

JOINT FINANCE COMMITTEE HEARING FISCAL YEAR 2021 BUDGET



LISA BOND
DIVISION DIRECTOR

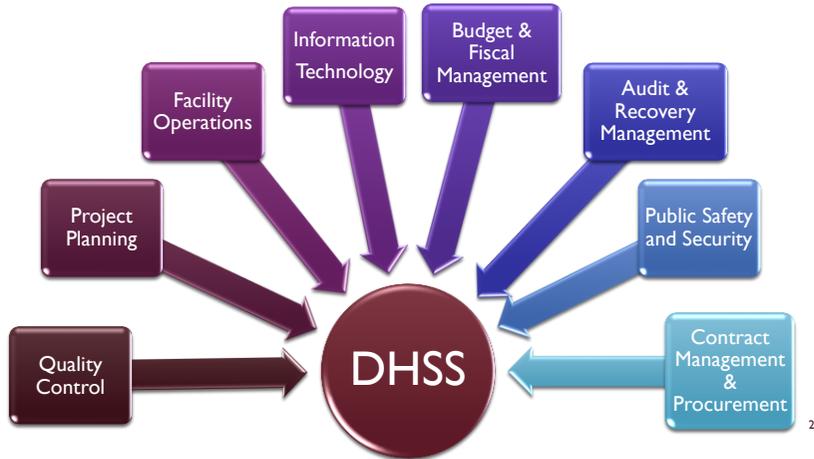
DIVISION OF MANAGEMENT SERVICES
Department of Health and Social Services
February 25, 2020
Legislative Hall, Joint Finance Committee Hearing Room

Comments available online at <https://dhss.delaware.gov/dhss/pubs.html>

Good morning Senator McDowell, Representative Johnson, members of the Joint Finance Committee and members of the public. I am Lisa Bond, Director of the Division of Management Services (DMS). With me today is my Deputy Director, Michele Stant and my Chief of Administration, Debbie Wallace.

Thank you for the opportunity to speak with you today and present our accomplishments and Fiscal Year (FY) 2021 Governor's Recommended Budget.

DIVISION OF MANAGEMENT SERVICES OVERVIEW



The Division of Management Services is responsible for managing all of the functions that are centralized across the Department of Health and Social Services (DHSS), including fiscal, budget and revenue, contracts and procurement, information technology resources, quality assurance, audit and recovery services and facility operations.

We provide technical assistance and support to the 11 Divisions and the Office of the Secretary. Specifically, we help with things like training, standards setting, budget and program analysis, planning and the development of processes to maximize resources and improve efficiency.

Our goal is to be a self-correcting organization, retooling to keep pace with changing client needs and a changing service delivery environment.

DIVISION OF MANAGEMENT SERVICES OVERVIEW

DHSS carries out its mission within a framework that provides direction and defines expectations.



We must realize this goal within a framework of underlying systems that provide direction and define expectations of our agency.

Through this framework, we:

- Maximize our state resources and draw down federal assets through **cost allocation** planning and implementation. This process requires rigorous tracking of employees' time and tasks so that funds from all sources are used appropriately and effectively.
- Monitor our programs and business processes for compliance with all **applicable federal and state laws, rules and regulations** and meet the **associated reporting requirements**.
- Partner with **legislative oversight** bodies, such as the Sunset Committee, and provide them with access to agency records to assist them in performing these responsibilities.
- Comply with **information technology (IT) standards** to ensure the safekeeping of data, including sensitive client information, across a wide range of platforms and hardware. Given the nature of our work, it is critical that we respond quickly to changing IT security needs.
- Manage our workforce according to **merit rules** and **union contracts**. We coordinate with the Department Human Resources to provide training across all levels of the organization so that requirements are applied consistently.

ACCOMPLISHMENTS

Information Resources Management	51,937 help desk calls
Contracts & Procurement	755 contracts, 60 bid solicitations
Facility Operations	23,972 work orders
Human Resources	1,600 personnel transactions, 638 Family & Medical Leave Act requests, 875 referral lists, 7,249 training sessions
Labor Relations	101 complaints, 120 disciplinary actions
Audit & Recovery Management Services	837 Supplemental Nutrition Assistance Program (SNAP or food benefit program) adjudications
Quality Control	1,000+ Supplemental Nutrition Assistance Program and Purchase of Care case reviews
DHSS Library	7,000+ electronic and print resources circulated, 8,000+ website visits
Budget & Financial Management	\$3 billion asset management, \$1.8 billion federal draws

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In FY 2019, DMS supported the day-to-day operations of the department.

