Government Efficiency and Accountability Review (GEAR)

GEAR20 Board Meeting

September 16th 2020

Agenda

30 min

1. Introductions / Roll call
2. Old Business
   - Review/approve minutes
   - 2020 Schedule
3. New business

90 min

4. Deep Dives
   1. Financial Services Delivery
   2. Judicial Branch
5. Open Topics discussion – Board
6. Public Comment
7. Adjourn

Introductions

Roll Call

Old Business

Review/Approve Minutes from Prior Board meeting

*Final draft version sent to Board for review **September 11th, 2020***

New Business

2020 GEAR Board Schedule

Wednesday, January 15, 2020
10:00am to 12:00pm
Haslet Armory, Conference Room 219

~~**Tuesday, March 17, 2020**~~
~~9:00am to 11:00am~~
~~Buena Vista, Buck Library~~
~~-~~

~~**Wednesday, May 20, 2020**~~
~~8:00am to 10:00am~~
~~Haslet Armory, Conference Room 219~~

Wednesday, July 15, 2020
9:00am to 11:00am
Virtual Meeting on WebEx

Wednesday, September 16, 2020
10:00am to 12:00pm
Virtual Meeting on WebEx

Tuesday, November 17, 2020
8:00am to 10:00am
Buena Vista, Buck Library (TBD)

Calendar invitations have been sent to all Board members and Designees

5

New Business

2020 GEAR Board Schedule and Deep Dives

Wednesday, July 15, 2020

Wednesday, September 16, 2020

Tuesday, November 17, 2020
GEAR Annual Report
Deep Dives TBD
Location TBD

Reported in 2020

GEAR

Information Technology

Financial Services

Criminal Justice

Pending

DHSS & Healthcare

Education

GEAR P3 Task Force

Human Resources

New Business

- Welcome new Board members
  - Molly Magarik, Sec. DHSS
  - Jason Clarke, Acting CIO

- GEAR Team Update
  - GEAR P3 event with Governor, Awardees and Business Community to be scheduled in December
  - State Employee Recognition awards press release (see next page)

- DHR update
  - Centralization
  - First State Quality Improvement Fund (FSQIF)

- DTI Centralization Update

New Business

Thank you GEAR P3 Business Community Sponsors

Chip Rossi	Bank of America
Natalie Keefer	
Joe Westcott	Capital One
Rod Ward	Corporate Services
Scott Malfitano	Company (CSC)
Gary Stockbridge	Delmarva Power
Nick Moriello	Highmark BCBS DE
Don Mell	JPMorgan Chase
Nick Lambrow	M&T Bank Delaware
Ernest Dianastasis	The Precisionists, Inc.
Rodger Levenson	WSFS

Delaware Governor John Carney
State of Delaware Employees Recognized for Team Excellence, Excellence and Commitment in State Service, and Heroism
Public Servants Recognized for Outstanding Achievements

WILMINGTON, Del. – Governor John Carney, Cabinet members, and the business community celebrate the extraordinary work of Delaware's public servants and present awards annually to state employees that have demonstrated an outstanding commitment to their work. Historically, the Department of Human Resources hosts an annual recognition event during Public Service Recognition Week; however, the COVID-19 pandemic prevented employees from gathering for an event. Instead, awards are being distributed to individual and team recipients this week.

"State of Delaware employees deserve to be recognized every day for their commitment to their work and dedication to public service - especially during this time of crisis," said **Governor Carney**. "State workers have stepped up for Delawareans during this COVID-19 pandemic, delivering important services that families rely on. I know it hasn't been easy, but we recognize and appreciate that commitment to service."

This year's GEAR P3 Innovation and Efficiency Award and the new Trailblazer Award were made possible through the support of the Government Efficiency and Accountability Review (GEAR) Board and a Public-Private Partnership (P3) between the State of Delaware and the Delaware business community. These awards recognize State employees with the highest level of performance excellence in continuous improvement activities. Private Sector contributors of the awards include Bank of America, Capital One, Corporation Service Company (CSC), Delmarva Power, Highmark BCBS, JP Morgan Chase Bank, M&T Bank, The Precisionists Inc. (TPI), and WSFS Bank. **Governor Carney** emphasized the importance of these contributors, saying "I'm grateful for our continued partnership with the State's business community and for their support in honoring these employees."

"As the private sector representative of Governor Carney's GEAR initiative, I am thrilled that the private sector, with the strong backing of the Delaware Business Roundtable and the Delaware State Chamber of Commerce, has partnered again with The State of Delaware on the Public-Private Partnership (P3) Governor's Innovation and Efficiency Awards. This program is a terrific step toward better government, and in recognizing state employees and teams on outstanding accomplishments," said **Ernie Dianastasis**.

