A second energy-savings project has been chartered that will include energy conservation measures such as addressing aging water fixtures, steam systems and transformers with estimated savings of \$277,000 annually.
- **Leverage Federal Funding** – A DHSS cost allocation team (“unit”) is working to maximize federal reimbursements through statistical analyses focused on identifying, accumulating and distributing allowable costs among state and federal funding sources. In fiscal year 2019, this unit identified and drew down an additional \$3,557,235 in federal funding to support staff salaries for DHSS’s information technology and social worker/case manager positions.
- **Optimize Fees** – DHSS fees for the licensing of select professional, facilities and business activities have not been updated in over a decade. DHSS identified opportunities to raise \$900,000 in additional annual fees to offset the costs of providing licensing and other services. Progress was made in 2019 with the General Assembly approving changes to the hospital licensing code, including fee increases (HB 9) which will raise almost \$19,000 annually. DHSS plans to pursue additional fee changes in 2020 including changes to the Division of Health Care Quality’s Plan Review Fee structure estimated to raise \$10,000 annually.
- **Deploy Electronic Signature Technology** – DHSS executes an average of 1,800 contracts per year. About half of all contracts require the Cabinet Secretary’s signature. Multiple copies of paper contracts are sent to the Main Building on Herman Holloway Campus, reviewed and signed by multiple individuals, and returned to their sending divisions. DHSS is implementing an electronic signature software system. This system will significantly

reduce the use of paper, the need to scan contracts, the total volume of documents shipped via state courier – and thereby will shorten the overall time required to execute a contract. The new system will likely eliminate the need for the current contract management tracking software, resulting in an additional annual cost savings. The project will be completed by February 2020 and could be scaled for use in other departments.

VI. HUMAN RESOURCES

- **Centralize Human Resources** – The objective of this centralization effort is to develop best practices for the delivery of Human Resources Services with a focus on customer service, efficiency, effectiveness and accountability. Department of Human Resources (DHR) accomplishments in 2019 include signing Service Level Agreements (SLAs) with all 15 Cabinet agencies plus the Delaware State Police, meeting the objective of centralizing human resources personnel by June 2019.
- **Implement and Integrate Human Resource Systems and Technology** – DHR and the departments of Agriculture, Labor, and Natural Resources, along with the Office of Management and Budget implemented the eSTAR online self-service employee timekeeping system in 2019 to move to an automated and centralized timekeeping process. DHR is currently engaged in a partnership with the Department of Natural Resources and Environmental Control (DNREC), and the Department of Technology and Information (DTI) to pilot an electronic personnel records system, the first step in a migration to a future paperless storage environment.
- **Implement First State Quality Improvement Program** – The General Assembly in FY20 restored funding of \$150,000 annually for the First State Quality Improvement Fund. DHR is collaborating with the GEAR team to develop a training curriculum for state employees in the areas of LEAN process improvement, project management, and change management. The first group is expected to be selected for training in the Spring of 2020, and after completing training, will be deployed to work on continuous improvement projects within their agencies.
- **Partner with State Agencies on Talent Acquisition Strategies** – DHR is working with several state agencies on talent acquisition strategies to identify and document recruitment and retention objectives, create process improvement targets, and align on recruitment metrics to measure process efficiency. Specific programs implemented in the past year include the hiring of a Nurse Recruiter to develop a talent pipeline with state higher education programs for hard-to-fill nursing positions, and the implementation of pilot incentive bonus programs to identify candidates to fill vacant correctional officer and nursing positions.
- **Reduce Health Care Operating Costs** – The objective of the Statewide Benefits Office (SBO), working in partnership with the State Employee Benefits Committee (SEBC), is to offer State employees, retirees, and dependents high quality healthcare, at an affordable cost, while promoting healthy lifestyles and engaging consumers. Achievements in 2019 include implementing copay differentials resulting in a 5.2% decrease in visits to non-preferred facilities and a 6.5% increase in preferred lab utilization for the first three quarters of FY19. SBO also implemented enhanced care management programs and services, including identifying Centers of Excellence to lower costs of services such as those for selected pre-planned surgical procedures, and a suite of mobile phone applications which make it easier to access important information that help consumers make more cost-effective health care decisions.

VII. INFORMATION TECHNOLOGY

- **Drive Information Technology (IT) Centralization** – In 2017 DTI engaged a consulting firm with experience in IT centralization to perform an extensive analysis of the Delaware government’s IT environment statewide. 44 agencies participated in the activity. The findings of the study were delivered to the GEAR Board in July 2018, the most critical of which was that Delaware could achieve substantial savings and cost avoidance by centralizing executive branch IT support through a DTI brokered shared services model.

Governor Carney sign SB153 in June 2019 to create a governance structure supporting the centralization of IT services under the new shared services model. Work has begun to implement this new model. All state IT contracts have been reviewed to identify cost savings and risk reduction opportunities to improve IT vendor

management. Procurement models for Device-as-a-Service (DaaS) for end-user devices, mainframe, and data center services have been developed, and service offerings are expected to be available by the end of 2020.

VIII. PUBLIC PRIVATE PARTNERSHIPS (P3)

- **Grow the GEAR Public-Private Partnership (P3) Innovation and Efficiency Award** – The GEAR-P3 Award was launched in 2019 to recognize and reward State employee teams that have demonstrated successful implementations of innovative, continuous improvement projects and quality initiatives that are scalable and drive potential costs savings. The program, jointly funded by the private-sector and the State, enjoys strong support from the Delaware Business Roundtable and the Delaware State Chamber of Commerce. In May 2019, Governor Carney announced the selection of two teams – the iVote Security Remediation Team and the Delaware Drug Monitoring Initiative Team -- who earned performance bonuses of \$10,000 each split among their team members. The FY20 budget includes a \$25,000 appropriation to be matched by private sector donations thereby doubling available funding to \$50,000 in 2020. Ultimately, the plan is to grow into a \$100,000 program with some funding available to also recognize and reward individual employees that identify and implement cost savings initiatives.
- **Create Programs that Produce Next Generation IT Professionals** – The GEAR P3 team plans to collaborate with efforts being led by the State’s banking community, the Chamber of Commerce, the Delaware Prosperity Partnership and others to help coordinate a multi-industry effort to foster programs that produce next generation IT professionals in Delaware – a major workforce development need for both the private sector and government.
- **Develop a Digital Government Enterprise Strategy** – In September 2019, Governor Carney unveiled the Delaware One-Stop, a convenient centralized transaction platform to help business owners work through the government licensing and registration steps needed to begin operations in Delaware (<https://onestop.delaware.gov>). This collaboration among various state agencies, and with extensive feedback from Delaware businesses, is an initial step in implementing a more consistent and intuitive user experience like that provided by major commercial websites. DTI and the Department of State’s Government Information Center (GIC) will collaborate with private sector partners, and other state agencies to develop a strategy that enables the integration of current and new systems onto an adaptable enterprise platform. GEAR P3 will engage strategic partners capable of helping Delaware overcome the State’s data and information silos, thereby contributing to the creation of an improved web presence that will meet the expectations of consumers of State services into the future.

IX. DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL

- **Modernize Online Services to Better Serve Customers** – The Department of Natural Resources and Environmental Control (DNREC) has begun replacing legacy applications and manual processes that support over 50 permitting, licensing and registration activities. A new, modern solution will provide a single portal into many DNREC services. The project is on track. Recreational fishing licenses will be offered online in early 2020 and will be followed by additional online recreational licenses and regulatory permits released quarterly until early 2021.
- **Drive Continuous Improvement Training and Development** – DNREC is implementing a plan to develop a culture of problem-solving and efficiency among agency staff. The plan is centered on a three-part continuous improvement education series that provides employees with techniques to simplify and improve the efficiency of many aspects of their work.



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

EXECUTIVE ORDER NUMBER FOUR

RECOMMENDATIONS TO GOVERNOR

**FROM THE GEAR BOARD
DECEMBER 1, 2019**

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 addressed that year through a combination of spending cuts and tax increases. It was understood in 2017 that similar deficits would be likely to recur in the foreseeable future if long-term actions and structural spending and revenue reforms were not undertaken. 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.

It is important to note that GEAR is just one component of ongoing fiscal reform efforts that build upon the State's existing strong fiscal governance practices. In June 2018, the General Assembly approved a budget that appropriated 97% of available general fund revenues, holding back \$47 million of projected revenues above the constitutional mandated 98% rule. That same month, Governor Carney signed Executive Order 21 requiring the Delaware Economic & Financial Advisory Council (DEFAC) to calculate an advisory Benchmark Appropriation based upon sustainable measures of economic growth to guide the development of the Governor's Recommended Budget. In June 2019, the General Assembly adopted a budget largely adhering to the advisory Benchmark Appropriation, using extraordinary revenues for one-time operating and capital expenditures, and establishing a \$126.3 million Budget Stabilization Fund to be available for appropriation in exactly the types of scenarios faced by the State in 2017.

GEAR complements these efforts over the long term by supporting efficiency initiatives that reduce or temper state government spending growth, thus freeing up resources for other needs. Since its formation, the GEAR Board has met seventeen times. The Board 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 to the Governor an annual report, no later than December 1st of each year. This 2019 report contains recommendations that may be included in the Governor's Recommended Budget and policy priorities for Fiscal Year 2021. 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 Delivery
- Health and Social Services
- Human Resources
- Information Technology
- Public/Private Partnerships
- Government Efficiency and Accountability Review

CRIMINAL JUSTICE

The goals of the Criminal Justice Charter are to be more effective, more efficient, and fairer while maintaining public safety. To make reforms the State of Delaware must 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.