- Our **Information Resources Management (IRM)** group answered 51,937 help desk calls.
- Our **Contract Management and Procurement** group processed 755 contracts and released 60 bid solicitations.
- **Facility Operations (FacOps)** completed over 23,972 work orders.
- Our **Human Resources (HR)** group performed over 1,600 personnel transactions, approved 638 Family and Medical Leave Act (FMLA) requests, processed 432 Short-Term Disability Claims, and issued 875 referral lists for vacant jobs.
- **Labor Relations (LR)** investigated 101 complaints and coordinated 120 disciplinary actions.
- Our **Audit and Recovery Management Services (ARMS)** unit processed 837 adjudications for program violations in the Supplemental Nutrition Assistance Program (SNAP), also known as food benefits.
- Our **Quality Control (QC)** group was responsible for reviewing over 1,000 of Delaware's FY 2019 SNAP and Purchase of Care cases.
- The **DHSS Library** provided more than 7,000 electronic and print resources to users in FY 2019 and had over 8,000 website visits.
- Our **Budget and Financial Management** teams oversaw the management of \$3 billion in assets, specifically drawing down \$1.8 billion in federal funds.



DMS also takes the lead in efforts to increase DHSS' efficiency and improve how we serve our consumers.

Foster a Trauma Informed Approach – At DHSS, we routinely see the prevalence of trauma and the impact it has on the people we serve. This led us to partner with Wilmington University to train more than 1,000 front-line staff in trauma-informed approaches. This initial training is the first step in making our entire Department trauma-informed.

Lead Department-wide Strategic Planning Initiative – In August 2018, DHSS issued a Request for Proposals (RFP) to create a new strategic plan. The plan will reflect the departments commitment to making fundamental and systemic changes to modernize the infrastructure and delivery of health and social services to help Delawareans live their best lives possible.

Modernize Public Safety and Security – DHSS has four campuses and 15 service centers across the state. Public safety and security functions are decentralized, which results in inconsistent policies and procedures, and disparate staffing levels, funding and equipment. DHSS is working with a consulting firm to centralize, modernize and appropriately resource these functions while serving clients in safe & appropriate settings.

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. 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 – The DHSS cost allocation team maximizes federal reimbursements through statistical analyses focused on identifying, accumulating and distributing allowable costs among state and federal funding sources. In FY 2019, this unit identified an additional \$3.5 million in federal funding to support staff salaries for DHSS's information technology and social worker/case manager positions.

Provide Recruitment Bonuses – As mentioned in Secretary Walker's remarks, we continue to address nursing recruitment challenges – the most recent of which is approval to provide recruitment & referral bonuses to employees in nursing positions.

FY 2021 GOVERNOR'S RECOMMENDED BUDGET

FY 2021 Governor's Recommended Budget (\$ in thousands)

	GF	ASF	NSF	Total
FTEs	425.6	17.0	73.1	515.7
Dollars (\$)	51,060.9	8,780.0	15,159.2	75,000.1

Budget Definitions:

GF – General Funds
ASF – Appropriated Special Funds
NSF – Non-Appropriated Special Funds
FTEs – Full Time Equivalent Positions

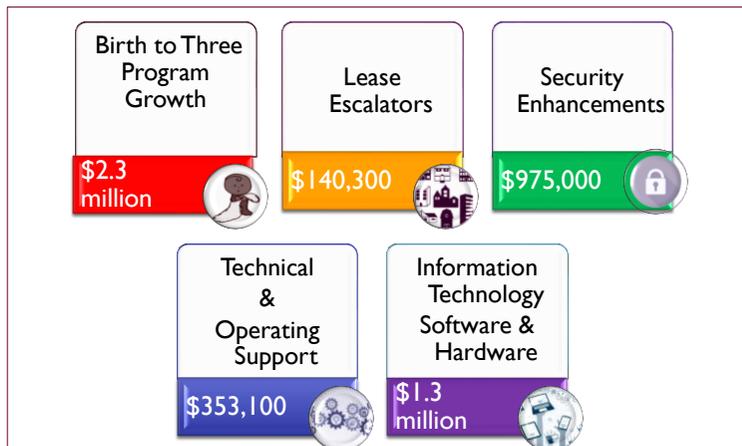


The slide above shows the budget amounts for DMS included in the FY 2021 Governor's Recommended Budget (GRB).

Our Division's FY 2021 GRB is:

- \$51,060.9 [Fifty One Million, Sixty Thousand, Nine Hundred Dollars] in General Funds (GF);
- \$8,780.0 [Eight Million, Seven Hundred Eighty Thousand Dollars] in Appropriated Special Fund (ASF) spending authority; and
- \$15,159.2 [Fifteen Million, One Hundred Fifty Nine Thousand, Two Hundred Dollars] in Non-Appropriated Special Funds (NSF).

