



FISCAL YEAR  
**2022**

# OKLAHOMA

## EXECUTIVE BUDGET

SUBMITTED BY

**J. KEVIN STITT, GOVERNOR**

TO THE FIRST SESSION OF THE 58TH OKLAHOMA LEGISLATURE

# Financial Condition of the State of Oklahoma

1. **Revenue:** Total tax collections for state expenditures (i.e., total tax revenue) were \$8,963,894,053 for FY 2016 as reported by the Oklahoma Tax Commission Annual Report. Total revenue for FY 2020 was \$10,494,867,627. This represents an **increase of \$1,530,973,574, or 17.1%**, during this five-year period. Comparably, General Revenue (GR), which is only a component of total revenue, went from \$5,204,842,192 in FY 2016 to \$6,273,129,664 in FY 2020, for a 20.6% increase.

Projected General Revenue for FY 2021 is \$6,108,965,544 **for a decrease of \$164.2 million, or 2.7%, from FY 2020 actual collections and \$616.8 million, or 9.2%, less than the original FY 2021 estimate.** The Rainy Day Fund currently has a balance of \$58,670,773. The Revenue Stabilization Fund (RSF) has a balance of \$171,255,485, **for a total reserve between the two funds of \$229,926,259.** This dollar amount is a decrease, due to the COVID-19 pandemic, of \$776.3 million, or 77.2%, from the record reserves of \$1 billion available at the end of FY 2019 and would cover just over one-half of one month of expenses at current budgeted allotments.

Estimated General Revenue for FY 2022 is \$6,257,426,946, an increase of \$148,461,401, or 2.4%, from revised FY 2021 projections.

2. **Expenses:** Total general appropriations (excluding supplementals) for FY 2016 were \$6,897,712,239. Total appropriations for FY 2020 (excluding supplementals) were \$7,924,214,932 – or **an increase over five years of \$1,026,502,693, or 14.9%**. Total appropriations for FY 2021 were \$7,656,768,397, which represents **a decrease of \$267.4 million, or 3.4%, compared with FY 2020.**

The projected expenditure authority for FY 2022 is \$8,464,326,913 (*of which \$720.2 million is projected cash*), which represents a \$631.2 million increase over the FY 2021 authorized expenditures of \$7,833,165,182. We expect this number to change when the State Board of Equalization (SBOE) meets for the final FY 2022 estimate on February 16 (See Appendix A).

Total state expenditures, which include general appropriations, apportionments, agency service charges, and federal grants, were \$17,953,478,000 in FY 2016 according to the audited statements of the Comprehensive Annual Financial Report. Total expenditures for FY 2020 were \$19,753,946,000 — an increase of \$1,800,468,000, or 10% (See Appendix B).

The following 15 individual agencies account for more than 90% of total state expenditures:

Agency	FY 2021 State Appropriation	Apportionment and/or fees *	Federal **	Total
Oklahoma Health Care Authority	\$975,239,368	\$1,343,881,703	\$3,361,426,237	\$5,680,547,308
State Department of Education	\$2,992,729,814	\$46,541,894	\$721,615,284	\$3,760,886,992
Department of Human Services	\$697,831,158	\$140,923,000	\$1,432,105,146	\$2,270,859,304
Department of Transportation	\$170,000,000	\$1,128,088,000	\$616,023,281	\$1,914,111,281
State Regents of Higher Education	\$770,414,742	\$436,879,220	\$0	\$1,207,293,962
Department of Corrections	\$531,112,247	\$100,060,000	\$2,091,901	\$633,264,148
Department of Mental Health and Substance Abuse Services	\$334,915,240	\$90,622,558	\$48,049,284	\$473,587,082
Department of Health	\$52,337,964	\$157,014,014	\$195,967,180	\$405,319,158
Office of Management and Enterprise Services	\$86,386,169	\$276,647,804	\$2,120,307	\$365,154,280
Department of Public Safety	\$95,201,888	\$69,637,630	\$16,732,076	\$181,571,594
Other Public Safety Agencies (AG, OBN, DAC, OSBI)	\$86,773,065	\$73,006,485	\$44,257,974	\$204,037,524
Department of Career and Technology Education	\$137,471,871	\$5,404,499	\$27,880,850	\$170,757,220
Department of Veterans Affairs	\$33,316,393	\$32,521,929	\$102,127,361	\$167,965,683
Department of Rehabilitation Services	\$34,875,002	\$11,879,410	\$86,744,401	\$133,498,813
Office of Juvenile Affairs	\$93,033,434	\$1,992,333	\$1,162,462	\$96,188,229
Department of Commerce	\$17,739,680	\$2,161,246	\$35,908,874	\$55,809,800

\*\*Apportionment and/or fees\* reflect estimates calculated from FY 2021 agency budgets filed with the Office of Management and Enterprise Services.  
 \*\* Grants documented from the FY 2019 Oklahoma Single Audit Report; will not include direct CARES Act funding received. The Regents for Higher Education are not included in the State Single Audit. Accordingly, no federal funds are reported for them in this chart.