Prior Recommendations Summary

Project	Status	Comments
Standardized Sentencing Orders	 2 green	The developed solution has gone through several changes and rigorous testing by Court subject matter experts. Implementation is delayed due to resource constraints and conflicting priorities.
Criminal and Civil e-Filing	 1 green	The Judicial Branch has made considerable progress with its consultant and is engaging vendors in a solicitation for E-Filing, Case Management and Document Management solutions. General Fund support continues to be a critical success factor.
Technology to Reduce Costs, such as costs for transporting inmates.	 3 red	This is a future initiative.
Eliminate the Manual Payment of Bail	 2 yellow	An initial analysis was completed by a University of Delaware process improvement student team. The project is still at the planning level due to vacancy and competing priorities at the Judicial Information Center.
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 since dollars on programming could be spent more wisely.
Criminal Code Reform	 1 green	SB 40 and SB 52 were introduced in the 150 th GA after continued discussions with key constituencies.
Modernize the Pre-Trial System	 1 green	Implementation of HB 204, the risk assessment tool and accompanying courts rules went into effect January 1, 2019.
Reduce Debt Burden on Ex-Offenders	 1 green	The Governor’s Office, Judicial Branch and the Department of Correction collaborated on SB 123, which would have begun a program to offer minimum wage work credits toward criminal justice fees and fines for participation in prison work programs. Another pending bill, HCR 56, would create a task force to study the issue of fees and fines.
Develop a Community Court	 1 green	Implementation of the Community Court has begun, including establishing partnerships with the Department of Labor, engaging the community resources, hosting a Community Resource Fair, and obtaining a federal grant.
Expansion of Process Improvement Efforts	 1 green	Process Improvement is on-going in the Judicial Branch; 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 the Judicial Fellows Program and other research relevant to the work of the Courts and Access to Justice.
Improved Organizational Structures	 1 green	Would like to 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 Current Initiatives

Standardize 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.
- Thorough testing was conducted and presented necessary revisions
- Implementation of the Standard Sentencing Order project will begin in 2020. The solution will be implemented court by court, with the expectation that all courts will begin using the process within six months if there are minimal resource constraints for JIC and court users.

The introduction of the Standard Sentencing Order process will affect the courts in different ways, especially for courts with a larger volume of criminal cases. Testing of the solution by subject matter experts within each court highlighted changes that were needed to meet their operational needs in the courtroom. The Judicial Information Center (JIC) has made considerable progress on finalizing the solution, but courtroom testing with active calendars needs to be scheduled to verify the process will not interrupt the operational flow of the court proceedings.

Completion of the project is dependent upon resource availability and prioritization.

The Department of Correction estimated that the completion of this project would save 1,040 hours of staff time annually.

Implement Criminal and Civil 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. All of this puts at risk the State's claim to be the nation's premier judicial system. The Judicial Branch embarked on electronic filing when it was still an innovative concept a full 15 years ago. Due to a lack of general fund investment, Delaware can no longer be seen as a leader in this key area.

- MTG was selected as a consultant for the Judicial Branch to identify the best E-Filing solution
- MTG produced an Alternatives Analysis which highlighted needs in Case Management and Document Management in addition to E-Filing
- Vendor teams capable of meeting the unique needs of the Delaware Judicial Branch in E-Filing, Document Management Case Management were identified
- A solicitation process began November 1st, 2019

As a prerequisite to this project, the existing E-Filing, Case Management and Document management systems must be stabilized to ensure the courts have sound systems to support them through what will likely be a 3-5 year project. These prerequisite efforts are underway and expected to complete in the 1st quarter of 2020.

The benefits of E-Filing include:

- A greater volume of high-quality data will be captured in a more usable and shareable format.
- The possibility of losing or misplacing paper copies is greatly reduced.
- The need and associated costs of paper document storage will be reduced.
- Registered attorneys can file case documents from their offices, or homes, close to the filing deadline if required.

The Criminal Justice team requests the State to provide funding for critical technology development.

Reform Criminal Code

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, but the bills did not pass. Continuing adjustments have been made to address concerns of various interested parties and to include criminal bills that were passed in FY 2018.

SB 40 and SB 52 were introduced in the 150th General Assembly. These bills included further revisions and refinements based on continuing discussions with stakeholders. Code Reform is now in the hands of decision-makers, and the Judicial Branch stands ready to be of assistance as needed.

Implement 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, and the risk assessment tool and accompanying interim court rule went into effect January 1, 2019.

Meetings with stakeholders continue to determine where there may be consensus to possible amendments to the interim rule with the most recent meeting on November 20, 2019. The immediate goal is to finalize Interim Rule 5.2 and to have it adopted by the Supreme Court, Superior Court, Court of Common Pleas, Family Court and the Justice of the Peace Court.

The Statistical Analysis Center will be analyzing the success rate of the risk assessment tool in a report. Data will be obtained over time to accurately indicate rates of success.

Review Problem-Solving Courts

Problem-solving courts (PSC) 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 spent a year reviewing Delaware's problem-solving courts and released their recommendations to bring uniform standards to all the problem-solving courts in July 2016. Included in these recommendations are administrative, training requirements and policy creation for the problem-solving courts.

Because of these recommendations, the Administrative Office of the Courts sought, and was awarded, the Adult Drug Court Enhancement Grant in December 2016 from the Criminal Justice Council via funds provided by the U.S. DOJ, Bureau of Justice Assistance (BJA). Through this grant, AOC developed the following:

- Delaware PSC Best Practice Standards
- Delaware PSC Self-Assessment Tool
- Delaware PSC Benchbook

Statewide training on Best Practice Standards and the Benchbook, which serves as a Policy and Procedure Manual, has been provided to the Judiciary and problem-solving courts staff, inclusive of agencies such as the Department of Justice, Office of Defense Services, Department of Correction Probation and the Division of Substance Abuse and Mental Health.

Last year's annual report suggested the repeal of the Family Court Adjudicated Drug Court Program. As background, Family Court had released their "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 JDTC target population, nor have there been any identifiable negative impacts in terms of public safety or rehabilitation of delinquent youth.

House Bill 197, eliminating the Family Court Adjudicated Drug Court Program, was introduced on June 10, 2019, and was signed by the Governor on July 4, 2019.

Continue Community Court Implementation

The Community Court is a multi-court initiative involving the Superior Court, Family Court, Court of Common Pleas and the Justice of the Peace 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. The focus of community courts is not isolated to a problem area like a Drug Court or Mental Health Court, but rather addresses multiple needs for a specific geographic area.

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.¹ The Community Court provides accountability to offenders by ensuring they give back to their communities through various community service initiatives.

To provide financial support for this project, the Administrative Office of the Courts (AOC) sought and was awarded the Community Court Implementation Grant from the Center for Court Innovation via funds provided by the Bureau of Justice Assistance (BJA). This grant ends June 30, 2020. Through this grant, the AOC has accomplished the following:

- Creation of the Community Resource Center in the Leonard L. Williams Justice Center
- Creation of the Annual Resource Center Fair and Back-to-School Drive
- Implementation of Phase One of the Community Court

The Community Court program will now focus on completing these remaining activities:








- Finalizing policies and Community Court Forms.
- Developing a no-wrong door approach to alternative sentencing option such as Delaware's problem-solving courts.
- Developing legislative changes for alternative sentencing.
- Identifying the program objectives and performance measures.
- Long-term funding for continued operations may be necessary in the future.

¹ Kilmer, B., Sussell, J. (2014). *Does San Francisco's Community Justice Center Reduce Criminal Recidivism?* San Francisco, CA: RAND Corporation.

EDUCATION

Public education receives approximately one-third of the State’s overall General Fund budget, \$1.5 billion dollars. This supports the education of over 140,000 students that are being served in 240 schools in 19 school districts and 22 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	Comments
Grow EdGEAR	 1 green	Membership has been established and efforts have been prioritized. Continuing into 2020 the group will work on 3-5 high priority items.
Support Council on Educational Technology	 2 green	Group has identified major initiatives to pursue and is conducting a statewide educational technology needs assessment.
Drive data standardization for financial transparency	 1 green	Statewide approach to school expenditure reporting has been established and implemented in partnership with districts/charters and Division of Accounting. DDOE is working on mapping new codes to standardized state and federal reports.
Identify business technologies for potential standardization	 2 green	EdGEAR will seek opportunities to standardize or otherwise improve efficiency where districts, charter schools, DOE, and/or other agencies are using different technologies to achieve the same end.
Improve procurement processes and procedures, leverage consolidated purchasing	 1 green	EdGEAR will identify opportunities to improve procurement processes, modernize rules and procedures to accommodate technology-based buying opportunities, and better leverage consolidated procurement opportunities.
Improve surplus asset acquisition and disposal processes	 1 green	EdGEAR will investigate opportunities to improve surplus asset acquisition and disposal processes.
Define a more cost-efficient strategy for school deferred maintenance	 1 green	EdGEAR will seek to define a cost-efficient approach to addressing a significant backlog of school deferred maintenance.

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

Drive Continuous Improvement in Public Education (EdGEAR)

EdGEAR was established in 2019 as the K-12 version of GEAR. The EdGEAR board consists of two school district superintendents, one charter head of school, four school district CFOs, GEAR and Delaware Department of Education (DDOE) staff. EdGEAR created a list of potential initiatives with the goal of selecting three to five to pursue in 2020.

The group prioritized the list based on potential impact and effort to implement. As of the last meeting, the top potential initiatives were (1) duplicative information systems, (2) procurement, (3) surplus distribution and disposition of assets, and (4) capital projects issues. Specifically:

- The duplicative information systems project will seek to identify where districts/charters, DDOE, and other state agencies are doing the same thing technologically using different systems. EdGEAR members will look for opportunities to standardize or otherwise improve efficiency.
- Procurement focus areas will include general process improvements; adjusting rules and procedures to accommodate modern technology-based buying opportunities; improving communication within K12 to better leverage consolidated procurement opportunities and maximize input into statewide buying decisions.
- Districts and charter schools will seek to improve surplus acquisition processes, e.g. vehicle acquisition, and disposal processes for assets no longer needed by schools - assets which may have utility value in other operating contexts.
- Capital projects management provides numerous opportunities for improvement including, most prominently, designing an optimally cost efficient approach to addressing a significant backlog of deferred maintenance.

Drive Efficiencies in Schools

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 Educational Technology to provide strategic guidance for educational technology for the State, districts, and charters.

The Council on Educational Technology will provide strategic guidance on several critical educational technology topics. Activities within the Council's initial scope include conducting needs assessments; offering policy and budget recommendations; strategically planning to ensure alignment between state and local efforts; supporting technology-related procurement; and defining acceptable use policies, procedures and processes.

