

Office of Management and Enterprise Services

Lead Administrator: John Budd, Acting Director

Lead Financial Officer: Lia Tepker-McHughes, CFO

FY'19 Projected Division/Program Funding By Source						
Dept	Appropriations	Federal	Revolving	Local	Other*	Total
1 Administration	7,870,660		3,606,102			11,476,761
2 Budget and Policy	1,920,760	150,000	703,408			2,774,169
3 Central Accounting and Reporting (CAR)	3,639,904		1,981,930			5,621,833
4 Capital Assets Management (CAM)**	7,207,119		70,015,772		600,000	77,822,890
5 Central Purchasing (CP)	-		5,263,183			5,263,183
6 Human Capital Management (HCM)	5,717,765		2,114,691			7,832,456
7 Employees Group Insurance Division (EGID)	-		50,523,647			50,523,647
8 Information Services (IS)	15,362,416	368,391	138,259,080			153,989,887
9 Debt Service	13,864,662					13,864,662
10 County Emergency (Pass-through)				7,300,000		7,300,000
11 Native American Cultural & Educational Authority - NACEA (Pass)	5,961,698					5,961,698
Total	\$61,544,984	\$518,391	\$272,467,812	\$7,300,000	\$600,000	\$342,431,186

*Other funds include the Real Estate Leasing Escrow agency special account where funds are held until final disbursement is made on the sale of property.

**\$4,378,497 of the appropriations is transferred to 245 Revolving Fund

Note: The County Emergency fund is dedicated to counties for loans, and is not part of OMES's operational budget.

FY'18 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'18 Carryover	\$297,211					\$297,211

*Source of "Other" and % of "Other" total for each.

What Changes did the Agency Make between FY'18 and FY'19?	
1.) Are there any services no longer provided because of budget cuts?	The agency did not receive a budget cut in FY19.
2.) What services are provided at a higher cost to the user?	No services increased costs in this time.
3.) What services are still provided but with a slower response rate?	The agency did not receive a budget cut in FY19. However, prior year budget cuts and revolving fund authorizations in lieu of appropriations have resulted in the degradation of the maintenance of state buildings due to postponement of non-critical repairs. IS continues to see a decrease in headcount from almost 1,300 people in FY09 to 655 currently. Service delivery has been impacted in terms of timeliness, repetition of requests, and delay of project implementation.
4.) Did the agency provide any pay raises that were not legislatively/statutorily required?	OMES provided pay raises based on legislation passed by the 2018 Legislature and within existing statutory provisions. As required by legislation passed last session, OMES will submit a report to the Offices of the Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives on March 31, 2019 that details any raise given by

FY'20 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
1 Administration	\$7,870,660		\$3,606,102			\$11,476,762
2 Budget and Policy	\$1,920,760	\$150,000	\$703,408			\$2,774,169
3 Central Accounting and Reporting (CAR)	\$3,759,904		\$2,051,931			\$5,811,835
4 Capital Assets Management (CAM)	\$22,744,119		\$70,015,772		\$600,000	\$93,359,891
5 Central Purchasing (CP)	\$0		\$5,263,183			\$5,263,183
6 Human Capital Management (HCM)	\$5,717,765		\$2,114,691			\$7,832,456
7 Employees Group Insurance Division (EGID)	\$0		\$50,523,647			\$50,523,647
8 Information Services (IS)	\$31,441,513	\$450,000	\$138,259,080			\$170,150,593
9 Debt Service	\$13,864,662					\$13,864,662
10 County Emergency (Pass-through)				\$7,300,000		\$7,300,000
Total	\$87,319,383	\$600,000	\$272,537,813	\$7,300,000	\$600,000	\$368,357,197

*Other funds include the Real Estate Leasing Escrow agency special account where funds are held until final disbursement is made on the sale of property.