See full announcement here:
https://news.delaware.gov/2020/09/08/state-of-delaware-employees-recognized-for-team-excellence-excellence-and-commitment-in-state-service-and-heroism/

New Business

GEAR Field Team & Community of Practice

- Cross-agency

- Share and leverage continuous improvement ideas

- Members report on progress of projects in each agency

- Seeking to add new members team

- ~2 years of working together – now meeting weekly

Membership:

Clark, Charles (DOF), Leader

Trunfio, Larry (DHR)

Mohammed, Kieran (DHSS)

Skinner, Michele (DHSS)

Johnson, Martina (DNREC)

Calio, Brian P (DHSS)

Owens, Donna J. (Finance)

Sullivan, Bryan (OMB)

New Business

Process Modeling and Optimization

- GEAR implementing a standard for business process mapping

- Critical to helping understand the operations of an agency, department, or program

- Document current state, model process and resource optimizations

- Develop operation metrics to track improvements

- Engage organization to help make improvements

- Standard format and tool (ARIS) useable statewide

- Archived in the cloud therefore never lost
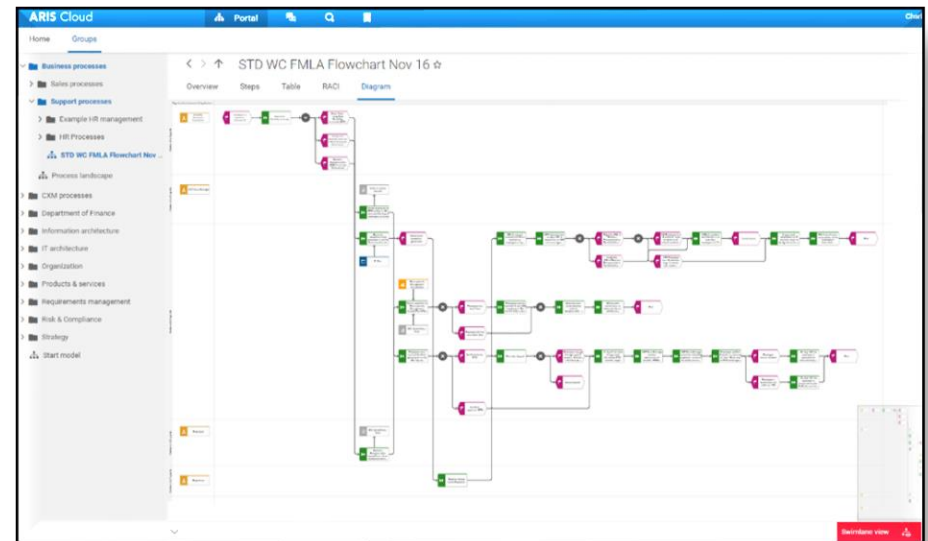
New Business

- 44% of Cabinet Agencies participate in GEAR
- We will extend an invitation to all other Agencies in 2021
- Join the discussion – share what you're doing to drive continuous improvement in your agency

Department of Finance

Office of Management and Budget

Department of Health and Social Services

Department of Human Resources

Department of Education

Department of Technology and Innovation

Department of Natural Resources and Environmental Control

Department of Agriculture

Department of Correction

Delaware State Housing Authority

Department of Labor

Delaware National Guard

Department of Safety and Homeland Security

Department of Services for Children, Youth and Their Families

Department of State

Department of Transportation

GEAR Initiatives and Accomplishments

- Collaborative Teams - Financial Services, GEAR P3, EdGEAR, GEAR Field Team

- GEAR P3 Innovation and Efficiency Award

- One-Stop Business Registration System

- Judiciary e-Filing & Community Court Initiatives

- Education Data Standardization and Financial Transparency (SB 172)

- Facility Lease Cost Reductions and Restructurings

- Population Data Consistency/Efficiency (SB 7)

- Banking Architecture Restructuring and Debt Service Savings

- Integrated Revenue Administration System (IRAS)

- DHSS Strategic Plan Implementation

- Leveraging of Federal Funding Opportunities

- First State Quality Improvement Program

- Driving IT and HR Centralization

Deep Dive

Financial Services Delivery

Financial Services Delivery Team

Overview

- Seek opportunities to consolidate selected agency financial functions onto common statewide platforms

- Encourage agencies to identify opportunities for process improvement

  – Reduce financial process complexity

  – Eliminate bottlenecks slowing transactions

  – Reduce total cost of operations

  – Improve financial transparency

- Reinstitute performance budgeting and strategic planning with intent to use outcome data to make budget decisions

Financial Services Delivery Team Projects

- OMB/DFM/GSS Targeted Real Estate Lease Renegotiation
- OST Banking Architecture Redesign/Digital Government
- DOF/DOR Integrated Revenue Administration System (IRAS)
- OMB/BDP Delaware Governmental Accountability Act
- OMB/OSPC Improve Data Integration and Mapping
- OMB/OSPC Centralized Land Inventory Database
- OMB/OSPC Delaware Population Consortium Projections
- DOF/OMB/CGO/OST/AOA/JUD Financial Services Roundtable
- DOF/OMB Travel Per Diem
- DOF/OST Pcard
- AOA Ensure Effective Internal Control Systems