The preliminary list of important topics to be explored included proxy/content filtering, eRate maximization, Wi-Fi standardization, telephony, bandwidth, server consolidation, and technology staffing. After refinement and prioritization, the Council is focusing on content/proxy filtering, switch replacement, Microsoft licensing, and a statewide educational technology needs assessment. The Council has formally recommended consideration for proxy/content filtering through DDOE and DTI in the FY21 budget request process.

Support 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 was to increase transparency of public education expenditures by creating a statewide approach to reporting.

In the past, Delaware has not reported education expenditures at the school level in a transparent and comparable manner due to several challenges, two of the most significant being the limited set of fiscal account codes available and differences in usage of existing codes across districts and charter schools. 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 is being streamlined with a better, more consistently used fiscal coding structure, thereby resulting in both more accurate data and savings in staff time.

During 2019, with the cooperation of districts, charter schools, and the Division of Accounting, DDOE established and implemented a required set of common expenditure account codes in First State Financials (FSF) that are mapped to federal reporting categories. The Department posted the common codes along with other code sets such as appropriations and school codes on a newly-established Financial Transparency web page (<https://www.doe.k12.de.us/domain/558>). Epilogue language requiring the use of standard codes in FSF and PHRST was passed as part of the FY20 Operating Budget Act. Districts and charter schools began using the standard expenditure codes in July 2019. This effort has had statewide impact since the Division of Accounting took advantage of the opportunity to integrate the education standardization effort with needs from other agencies. The standardization process has continued with work on revenue account codes.

DDOE is working with Division of Accounting, FSF, and DTI to explore expanding the information provided on educational financial transactions available via the Open Data Portal and the State Checkbook. Currently via the online checkbook the












public can only display data at the district level, not the school level, and not by specific appropriation code. Achieving this goal will significantly expand transparency of school expenditures.

Moving Forward

Moving into 2020, the public education projects are performing to plan. The EdGEAR and Council on Educational Technology projects will involve tackling priorities identified by stakeholder members of each group during the year. Each group has the strong potential to improve efficiency and processes, especially given that stakeholders with the credibility and authority to foster change are directly involved in both. The most significant data standardization project work for 2020 is redesigning how data transforms from raw transaction data to standard reports that will be provided via the DDOE school report cards and federal reporting. Once this is done, school expenditure data will be more comparable between schools, districts and in the case of federal reporting, between Delaware and other states.

FINANCIAL SERVICES DELIVERY

Prior Recommendations Summary

Project		Status	Comment
Reintroduce strategic planning and performance budgeting processes	 1 green		Revised Delaware Governmental Accountability Act (HB 133). Introduced and passed in House. On Senate ready list for consideration in 2020.
Conduct a comprehensive review of State’s banking structure	 1 green		Review complete and RFP issued. Contracts awarded. Implementation ongoing.
Eliminate duplicative internal financial service functions	 2 gray tabled		Resources allocated to effective internal controls project.
Ensure effective internal control systems are developed and maintained	 2 yellow		Activity paused pending 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 completed		On May 14, 2019 Senate Bill 7 signed by Governor Carney formally creating the Delaware Population Consortium (DPC).
Establish centralized land inventory database	 1 green		Project moved from DHSS to FSD. OSPC 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		DOF Financial Advisory Committee has implemented key policy changes. DOF reaching out to authorized travel management vendor.
Ensure effective internal control systems are developed and maintained: PCard	 1 green		PCard re-bid and contract awarded with substantial savings realized.
Implement Department of Finance Integrated Revenue Admin System (IRAS)	 1 green		RFP issued. Contract awarded. Implementation in three phases under way.
Accelerate OMB (DFM & GSS) contractual real estate support to address office space leases	 1 green		Real property management support contract awarded to vendor. The vendor and the State are actively addressing lease renegotiations, extensions, and relocations to achieve savings and improve facilities.

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

Lower Lease Costs and Restructure Lease Program

The Office of Management and Budget/Division of Facilities’ (OMB/DFM) Real Property Management Program consists of 116 leases, covering approximately 1.6 million square feet of rented space occupied by various agencies of Delaware Government, at a current year annualized cost of \$27.4 million annually. Based on the magnitude of this cost component in the State’s collective operating budget across agencies, this GEAR project began as an initiative to minimize lease costs.

Historically, real estate-related tasks were decentralized across numerous State agencies. This led to duplication of effort and expenditure, failure to leverage collective locations, common property ownership and arms-length knowledge of the state of the local Real Estate Market and its related peripheral indications such as borrowing rates, economic development interest and general business conditions. After the execution of a bonified professional services procurement process, a two-year contractual partnership was formed with the team of Diamond State Management and Delaware Financial Group. Efforts began in Fall of 2018 with the largest leasing agencies being the first impetus to begin a strategic approach. The target was further defined as the seventy-eight (78) leases that would expire in the ongoing 5-year period. Over time, the confines of this target group of leases has been broadened due to market awareness and simple economic opportunity.

This GEAR project has and continues to achieve the targeted goal while at the same time evolving further towards updating the lease document framework. This includes concessions such as environmental hygiene provisions that protect the State employee workforce, Electric Vehicle (EV) charging station installation on the leased premises, and owner– implemented cosmetic updates such as signage, paint, carpet, and restroom renewal. The updates occur at lease renewal and again every 5-7 years. The State has also explored new leased locations and build-to-suit opportunities where savings as well as preferable and stable lease conditions can be secured.

To date, seventeen (17) leases have been affected either by renegotiation and extension of the lease term or relocation of the State workforce tenants to a facility with better, more economical lease conditions and/or a newly constructed facility completed as a build-to-suit arrangement. Under build-to-suit terms, one new building is being constructed where financially, the transition to the new building with replicated conditions is expected to pay for itself out of lease savings.

Thus far, the project has resulted in more than \$23.8 million in hard dollar rent savings and more than \$3.5 million in soft dollar rent savings over the life of the renegotiated and extended leases. Soft dollar savings include paint, carpet, parking lot restriping, access control systems and other leasehold improvements. On average, reconstructed leases have been extended 14 years with approximate hard dollar rent savings of \$1.7 million and soft dollar savings of \$250,000 per lease.

Going forward, DFM has begun working with Department of Finance’s Division of Accounting to address GASB Statement 87 reporting requirements. These requirements mandate capitalization of leases and breakout of lease component costs. Routine and regular meetings of this 3-member GEAR Project Team including Real Property Administrator Dana Chant, Commercial Real Estate Broker/Owner Tripp Way and DFM Director Mike Svaby have established review and planning for such future initiatives as: establishing a query-based data application to enable inquiry of the *features* or *status* of any lease in the portfolio, and securing access to a market availability mechanism so that DFM can maintain independent awareness of commercial lease availability at all times. Lease renegotiation will continue with the contractor’s assistance through the end of the 2-year contract term. The agreement includes two consecutive options for one (1) year-renewal that may be exercised if these and other possible objectives developed under this GEAR initiative can be more fully realized by retaining the contractor.

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. This performance management system (not a new IT application) is 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 2023 budget process (starting Fall of Calendar Year 2021)—agencies would present budget requests for Fiscal Year 2023 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 co-chairs of JFC and other legislators and introduced as HB 133. It passed the House unanimously, was reported out of the Senate Elections, Government and

Community Affairs Committee and is currently on the Senate Ready List for consideration by the Senate in its upcoming session.

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 work through Governor Carney's GEAR initiative to improve data integration and mapping through the following recommendations:

Delaware Population Consortium Legislation

On May 14, 2019 SB 7 was signed by Governor John Carney to formally create the Delaware Population Consortium (DPC). The DPC has prepared, without formal designation, a unified set of statewide population projections annually since 1975. This new legislation formalizes the DPC, identifies its membership and work products, and requires that all counties, municipalities, school districts, and State agencies use the DPC's projections for planning and policy purposes. New DPC bylaws are drafted and will be adopted in late October 2019. This new legislation took effect on November 1, 2019.

Having one authoritative set of demographic and population projections for Delaware is vital to efficient and effective land use planning, economic development, school planning and other state functions. This legislation will ensure that all State, county and local agencies are using one mutually agreed upon set of population projections and as such encourage greater efficiency and transparency in government.

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 operating and capital 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 improve long-range planning and resource allocations, e.g. determine needs for new schools and evaluate school district capital master plans. Additionally, the updates will be beneficial for other entities that interact with children in the allocation of their resources.

There has been no progress on this as a stand-alone project. The school district enrollment projections will be integrated into the work of the DPC now that the legislation regarding the DPC has been enacted.

Leverage FirstMap for Data Sharing

FirstMap is the State's enterprise Geographic Information System (GIS), but it is not used by all State agencies -- who often purchase their own data. An overall geospatial management structure for the needs of all State agencies should be established. Leveraging FirstMap and its structure and 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 data coordination among State agencies. The goal of this project is to provide the mechanism for all state agencies to use a single, authoritative source of geospatial data specifically purchased for statewide use.

The University of Delaware's Institute for Public Administration (UD/IPA) has been contracted by DeIDOT to perform 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. The project was started in August 2019 and a final report is expected in July 2020.

The findings of the UD/IPA study should be supported. At this point the findings are unknown, but they may suggest additional or reallocation of resources -- human and financial -- to support the coordination/management efforts, as well as perhaps recommend an executive order mandating the coordination of all agencies. A phased approach for coordination and management may also be an outcome of the study.

Establish a State Land Inventory

It is critical for Delaware state government to have a full and complete understanding of the real property it owns and utilizes. The reasons are obvious, including ensuring proper maintenance, insurance coverage, emergency planning procedures, environmental compliance, and safety considerations among others.

The Office of State Planning Coordination contracted UD/IPA to assess current agency practices for collecting, maintaining, and sharing information on state lands and facilities. This report was completed in September 2019 and is available on OSPC's website (<http://www.stateplanning.delaware.gov/publications/index.shtml>). The report is considered Phase 1 of the initiative to establish the State Land Inventory.

This assessment consisted of researching State data sharing practices, benefits, and barriers; administering a screening questionnaire to gather background information on State agency data collection processes and procedures; and interviewing State agency representatives to detail questionnaire responses and discuss the potential benefits and barriers to implementing a statewide facility and land inventory. Land and facility information covered in this study includes buildings, land, lease information, rights-of-way, and preservation easements.

