



**OKLAHOMA**  
Office of Management  
& Enterprise Services

# Office Of Management and Enterprise Services

Appropriations and Budget Review

# Why was OMES created?

- In 2012, the Legislature established OMES to enhance government efficiency and provide agency shared services.
  - ✓ Standardize statewide core systems (PeopleSoft Financials, cybersecurity, HRIS, work management tools, etc.).
  - ✓ Leverage economies of scale for savings in contracting to the state.
  - ✓ Reduce redundant roles and duties.
  - ✓ Establish state standards and best practices for agencies.

Headcount has decreased by 8% since 2013 and OMES is providing more services than ever before at better velocity while maintaining our mission of *Serving Those who Serve Oklahomans.*



# Agency Vision, Mission and Core Values

**Vision:** To provide excellent service, expert guidance & continuous improvement in support of our partners' goals.

**Mission:** Serving Those who Serve Oklahomans.

**Core Values:** We are servants. We are servant-leaders. We are open communicators. We are collaborative. We are respectful, humble and we get stuff done.



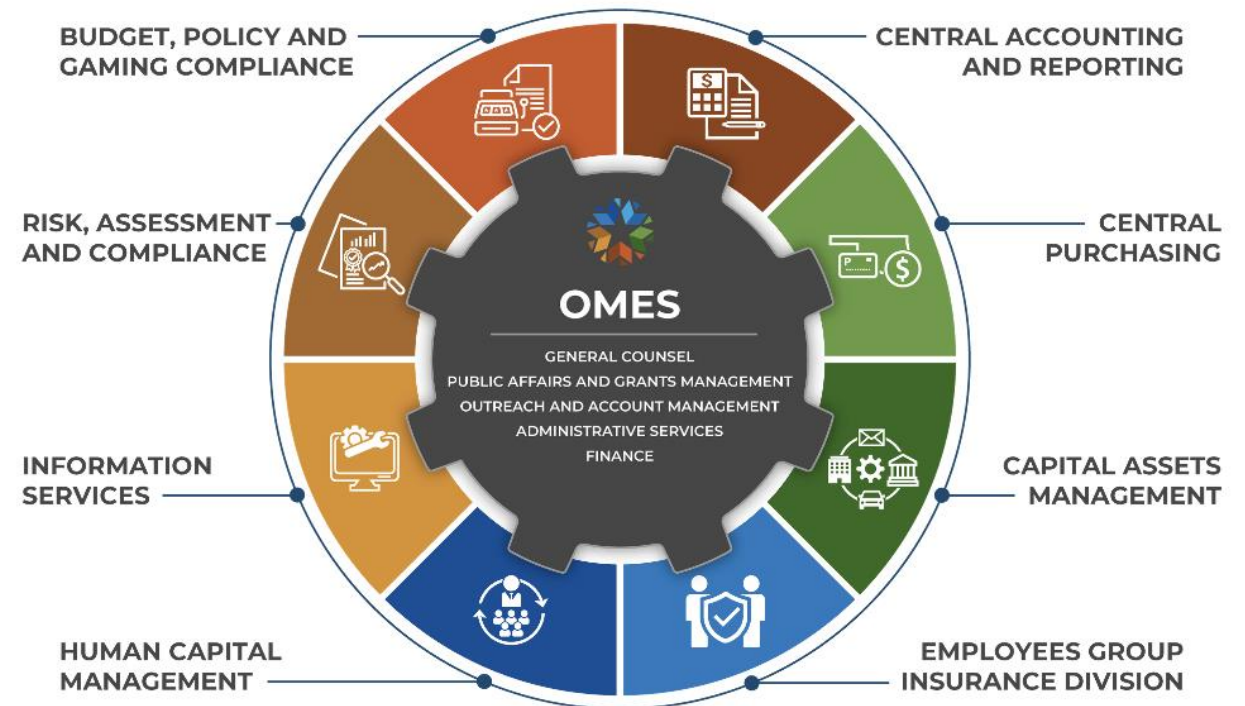




# John Suter

State COO and OMES  
Executive Director

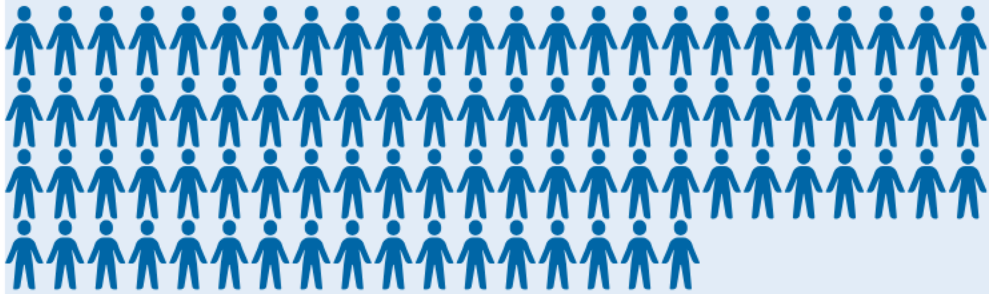
The Office Of Management And Enterprise Services (OMES) provides the state's central services to other state agencies, enabling them to accomplish their missions and serve Oklahomans.