FY 2021 GOVERNOR'S RECOMMENDED BUDGET



The GRB includes ongoing and one time increases to support growth in programs and the DHSS infrastructure:

Birth to Three: \$2.3 million to support growth in the Birth to Three program.

Lease Costs: \$140,300 to meet contractual obligations for leased space.

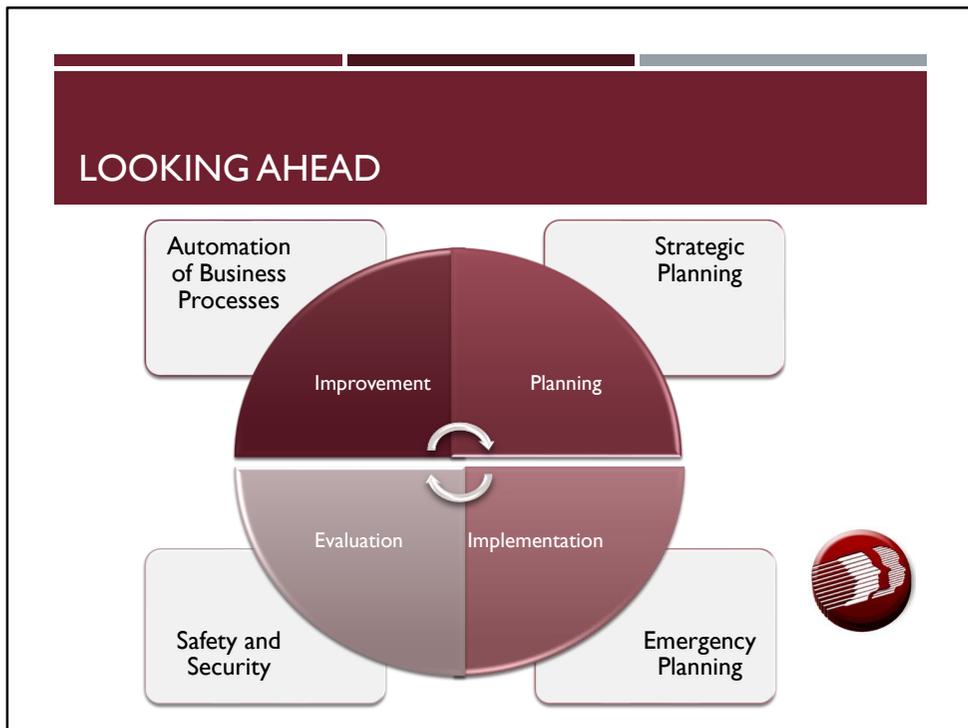
Technical and Operational Support: \$353,100 for technical assistance with organizational and strategic planning and client outreach and engagement.

Security Enhancements:

- \$600,000 for one time security enhancements including equipment upgrades, building a centralized command operation, and consulting services.
- \$375,000 for additional contracted officers at high-risk sights, officer training and equipment upgrades.

Technology Support:

- \$560,000 for computer and IT equipment replacement.
- \$414,000 for software licensing, equipment replacement and training that is specifically for IRM staff.
- \$300,000 for new software for the Quality Control Unit.



The GRB will allow us to build on our accomplishments from 2019 and expand our capacity to provide quality services as we create a better future for the people of Delaware.

Strategic Planning. Once we have the recommendations from our strategic planning initiative, we will work with our many partners to begin the process of implementing the plan’s strategies.

Early Childhood Governance. DHSS recently announced that it will be consolidating the Birth to Three Program with Child Development Watch in the Division of Public Health. This change will better align the governance of early childhood programs. We believe that this move is in the best interest of Delaware’s children and families.

Emergency Planning. In 2019, we developed a Continuity of Operations Plan (COOP), which identified resources, actions and procedures that we will use in the event of a major disruption of operations. This month, we are now in contract negotiations for professional services to provide business continuity and disaster recovery services and solutions with the goal of significantly increasing our capacity to recover data in the event of an emergency.

Safety and Security. We will continue to modernize our physical security policies and practices across our four campuses, and implement recommendations from our security consultants.

Automation of Business Processes. The Department executes an average of 1,800 contracts per year, multiple copies of paper contracts are sent to the Herman Holloway Campus, reviewed and signed by multiple individuals, and returned to the originating division. DHSS is now 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.



THANK YOU

Thank you for the opportunity to share with you the challenges and opportunities facing the Division of Management Services.

I am happy to answer any questions you may have.