The next step will be to form a core team of cross-agency stakeholders to develop and advance an IT business case. The focus of this team will be on agency agreement on data content and necessary sharing agreements; reviewing examples of relevant initiatives from other states to identify desirable characteristics; and assessing initial cost and ongoing training and maintenance parameters. Once all the parameters are identified then OSPC will take the lead on championing the business case through DTI and ensuring the development of the database and associated interfaces to meet the requirements set up by the core team.

Support should be given to this effort through the encouragement of agency representation and collaboration. It is possible there will need to be an executive order or Memorandum of Understanding to enforce collaboration among all involved agencies, so a more efficient and unified tracking of real property occurs within a single centralized database. Finally, the development of the centralized database will need to be funded.

Make State Financial Systems and Controls More Efficient**Ensure Effective Internal Control Systems Are Developed and Maintained**

At issue is the belief by Delaware residents that State government is not transparent. A lack of transparency inhibits the public's ability to observe and understand how their tax dollars are spent. GEAR FSD and the Office of the Auditor of Accounts are strengthening their partnership to improve accountability and efficiency through transparency in financial operations. As an independently elected office, the Auditor of Accounts is expressly designed to house the expertise required to examine and analyze State expenditures and programs.

Moving forward through the remainder of Fiscal Year 2020 and into Fiscal Year 2021, the Auditors Office will operate from a risk-based audit plan and use performance auditing to concentrate on engagements evaluating efficiency, effectiveness, impact and/or sustainability of agency operations, programs or policies. Additionally, the Auditors Office's initiatives to make its reports more readable and use online channels to distribute findings aim to improve transparency in financial operations.

The Auditors Office is requesting resources in its Fiscal Year 2021 budget request that are to be dedicated to a seamless transition to this model which will ultimately enhance and support GEAR's processes and mission.

Implement an Integrated Revenue Administration System (IRAS)

The Delaware Division of Revenue (DOR) is responsible for collecting more than \$2.2 billion in annual state taxes, processing \$300 million of tax refunds, ensuring compliance with the State's tax laws and providing assistance to taxpayers. DOR's current technology is over 25 years old, is mainframe based, and consists of over 100 client server applications. IRAS implementation will fully modernize DOR's process systems to create a web-based, real-time, and integrated user experience that automates processing capabilities, optimizes the efficiency and effectiveness of DOR staff, and strengthens security and internal controls. IRAS will improve DOR's ability to mitigate fraud and will increase revenue with new audit programs and better technology to assist with the collection of delinquent taxes. Additionally, IRAS will provide a higher level of system recovery via the Microsoft Azure Government Cloud.

In addition to modernizing DOR's processing systems, IRAS will dramatically improve the user experience for taxpayers through consolidation and redesign of all tax forms and a modern public facing portal providing taxpayers access to online filings, account information, service requests and the ability to delegate access to tax preparers.

Prior to the start of the project in Summer 2019, the IRAS initiative yielded several benefits that can be leveraged across other Delaware agencies. A procurement and project readiness methodology, focusing on large state government IT project implementations was created in collaboration with the Department of Technology and Information (DTI) and OMB's Government Support Services (GSS). As part of this methodology, a consistent and repeatable process was documented and used. The process included an initial discovery step reaching out to more than 30 States to better understand their experiences and lessons learned on similar projects working with vendors that provide revenue administration products and services. Leveraging input from states that had successful implementations, an RFP with more than 1500 requirements was created. During onsite sessions, bidders were required to demonstrate more than 70 real-life scenarios.

Governor Carney and the General Assembly approved funding for the project in the FY2020 budget and a contract was awarded in July 2019. To gain fast traction at project initiation, almost a dozen project readiness activities were undertaken to develop a thorough binder of information on DOR systems, processes, and tax laws that was provided to the selected vendor prior to arrival on site. On site activities began in late July. The IRAS project will be unveiled in three releases as follows:

- Release 1 (Fall 2020) – This release will include business related taxes such as licensing fees, gross receipts taxes, commodities taxes such as alcohol and cigarettes, and so-called "Trust Fund Taxes" which are taxes due to the state that are collected through third-parties. Trust Fund Taxes include personal income tax withholding, realty transfer taxes, lodging taxes and public utility taxes.
- Release 2 (Fall 2021) – This release will cover personal income taxes.
- Release 3 (Fall 2022) – This release will include corporate income taxes as well as partnership, S corporation, and fiduciary income tax returns.

The project will also create numerous opportunities for improved efficiency and taxpayer service through collaboration with other State and local agencies. For example, DOR and the Department of Labor will discuss how the system could be leveraged to help modernize the State's Unemployment Insurance tax collection system. DOR will also offer a module allowing hotels and motels to pay both their state and any authorized local lodging taxes through a single filing system.

Leverage Financial Service Delivery (FSD) GEAR Team to Drive Financial Process Improvements

Historically, there has been no formal entity charged with identifying issues and risks affecting the State's financial management functions. Such responsibility falls to individual agencies and the State's key financial officers, often acting in their individual capacities. As a result, responses and solutions often prove to be burdensome, fragmented, or ineffective.

GEAR's FSD Team offers an opportunity for the State's senior financial officers to identify, prioritize and implement continuous improvement initiatives to address State financial issues and risks. GEAR's FSD Team includes the Secretary of Finance, Director of OMB, Controller General, State Treasurer, Auditor of Accounts, the Deputy State Court Administrator for Fiscal Policy and a representative from school district business managers. The Team is supported by key directors and staff from these agencies. The FSD Team met bimonthly in 2019 and will continue to meet quarterly in 2020. Team meetings provide a regular venue to discuss 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.

Many of the FSD Team's policy priorities are developed through the Financial Advisory Committee (FAC) which is comprised of financial officials from key state agencies including DOF, OMB, DOE, DHSS, DNREC, DelDOT, DOC, DOS and local school districts. The FAC meets regularly under the auspices of the Department of Finance's Division of Accounting (DOA). The FAC is currently focused on three major priorities – 1) eliminating onerous paper processing requirements that create significant additional work with limited or no benefits; 2) standardizing and simplifying the use of account codes to boost transparency and consistency in financial reporting; and 3) simplifying purchasing and travel processes and reducing related overhead. The FAC currently meets quarterly and its three subcommittees focused on the above priorities meet at least bimonthly.

The FAC Account Coding Subcommittee worked in conjunction with DOE to update and provide definitions for expenditure account codes. Legislative and federal reporting requirements resulted in the need for additional account codes along with

consistent use of account codes to ensure comparable reporting across all State Organizations. This subcommittee will work during 2020 to update and define revenue codes.

The FAC Subcommittee on Onerous Paper Processing explores ways to eliminate or streamline document workflows and reduce redundant or ineffective review of documents by multiple levels of state officials. The subcommittee has worked to reduce requirements for submitting and getting multiple approvals for small dollar missing receipt affidavits and proposed revisions to the account receivable write-off process. The subcommittee is examining a variety of revisions to purchasing processes including the threshold for purchase orders, exceptions for purchase orders, the after-the-fact waiver of the purchase order process, and the criteria for open order purchase orders. Ultimately, proposed policy changes are reviewed by a separate body, the Budget and Accounting Policy Manual (BAM) Committee.

The FAC Travel Subcommittee is exploring ways to reduce the complexity of the travel reimbursements and per diems that lead to inefficiencies in processing and policing travel requests and reimbursements. The first step in this process was to revise a policy requiring that travelers on state business provide an affidavit for approval by OMB and DOA for missing receipts. The policy was revised to eliminate the requirement for amounts of \$10 or less. Amounts above \$10 still require an affidavit for approval by a Division Director for amounts up to \$40, by a Cabinet Secretary up to \$100. Higher amounts require review by OMB and DOA. This policy has resulted in a 90% reduction in paper reviews by OMB and DOA staff.

Similarly, State rules had provided that any lodging or common carrier costs in excess of 150% of the per diem, seasonal allowable rates published by the U.S. General Services Administration required pre-approval by OMB and DOA. This threshold was raised to 200% with Cabinet level approval of amounts between 150% and 200% eliminating 90% of such filings to OMB and DOA.

Travel expenses in Fiscal Year 2019 were \$6.6 million with \$5.3 million spent for commercial common carriers and lodging with the remainder for meals and incidentals. The FAC Travel Subcommittee is currently in discussions with an approved travel management company to bring greater consistency and efficiency to the booking of conveyance and lodging for state employees. This company has brought savings rates of 10% to 20% (an estimated \$800,000 for Delaware) based on its experiences with other state governments and dramatically reduced the need for paper processing of travel related reimbursements. The current expectation is to roll out this service in the Spring or Summer of 2020.

Nearly 20 years ago, the State implemented a PCard (purchasing card) program to facilitate purchasing by State employees and streamline payment systems and paperwork. The program has experienced significant growth in terms of expenditures using the PCard and as a mechanism to pay vendors and reduce employee reimbursements. The PCard program is operated by the Division of Accounting (DOA) and the current contract was re-bid in 2018 in conjunction with the State Treasurer's RFP for banking services to maximize the State's negotiating leverage with bidders.

JP Morgan Chase won the competitive bid and a new PCard contract took effect January 1, 2019. The new contract provided for a higher rebate to the State and improved the rebate payment frequency from annually to quarterly. The new contract also improved the user experience by allowing the PCard to be used for both purchases and travel. The State is also working to increase State vendor participation in the Single Use Account (SUA) program which decreases the cost incurred by the State for other payment methods such as checks, ACH and wire payments and increases the dollar amount eligible for rebates. While PCard utilization is relatively flat, SUA participation is up 21% this year. Combined with a higher rebate, the State projects an additional \$440,000 in rebates that will be available to fund other programs and spending priorities.

Conduct a Comprehensive Review of the State's Banking Structure

The Office of the State Treasurer (OST) provides the State with transaction and cash management services, ensuring sound fiscal stewardship over financial assets, systems, and processes. Under the authority of the Cash Management Policy Board (CMPB), OST is responsible for providing these services by procuring statewide contracts with banking services providers that can meet a wide-range of collection and disbursement needs across the agencies.