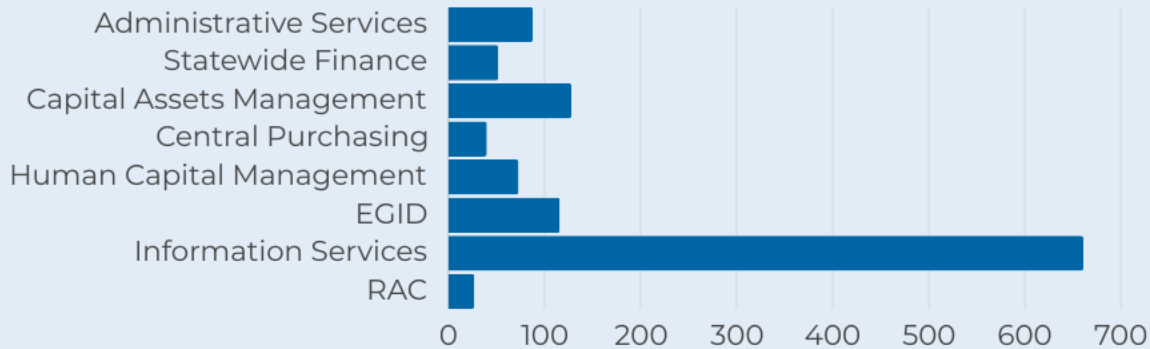
# OMES: NOW



**1,183 FULL TIME EMPLOYEES**



**8 DIVISIONS**  
**FULL TIME EMPLOYEES BY DIVISION**

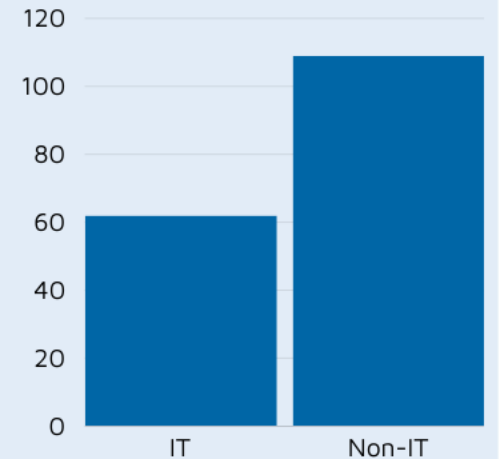


**39,146,368 \***  
**STATE-OWNED**  
**SQUARE FOOTAGE**

**6,094 \***  
**BUILDINGS AND**  
**STRUCTURES**

*\*Includes leased and owned buildings and structures.*

**171 TOTAL**  
**CONTRACTS**

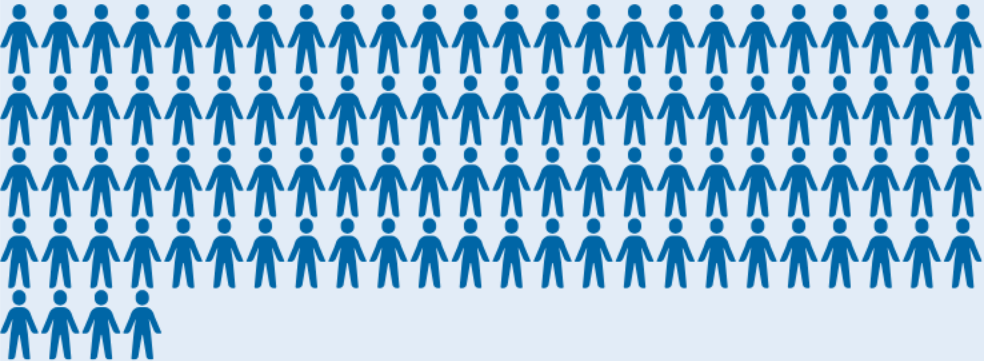


**CUSTOMER SATISFACTION**

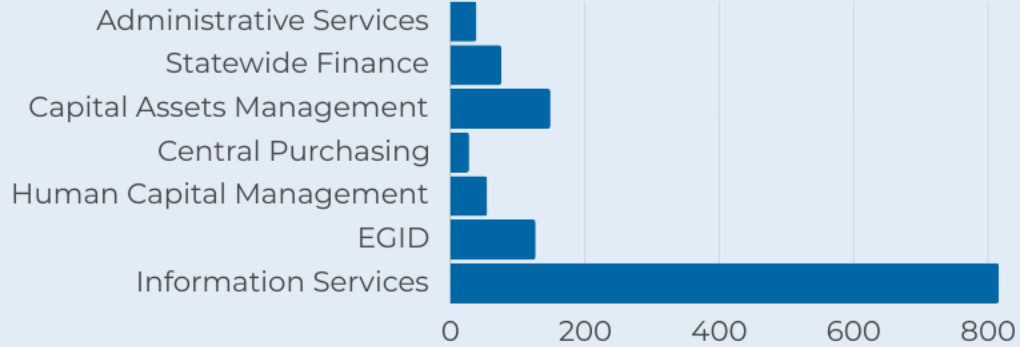
**92%** of customers reported being very satisfied with technology services

# OMES: 10 YEARS AGO

**1,230 FULL TIME