Targeted Real Estate Lease Renegotiation

Targeted Real Estate Lease Renegotiation

Overview

- The State of Delaware is engaged as tenant in a portfolio of 114 leases

- A comprehensive review of these leases, especially those set for expiration in 5 years will/has taken place. Goals include
  - Reduce costs
  - Add indoor air quality language
  - Improve working conditions, including carpet and paint refresh at regular intervals

- Additional leases (other than those expiring within 5 years) will be renegotiated in process

Targeted Real Estate Lease Renegotiation

Progress Made

- Negotiated leases for DHSS, DOL, DNREC, DOJ, OMB, AOC and Elections
- Current accomplishments
  - Negotiated leases range in term length from 5 to 20 years
    - Hard Dollar Rent Savings include $27.9M, an average annual savings of $2.1M
    - Soft Dollar Rent Savings are estimated at $5.6M including improvements such as paint, carpet, etc. An average annual soft improvement upgrade of $466k
- In Process
  - Negotiating 12 additional leases
    - Hard Dollar Rent Savings are estimated at $5.1m ($735k annual savings)
    - Soft Dollar Rent Savings are estimated at $1.9m ($178k annual savings)

Targeted Real Estate Lease Renegotiation

Next Steps

- Identify next leases for renegotiation or upgrade

- Create a database for leases

Challenges

- Individual agencies acting on their own without OMB/DFM knowledge

- The process flow currently in place requiring multiple agencies to act on lease opportunities

- COVID-19

GEAR Board

- Prevent agencies from initiating conversations with owners/landlords/property managers

Banking Architecture/Digital Government

Banking Architecture/Digital Government

Overview

- OST provides the State with transaction and cash management services ensuring sound fiscal stewardship over financial assets, systems, and processes

- A comprehensive review of the statewide banking architecture identified opportunities for improvement, including:
  - Operational efficiency
  - Risk reduction
  - Improved customer service
  - Cost savings / Enhanced earnings

- Based on the results of the banking study, the CMPB approved amending the banking architecture and issuing a comprehensive banking services RFP and a separate local bank RFP. Phase three of this initiative is now under way with a separate digital government RFP set to launch in October 2020

Banking Architecture/Digital Government

In Progress

- Executed banking services contract with JPMorgan Chase (JPMC), including for electronic collections, disbursements, check printing and lockbox services

- Finalizing transition of the Office of Unclaimed Property to JPMC this month. PHRST and the Division of Revenue scheduled to transition by end of the calendar year

- Transitioned DOL Unemployment Insurance and DHSS Child Support Services to new Stored Value Card Vendor, US Bank, in 2020 (DSCYF Foster Care to transition by end of year)

- Local Banking (over-the-counter) Agreement finalized with lead vendor, M & T Bank. TD, Citizens, and WSFS contracts are under negotiation and will be finalized in November

- Payment Card Industry Data Security Standards (PCI DSS) compliance efforts underway with DOS, DAG, and DTCC

- Digital government RFP under development with DTI for October 2020 launch

Banking Architecture/Digital Government

Next Steps

- Extend banking contracts with current providers into CY 21

- Complete transition of general banking services to JPMC by August 2021

- Finalize and launch digital government RFP – includes the four components of 1) user interface design, 2) payment gateways, 3) merchant processing, and 4) reconciliation/account analysis software
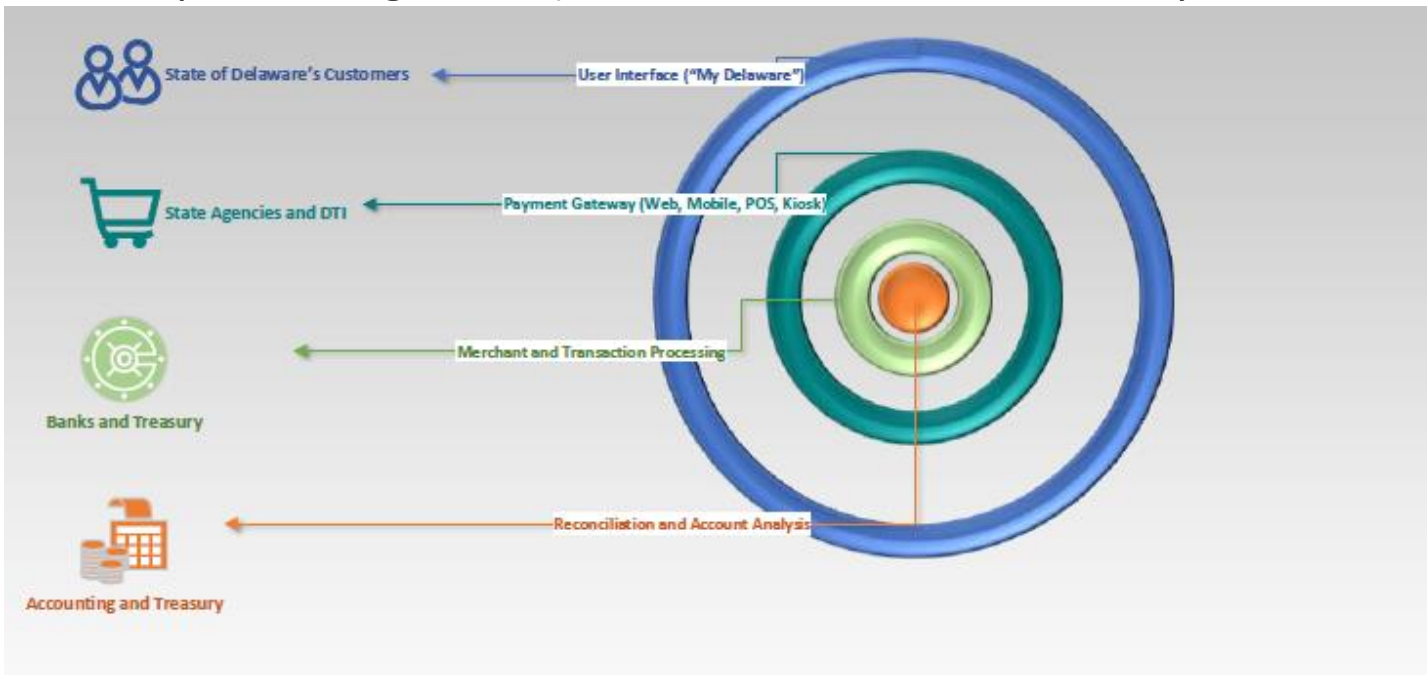
Banking Architecture/Digital Government

