



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

January 17, 2019
9:00am to 11:00am

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

FINAL

Introductions

Secretary Geisenberger opened the meeting at 9:00 am and announced that this is the first GEAR meeting in 2019. He introduced The Honorable Colleen Davis, Delaware's new State Treasurer, who will replace Ken Simpler. Today's deep dive presentations will be on IT and Talking Points of the 2018 GEAR report.

Board Member and/or Designees in Attendance:

- The Honorable Rick Geisenberger, Secretary of Finance, Department of Finance
- The Honorable James Collins, Secretary of the Department of Technology & Information
- The Honorable Colleen Davis, State Treasurer, Office of the State Treasurer
- The Honorable Susan Bunting, Secretary of Education, Department of Education
- The Honorable Leo Strine, Jr., Chief Justice of the Supreme Court
- Evelyn Nestlerode, designee for The Honorable Leo Strine, Jr.
- Lisa Bond, designee for The Honorable Kara Odom Walker Secretary of Health & Social Services, Department of Health & Social Services,
- Ernest Dianastasis, CEO of The Precisionists, Inc., by phone
- Bryan Sullivan, designee for The Honorable Michael Jackson, Director of the Office of Management & Budget
- The Honorable Sandra Ross Johnson, Secretary of Human Resources, Department of Human Resources
- Barbara McCleary, designee for The Honorable Sandra Ross Johnson

Other Attendees Introductions

- Jim Myran, Program Director for the GEAR Initiative, Department of Finance
- Donna Owens, Division of Revenue, Department of Finance
- Laurel Burns, Department of Finance

- Robert Zimmerman, Chief Operating Officer, Department of Natural Resources & Environmental Control
- Glen Gray, Computer Aid, Inc.
- Dan Madrid, Office of the State Treasurer
- Dan Scholl
- Laura Horsey
- Connie Holland
- Donna Diaz
- Kathy McGuinness, State Auditor
- Dave Hutchinson, ExCipio
- Donna Shelight, ExCipio

OLD BUSINESS

Review/Approve Minutes

The meeting minutes from the November 18, 2018 GEAR meeting were sent to GEAR members in advance on January 11, 2019.

Mr. Dianastasis made a motion to approve the November 18, 2018 minutes.
Secretary Johnson seconded the motion.

All in favor: Unanimous.

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

2019 GEAR Board Meeting Schedule

Director Myran presented the finalized schedule of meetings for 2019, the 3rd year of GEAR. The schedule is as follows:

Thursday, January 17, 2019

9:00am to 11:00am

Haslet Armory, Conference Room 219

Tuesday, March 19, 2019

9:00am to 11:00am

Buena Vista, Buck Library

Thursday, May 16, 2019

8:00am to 10:00am

Haslet Armory, Conference Room 219

Tuesday, July 16, 2019

9:00am to 11:00am

Buena Vista, Buck Library

Wednesday, September 18, 2019

10:00am to 12:00pm

Haslet Armory, Conference Room 219

Tuesday, November 19, 2019

8:00am to 10:00am

Buena Vista, Buck Library

Director Myran made one adjustment to the Deep Dive schedule. The Education Task Force was originally scheduled to present today but it will be rescheduled. Instead, there will be a presentation of the talking points of the 2018 GEAR report. The Deep Dive schedule is as follows:

Wednesday, January 17, 2019

Information Technology

Tuesday, March 19, 2019

P3 – Public Private Partnership

Financial Services

Education

Wednesday, May 16, 2019

DHSS & Healthcare

Criminal Justice

Tuesday, July 16, 2019

Information Technology

Human Resources

Wednesday, September 18, 2019

Financial Services

Education

Criminal Justice

Tuesday, November 19, 2019

DHSS & Healthcare

P3 – Public Private Partnership

NEW BUSINESS

GEAR Team Update

Director Myran confirmed that the annual report to the Governor was successfully presented and posted online on December 1, 2018 and the Governor issued a press release regarding the report on December 6, 2018.

He also explained that the new GEAR P3 Award will be announced by the Governor on January 17, 2019 in his State of the State address.