EMPLOYEES**



**7 DIVISIONS**  
**FULL TIME EMPLOYEES BY DIVISION**



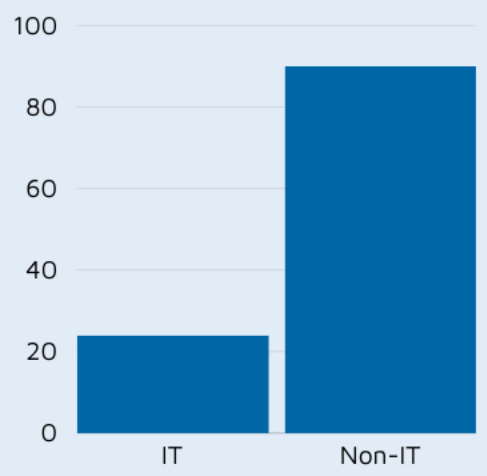
**34,285,686 \***  
**STATE-OWNED**  
**SQUARE FOOTAGE**



**6,178 \***  
**BUILDINGS AND**  
**STRUCTURES**

*\*Includes leased and owned buildings and structures..*

**114 TOTAL**  
**CONTRACTS**



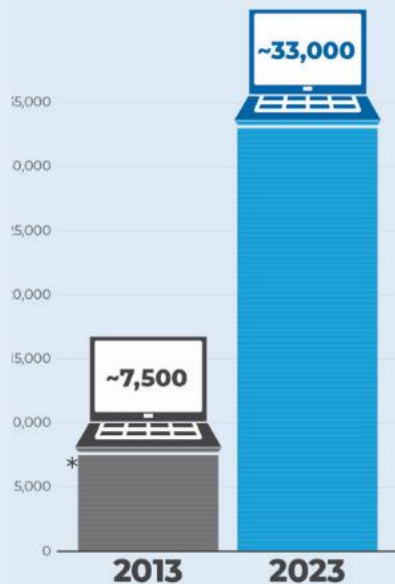
**CUSTOMER SATISFACTION**

**84%** of customers reported being very satisfied with technology services

# INFORMATION SERVICES NOW

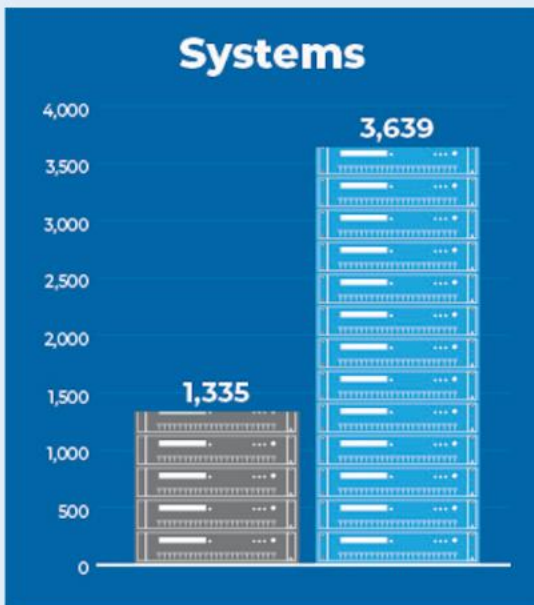


## Number of Computers



\*Only includes agencies that were consolidated in 2013.