Challenges

- Complex and long-term statewide implementation requires additional OST resources with significant project management, technical, and banking experience

- Sustained participation of subject matter experts from State organizations is needed throughout the project lifecycle

- Improving banking behaviors and product usage may require training, education, and/or policy changes

- Expansion of Treasury's role in the digital government space is warranted, yet will continue to place a demand on resources as we transition from the large-scale banking project to another large-scale initiative within a year

- Failure to meet PCI DSS standards annually could result in fines/penalties to state agencies from the credit card brands

Banking Architecture/Digital Government

GEAR Board Requests

- Create awareness and promote the benefits within your respective agencies

- Consider the impacts of the digital government initiative on your agency and plan accordingly (i.e. systems, staffing, processes, etc.)

- Identify agency resources to serve as subject matter experts and project liaisons

- Ensure all current and future accounts are opened in accordance with the Division of Accounting's Budget and Accounting Policy Manual (BAM)

- Prevent agencies from entering into separate banking and merchant system agreements, as all contracts should be centralized within OST

- Please contact Daniel.Madrid@delaware.gov with any questions or concerns

IRAS

Integrated Revenue Administration System

IRAS - Integrated Revenue Admin System

- Replace DOR legacy infrastructure and (100+) systems with modern systems

- Improve security and provide better single view of the taxpayer

- Solution implemented in 3 major releases over 4 years

- 1,500 business and technical requirements to be implemented

- Oversight through clearly defined governance and project management processes

- Comprehensive software testing program

- Project kickoff occurred on July 15, 2019

- Currently in Release 1

IRAS – Current and Future States

Current State

- Cyber attacks difficult to stop with aging technology
- Legacy tax applications mean in poor data/systems integration
- Difficult to create accurate/consolidated reporting
- Specialized personnel needed to maintain outdated systems and languages
- Labor intensive to make changes driven by legislation
- Single view of the taxpayer for staff difficult – even harder to create a single view for customer

Future State

- More secure and safe
- Built specifically to support statewide revenue collection
- Single taxpayer view for customer and staff
- Easier integrated application to support
- Architected for performance and scalability
- Significant business workflow efficiency
- Modernized & user friendly experience

IRAS - In Progress

Process

- Currently in Release 1 Execution
- Continues to work remotely (27th full week) during the COVID-19 pandemic with no issues
- Project as a whole Amber status
- Interfaces, including Fairfax, JPMC, and One Stop are completing late and not yet delivered into Day-in-the-Life (DitL) testing
- Currently 91% through system testing.
- Completed joint system testing in August 2020.
- Completed end-to-end scenario testing August 2020.
- Model office testing (UAT) in progress until Nov 2020.
- Release 2 Planning

Timeline

- Release 0 – Project Planning and Initiation (July 15, 2019 to September 30, 2019)
- Release 1 – Business Licenses and Gross Receipts Tax (October 1, 2019 to November 2020)
- Release 2 – Personal Income Tax (October 1, 2020 to September 20, 2021)
- Release 3 – Corporate Income Tax (October 1, 2021 to September 30, 2022)