Secretary Geisenberger touched briefly upon the recommended additions to the 2018 annual report by the Governor. Firstly, Governor Carney requested that 2019 be the year to reach out to other Cabinet agencies that want to get involved in GEAR. Also, he would like to concentrate on the following themes in 2019:

1. Consolidating space and leases
2. Federal funding
3. Criminal justice reform
4. Including Delaware's new Attorney General, The Honorable Kathy Jennings

Chief Justice Strine added that this is an exciting time in the area of criminal justice reform. The Court system has appointed a consultant for e-filing who will work closely with Secretary Collins. Positive effects will be seen in the Police Department, Probation and the management of Criminal Defenders. He also mentioned that Attorney General Jennings and her staff have already been working closely on the reforms to the criminal code.

Secretary Geisenberger mentioned that another area that the Governor wants to focus on in 2019 is moving away from paper documents and files to online storage.

Director Myran gave a brief update for the Human Resources Delivery Task Force. He mentioned that seven of the State agencies have now converted over to the Department of Human Resources and the conversion of three more is imminent. DHR is revising the whole process of onboarding new employees as well as recruiting them.

Secretary Collins asked Bob Zimmerman, the Chief Operating Officer of DNREC, the Department of Natural Resources and Environmental Control, to give an update on the progress DNREC has made in data management. Mr. Zimmerman explained that, over the past five years, DNREC has rolled out a new system of data management in eight of its divisions. The first one to go live is the Air Division and this is a big item. Secretary Geisenberger agreed that this progress has taken a tremendous amount of work.

DEEP DIVES

2018 Annual Report Talking Points

Director Myran explained that today's schedule has been adjusted and the presentation of the 2018 Annual Report Talking Points will come next, before the Deep Dive of the Information

Technology Task Force. The Executive Summary of the annual report highlights all the points that the GEAR team especially wants Governor Carney to be aware of.

Chief Justice Strine explained that the **Criminal Justice Task Force** is concentrating on reforms that help those who have an economic challenge to become employed rather than incarcerated. For example, the New Castle County Courthouse is now open in the evening one day a week. This helps by enabling Defendants to appear in court outside of their working hours. Also, truancy court has been moved to outside of the school hours to reduce loss of hours in school. Emphasis is moving to problem-solving courts rather than punishment. Secretary Geisenberger explained that Secretary Cade of the Department of Labor is working closely with the courts on obtaining employment for Defendants so they can work off their fees and fines.

Secretary Geisenberger reminded everyone that the **Financial Services Delivery Task Force** meets every other month in between the GEAR meetings and that everyone is welcome. Mr. Sullivan mentioned that the bill regarding strategic planning and performance budgeting will be reintroduced to the legislature in March of 2019. State Treasurer Davis explained that the Office of the Treasurer is on the verge of signing an agreement with JP MorganChase and USBank in an effort to reform the State's banking structure. A number of smaller accounts throughout Delaware are also being updated, resulting in a savings of over \$100,000.

Secretary Geisenberger updated the progress made in the **Health & Social Services Task Force**. This Deep Dive was presented in May of 2018 and the biggest accomplishment of the year was the establishment of Quality Benchmarks in Healthcare. Ms Bond agreed with this summary.

Secretary Geisenberger stated that the big news for the **P3 Public Private Partnership Task Force** is the establishment of the Public Private Partnership Innovation & Efficiency Award for reforms that will save the State money.

Secretary Bunting updated everyone on the progress of the **Education Task Force** by pointing out that the Department of Education has not asked for more funding but, rather, has repurposed funding to increase efficiency. Chief Justice Strine interjected that, in his opinion, educational funding in Delaware is being used to discriminate against certain students. He believes that more funding should be allocated for education and he has a proposal for a way to redistribute education funding to be more equitable. Secretary Bunting announced that a new technology council is being implemented this very day which will focus on collaboration through technology. She mentioned that Senate Bill 172's purpose is to create uniformity in coding expenses in each of the 19 school districts so spending will be more transparent. Secretary Geisenberger agreed that it is essential that the 19 districts and 23 charter schools all code expenses the same way so that we can compare apples to apples.