FY'20 Top Five Appropriation Funding Requests		\$ Amount
Request 1:	ISD Operations - This is the amount requested for FY19 as a supplemental, and will need to be continued in FY20. The request is due to the combination of decreased revenue to the Joint Computer Enhancement Fund, insufficient rates, increased cybersecurity needs to prevent data breaches, and a significant increase in agency usage of IT services.	\$16,041,097
Request 2:	CAM - State Buildings Maintenance - CAM has relied on a partial deferred maintenance program over the years, and this approach has been primarily crisis management. This would allow proactive maintenance of state facilities, and help to prevent further decline of the facilities and prevent state buildings from being unfit for occupancy.	\$14,000,000
Request 3:	CAR - Statewide Accounting - The additional funding will be used to improve internal controls and review of financial reporting, and to implement new accounting standards required by the Governmental Accounting Standards Board (GASB).	\$120,000
Request 4:	CAM - Security Equipment - Will be taking responsibility for operational maintenance and capital repairs/replacement of security equipment used by Department of Public Safety (DPS) in buildings managed by OMES.	\$200,000
Request 5:	CAM - Judicial Building Operations - Renovation of the Wiley Post building provided for the occupancy of the Administrative Office of the Courts in FY13. As a Judicial Branch of Government the Court does not pay rent for the use of this facility. There has been no additional appropriated funding provided for the general operation, maintenance and long term capital improvements for the facility.	1,337,000
Total Increase above FY-19 Request		\$ 31,698,097

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?	
1 FTE with Occupational Licensing Grant	\$4,567.50 annually

How would the agency be affected by receiving the same appropriation for FY '20 as was received in FY '19? (Flat/ 0% change)

Delayed initiation of IT modernization and cybersecurity projects.
 New service rates will need to be set for agency's IT services. The existing rates have not been adjusted since 2016, and IT costs continue to increase each year.
 Delayed repairs to buildings
 Delayed progress in shared services projects

How would the agency handle a 2% appropriation reduction in FY '20?

Delayed initiation of IT modernization and cybersecurity projects.
 Delayed repairs to buildings
 Increased rent to agencies
 Delayed progress in shared services projects
 Possible furloughs or terminations resulting in further degradation of quality and timeliness of service. New/increased rates for mandatory services for agencies will need to be implemented at a higher

Is the agency seeking any fee increases for FY '20?

	\$ Amount
Central Accounting and Reporting (CAR) - OMES has been subsidizing financial and payroll shared services since these services began, but over time economies of scale have reduced the subsidy to enable these services to be almost self-supporting. Rates have not been increased since FY17. The overall rate increase to cover costs for FY20 is only \$70,000. The primary purpose of the rate change is to adjust each agency's rate to be in line with its transactions, dividing the total costs fairly between agencies. Rates will increase	\$70,000
Total	\$70,000

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

Federal Funds

	FY 19 projected	FY 18	FY 17	FY 16	FY 15
Federal Funding I Public Safety Broadband Network (PSBN) via the FirstNet grant CFDA: 11.549	368,391	536,945	525,995		
Federal Funding II State Occupational Licensing Review and Reform Grant CFDA: 17.207	150,000				

Federal Government Impact

- 1.) How much federal money received by the agency is tied to a mandate by the Federal Government?**
Federal monies received are not tied to a mandate.
- 2.) Are any of those funds inadequate to pay for the federal mandate?**
Not applicable
- 3.) What would the consequences be of ending all of the federal funded programs for your agency?**
If all federally funded programs were ended, the state would lose nearly \$700,000 dedicated to the Public Safety Broadband Network (PSBN) via the FirstNet grant, and \$450,000 for the Occupational Licensing review to address workforce entry barriers.
- 4.) How will your agency be affected by federal budget cuts in the coming fiscal year?**
Thus far, OMES is not affected by federal budget cuts in the coming fiscal year.
- 5.) Has the agency requested any additional federal earmarks or increases?**
No.