#### ADDITIONAL NOTES:

1. Direct apportionment to Oklahoma Teachers' Retirement System from tax revenue sources for FY 2020 was \$325,809,591, which would place this pension system in the top 15 of state agency expenditures.
2. If expenditures by other public safety agencies are considered as listed above, overall public safety spending would rise to ninth on this list.
3. State Department of Education: According to the [2020 School District Revenue Report](#), total revenues available to public schools in Oklahoma were **\$10 billion**, with \$2.8 billion from local sources, \$186 million from intermediate/county sources, and \$2.7 billion cash forward and other miscellaneous revenue, in addition to the appropriated amount of \$2.9 billion.
4. State Regents for Higher Education: According to the [FY 2020 Educational and General Budgets Summary and Analysis](#), total revenues available to universities, colleges, and constituent agencies were **\$2.4 billion**, with \$1.4 billion from tuition and fees and \$318 million from other sources, in addition to the appropriated amount of \$770 million.
5. Department of Career and Technology Education: According to the [FY 2020 Oklahoma Technology Center Revenue Report](#), local technology centers received an additional \$377.9 million from local sources (\$330.4 million from property taxes,

\$25.5 million from tuition and fees, \$21.9 million from other local sources) and \$25 million from federal sources. Local technology center funding from state appropriations totaled \$101.4 million for FY 2020, bringing total available to the technology centers to **\$504.3 million**.

3. **Liabilities and Pension Obligations:** Total Net Tax-Backed Debt for the state of Oklahoma as of Dec. 31, 2020, is approximately **\$2,215,486,490** according to the Deputy Treasurer for Debt Management. Total annual debt service for FY 2021 is approximately **\$245,271,576**, which represents **3.6%** of the FY 2021 General Revenue Fund Appropriation Authority.

In FY 2022, **debt service is expected to increase to \$254,845,018, which would represent 3.7% if GRFAA rises to the current BOE estimate. Debt service is scheduled to begin a steady decline after FY 2022.** These numbers suggest that, heading into FY 2022, **the state does have sufficient bond capacity for important priorities.** The state’s general obligation bond rating is currently **AA**. The state has no outstanding general obligation debt. For “lease-backed” bonds, the primary financing apparatus for state projects, the credit rating is **AA-**. Continual structured deficits did result in a downgrade in 2017 from AA. Standard and Poor’s has assigned a “negative outlook” to the state’s credit rating indicating a one-in-three chance that they will take action to further downgrade the rating within the current year.

Total pension obligations for the State of Oklahoma as of July 1, 2020, are \$45,892,000,000 with actuarial value of assets at \$35,188,000,000 for a **funding status of 76.7% and an unfunded liability of \$10,704,000,000**. Multiple reform measures have put the states seven pension systems on a path to fiscal stability, but the Teachers’ Retirement System at 67.3% funded and the Firefighters Pension and Retirement System at 70.4% still need many more years to achieve financial soundness. Attempts to weaken previous reforms or add additional costs to the system will negatively affect progress and could harm the state’s bond rating (See Appendix C). Details on each state system can be found in the following table:

*Comparison of Liabilities and Assets with Funding Ratio Included (In Millions)*

<b>FY 2020</b>	<b>Accrued Liability</b>	<b>Actuarial Assets</b>	<b>Unfunded Accrued Liability</b>	<b>Funded Ratio</b>
OFPRS	\$4,103	\$2,888	\$1,215	70.4%
OPERS	\$10,943	\$10,212	\$731	92.3%
OLERS	\$1,232	\$1,088	\$144	88.3%
OPPRS	\$2,736	\$2,757	(\$21)	95.8%
OTRS	\$26,410	\$17,769	\$8,641	67.3%
Wildlife	\$135	\$119	\$16	88.2%
URSJJ	\$333	\$355	(\$22)	106.4%
<b>TOTAL</b>	<b>\$45,892</b>	<b>\$35,188</b>	<b>\$10,704</b>	<b>76.7%</b>

#### 4. Capital Assets:

The State of Oklahoma owns 85,757,655 square feet of real property. Years of inattention to proper maintenance have resulted in an enormous backlog of capital needs. The Long-Range Capital Planning Commission provides state leadership recommendations to fund the state's capital needs and policy recommendations to continue reforming how the state manages its real property assets. In the most recent report, the commission recommends **total investments over an eight-year period of more than \$280,000,000** to address critical maintenance needs, health and safety issues, and renovations to streamline agency footprints.