Historically, these services have been procured in a piecemeal fashion, resulting in an overly complex banking architecture with multiple – often redundant -- providers, outdated product offerings, and non-competitive pricing structures. Further, it was unclear whether the current banking services providers were meeting the needs of the agencies since a comprehensive assessment of the State's banking architecture had not been conducted in more than 25 years.

In early 2017, OST, on behalf of the CMPB Board, engaged PFM Asset Management LLC (PFM) to conduct a comprehensive study of the State's banking architecture. Upon completing their study in 2018, 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. The Board adopted PFM's recommendations to amend the current banking architecture and approved the issuance of a comprehensive banking Request for Proposal (RFP), including five unique banking components – general banking (electronic collection and disbursement), lockbox services, purchasing card, stored value card, and check printing. The Board also adopted PFM's recommendation to issue a separate local banking RFP, for those agencies requiring physical deposit services.

The general banking RFP was issued in June of 2018, and in November 2018, the Board approved the Evaluation Committee's decision to grant the award for stored value card services to US Bank and the award for all other banking services to JPMorgan Chase. As of August 2019, all contracts related to the comprehensive banking RFP were executed.

The local bank RFP was issued in March of 2019, and in August 2019, the Board approved the decision to award primary over-the-counter collections to M&T Bank, and additional collections for agency bank accounts to Citizens, WSFS, and TD Bank. These contract negotiations remain ongoing.

Once fully implemented, the new banking architecture will result in significant benefits for OST, agencies, and citizens. With simplified reconciliation processes, enhanced straight-through-processing, and streamlined file transmissions, operational efficiency will improve dramatically, allowing staff to spend more of their time on high value-add tasks. Risk will also be reduced by deploying updated banking products, systems, and reports, with less of a reliance on risky cash and check transactions. These enhanced product offerings will improve the timeliness and ease by which citizens can access various payment and benefit distributions from the State.

By consolidating service providers and leveraging economies of scale, OST is expected to realize a significant contract cost savings of approximately \$650,000 per year once fully transitioned – not including an additional \$233,000 estimated increase to the State's annual purchasing card rebate. Finally, the new service providers are expected to provide best-in-class customer service, including additional user training and educational opportunities.










With the new general banking contracts in place, OST has recently shifted its focus to project planning and implementation. While certain services will begin moving to the new providers in January of 2020, the complete transition may extend into late 2020 and beyond. OST is working closely with key impacted agencies to define mutually agreeable transition timelines, to ensure continuity of operations and minimize any potential disruptions.

Pursue Debt Service Savings Opportunities

The State's Triple-A bond rating combined with an historically low interest rate environment has enabled Delaware to realize substantial debt service savings. In November of 2017, the State undertook an advance refunding of \$115 million in previously issued debt, saving \$4.7 million in future debt service. In August of 2019, a refunding of \$123 million of Series 2009D Build America Bonds saved more than \$15 million in debt service over the next decade. The refunding occurred through a competitive bid process at an all-in borrowing cost of 1.12% - the lowest in modern state history for debt of a similar maturity.

HEALTH & SOCIAL SERVICES

Prior Recommendations Summary

Project	Status	Comment
Contain Lease Costs	 1 green	Successfully reduced cost and improved workspace through lease negotiation.
Complete Energy Savings program	 1 green	Completed green, energy-saving improvements at DHSS buildings and 24/7 facilities
Leverage Federal Funding	 1 green	Created and continually update a cost allocation plan.
Centralize Human Recourses	 1 green <i>completed</i>	Complete- 56 people were move from DHSS to DHR.
Implement Electronic Signature	 1 green	To be fully implemented by February 2020.
Continue Review of Overtime Reduction	 2 yellow	Examine internal controls and the way overtime is calculated.
Optimize Mailing and Postage	 2 yellow	Some onetime investments are needed to make communications available electronically.
Pilot Electronic Management of Boards and Commissions through software initiative	 3 yellow	Conduct a pilot to see if DHSS can apply software across DHSS.
Pursue Increasing Fees	 3 red	Recognized initial increases in FY20.

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

As one of the largest agencies in Delaware state government, the Department of Health and Social Services (DHSS) has a profound and personal impact on the hundreds of thousands of individuals it serves every day. DHSS is undertaking several planning initiatives to develop a coordinated, efficient, lean, department-wide infrastructure that will provide high-quality services in all Delaware communities and reflect the State's collective mission to improve the quality of life for all Delawareans.

Establish Healthcare 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, House Joint Resolution 7 authorized DHSS to establish a health care spending benchmark linked to growth in the overall economy.

In 2018, Executive Order (EO) 25 established a subcommittee of the Delaware Economic and Financial Advisory Council (DEFAC) for setting the health care spending benchmark. The benchmark was set at 3.8% for calendar year 2019. The EO also established eight quality benchmarks in three general areas: health care utilization, behavioral health and cardiovascular

disease. A report on performance relative to the quality and spending benchmarks will be available in the 4th quarter of 2020.

Delaware is the second state in the country to establish a health care spending benchmark and the first to establish health care quality benchmarks. Details about the methodology for establishing the benchmarks and reporting performance against them can be found in the Delaware Health Care Spending and Quality Benchmarks Implementation Manual (<https://dhss.delaware.gov/dhss/files/benchmarkmanual0602119.pdf>).

Develop Department-wide Strategic Planning

DHSS is comprised of eleven divisions and their 193 individual programs and services. In August of 2018, DHSS issued an RFP to create a new strategic plan. DHSS is reaffirming and clarifying the Department's overall mission and vision and examining the alignment of processes and tasks with Department goals and structure. DHSS has engaged Health Management Associates (HMA), a national consulting and research firm to facilitate the strategic planning process. Final strategic plan recommendations - built through a series of outreach efforts involving DHSS leadership from all divisions, service providers, advocacy groups and the public – are expected to be complete in February 2020.

The mission of DMMA is to improve health outcomes by ensuring that the highest quality medical services are provided to the vulnerable populations of Delaware in the most cost-effective manner. DMMA is working with Burns and Associates to complete a strategic assessment process. The goal of this process is to take a comprehensive look at DMMA to determine if changes are needed in the structure, staffing, processes, and administration to maximize its ability to deliver services, and ensure that it is utilizing federal dollars to their fullest extent. This project will complete in June 2020.

Standardize Provider Rate Methodologies

Without the vast community of providers in Delaware, DHSS would not be able to serve Delaware's most vulnerable populations. In recent years, provider reimbursement has become a major concern throughout the state. It is critical that providers be compensated in such a way as to ensure adequacy of services statewide, but DHSS knows these needs must be balanced with all the other needs across state government.

With help from Burns and Associates, DHSS has started work to conduct a review of provider rate methodologies. This study will analyze the current workflow for setting rates and internal operating procedures, the methods for setting rates in each service category, the strategy and progress towards implementation of value-based rates and summarize relevant federal and state requirements that influence rates or the rate setting process. This project will be complete in April 2020.

Modernize Public Safety and Security

DHSS has four campuses and fifteen service centers across the state. Public safety and security functions are decentralized. This results in inconsistent policies and procedures, and disparate staffing levels, funding and equipment. DHSS is working with Margolis Healy, a firm specializing in campus safety, security and regulatory compliance, to centralize, modernize and appropriately resource public safety and security. This project will be complete in March 2020.

Introduce Telework

In 2018, the DHSS Management Services' Project Planning Group began researching how a progressive telework policy could be used to help DHSS address challenges with staff recruitment and retention, improve the agency's ability to maintain operations during an emergency, and reduce its need for leased space. A report which included information on benefits, best practices, challenges, policy recommendations, Human Resources/Labor Relations (HR/LR), and the use of telework technology, was submitted to DHSS Leadership for consideration. The team is now drafting a telework policy and other implementation tools such as telework guides for managers and staff. A draft policy will be ready in early 2020. In addition to these planning initiatives, DHSS continues to identify ways to reduce its operational costs and maximize federal funding opportunities.

Save Energy Costs

In August 2019, DHSS completed green, energy-saving improvements at its buildings and 24/7 facilities. The result of these improvements is an annual 9% reduction in electric consumption, 5% reduction in water consumption, and 1% reduction in heating fuel consumption. This translates to an annual savings of \$230,000.

DHSS has assessed a second energy-savings project that would include energy conservation measures such as water fixtures, steam systems and transformers. The estimated savings from this project is \$277,000 annually.

Contain the Growth of Lease Costs

DHSS is working with OMB to review leases that will be expiring over the next five years. OMB's partnership with a real estate vendor to assist with lease renegotiation has resulted in an average annual rent savings of \$206,000 for DHSS in addition to avoiding \$160,000 of lease cost escalators.

Leverage Federal Funding

DHSS continues the operation of the 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 fiscal year 2019, this unit identified and drew down an additional \$3,557,235 in federal funding to support staff salaries for DHSS's information technology and social worker/case manager positions.

Optimize Fees









In 2018, DHSS identified fees that are collected to offset the cost of services such as licensing health care facilities. Most of the fees had not been reviewed or updated in 10 years. It is estimated that DHSS could bring in an additional \$900,000 in revenue by increasing fees. Some progress was made to gain support for the increases through the annual budget process; additional efforts will be required for the same during the next budget cycle. HB 9 was passed which modified the hospital licensing code and updated the fees. The estimated annual impact will be an increase of \$18,800 annually. This year DHSS will pursue legislative changes to the Division of Health Care Quality's Plan Review Fee structure, which is estimated to increase fees by \$10,000 per year.

Deploy Electronic Signature Technology

On average, DHSS executes 1,800 contracts per year. About half require the Cabinet Secretary's signature. Multiple copies of paper contracts are routed from the division to the Main Building on Herman Holloway Campus. They are reviewed and signed by several individuals and then routed back to the divisions. DHSS is implementing an electronic signature software system. The implementation will be phased in by division. The project will be fully implemented by February 2020. This will dramatically reduce the use of paper, the need to scan contracts, the number of documents shipped via state courier and the overall time it takes to execute a contract. DHSS believes that the new system also eliminates the need to maintain its current contract management tracking software, which would result in additional cost savings.