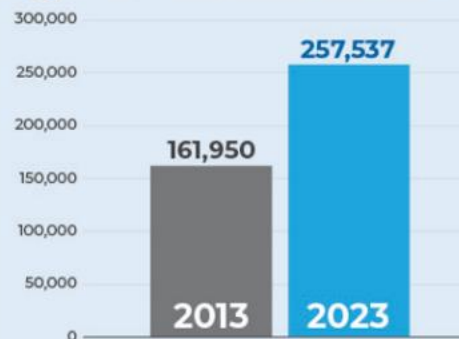
## Systems



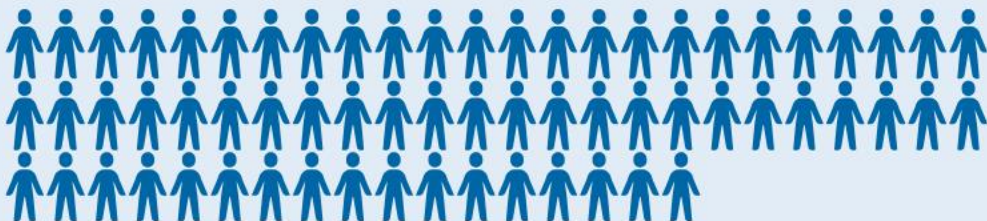
## BUDGET

**\$194,841,868.14**  
 FOR FY24

## Number of service/support requests within OMES staff



**661**  
**FTE**



## CUSTOMER SATISFACTION

**92%**

of customers reported being very satisfied with technology services



# CENTRAL PURCHASING NOW



**40 FTE**



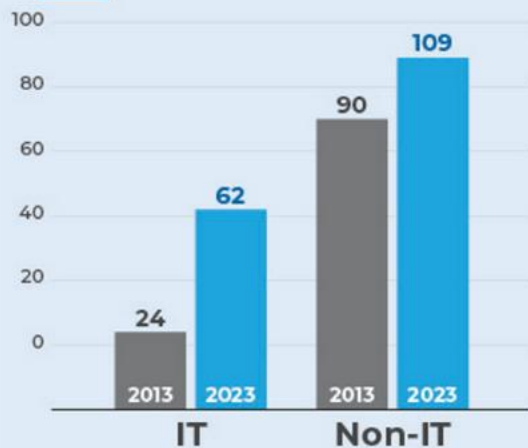
## BUDGET

# \$6,430,538

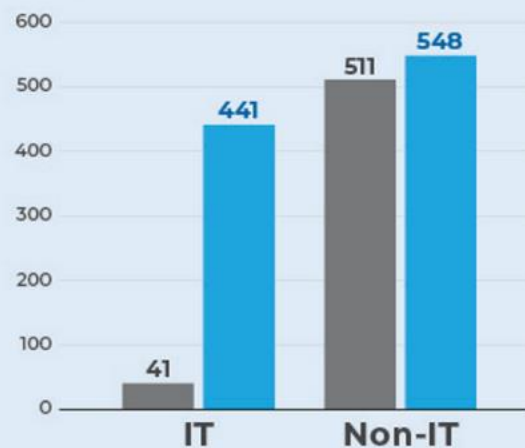
## FOR FY24



Number of Contracts



Number of Vendors





# Risk, Assessment and Compliance

- In response to LOFT, OMES formed of the Risk, Assessment and Compliance (RAC) Division.
- In calendar year 2023 RAC's Assessment team has reviewed 24K PO lines valuing \$4.5 billion and 136K Purchase card transactions valuing \$80 million.
- RAC's estimated annual value realization in partnership with Celonis includes:

100%

Assessment review of PeopleSoft purchase orders in real-time.

\$6 M

Potential additional revenue by better utilizing statewide contracts.

4,150 hours

Time saved using Celonis to flag purchasing anomalies.

\$12.5 M

Potential saved by educating buyers on use of statewide contracts.



# RAC compliance

## Objectives

- 100% completion of the 10-point assessment of purchase orders within PeopleSoft.
- Monthly assessment of the criteria of purchase card transactions.

## Solution

- Celonis shifts assessment approach from sampling historical purchases to 100% assessment coverage of purchase orders within PeopleSoft and P-card transactions.

## Value for one fiscal year

Increase in purchasing oversight to align with statutes, executive orders and standards.

Decrease in non-compliant spend by identifying, flagging and redirecting non-compliant purchases.