The Commissioners of the Land Office (CLO) owns over 750,000 surface acres and manages the leasing of over 1.1 million mineral acres and commercial properties which are leased to provide distributions to education beneficiaries. The value of the land and property is over \$105 million. The CLO also owns an **investment portfolio of \$2,227,676,321** (June 30, 2020). \$127 million was distributed for FY 2020, compared with a distribution of \$132 million for FY 2019.

The state's highway system includes 12,254 miles of highways and 6,800 bridges. ODOT's Rail Programs Division oversees and monitors five different railroad companies operating through leases on approximately 126 miles of operating, state-owned track. The Oklahoma Turnpike Authority owns and operates 606 miles of expressway. These infrastructure assets have not been recently valued in dollar terms as capital assets. In 2019, the American Road and Transportation Builders Association rated Oklahoma number 2 in the nation for reducing our structurally deficient bridges by 900 during the period from 2014 to 2018. Thanks to the Oklahoma Legislature's ongoing commitment to transportation, **Oklahoma has improved from 49th place nationally for highway bridge conditions in 2004 to ninth place as reported in 2020.**

The Tobacco Settlement Endowment Trust Fund is a state grant-making trust established with payments from the 1998 Master Settlement Agreement between 46 states and the tobacco industry, devoted to preventing cancer and cardiovascular disease. Since 2008, an average of \$61 million has been allocated annually to the endowment, which has grown to \$1.3 billion as of June 30, 2019.

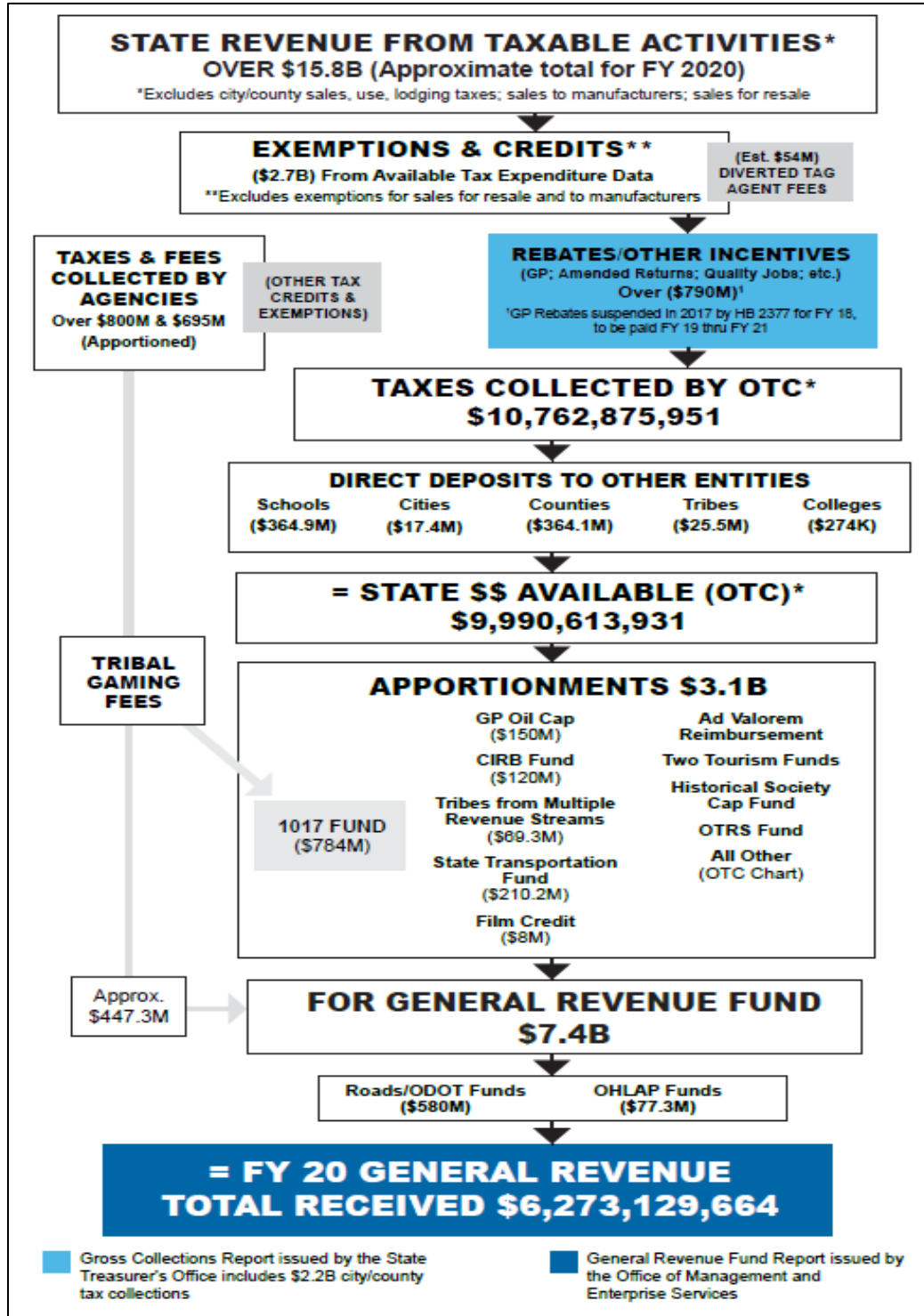
The Grand River Dam Authority is a component unit of the State of Oklahoma, using revenues earned as a public power utility to finance conservation and reclamation. GRDA boasts assets of \$1,827,470,820 (period ending Dec. 31, 2019), but after liabilities of \$1,110,137,417, reports a **net asset position of \$676,438,114. Total revenues for 2019 were \$424,980,985** and GRDA improved its net position by \$53,947,584.