HUMAN RESOURCES

Prior Recommendations Summary

Project	Status	Comment
Implement HR centralization	 2 green	Signed Service Level Agreements with 16 Executive Branch Departments including Delaware State Police before the June 30, 2019 deadline and centralized human resources personnel Established framework for Lean HR process improvement
Implement and integrate human resource systems and technology	 2 yellow	<ul style="list-style-type: none"> Received vendor proposals from an RFI for a centralized onboarding system Implemented eSTAR timekeeping system for centralized HR staff Partnered with Department of Natural Resources and Environmental Control (DNREC) on electronic content management system for HR records (DNREC ECM HR Project) Investments are needed to implement technology to support HR processes such as a centralized employee onboarding, workflow tracking, and electronic personnel records management systems
Implement GEAR-P3 Innovation & Efficiency Award	 1 green completed	<ul style="list-style-type: none"> New award implemented, and monetary incentives provided to State employees in the amount of \$10,000 per team Award expanding in FY20 to included monetary awards to individual employee achievements demonstrating innovation and efficiencies.
Reinstate of First State Quality Improvement Fund	 1 green completed	Program reinstated, and funding provided for FY20 for the first training cohort. Program details under development
Streamline Talent Acquisition	 1 green	Developed statewide recruitment strategies and implemented several initiatives for hard-to-fill positions.
Conduct Total Compensation Study	 2 yellow	Study completed and draft report under review.
Support recommended legislative changes	 3 grey	Further discussions needed to determine strategies to ensure plans driving the automation of HR processes include DOE and schools in the project scope to ensure cost effectiveness statewide.
Reduce healthcare costs	 1 green	Several new strategies implemented to reduce healthcare costs for State employees, pensioners, and their dependents.

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

Centralize Human Resources

The objective of human resources centralization is to develop best practices for the delivery of Human Resources Services with a focus on customer service, efficiency, effectiveness and accountability.

Accomplishments achieved in 2019 included signing Service Level Agreements (SLAs) with 16 agencies -- including the Delaware State police – which resulted in the centralization of human resource personnel ahead of the June 30, 2019 deadline.

The Department of Human Resources (DHR) is developing a LEAN HR framework to support the implementation of process improvement initiatives focusing on labor relations, talent acquisition and retention, job classification and

compensation, and other related policies and procedures. DHR's LEAN HR approach focuses on engaging people to document existing work processes, and subsequently identifying opportunities for improvement. Currently, efforts are underway for seven critical HR processes.

A family-friendly work environment that values and respects all employees is an important asset that helps the State attract and retain talent. In 2019, DHR implemented a Parental Leave Policy that provides 12 weeks of leave to all qualifying State employees, and a Respectful Workplace and Anti-Discrimination policy featuring centralized complaint reporting and investigation processes. Additionally, DHR implemented standardized policies in support of the Family and Medical Leave Act (FMLA), Call Back Pay policy, and Military Leave policy for state employees.

In October of 2019, DHR held a collaborative strategic planning event with DHR leadership and agency HR Leads. This event focused on developing short and long-term priorities in support of DHR's mission and vision. DHR hosted a Strategic Planning & Recognition Event which saw the participation of 79% of DHR employees statewide. This event provided employees with the opportunity to suggest improvements in all functional areas of HR.

Implement and Integrate HR Systems and Technology

To increase efficiency and effectiveness in the delivery of human resources services, it is important to use technology that is both standardized, and centralized.

- In July 2019, DHR implemented a new timekeeping system, eSTAR. Further expanding the use of eSTAR across all Executive Branch agencies will create opportunities for additional efficiencies.
- Through a partnership with the Department of Natural Resources and Environmental Control (DNREC), and the Department of Technology and Information (DTI), DHR will implement a first-of-its-kind pilot of an electronic personnel records system.

To proceed, investments are needed to implement technologies in support of critical HR processes including centralized employee onboarding, workflow tracking, and electronic personnel records management systems.

Implement HR Process Improvement Programs

DHR implemented the first GEAR-P3 Innovation and Efficiency Award (GEAR P3 Award) in May 2019. Through a partnership with the Department of Finance and the GEAR-P3 Focus Group, the Governor recognized two teams with a cash award of \$10,000 per team. The award supports 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; identifying and showcasing quality improvement initiatives; and sharing best practices across State government.

The reinstatement of the First State Quality Improvement Program as part of the FY20 budget process enables training for state employees in the areas of Lean process improvement, project management, and change management. Program details are under development with a target implementation of Q2 2020.

Develop Best Practices in Talent Acquisition

Redesigning the recruitment and retention processes includes developing best practices for filling vacancies, in the shortest time, with the best customer service. In partnership with state agencies, talent acquisition strategies were developed using agency-specific data to identify and document recruitment and retention objectives, create process improvement targets, and align on recruitment metrics to measure process efficiency.

DHR implemented several new strategies to address the hard-to-fill positions across State government. This included hiring a Nurse Recruiter to develop talent pipelines with state schools for hard to fill nursing positions, e.g. certified nursing assistants (CNA), licensed practical nurses (LPN), and registered nurses (RN). The Department of Correction and the Delaware Veterans Home implemented multiple pilot incentive bonus programs to identify potential candidates to fill vacant correctional officer positions and nursing positions.

Reduce Health Care Operating Costs

The objective of the Statewide Benefits Office (SBO) is to offer State employees, retirees, and dependents high quality healthcare, at an affordable cost, while promoting healthy lifestyles and engaging consumers. Achievements in 2019 included implementing copay differentials resulting in a 5.2% decrease in visits to non-preferred facilities, and a 6.5% increase in preferred lab utilization for the first three quarters of FY19. SBO implemented enhanced care management programs and services resulting in an 80% engagement rate through third quarter of FY19. Additional achievements included the implementation of SurgeryPlus for selected pre-planned surgical procedures, and the launching of a consumer-friendly, mobile-enabled website focused on providing users with easy access to important information.

Future Activities






During HR centralization, agency leadership and human resources staff provided valuable input to assist DHR in identifying several HR processes in need of improvement. As part of this effort, DHR is working to create a Lean HR culture, one that focuses on continuous improvement through the engagement of people. Lean HR includes evaluating current workflows, eliminating inefficiencies, improving responsiveness, aligning HR functions, and tracking, monitoring, and evaluating the improvement. Process improvements will continue in 2020 as DHR tracks and monitors changes to HR processes in labor relations, classification and compensation, and talent acquisition.”



With an emphasis on people, process, and technology, DHR is using Lean to transform the delivery of HR services, resulting in a global best practice for the people served – employees, retirees, and their dependents. Technology is a critical component of the equation to create a global best practice. DHR first introduced the idea to implement technology to augment process improvement as part of HR Centralization in its 2018 GEAR Report to align with GEAR principles for increasing the efficiency, effectiveness and accountability in the delivery of services. Investment in technology is critical to realize efficiencies and improve tracking of HR processes.

- **Onboarding System** to engage all new hires, provide uniform information on benefits, uniform practices, policies and procedures, and provide an overview of state government and culture. A central Onboarding System delivers a consistent welcome message and information to all new employees with an automated data entry of employee information into the State’s human resources system. It is also a major step to moving to a single source for new employee information with enhanced tracking and reporting, including dashboards.
- **Talent Management System:** Classification and Compensation data analytics, Employee Information Center (EIC), and HR process workflow to provide data and information necessary to improve the delivery of HR services to state employees. The requested technology supports process improvements highlighted by Executive Branch leadership and will provide enhanced metrics, reporting, and improved transparency.
- **Electronic Personnel File System (ePersonnel Files)** to digitize Executive Branch employee paper records into an electronic personnel file system. This comprehensive system maintains employment history throughout the employee career cycle. It also moves DHR to more of a paperless storage environment and provides a foundation for the storage of all personnel files and supporting documentation.
- **Employee Performance (ePerformance)** to provide a consistent platform to conduct, manage and report on employee’s performance with interfaces to the HR system PHRST and training.

**INFORMATION TECHNOLOGY
Prior Recommendation Summary**

Project	Status	Comment
Implement Shared Services	 1 green	Centralize the IT operational support by developing and implementing a new Shared Services Model: <ul style="list-style-type: none"> • Centralize and standardize all service desks • Standardize and document service delivery solutions; (defined services, service level agreements (SLAs) operating metrics, etc.) • Produce and maintain a simplified service catalog supported by a concise and transparent cost recovery model.
Improve Policy and Governance	 1 green	Centralize the various IT silos in the State, eliminate unnecessary spending, and improve inter-agency teamwork. <ul style="list-style-type: none"> • Improve communication and transparency between the agencies and DTI. • Develop and implement standard IT policies, support processes, and IT architectures across the State. • Create a governance framework that facilitates the inclusion of the IT organization and State agencies to drive common standards, funding, and project prioritization.
Implement Centralization	 1 green	Centralize the IT operational support under a single entity, DTI. The centralization plan will include: <ul style="list-style-type: none"> • A plan to fund the centralized organization through a combination of budget consolidation, cost savings, centralize resources. • The plan will make changes to the DTI organizational structure to optimize services and specialize skill sets. • A review and rework to standardize the staff titles framework and compensation structure.
Develop Desktop as a Service Program	 1 green	Develop a new strategy to procure and manage end user computer devices. <ul style="list-style-type: none"> • Develop and publish standard system configurations. • Implement a consumption-based pricing model for devices as well as removing the ownership of the devices. • Convert expenditures for devices from CAPEX to OPEX. • Streamline the procurement and replacement process for defective units.
Implement Vendor Management Program	 1 green	Create a centralized IT vendor management capability to accomplish the following objectives: <ul style="list-style-type: none"> • Centralize and reduce the number of IT contracts. • Proactively manage software licensing to eliminate waste and duplication of licensing. • Partner with vendors to identify and realize cost savings strategies through contract restructuring or change in services. • Develop IT specific procurement staff knowledgeable of the unique aspects of IT procurement.

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.