## Purchase order anomaly flags by Spend and Date

PO Line Flag	Jun '21 - July '22	Jun '22 - July '23
Authority order	\$ 176,793	\$ 265,629
Direct purchase order (PO)	\$ 3,287,536,223	\$ 5,300,768,750
Incorrect PO and/or origin	\$ 1,339,934	\$ 8,579,099
IT authority order	\$ 2,059,242	\$ 9,735,130
IT contract release	\$ 210,380,861	\$ 421,422,062
NON-IT contract release	\$ 4,739,580	\$ 4,014,127
Overdue PO approval	\$ 5,276,528	\$ 22,527,558
P-card authority order	\$ 394,247	\$ 189,975
Sole sources	\$ 44,342,865	\$ 58,715,756
Statewide contract	\$ 388,458,438	\$ 540,912,391



# RAC productivity

## Objectives

- Shift from static historical analysis to real-time.
- Reduce the need for external audit or manual assessments.
- Automated corrective actions.

## Solution

- Celonis automatically reviews 50k+ cases annually, flagging purchase anomalies for RAC review and action for buyers; Celonis currently has a less than 2% false positive rate.

Value for one fiscal year – Based on PO creation date from July '22 to June '23

24,900  
POs

×

10  
minutes

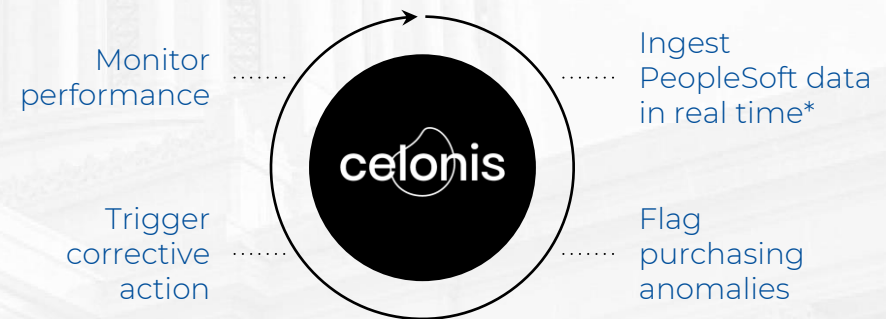
Assumption of time it takes for initial review of a purchase order across 10 dimensions.

=

4,150 hours  
or two FTEs

Time saved using Celonis.

## Detection and mitigation of purchasing anomalies



# Property Insurance

## SELF-FUNDED MODERNIZED MODEL

COVERAGE LEVELS	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
\$1 billion		<b>\$5,500,000</b> Premium (Layer Cost)	<b>\$7,370,000</b> Premium (Layer Cost)	<b>\$9,875,800</b> Premium (Layer Cost)	<b>\$10,863,380</b> Premium (Layer Cost)	<b>\$11,949,718</b> Premium (Layer Cost)
\$100 million		<b>\$5,000,000</b> Premium (Layer Cost)	<b>\$6,700,000</b> Premium (Layer Cost)	<b>\$8,978,000</b> Premium (Layer Cost)	<b>\$9,875,800</b> Premium (Layer Cost)	<b>\$10,863,380</b> Premium (Layer Cost)
Stop Loss Coverage		<b>\$5,000,000</b> Stop Loss Coverage	<b>\$6,700,000</b> Stop Loss Coverage	<b>\$8,978,200</b> Stop Loss Coverage	<b>\$9,875,820</b> Stop Loss Coverage	<b>\$10,862,902</b> Stop Loss Coverage
Retained Premium \$50 million		<b>\$27,000,000</b> Retained Premium	<b>\$27,230,000</b> Retained Premium	<b>\$24,168,000</b> Retained Premium	<b>\$25,385,000</b> Retained Premium	<b>\$26,324,000</b> Retained Premium
<b>SELF-FUNDED PREMIUMS RECEIVED</b>		<b>\$42,500,000</b>	<b>\$48,000,000</b>	<b>\$52,000,000</b>	<b>\$56,000,000</b>	<b>\$60,000,000</b>
<b>CURRENT MODEL PREMIUMS RECEIVED</b>	<b>\$34,800,000</b>	<b>\$42,500,000</b>	<b>\$54,520,000</b>	<b>\$70,019,000</b>	<b>\$74,912,000</b>	<b>\$80,188,000</b>

**Footnotes:**

- Claim increases are estimated at 25% for next three years (FY 24-26), then 5% for the following two years (FY 27-28).
- Premiums increases are estimated at 34% for the next three years (FY 24-26), then 10% for the following two years (FY 27-28).
- Oklahoma will seek an annual aggregated stop-loss coverage from the markets, in the event the program experiences two catastrophic losses within one policy term. The cost for this is estimated based off the state's insured values and claim exposure.