Division and Program Descriptions

- Administrative Services**
- 1 General Administrative
 - Legal
 - Public Affairs
 - 2 OMES Finance
 - Provides internal financial and budgeting management for OMES
 - Administers the financial functions of the Emergency and Transportation Revolving fund in accordance with the Oklahoma Cooperative Circuit Engineering Districts Board.
- Budget and Policy**
- 1 Budget and Policy
 - Prepares the Governor's budget and assists in drafting supporting legislation for the Governor's proposals;
 - Makes recommendations based on the division's research and analysis on the effectiveness of state management and fiscal systems, focusing on areas where state programs can be operated more efficiently, lowering the cost and size of state government;
 - Manages the state's budget system making appropriate allotments and transfers as authorized by law.
 - 2 Gaming Compliance
 - Carries out the state's oversight responsibilities under the Tribal Gaming Compact
 - 3 Performance
 - Works with other divisions, agencies and entities to develop and implement performance management systems.
 - Manages and collects data to support performance-informed budgeting and align state budget and expenditures to the performance of statewide programs.
 - Collect and report all performance metrics for OMES; maintain strategic plan metrics and Glossary of OMES Core Functions.
 - Manages varied strategic business projects for the agency to increase efficiency and streamline internal processes.
 - Provide strategic planning shared services for agencies, as requested.
 - 4 Audit and Internal Investigations
 - Maintains the state central accounting system in compliance with budgetary and financial laws and regulations.
 - Manages the audit department responsible for reviewing and auditing procurement functions of state government, ensuring compliance with the State Purchasing Act,

| policies, rules, and procedures. |

Central Accounting and Reporting (CAR)

- 1 Statewide Accounting and Reporting Department
 - Establishes the policies and procedures for state financial transactions and for executing those transactions in accordance with the various state statutes, federal regulations, and governmental accounting and reporting standards;
 - Production of the State's Comprehensive Annual Financial Report;
 - Production of the Statewide Cost Allocation Plan;
 - Statewide payroll tax reporting;
 - Facilitates federal taxpayer offset issues;
 - Administers Treasury - State Agreement;
 - Submits the State's Single Audit Report; and
 - Manages the State's general ledger.
- 2 Agency Business Services
 - Provides shared financial services to state agencies
- 3 Transaction Processing
 - monitors and processes all expenditure transactions that go through the PeopleSoft system such as the payment of employee payroll, travel and supplier/vendor vouchers.
- 4 Vendor Registration
 - manages vendor files, online vendor registration, customer service, support of IRS compliance and state agency direct deposit payment information for state entities.

Capital Assets Management (CAM)

- 1 Real Estate and Leasing Services (REALS)
 - Plan, program and deliver construction and real estate services to support the current and long range facility needs of state agencies;
 - Maintain and operate state-owned facilities;
 - Responsible for assigning all space in facilities used by the State, authorizing the amount of space to be acquired by agencies, and executing all leasing contracts on behalf of the agencies.
- 2 Central Printing & Interagency Mail
 - Provide professional printing, mailing and distribution services to agency and governmental entities of the State.
- 3 Fleet Management
 - Provide motor vehicle services to state agencies including policy oversight, leasing, maintenance management, reporting, and educating, training and promoting alternative fuel usage in both the public and private sectors.
- 4 Risk Management
 - Protects the assets of the State and political subdivisions through effective programs in risk management including self-insurance and third-party insurance programs for property and liability.
- 5 State & Federal Surplus
 - Obtains and manages federal surplus property;
 - Obtains and manages state surplus property.
- 6 Office of Facilities Management
 - Operations, grounds, maintenance and upkeep; and administrative functions and project management for projects performed by the Office of Facilities Management.
- 7 Planning
 - Manages the Maintenance of State Buildings Revolving Fund, creates an overall picture of the state's long-term capital needs.
 - Advises the Capitol-Medical Center Improvement and Zoning Commission and provides administrative services to other organizations.
- 8 Construction and Properties
 - Contracts and administers construction, maintenance and related consultant contracts; maintains the state-registered consultant list.
 - Executes contracts and manages approved capital improvement projects for state entities.
- 9 State Facilities Strategy and Operations
 - Assist agencies in their building operations, building assessments and long-term strategies.
 - In coordination with other divisions and departments of OMES, this unit is also responsible for the oversight of tenant relocations.