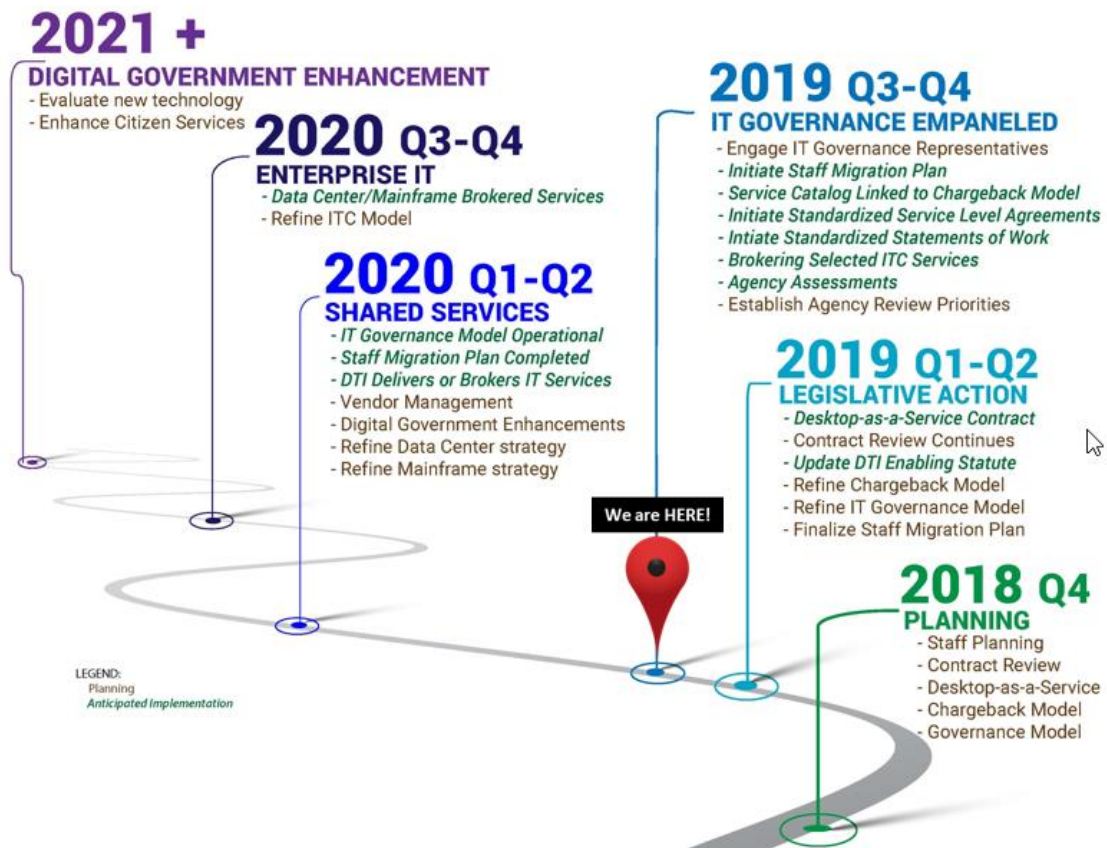
Red: project experiencing significant issues. Gray: project withdrawn.

Delaware has adopted a standardized IT services delivery model, with shared services either delivered or brokered by DTI to more aggressively realize the many benefits of Information Technology Centralization (ITC). Based on the findings of a 2017-18 statewide IT assessment, DTI developed a centralization plan that defines the delivery strategy for commoditized services and identifies how agency-specific needs will be addressed; cost savings, efficiencies, timelines and a plan for fiscal and IT employee resources. Significant executive level support must underwrite this transformational change that will be foundational for delivering the digital government priorities and initiatives Delawareans deserve.

Overview of Current Initiatives

DTI seeks to implement an enterprise IT Centralization strategy that provides an equitable, efficient and cost-effective approach to delivering IT services. The key objective is 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 will 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.

Leveraging the oversight and governance of the GEAR Steering team, in late 2017, DTI engaged a vendor partner with experience in IT centralization, Excipio, to perform extensive analyses of Delaware government’s partially centralized IT environment. The consultants 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 consultant’s study were shared with GEAR in July 2018 with next steps identified. Among the findings: Delaware could accrue substantial savings and cost avoidance through centralizing executive branch IT support in a DTI brokered shared services model.



IT Centralization Project Roadmap

DTI’s work with Excipio continued through 2019 to execute several projects to advance IT centralization efforts. Projects already completed include:

- a review of all state IT contracts to identify cost savings and risk reduction as a prerequisite to IT vendor management;
- a new procurement model, Device-as-a-Service (DaaS) for user devices (PCs, laptops, tablets, etc.);
- new procurement models for mainframe and data center services;
- a successful legislative update that supports fully centralizing the executive branch agencies to allow a new shared services model.

Enterprise IT Contract Review: An extensive review of Tier 1 vendors (32 vendors with whom the state's annual spend is greater than \$1,000,000) completed has identified a potential annual savings and cost avoidance of \$2.0M. To date, Delaware has realized \$315,000 in savings from negotiated contract renewals and consolidation already completed; renewals and renegotiation work is ongoing. Tier 2 (\$500,000-\$999,000 spend) vendor contract reviews are next.

Delaware is in the initial phase of its process of moving to Microsoft Office 365 Pro Plus/Exchange Online, having effectively renegotiated existing enterprise licensing agreements for Microsoft Office held by various state agencies to custom terms with a common termination date. This allows the state to subscribe 21,000 users to a single enterprise-wide Microsoft Office 365 Pro Plus licensure agreement beginning in January 2021. Government cloud-based, this modern suite of productivity tools lays the foundation for enhanced collaboration across the enterprise, while moving yet another capital expense (device-based software) to an operating expense (per-user-per-year subscription Software-as-a-Service) in keeping with the goal to make IT service costs more predictable and scalable. A single enterprise agreement also simplifies adherence to licensure requirements, while enhancing security protections and regulatory compliance.

Implement Device-as-a-Service (DaaS)

This is the first service offering to shift Delaware IT user equipment service provisioning and administration from capital to operating expenses which will:

- maximize procurement economies of scale and stabilize procurement of technology equipment;
- bundle the costs of imaging, support, maintenance, repair/replacement services; and
- assure a predictive, consumption-based cost model for budget planning.

The benefits of DaaS include:

- timely refreshing of technology and limited downtime
- fewer variations in equipment relieving technicians from hardware maintenance
- more stable year-to-year agency operating costs, cost avoidance, and the freeing up of capital resources for other strategic investments, and
- timely replacement of older equipment that strengthens the state's security posture by assuring out-of-support equipment does not remain in service.

Under the DaaS subscription model, costs vary only based on monthly consumption, tied to the contract, based on actual use. This service offering is projected to be made available in 2020.

Implement Data Center-as-a-Service (DCaaS)

DCaaS maximizes procurement economies of scale within the State, stabilizing data center hosting costs by shifting spending from a large capital investment to continuous operating expense, through these and other features:

- service catalog selection of standard, updated technology (e.g., modern facility environment, security compliance, etc.);
- hosting service includes infrastructure and a range of support, maintenance, backup, and security services governed by contract;
- DCaaS hosting meets state standards and policies;
- consumption-based cost model is predictive for agency and State budget planning;
- analytics and monitoring help with regulatory compliance, while also optimizing software licensing and hardware management.

The benefits of DCaaS include:

- ability to select level of hosting according to need and budget,
- reliable, resilient infrastructure performance and cost,

- redundancy, back up, and uptime choices,
- can coordinate with vendor to meet agency's hosting needs (data center tier requirement, security, compliance, etc.).

Under the DCaaS subscription model, costs vary only based on monthly consumption, tied to the contract, based on actual use. This service offering is projected to be made available in 2020.

Implement Mainframe-as-a-Service (MFaaS)

This is the third area in which the state seeks to modernize to take advantage of more cost-effective platforms over the next five to ten years. As workloads are migrated off the mainframe, the infrastructure cost burden is split amongst an increasingly smaller pool of agencies.

The benefits of MFaaS include:

- Leveraging a vendor partner significantly reduces costs for hardware and software refresh;
- transitioning mainframe services to operating expense enhances budgetary control and predictability;
- assures stable service, performance, and staffing;
- Consumption-based billing for this brokered service enhances agency ability to quickly adjust services to workload needs.

This service offering is projected to be made available in 2020.

Implement Shared Services IT Legislation








Governor Carney signed Senate Bill 153 in July. This legislation updates to DTI's enabling statute (Title 29, Section 90c), with several key features:

- authorizing DTI to leverage a full chargeback model to support shared services;
- reallocating IT assets and staff from executive branch agencies to DTI;
- authorizing development and implementation of a comprehensive information security program;
- reconstituting a representative Technology Investment Council to be responsible for Delaware's statewide technology plan;
- responsibility for statewide IT procurement standards and processes;

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.

PUBLIC PRIVATE PARTNERSHIPS (P3)

Prior Recommendations Summary

Project	Status	Comment
Strengthen & Grow the GEAR P3 Innovation and Efficiency Award	 1 green	Continue to build on the first-year success of the new State/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 in 2020 in specific targeted areas of the State.
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	Pending amendments to the Delaware Governmental Accountability Act.
Determine Impact of 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 by working closely with the State HR and DTI Departments.

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.

The GEAR P3 Team seeks 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 opportunities addressed by the team will continue to 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 team will also ensure that there is full engagement from both the Delaware Business Roundtable and the Delaware State Chamber of Commerce.

The year 2019 has shown real progress in P3 partnerships throughout the State of Delaware. Within the education arena, the partnership between the Delaware Business Roundtable, the Delaware State Chamber, the Rodel Foundation, and the State Department of Education has made advancements in public education reform through both the Vision Coalition of Delaware and their Student Success 2025 plan, and the Delaware Business Roundtable Education Committee (DBREC).

The two-year old Delaware Prosperity Partnership is an example of how a public private partnership has brought new and innovative leadership and thinking to economic development in Delaware.

Overview of Current Initiatives

Strengthen the GEAR P3 Innovation and Efficiency Award

In 2018 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 GEAR P3 task force has succeeded in getting more companies involved with this important award, and now the commitment from the private sector and public sector has doubled, with \$25,000 coming from the private sector, and \$25,000 from the public sector. The overall \$50,000 committed to this program will ensure that even more accomplishments by State employees and State teams can be recognized for their performance at the awards ceremony in the second quarter of 2020.

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.