Detailed Release Scope - 3 Releases in 39 Months

Release 1 - 2020

- Business Related Taxes
  - Business licenses
  - Gross receipts
  - Commodities Tax
- Trust Fund Taxes
  - Withholding Tax
  - Use Tax on Leases of Tangible Personal Property
  - Realty Transfer Tax
  - Public Accommodation Tax
  - Public Utilities Tax
  - E-911 Surcharge
  - Manufactured Home Trust Fund Payments

Release 2 - 2021

- Income Taxes - Personal Income Tax
- Estate Tax

Release 3 - 2022

- Income Taxes
  - Pass-Through Entities - Partnerships
  - Pass-Through Entities - Fiduciary Income Tax - Estates and trusts
- Corporate income tax
  - Headquarters Management Corporation, in lieu of corporate income tax
  - Pass-Through Entities - S corporations

IRAS – Critical Success Factors

- Team Capacity
  - Balancing modernization project readiness work with regular operational responsibilities and work load

- Project Plan
  - Ensuring scope, timelines can be met with the resources allocated to the project

- Governance and Project Management
  - Ensuring a strong Governance and Project Management Office is properly implemented and actively measures and communicates project status and disposition in real time

Deep Dive

The Delaware Judicial Branch

Deep Dive

- E-Filing, Case Management, Document Management

  - Application Refresh

  - Vendor Selection

  - Impacts from COVID-19

E-Filing, Case Management and Document Management

Recap: Project Scope

- To implement a modern and unified E-Filing solution for the Delaware Courts in all Civil and Criminal jurisdictions

- Maximize opportunities to share data with State partners.

- Allow all system partners to file electronically – police, Probation and Parole, Department of Labor, Youth Rehabilitative Services – in a form that supports all relevant case management systems.

- Employ a modern and unified Case Management and Document Management solution for the Delaware Courts for both Civil and Criminal case types
  - Work with DELJIS to establish connections to criminal data and migrate away from the criminal CMS system (Mainframe)
  - Migrate Family Court from FAMIS (Mainframe)
  - Deploy new tools for reporting, public access, judicial operations, etc…