# Performance Improvement Graph

“

**The Performance Improvement Graph was created in order to provide transparency and be the single pane of glass solution for tracking the metrics and status for OMES' most critical services.”**

**JERRY MOORE**

**OMES DEPUTY DIRECTOR  
STATE CHIEF TRANSFORMATION OFFICER**

[PIG.OMES.OK.GOV](http://PIG.OMES.OK.GOV)



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# Account Managers

- OMES Account Managers are aligned at the cabinet level and are a key resource when navigating OMES.
- They proactively review service trends and advocated for the best customer experience across all divisions of the agency.
- [Link to Account Managers by Cabinet.](#)



# Additional Accomplishments for FY 2023 – 2024

- Central Purchasing successfully led the State Suppliers Expo through its third year welcoming an impressive turnout of 479 companies and 74 new bidders interested in doing business with the State of Oklahoma.
- Capital Assets Management continued its fleet reduction effort by receiving 872 vehicles from various agencies this calendar year.
- Saved \$1,327,708 by migrating agencies from legacy circuits.
- Finance Center of Excellence partnered with OMES IS to continue PeopleSoft Financials roll out
  - ABS AP Workflow.
  - Insurance AP Workflow.
  - ServiceOK AP Workflow.
  - DHS Asset Management.
  - OMMA Asset Management.
  - OMES Travel and Expense Rollout.
  - PeopleSoft Upgrade Manager(PUM) 44.



# Challenges for FY 2024 - 2025

- Implementing a CAM deferred/preventative maintenance program.
- Continued migration and solutioning of legacy technology applications, including the Department of Treasury's platform.
- Implementation of RAC's self-funded property insurance model.





# Goals for FY 2024 - 2025

- Move all OMES into a single work management system to streamline customer experience.
- Implement a CAM deferred/preventative maintenance program.
- Implement the recommendations of the HCM Market Study.
- Host listening sessions for shared service divisions to collaborate and communicate with agencies.
- Automate processes. Explore RPA and AI use cases



# Projects for FY 2024 - 2025

- Continued implementation of 74 O.S. §§ 3001-3009
  - Modernization of the State Use Program and creation of the State Use Advisory Council.
- EGID V3locity upgrade
  - Upgrade the current eligibility and premium accounting system to the cloud-based solution. Expected implementation is May of 2024. Enhancements to include member self-service, enhanced employer self-service and a self-service life insurance module.
- Finance Center of Excellence partnering with OMES IS to continue PeopleSoft Financials roll out for agencies including:
  - DHS
  - ODOT
- HCM Market Study
  - Develop a comprehensive job catalog that will include job title, job level, and pay grade for all 33,000 state employees.
- Treasury System Modernization