Assist in the Implementation of the Delaware Governmental Accountability Act (GAA)

Provided HB 133 receives the required support by the legislature and is subsequently signed into law, the P3 team will seek to obtain private sector expertise to assist the State during the implementation of the GAA. Private sector experts may be used to develop 1) a robust strategic planning process, 2) meaningful performance metrics, 3) evaluation methods, and 4) opportunities for self-sustaining budgetary process improvements. This work would assist the Executive Branch and General Assembly to move towards a budget process that utilizes performance-based decision-making as the norm and not the exception.

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.

Create Programs that Produce Next Generation IT Professionals

The Bureau of Labor and Statistics data states that by 2020 there will be 1.4 million new computer science jobs -- but only 400,000 computer science graduates will be produced. For graduates, possessing expertise in information technology is as necessary as being able to read and understand mathematics.

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's educational institutions which serve as workforce pipelines.

The GEAR P3 team will develop a plan to coordinate a multi-industry group whose objective is to foster programs that produce next generation IT professionals in Delaware.

Develop a Digital Government Enterprise Strategy








Delaware must develop and act on an enterprise digital government strategy that delivers a consistent and intuitive user experience like that provided by major online retailers. Though Delaware has made significant progress in making services available via the Internet, the lack of a comprehensive enterprise-level strategy has produced a set of services delivering inconsistent user experiences and levels of service.

DTI and the Department of State's Government Information Center (GIC) will collaborate with a private sector partners, and other state agencies to develop a strategy that enables the integration of current and new systems onto an adaptable enterprise platform. GEAR P3 will engage strategic partners capable of helping Delaware overcome the State's data and information silos, thereby contributing to the creation of a new Delaware State web presence which will meet the expectations of consumers of State services into the future.

GOVERNMENT EFFICIENCY AND ACCOUNTABILITY REVIEW (GEAR)

GEAR was established to be the catalyst for a sustained effort to continuously identify, monitor, and implement programs, policies and processes that enhance operational efficiency in a way that bends the cost 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
Initiate continuous quality improvement training and development	 1 green <i>completed</i>	The Administration supported the reinstatement of the First State Quality Funds (29 Del. C. § 6071). DHR has been instructed to include reinstatement of the program in their list of priorities for the upcoming legislative session.
Augment leadership training provided by the State	 2 green	Leadership development will be rolled into the curriculum of the First State Quality Improvement Fund. Partnering with select vendors and academic institutions to provide training will commence in 2020.
Require the establishment of continuous improvement teams in State agencies	 1 yellow	Advocacy for this recommendation will continue in CY2020.
Create a GEAR Field Team	 1 green	The GEAR Field Team (previously the “GEAR Expert team”) recruited its first resource with extensive project leadership expertise in 3Q19. The resource is now assisting multiple agencies to drive continuous improvement initiatives. Funding to grow the Field team will be pursued.
Support the reintroduction of the GAA	 1 yellow	The bill was approved by the Senate and House alternately during two separate legislative sessions. The bill will be reintroduced for approval in the upcoming 2020 session. <i>Ongoing ownership for this project has been assigned to the GEAR Financial Services Team.</i>
Support the Population Consortium legislation	 1 green <i>completed</i>	Senate Bill 7 was signed on May 14 th , 2019 by Governor John Carney. SB 7 formally creates the Delaware Population Consortium (DPC). <i>Ongoing ownership for this project has been assigned to the GEAR Financial Services Team.</i>
Support the Growth of EdGEAR	 1 green <i>completed</i>	In 2019 the GEAR team partnered with the Department of Education (DOE) to design and successfully launch the EdGEAR program. EdGEAR focuses on finding and acting on continuous improvement opportunities in the K12 education system. <i>Ongoing ownership for this project has been assigned to the GEAR Education Team.</i>

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

Initiate A Continuous Quality Improvement Training and Development Program

Consistent with the recommendation made in the 2018 GEAR Annual Report, the First State Quality Improvement Funds (FSQIF) (29 Del. C. § 6071) was reinstated by the legislature. A statute had existed to establish and define the FSQIF; however, Epilogue language in 2009 suspended the funding of the program. New Epilogue language was created in Fiscal Year 2020 to reinstate the program and funded it at the recommend level of \$150,000 per year.

The need for employees experienced in the areas of change management, project management, and process improvement has never been greater. The FSQIF program will implement a training curriculum focused on LEAN Government, project

management, program management, and the development of leadership skills. The program will generate new cohorts of trained and certified practitioners able to undertake continuous improvement activities. It is expected that the reinstated funding will support training of 20-30 employees annually.

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 program will be managed by the Department of Human Resources/Training and Organizational Development in cooperation with the GEAR Board.

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, and the Delaware Manufacturing Extension Partnership. GEAR will also encourage process improvement initiatives in agencies who do not have experienced practitioners by seeking to augment existing State resources with university undergraduate and graduate students.

Require the Establishment of Continuous Improvement Teams in State Agencies

The GEAR team recommends the Governor require all State agencies to identify, within their organizations, a team of persons to be dedicated to continuous improvement. It is recommended that cabinet secretaries assign two to three persons experienced in policy development, finance and continuous improvement to work with the GEAR team.

It is proposed that this team of newly identified resources be tasked with identifying continuous improvement opportunities spanning state agencies, be authorized to instantiate projects to pursue the opportunities and be required to regularly report on the progress of each initiative to the GEAR Board.

Create a GEAR Field Team

There are numerous opportunities to improve process efficiency, 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.

The 2018 GEAR Annual Report recommended the formation of a GEAR Field Team (previously the "Expert" team). The Field Team recruited its first resource with extensive project management expertise from the private sector in 3Q19. The resource is now assisting multiple agencies to drive continuous improvement initiatives.

As the team proves its value through activities in the field, consideration should be given to growing the size of the GEAR Field team in a manner consistent with the actual demand on the team's resources. Funding to add an additional resource to the Field team will be pursued in FY2021.

Support the Growth of EdGEAR

Throughout 2019 the members of the Department of Education (DOE) and GEAR worked to successfully launch "EdGEAR" – a team focused on finding and acting upon continuous improvement opportunities in the public education system. EdGEAR is staffed by school district Superintendents, Business Managers, and Department of Education officials to ensure accountability and ownership of the program resides within the education system.

In recognition of its successful launch, ongoing ownership for this program has been assigned to the GEAR Education focus area team.

Build and Deploy Standard Practices and Tools for Continuous Improvement Projects

GEAR recognizes the importance and benefits of a standard approach to documenting, modeling, and improving business processes. Since a standard does not presently exist in the State, the GEAR team will put into practice a repeatable

methodology in support of this critical activity. The recommendation for the use of a well-known software toolset to support this work will be included.

Similarly, project management practices vary significantly between agencies. The GEAR team is developing a Project Management Playbook which will provide guidance about common practices and deliverables designed to ensure successful project outcomes.

BEYOND GEAR: DELAWARE DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL

Modernizing Online Services to Better Serve Customers

The Department of Natural Resources and Environmental Control has begun a transformation to replace the legacy applications and manual processes that support over 50 permit, license and registration activities. The modernized solution will provide a single portal into many DNREC services offering a familiar customer experience with status alerts, transaction history and information about additional services of interest. The solution will also drive administrative efficiencies by enforcing minimum requirements for submission, automating workflows that support functions such as simultaneous reviews, and providing reporting metrics that identify areas for improvement and highlight successes. The technology supporting this solution leverages cloud services for improved accessibility and scalability. The modular application code creates easily customizable forms to adapt fields to policy or legislative changes. It accommodates quick revisions in displayed customer guidance such as permit assistance, tips and tricks, and contact information for further support.

The awarded vendor was selected in part because of their contemporary approach to three major requirements (1) getting the customer journey right, (2) developing work flows and tracking that support permit timeliness and continuous improvement, and (3) collecting and connecting useful data to inform practices that improve environmental outcomes.

To better understand the customer perspective, DNREC, DTI and the vendor interviewed numerous internal and external customers. Current and new customers and DNREC staff participated in recorded sessions as they navigated actual and proposed permit and license processes. The recordings tracked each time the customer scrolled, clicked, hesitated and navigated back and forth between forms and instructions. This exercise provided valuable insight necessary to make the customer journey more intuitive. Similarly, administrative and review processes continue to be evaluated and optimized to improve value and increase efficiency.

The project to modernize DNREC services is on track to offer recreational fishing licenses in early 2020 followed by additional recreational licenses and regulatory permits released quarterly through early 2021. The department hopes to continue building on this approach by adding additional services and by analyzing performance metrics for continuous improvement.

Continuous Improvement Training and Development

The Department has developed a plan for continuous improvement that will create a culture of problem-solving and efficiency among agency staff. The plan focuses on using continuous improvement and LEAN principles to engage and empower employees for organizational efficiency and effectiveness. There are multiple elements of the plan, but it centers on two primary areas; continuous improvement activities and continuous improvement education.

DNREC has initiated its continuous improvement education with a series of courses that provide practical information about how to improve the efficiency of the department's processes. The courses build on one another and provide employees with techniques to simplify and improve various aspects of their work.

- Continuous Improvement (CI) 101 (Introduction to Continuous Improvement) is a 30 minute online course that provides a basic overview of the concepts and principles of continuous improvement. It's anchored in the Plan-Do-Study-Adjust (PDSA) cycle.
- CI 102 (Introduction to Problem Solving) expands the learner's continuous improvement knowledge providing a basic understanding of problem-solving methods and concepts. Participants learn how to spot waste, identify and solve problems, and how to use an A3 report.
- CI 103 (Problem Solving with Data) shows participants the important role data plays in problem solving. They explore the different types of performance measures, practice categorizing performance measures and using measures to describe a problem.
- CI 104 (Applied Problem Solving) is the final course in the series to gain a DNREC CI White Belt Certificate with the submittal of a draft A3. This course is almost entirely hands-on and provides an opportunity for the learner to practice problem-solving and put their knowledge to the test through a variety of activities.

In addition, a Continuous Improvement for Supervisors course provides tools and skills for team leaders, supervisors, and managers to implement and sustain a culture of continuous improvement as a means of boosting team morale, productivity and improving results. Activities focus on coaching, performance management, and leader standard work. Upon completion of this course, and documentation of a change made in the management of a team, the learner will receive a DNREC CI Orange Belt Certificate.