Civil eFiling, Case Management and Document Management – **Current State**

Civil eFiling, Case Management and Document Management – **Future State**

EFSP: eFiling Service Provider. A service used to file to the Court
EFM: eFiling Manager. A service used by the Court to manage and accept filings
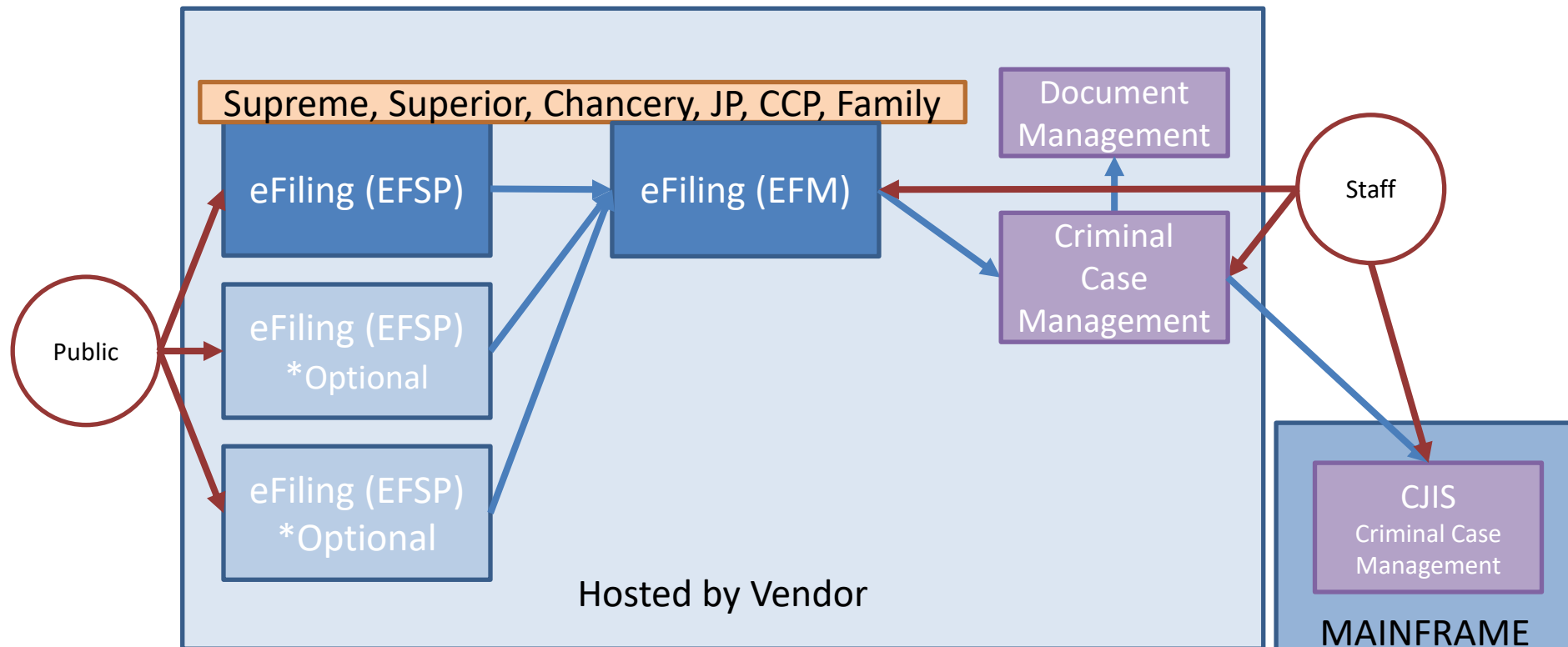
Criminal Case Management – **Current State**
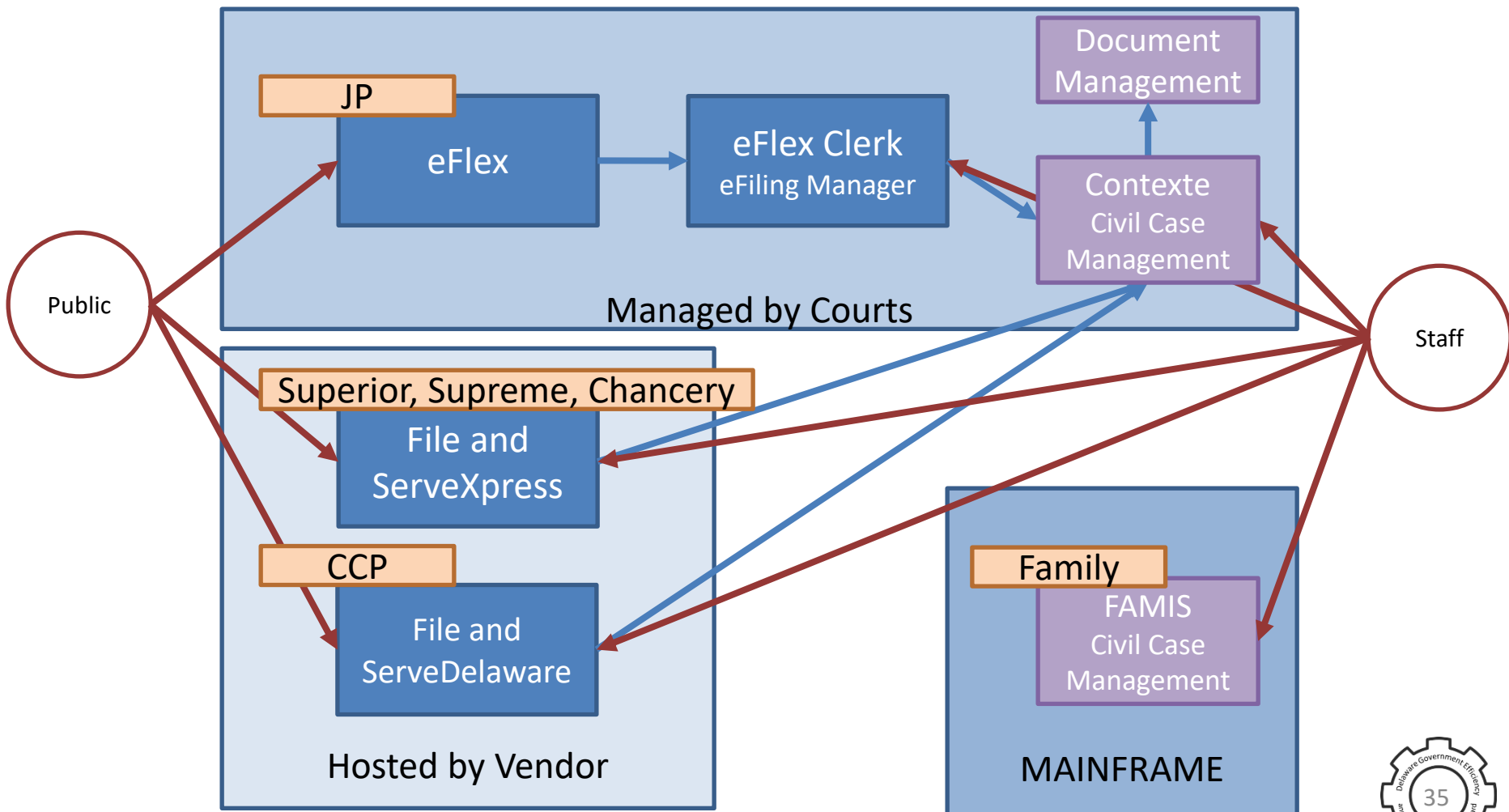
NO eFiling
NO Document Management

Criminal eFiling, Case Management and Document Management – **Future State**

EFSP: eFiling Service Provider. A service used to file to the Court
EFM: eFiling Manager. A service used by the Court to manage and accept filings