Secretary Geisenberger finished up this Deep Dive with the announcement that the Governor has recommended the formation of a "GEAR Expert Team." He mentioned that more information on this will be coming soon.

INFORMATION TECHNOLOGY

A detailed written version of the Deep Dive on Information Technology is available on the GEAR website at <https://gear.delaware.gov/reports-publications/>. Secretary Collins, assisted by Dave Hutchinson and Donna Shelight from ExCipio, explained that Delaware is probably ahead of some other states in centralization, but there is still much that needs to be done. People should be able to interact with their government through technology. The most significant issues which Delaware is facing now are:

- Inefficient technology model
- Unenforced standards
- Outdated equipment
- Security risks
- Immature shared services model

The good news is that there is a potential to save as much as \$11 million just over the next year! Secretary Collins used as an example the conversion of the State email addresses from @state.de.us to @delaware.gov that is coming up on January 25, 2019. He explained that the biggest reason to make this switch is that the @delaware.gov addresses are more secure. This reform will enable every agency in the State to be part of a consistent, predictable email system.

Secretary Collins outlined what he called the Next Five Steps in ensuring IT efficiency in Delaware.

1. Implement a true **Shared Services model**.
2. Establish/Reconstitute **technology governance**.
3. Realign IT services **staffing**.
4. Determine **data center(s) strategy**.
5. Institute **Enterprise IT vendor management**.

Secretary Collins stated that the current initiatives that the IT Department is focusing on are a must. If they are not done, it will end up costing the State much more money. Each agency needs to be able to focus on running their business, not just on figuring out technology. He recommended updating the Technology Investment Council (TIC) Board. He briefly outlined the three most important current initiatives:

1. Conduct a review of all major State IT Contracts. The State has over \$200 million invested in IT contracts just for 2018. This is a big item.
2. Establish a Desktop-as-a Service contract.
3. Update the DTI enabling statute, Title 29, Chapter 90c.

Secretary Collins presented a chart that clearly showed the progress of IT centralization in all of the agencies in Delaware. Agencies that were color-coded green were fully centralized (DTI, DNREC, DelDOT) and at the other end of the spectrum were agencies that currently have only the core services such as network, email, hosting and mainframe (Judicial, DSHA, Higher Ed).

Secretary Geisenberger pointed out that one issue is the confidentiality of the subject matter. The fully centralized agencies are all agencies that utilize information that can be published on a public website.

Secretary Collins introduced the top ten IT vendors and it was clear that DTI has the highest amount of money invested in POs. He recommended that Delaware self-insure its IT system and he explained that the CapEx Model, which is currently used to purchase IT, is costly and cumbersome. He said it would be much better if the State moved to an OpEx subscription-based, commoditized service that is flexible and responsive. Here are his major examples of why this would be better:

1. It would standardize the IT system configurations enterprise-wide.
2. Device upgrades would be the vendor's responsibility.
3. It would be consumption-based: "pay for only what you use."
4. There would be a streamlined procurement and replacement process.

The Secretary also explained why it is important to update DTI's enabling statute. He went into detail about the reforms that are needed in the areas of legislative changes, budget, IT governance and people. He went over a timeline from 2018 through 2021 that would only be possible if legislative updates are made to the DTI enabling statute.

Last but not least, Secretary Collins emphasized that any monetary savings that occur in IT need to be reinvested right back into IT in order to stay up-to-date over time.

PUBLIC COMMENT

Kathy McGuinness, Delaware's new State Auditor, introduced herself and talked briefly about what plans she has here in the beginning. She announced that one of her first acts will be to finalize a contract for an outside auditor to audit the Office of the Auditor.

Secretary Geisenberger also mentioned that the State Auditor is a member of, and will be working closely with, the Financial Services Delivery Task Force.

ADJOURN

At 11:12am, Secretary Collins made a motion to adjourn.

Secretary Johnson seconded the motion.

All in favor: Unanimous.

The meeting was adjourned at 11:12am.