Central Purchasing (CP)

- 1 Establish policies for statewide procurement;
 - Uphold the Central Purchasing act;
 - Obtain and maintain vendor relationships.
- 2 Administer State Use program
 - mandated purchasing program that facilitates contracts between the State of Oklahoma and statutorily qualified organizations.
- 3 Statewide Procurement
 - identifies statewide contract opportunities for goods and services including information technology; creates and manages statewide contracts for agencies' and affiliates' use works closely with suppliers, agencies and affiliates to promote the use of those contracts, and tracks usage and administration fee payments.
 - coordinates closely with OMES IS for required technical specifications and assists agencies in procuring technology.
- 4 Agency-Specific Procurement
 - assists agencies with purchases that are not on statewide contracts in compliance with the Central Purchasing Act, determines the procurement avenue through which items are purchased and manages the Performance Information Procurement System (PIPS), sole source contracts, and solicitations including Request for Proposal (RFP), Request for Quote (RFQ) or an Invitation to Bid (ITB).
- 5 Administration and CPO training
 - responsible for conducting training and certification for Certified Procurement Officers (CPOs).
 - focuses on the reporting and other programs that address compliance for Central Purchasing as a whole.

Human Capital Management (HCM)

- 1 Human Resources
 - Provides HR services within OMES, Governor's Office and Lt. Governor's Office
- 2 Talent Management and Benefits
 - Provides HR support and guidance for all executive level agencies
 - Analyzes compensation data for annual reports, administers the statewide recruitment system and employee selection procedures, and processes personnel transactions
 - Job classification and compensation policies and programs
 - Develops and validates a variety of employee selection procedures, including written tests, rating of training and experience and performance test, as well as provides the human resources Performance Management Process for Oklahoma State Government
 - Oversees the state employee benefit administration (health, dental, disability, life, flexible spending accounts and health savings accounts) for the employees and maintains the benefits administration system.
- 3 Workforce Planning
 - Provides statewide employee lifecycle survey administration, workforce data analytics and strategic services so that agencies achieve their missions and are not surprised by costly workforce issues.
 - Guides state agencies in aligning their talent, processes, and resources in order to meet their objectives.
- 4 Learning and Development
 - Assesses the supervisory and managerial training needs of state employees and administers development opportunities to support an supplement existing agency learning efforts.
 - Administers Leadership programs, including Certified Public Manager, Certified Personnel Professional, Certified Procurement Officer, Executive Development Seminar for State Officials and the State Certified Facilitator Program.
- 5 Policy and Legislative Services
 - Provides legislative perspective to agency staff, elected officials, constituents, and other stakeholders.
 - Supports the agency through legislation and Projects and Research.

Employees Group Insurance Department (EGID)

- 1 Health Choice Administration
 - Administers self-funded health, dental, life, and disability plans for current and former state, education, and local government employees;
- 2 Outside Plans
 - Contract with outside health plans to offer choice for health, dental and vision insurance.

*additional information in 2018-19 Performance Report

Information Services (IS)

- 1 Shared Information Technology
 - Provide comprehensive information technology to appropriated agencies, boards and commissions within the executive branch
 - Provide comprehensive information technology to voluntary non-executive branch agencies, as well as outside affiliates
- 2 Information Security Team
 - responsible for protecting mission-critical networks and the state's digital assets through technology, services and security best practices
- 3 Public Safety and Defense IT Service Team
 - performs the baseline and escalated IT support functions for public safety agencies and oversees the Criminal Justice Information Systems Center for Excellence (CJIS CFE) program which facilitates the unification of IT for all law enforcement agencies.
- 4 Application Services Team
 - dedicated to supporting existing statewide and agency-specific technology applications and developing new statewide and agency-specific technology applications, including: conventional applications, web and mobile applications, enterprise applications and public safety applications as well as performing the functions of systems analysis and creating and enhancing user interfaces and experience.
- 5 External Relations and Service Quality Team
 - supports Central Purchasing on IT-related procurement, assists customers with technology procurement, and establishes beneficial partnerships with external entities.
 - This team is also charged with establishing, maintaining and continually improving a quality of service program.
- 6 Technology Services
 - supports the state with IT Infrastructure, a server team and Information Technology Operations Command Center,
 - as well as supports state agencies that have been through IT Unification, with customer services including service requests, projects, system enhancements and more.
- 7 Enterprise Programs Service Team
 - responsible for resources and methodology for agency services such as IT governance, project management, business analysis, standards library creation and maintenance, and maintaining data center facilities.
- 8 Data Driven Service Team
 - provides data management services for OMES and state agencies.
- 9 SPARK (Strategy, Planning, Architecture, Research and Knowledge) Service Team
 - focuses on strategic planning, enterprise architecture methodology and implementation, and research and knowledge to create a forward-looking, cohesive plan for the state.
- 10 Client Experience Service Team
 - responsible for assuring overall client satisfaction by serving customers' needs each day.
 - oversees PC (personal computer) support; the service desk and customer relationship management, which includes technical account managers and the customer care team.
- 11 State Health Information Exchange (HIE) Director
 - creating and supporting a statewide interoperable health information exchange system and collaborating with health agencies to find shared services solutions for health systems.
- 12 Mission Support Service Team
 - service delivery, account management, catalog management, service costing/rating and new products/services deployment.
 - coordinating and structuring engagements for new and established vendors through the Strategic Alliance Management process by determining appropriate stakeholders.