Judicial Branch Deep Dive

Benefits of This Approach

- Reduce Judicial Branch footprint on the Mainframe by migrating Family Court's Civil Case Management System and the CMS Criminal Case Management System
- Eliminate hosting responsibilities for eFiling and Civil Case Management systems
    - Hardware refresh, licensing, patching, upgrades, security, PCI Compliance, Backups, COOP/DR planning
- Civil and Criminal data stored in standard formats making reporting faster and more consistent
    - Ability to use analytical tools across Courts to identify trends
- Common skills across Judicial Branch employees
    - While Jurisdiction changes, employees are more transferable learning common tools
- Greatly improved public access and filing capabilities for the public and partners
- Allows for centralized vendor management – single contract for multiple services
- Evaluate filing fees and establish a more consistent eFiling fee model
- Eliminate dependency on paper

Judicial Branch Deep Dive

Progress

- **Application Refresh**
    - Our existing systems need to be stabilized to support the 3-5-year effort
        - The System Integration Testing and User Acceptance Testing environments were built
        - System Integration Testing was completed by the Judicial Information Center
        - User Acceptance Testing is underway with the Courts (August 2020)

- **Vendor Selection – New E-Filing, Case Management and Document Management Solution**
    - We've completed our solicitation and received proposals from potential vendors (January 2020)
    - The courts established an Evaluation Committee to review proposals and make recommendations to the Presiding Judges on finalists
    - 4 Vendors were recommended by the Committee and confirmed by the Presiding Judges (Late February 2020)
        - NOTE: Evaluation Criteria featured on the next slide

Judicial Branch Deep Dive

Evaluation Criteria

How did the Evaluation Committee select the Finalists

| Level of Risk: 20 Points	Transition Benefits : 10 Points	Financial Benefits: 30 Points	Features: 40 Points
- How big is the vendor? - How big is their market share? - How satisfied are their other clients?	- Are we already working with this vendor and will implementation be easier?	- What is the total cost of the solution? - What are the annual fees? - What is the cost to the public?	- Does the solution meet the required features? - What additional features exist? - How will this benefit the courts, public and partners?

Judicial Branch Deep Dive
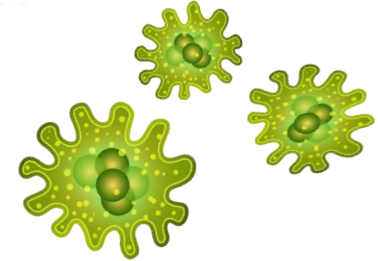
Impacts of COVID-19

- **General Operations**
  - The Judicial Branch collaborated with Justice partners to create multidisciplinary committees on reopening
  - A 4-phase reopening plan was established
  - Multiple technology priorities
    - Courtroom Telecom/AV for Remote Proceedings
      - Navigating existing solutions such as Skype for Business and Videophones
      - Select a Conferencing Platform
        - Evaluate
        - Partner collaboration
        - Purchase
        - Security Standards
        - Establish Processes
        - Training
      - Establish Audio/Video solutions for critical Courtrooms
    - Remote Connectivity for Staff
      - Remote Access for their Accounts
      - Remote devices for those who don't have their own
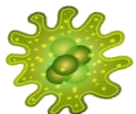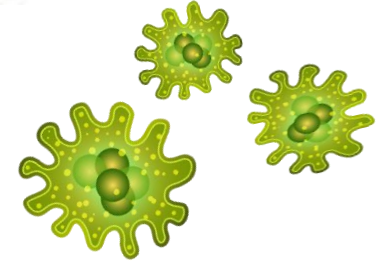
Judicial Branch Deep Dive

Impacts of COVID-19
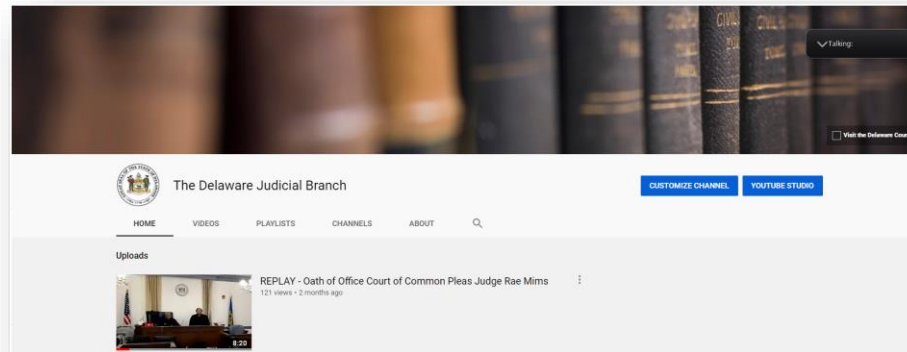**Roll-out of Zoom Carts**
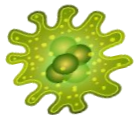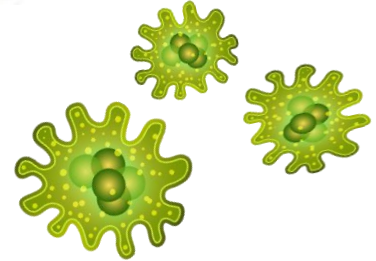
Judicial Branch Deep Dive