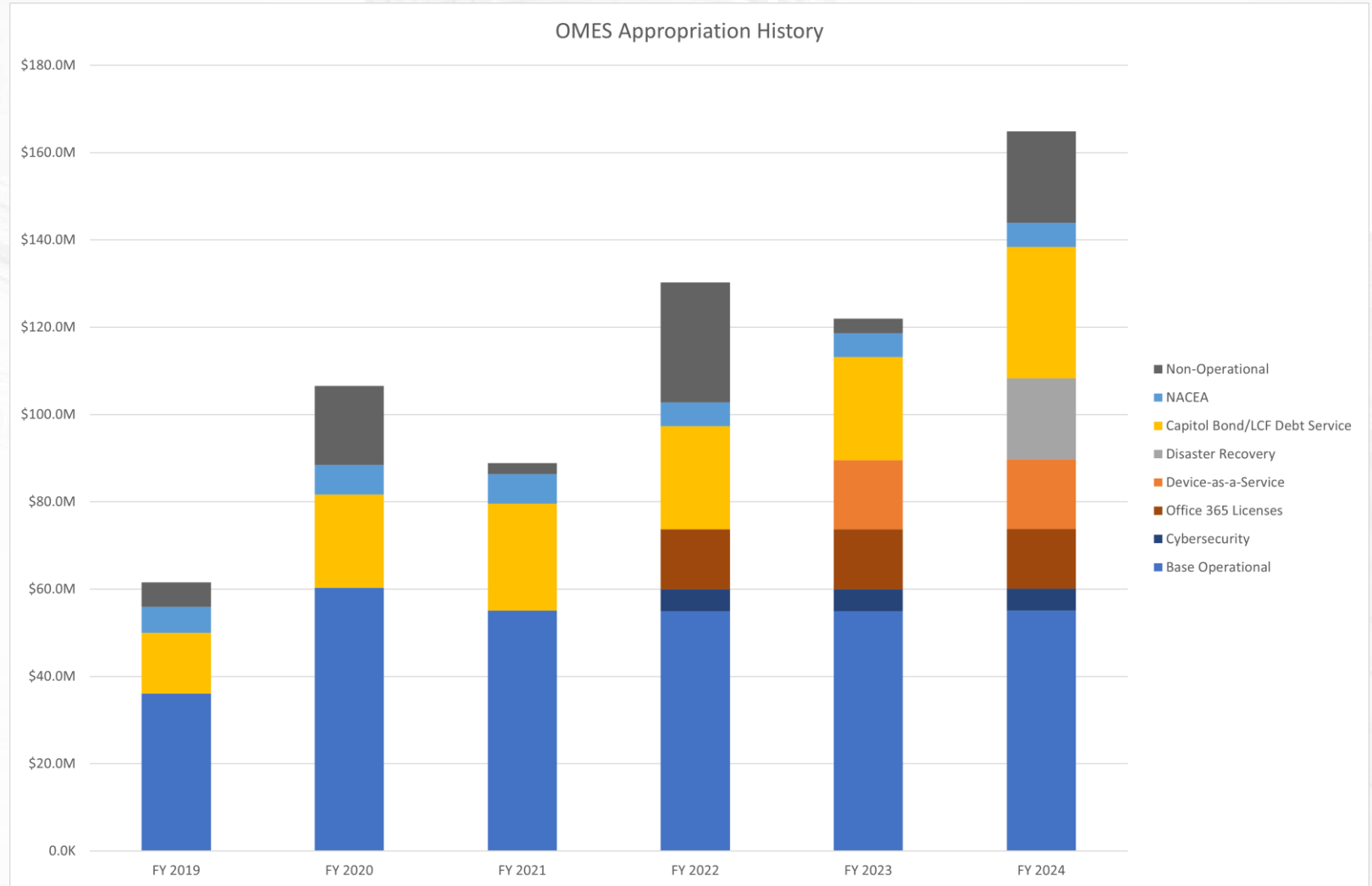




# OMES Budget

# Appropriation History

Fiscal Year	Legislated Appropriation (\$)
FY 2020	\$106,580,445.00
FY 2021	\$88,856,169.00
FY 2022	\$130,281,593.00
FY 2023	\$121,963,780.00
FY 2024	\$164,855,616.00





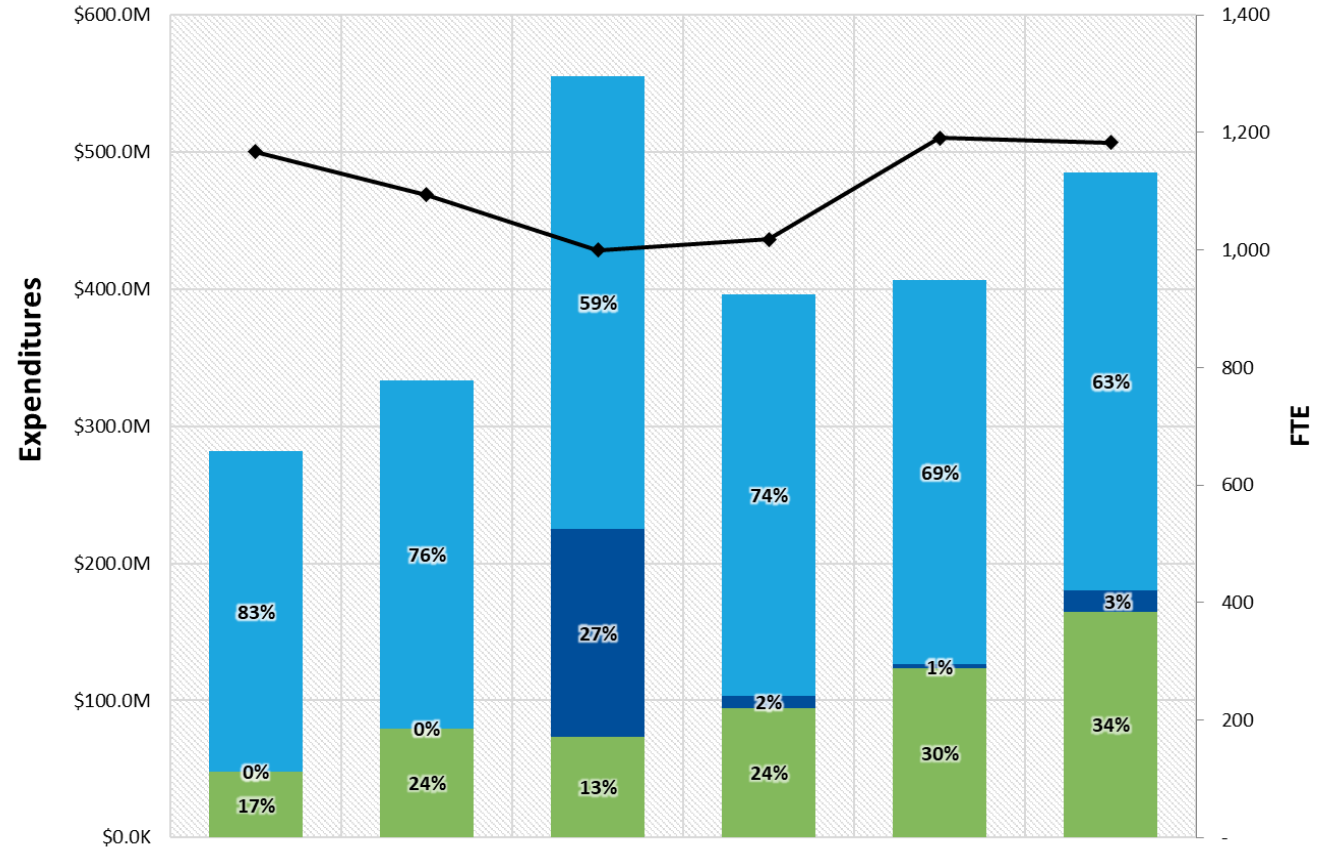
# Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