County Emergency

69 O.S. (2003) 687.3 designates OMES to administer the Emergency and Transportation Revolving Fund for any qualified county or counties for the purpose of funding emergency or transportation projects of a county.

FY'19 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
1 Administration	13	0	42	3	30	9
2 Budget and Policy	3	0	23	0	18	5
3 Central Accounting and Reporting (CAR)	17	3	58	1	50	10
4 Capital Assets Management (CAM)	42	18	143	45	103	13
5 Central Purchasing (CP)	6	0	44	2	35	7
6 Human Capital Management (HCM)	17	2	66	3	55	10
7 Employees Group Insurance Division (EGID)	29	11	120	11	99	17
8 Information Services (IS)	100	97	669	28	586	156
9 County Emergency	0	0	0		0	
10 Debt Service	0	0	0		0	
Total	227	131	1165	93	976	227

FTE History						
	2019 Budgeted	2018	2017	2015	2010	
1 Administration	42	31	21	18	0	
2 Budget and Policy	23	25	16	25	0	
3 Central Accounting and Reporting (CAR)	61	61	82	88	53	
4 Capital Assets Management (CAM)	161	151	166	151	229	
5 Central Purchasing (CP)	44	42	47	31	0	
6 Human Capital Management (HCM)	68	50	81	55	87	
7 Employees Group Insurance Division (EGID)	127	114	142	135	162	
8 Information Services (IS) *	770	708	712	775	117	
9 County Emergency	0	0	0	0	0	
10 Debt Service	0	0	0	0	0	
Total	1296	1182	1266	1278	648	

*The IS Division's YTD total FTE is 655 - agency YTD total FTE is 1161.

- Note: 1. Historical data is separated by agency for those dates prior to consolidation (FY2012). All "OSF" data (with the exception of IS) is shown on Central Accounting and Reporting. H
2. Historical data is shown at a point in time, at the end of each fiscal year for the month of June.
3. For FY18, OMES Finance moved from CAR to Administration.
4. The large increase in IS FTE is related to HB1304 IT Unification.