#### 5. Cost of Income Tax Preference Items and Sales Tax Exemptions:

For the completed 2018 tax year, total income tax credits, rebates, deductions and exemptions cost **\$1,647,605,315** (See Appendix D).

For sales taxes, after common market practice preferences for basic distribution, manufacturing and agriculture, the remaining sales tax exemptions cost is **\$1,007,824,259** (See Appendix D).

Estimates of revenue collections and related statutory treatments for FY 2020 are depicted in the chart below.





# Recommended Financial Strategy

## Live Within Our Means

- **Maintain FY 2022 total state appropriations to the recurring base of FY 2021. State appropriations in FY 2021 were \$7,833,165,545.** The FY 2021 one-time expense items total \$51,573,844 for an updated recurring base for FY 2022 of **\$7,781,591,701**. The Governor proposes to only fund critical items, placing focus on keeping our recurring expenditure base in line with our level of recurring revenue.
- The COVID-19 pandemic showed us first-hand the importance of strong reserves in times of crisis. We recommend working with the Legislature on statutory language to facilitate a **deposit to the Revenue Stabilization Fund of \$300 million** to rebuild reserves and safeguard our core service funding in the wake of the pandemic.
- Seek opportunities across agencies in **cost savings and efficiency improvements while maintaining core services** to further build a structurally sound budget and continuously streamline and improve all areas of state government.

## Increase Investments in Economic Diversification

- **Deposit \$20 million to the Quick Action Closing Fund** allowing administration to close deals, make actual offers, and package new potential offers **in the pursuit of major high-wage, job growth opportunities.**
- **Fund an Accelerator and Ecosystem Development Program** that leverages \$15 million in state funds with private dollars **to provide an integrated, statewide initiative encouraging new entrepreneurial ventures throughout Oklahoma.**
- Work with the Legislature to create a **remote worker initiative through the Department of Commerce to bring new remote workers and taxpayers to Oklahoma.**

## Utilize Low Interest Rates to Finance Infrastructure

- Financing plans to **take advantage of the low interest rate environment** to pursue and accelerate Top Ten infrastructure goals to include the following:
  - Oklahoma Department of Transportation (ODOT) will pursue a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for rural two-lane safety enhancement projects and plans to collaborate with the Legislature on authorizations for bonding and federal loans. The Governor proposes to restore the full statutory allocation of State Transportation Funds to ODOT due to ODOT's ROADS Fund of \$180 million being redirected to the Education Reform Revolving Fund in FY 2021 and FY 2022. This additional funding helps ODOT continue to move forward on their Eight-Year Construction Work Plan which contains critically needed transportation improvement projects for Oklahoma's interstate, U.S. and state highways, and bridges.