## Explanation of Significant Changes and Trends

The large uptake in actual expenditures in FY21 was due to funds awarded for CARES Act projects.

Current year budget and actual expenditures have trended upward over the last several fiscal years, as we have been charged legislatively with increasing project oversight (i.e., OESC technology upgrades awarded in FY24).

### Historic Actual Expenditures and Current Year Budget



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Budget
Appropriated	\$48.0M	\$79.7M	\$73.5M	\$94.5M	\$123.2M	\$164.9M
Revolving	\$233.5M	\$253.6M	\$330.2M	\$293.0M	\$280.2M	\$304.9M
Federal	\$105.3K	\$0.1K	\$151.6M	\$8.8M	\$3.1M	\$15.3M
Total	\$281.6M	\$333.3M	\$555.2M	\$396.3M	\$406.6M	\$485.0M
FTE	1,167	1,094	1,000	1,018	1,191	1,183





# FY 2024 Budgeted Full Time Equivalents (FTE)

	FY 2024 Budgeted FTE
Total FTE	1,183
Supervisor FTE	158
Supervisors to Total FTE Ratio (%)	13%

# Budget & Supplemental Request Summary

Request Name		FY 2025 Appropriated Request Amount (\$) <i>{or FY 2024 for Supplementals}</i>	Type of Request: Operating, One-time, or Supplemental
1	Rightsizing IS appropriations	\$5,409,857	Operating
2	Virtual Private Network (VPN)	\$2,937,295	Operating



# Budget Request

## Licensing True-Up for Appropriated Services (PeopleSoft Financials and O365)

Type: Operating

\$5,409,857

The purpose of this request is to right size previously granted appropriations for IS services including PeopleSoft Financials and Office 365. PeopleSoft Financials need is attributed to the increase in the size of the State Budget since the appropriation was originally granted in fiscal year 2020. Office 365 need is attributed to the growth of the state's workforce since the appropriation was granted in fiscal year 2022 - growth in state employment directly correlates to growth in number of licenses needed. In addition, market cost of the license has increased since the original appropriation has grown. The intent is to keep these services fully appropriated rather than charging back the increased costs to agencies.





# Budget Request

Virtual Private Network (VPN)	
Type: Operating	\$2,937,295
<p>Due to the change in the nature of the workforce and the prevalence of work-from-home across the state, unified availability of Virtual Private Network (VPN) is essential to ensure connections to the state's data are secure when end users are working remote. The intent is to allow this service to continue for all state agencies without increasing their passthrough IT costs.</p>	



# Other Funding Issues

- CAM Deferred/Preventative Maintenance Program.
- IS Legacy Applications.
  - Treasury.
- RAC Property Insurance.





# Discussion