Performance Measure Review					
	FY 18	FY 17	FY 16	FY 15	FY 14
Measure I Statewide Contract Cost Savings - Central Purchasing					
Increase the amount of annual cost savings resulting from statewide procurement contracts from \$20.2 million in 2014 to \$30 million by 2019.	\$23.26M	\$21.78M	\$23.7M	\$20.9M	\$20.2M
Measure II Total Energy Usage - Capital Assets Management					
Decrease the total energy use index of state-owned facilities from 127.60 kBtu/square foot in 2012 to 109.04 kBtu/square foot by 2018.	76.48	77.951	110.45	123.88	126.1
Measure III First Call Resolution - Information Services					
Increase the percentage of issues resolved on the first call from 54% in 2014 to 66% by 2019.	51.50%	72.75%	73.56%	47%	54.00%
Measure IV OMES Overall Customer Service Satisfaction - Agency-wide					
Increase the percentage of customers who report agreement with "satisfied with overall customer service provided by OMES" on annual OMES Customer Shared Services Survey from 55% in 2017 to 90% in 2023.	77.00%	65.00%	n/a	n/a	n/a
Measure V State Employee Turnover Rate - Human Capital Management					
TARGET - BELOW Regional Avg	16.02%	17.07%	15.20%	14.48%	16.00%
Maintain the state employee turnover rate at or below the annual regional average of surrounding states every year through 2019.	19.72%	18.70%	19.40%	18.35%	17.30%
Measure VI Healthcare Premium Cost Growth - Employee Group Insurance Division					
TARGET - BELOW National Avg	1.9%	5.3%	7.4%	7.4%	4.0%
Maintain healthcare premium cost growth at the Oklahoma State and Education Employees Group Insurance Board (EGID) for members at below the national average through 2022.	0.0%	4.2%	8.4%	5.5%	3.0%
Measure VII HealthChoice Administrative Costs - Employee Group Insurance Division					
TARGET - BELOW the BCBS Avg.	Currently assessing	n/a	n/a	\$14.78	n/a
Maintain the per member per month (PMPM) administrative costs for the HealthChoice health plan at below average cost for similar plans.	Currently assessing	n/a	n/a	\$9.42	n/a
*study last performed in FY15 showed Oklahoma at 38.9% lower than average					

Revolving Funds (200 Series Funds)			
Revolving Fund Description	FY'16-18 Avg. Revenues	FY'16-18 Avg. Expenditures	June '18 Balance
20000 OMES Revolving	1,376,591	2,030,894	2,531,204
20100 General Purpose	103,291	563,620	158,848
20200 Capitol Building Maintenance and Repair - Deferred Maintenance	-	-	104,200
20300 Independent Verification & Validation	205,929	108,415	292,541
20400 Tribal & Gaming	1,167,202	609,152	1,658,161
20500 Risk Management	25,462,029	22,760,605	55,743,797
21000 Telecommunications	92,878,840	96,741,447	4,328,045
21500 Integrated Central Financial System	49,537	72,416	-
21600 OTC & OMES Joint Computer Enhancement	396	12,081,746	-
22000 State Construction	1	100	1
22300 Foster Families Protection Account- Risk Management	618,156	619,545	10,122
22500 State Use Committee - Cent. Purch/Severely Handicapped	382,109	493,154	421,381
23000 Voluntary Buyout Agency Reimbursement	-	-	1
23100 Postal Services - Interagency Mail	670,268	690,338	315,709
24400 Statewide Surplus Property	4,130,437	4,812,088	750,616
24500 Facilities Service	13,476,226	20,165,929	5,831,308
25000 CMIA	26,336	-	457,748
25500 Motor License Agent Indemnity - Risk Management	86,851	49,617	1,032,602
26000 Risk Management Fire Protection	1,468,189	1,732,428	5,002,816
26200 Risk Management Political Subdivision Participation	103,774	410,505	13,960
26500 Risk Management - Worker's Comp	2,625,850	2,582,595	129,765
27000 Registration of State Vendors	85,821	101,282	114,731
27100 Contract Management - Vendor Fees and Rebates	4,517,394	5,614,397	1,706,815
27200 Cent. Purch/Training	2,667	9,122	96,849
27500 State Recycling	37,800	640	261,624
28000 State Surplus Property - Federal	733,068	856,596	1,344,460
28200 Const & Prop/State Construction	464,640	1,439,701	217
28300 Maintenance of State Buildings (Long Range Capital Planning)	1,866,104	11,365,091	13,375,365
28400 Oklahoma Commission on the Status of Women	12,801	13,992	31,506
28800 EBD Administration	6,242,075	7,283,107	1,105,647
29000 St Empl Grp Health Insurance	46,685,625	46,367,729	2,253,711
29200 Medical Exp Liability	552,033	1,055,054	1,881,115
29400 Central Printing	1,587,404	1,682,724	569,064
29500 Emergency & Transportation	5,805,562	6,161,998	2,134,331
29600 State Fleet Management	6,954,424	7,774,877	3,943,696
29800 Human Capital Management	505,960	841,255	435,477