## Ensure Fair System for all Oklahomans

- Partner with the Legislature to **address the issue of rising costs and insufficient collections to fund reimbursement for the five-year manufacturing exemption from ad valorem taxes.** Total reimbursement cost for the upcoming year is estimated at about \$155 million. In FY 2020, approximately \$35.9 million was covered by collections to the Ad Valorem Reimbursement Fund.

- Reduce the number of classified employees and **reform current merit protection system**. This proposal aims to reward good performers and retain a high-quality workforce.
- **Reduce corporate income tax** through exemptions in a phased approach, **encouraging additional businesses to relocate to Oklahoma, increasing jobs and Oklahoma's overall tax base**.

## Maintain and Improve Core Services

In collaboration with legislative leaders, we propose the following items of critical need:

- **Expand Medicaid coverage** in Oklahoma under ACA (Endorses SQ 802) for \$164,138,054. Medicaid expansion will provide quality health care to over one million Oklahoma SoonerCare (Medicaid) members. Funding for expansion will be offset by revenue optimization initiatives.
- **Improve and modernize Government structure to further collaborate and coordinate services** to best serve Oklahoma for future generations. The Governor believes in a streamlined, accountable, and collaborative state government that puts Oklahomans first by strategically redistributing resources to customer-centric missions and innovative initiatives. A step in this direction includes the **consolidation of Oklahoma Health Care Authority with the Health Department and the Department of Mental Health and Substance Abuse Services**.
- Revenues of \$125,700,000 to Teachers' Retirement System, Firefighter Pension System, Police Pension System and the Law Enforcement Retirement System were directed to the Education Reform Revolving Fund in FY 2021. The Governor's budget proposes to **pay back pension apportionment making those pension systems whole rather than delaying the repayment**. This **allows the pension systems to regain their financial standing and begin earning interest on these funds**. The Governor's budget also proposes to work with the Legislature to prevent this redirection in FY 2022.
- Increased budget needs and investments to **maintain and improve core services** for FY 2022:
  - **Oklahoma State Department of Education (OSDE)** – funding of \$17,041,764 to meet the statutory obligation of the state to pay health insurance to certified and support personnel.
  - **Oklahoma School of Science and Mathematics (OSSM)** – funding of \$618,000 to replace HVAC system to control humidity levels in buildings ensuring no excessive moisture and mold growth, creating a healthier learning environment.
  - **Department of Human Services (DHS)** – funding of \$2,000,000 to reduce the Developmental Disabilities Services (DDS) waitlist, helping individuals with developmental disabilities and their families help themselves to lead safer, healthier, more independent and productive lives.
  - **Oklahoma Department of Corrections (ODOC)** – funding of \$7,000,000 to continue the rollout of a new offender management system replacing the 25-year-old prior system, ensuring more reliable data and a more efficient process.
  - **Oklahoma Department of Corrections (ODOC)** – funding of \$2,303,508 allowing for a per diem increase for CoreCivic to house 1,314 medium security and 360 maximum security inmates. This allows the agency to address different types of bed needs and make necessary adjustments.



- **Office of Educational Quality and Accountability (OEQA)** – funding of \$575,000 will allow the Jobs for America’s Graduates – Oklahoma (JAG - OK) program to continue its valuable mission helping at-risk youth of great promise succeed both in school and on the job, leading to productive and rewarding careers.
- **Office of the Chief Medical Examiner (OCME)** – funding of \$1,500,000 for the completion of Tulsa building construction. Upon completion, the OCME will be able to apply for national accreditation, improve recruitment and retention of forensic pathologists and complete patient examinations in a timely manner.
- **Office of Management and Enterprise Services (OMES)** – funding of \$5,030,000 to safeguard the state’s assets against cybersecurity threats, especially given the remote work environment and increased risk to repair the damage and mitigate the effects if compromised.
- **Office of Management and Enterprise Services (OMES)** – funding of \$13,726,876 for Microsoft O365 licensing statewide. This is a strategic funding investment helping state agencies see significant rate reductions for desktop support services by OMES.
- **District Courts** – supplemental funding of \$10,000,000 for payroll needs due to a decrease in collections to the State Judicial Fund.
- **Oklahoma State Election Board** – funding of \$250,000 for increased costs due to redistricting following the FY 2020 U.S. Census. The State Legislature and county commissions will redraw lines to adjust for population. County election boards must then adjust precinct lines to match new district lines, update voter registration street guide information and create new precinct maps.
- **Long-Range Capital Planning Commission** – funding of \$7,500,000 to catch-up and eventually stay in front of deferred maintenance and small capital projects (<\$2.5 million).