Impacts of COVID-19
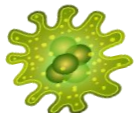**YouTube and CourtScribes**

We established a Judicial Branch YouTube page

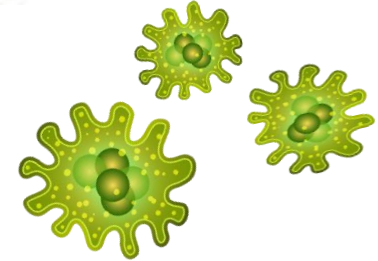- The Oath of Office for Judge Rae-Mims and Judge Horton were both done virtually

We started a relationship with CourtScribes

- Focused on virtual courtroom managed through Zoom
- Provided support for webinars for Court Staff and the Bar
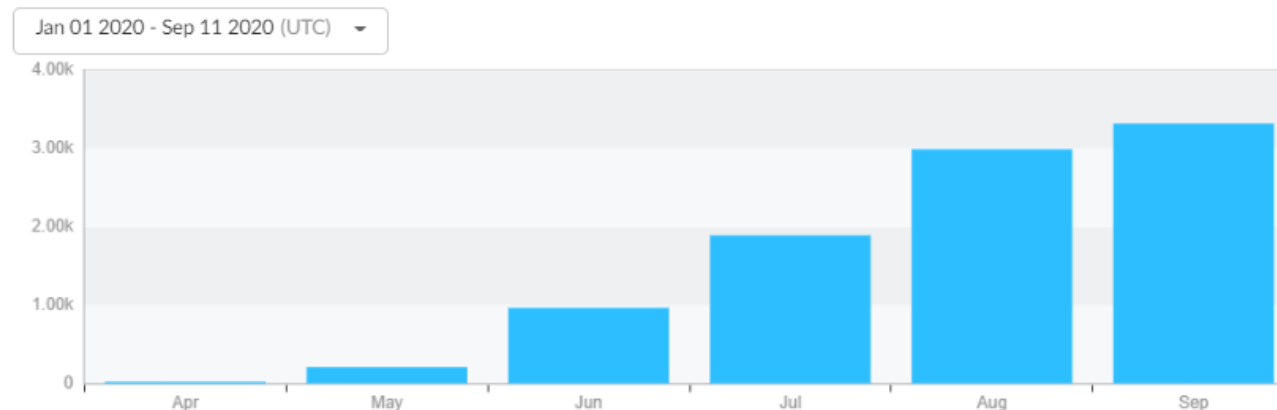
Judicial Branch Deep Dive

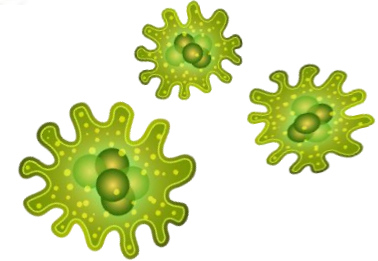## ZOOM – Solution Stats

- **From March 16th, 2020 to September 11th, 2020**
    - 3,444 Virtual Meetings
    - 725,978 Meeting Minutes
    - 17,118 Meeting Participants

    The Judicial Branch established 105 Meeting Licenses and 4 Webinar Licenses across the Branch

    Annual Meeting Trend - 2020

Judicial Branch Deep Dive

Impacts of COVID-19

- **Application Refresh**
  - Technical resources were divided to meet the priorities related to COVID-19
    - Limited overlap between resources working on COVID tasks and project resources
    - Maintained progress and moved through System Integration Testing, prepared environment for User Acceptance Testing and finished documentation of Court processes
- **Vendor Selection**
  - Vendor Demos Postponed – Moved to Virtual
    - As COVID unfolded, these were postponed, but were still intended to be in person
    - In July, it was decided that holding out for in-person demos could mean significant delays and virtual demos were scheduled with each of the vendors
    - Each vendor had two 4-hour sessions on back-to-back days starting the last week of July through the middle of August
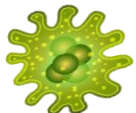
Judicial Branch Deep Dive

Shining a Light on An Important Initiative

- During COVID-19 the Family Court had to establish an interim process for filing due to public access restrictions and lack of eFiling
- Because the Family Court does not have Document Management for their Case Management System, all their files are paper and therefore required someone on site to access them
- Criminal also lacks Document Management which reduced accessibility
- The public access terminals located within the Courthouse were the only way for the public to lookup criminal case information
- Staff working in the case management systems required remote access to the State Network where a hosted solution could be accessed from anywhere

Thank you for your time!

Ken Kelemen
Deputy State Court Administrator
Information Systems Manager

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302-325-8313

GEAR

- **Open Topics Discussion – Board**

- **Public Comment**

Adjourn

Contact

Please direct any inquiries about the Delaware GEAR program to:

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Budget Development and Planning