ONE-TIME EXPENSES FROM FY 2021

(Additional information and discussion necessary for FY 2022 consideration)

<b>Health Care Authority</b>	
Additional claim week	\$15,977,697
<b>Military</b>	
HQ flood remediation	2,000,000
Thunderbird Youth Academy	1,000,000
Deferred maintenance	1,000,000
Readiness centers	3,200,000
<b>Department of Commerce</b>	
ReBranding one-time	1,000,000
Economic development	1,850,000
<b>Department of Rehabilitation Services</b>	
OSD efficiency initiative	2,509,293
<b>University Hospitals</b>	
Hearts for Hearing	2,000,000
<b>Election Board</b>	
State match for Election Security Grant	1,164,069
CARES Act Grant match	206,000
<b>Tourism and Recreation</b>	
Bond Defeasance	750,000
<b>Conservation Commission</b>	
Poultry PPP program (watershed planning)	500,000
<b>DEQ</b>	
Rural Water Association (water projects)	500,000
<b>Historical Society</b>	
Stafford Museum	250,000
Will Rogers Memorial	70,000
<b>FY 2020 Supplementals and Other One-Times</b>	
Teachers Retirement Credit - SDE	9,824,315
Rate Preservation Fund	4,092,470
Kerr-Edmondson Building move	2,470,000
Multiple Injury Trust Fund	1,000,000
Regents (Quartz Mountain)	210,000
<b>Total Adjustments to Recurring Base</b>	<b>\$ 51,573,844</b>

**SUMMARY BY AGENCY  
FY 2022**

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
EDUCATION	\$ 3,947,211,053	\$ 18,234,764	\$ 3,965,445,817
GENERAL GOV'T & TRANS	\$ 385,545,842	\$ 46,645,680	\$ 432,191,522
HEALTH AND HUMAN SERVICES	\$ 2,387,858,214	\$ (41,651,531)	\$ 2,346,206,683
NATURAL RESOURCES	\$ 137,828,417	\$ 30,080,000	\$ 167,908,417
PUBLIC SAFETY & JUDICIARY	\$ 845,125,234	\$ 10,803,508	\$ 855,928,742
OTHER & SUPPLEMENTALS	\$ 129,596,785	\$ (17,596,785)	\$ 112,000,000
TOTAL	\$ 7,833,165,545	\$ 46,515,636	\$ 7,879,681,181

**FY 2022 Summary**

December BOE Authority \$ 8,464,326,913

**REVENUES**

Pension Apportionment \$ (125,700,000)  
**TOTAL REVENUES \$ (125,700,000)**

**SUPPLEMENTALS AND OTHER NEW EXPENDITURES**

FY21 District Court Supplemental \$ (10,000,000)  
 Increase in Ad Valorem Reimbursement \$ (12,000,000)  
 Payback Pension Apportionment \$ (125,700,000)  
 Savings Deposit \$ (300,000,000)  
 Maintenance of State Buildings Revolving Fund \$ (7,500,000)  
**TOTAL SUPPLEMENTALS AND OTHER NEW EXPENDITURES \$ (455,200,000)**

**TOTAL AVAILABLE REVENUE \$ 8,338,626,913**  
**TOTAL EXPENDITURES/REDUCTIONS \$ (8,334,881,181)**  
**REMAINING BALANCE \$ 3,745,732**

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
State Department of Education	\$ 2,992,729,814	\$ 17,041,764	\$ 3,009,771,578
State Regents for Higher Education	\$ 770,414,742		\$ 770,414,742
Department of Career & Technology Education	\$ 137,471,871		\$ 137,471,871
Oklahoma Center for Adv. Of Science & Technology	\$ 13,796,542		\$ 13,796,542
Office of Educational Quality & Accountability	\$ 1,567,209	\$ 575,000	\$ 2,142,209
Commissioner of the Land Office	\$ 8,379,276		\$ 8,379,276
Oklahoma School of Science and Math	\$ 6,033,373	\$ 618,000	\$ 6,651,373
Department of Libraries	\$ 4,346,315		\$ 4,346,315
Physician Manpower Training Commission	\$ 6,946,877		\$ 6,946,877
State Arts Council	\$ 2,796,030		\$ 2,796,030
Oklahoma Educational Television Authority	\$ 2,729,004		\$ 2,729,004
TOTAL EDUCATION	\$ 3,947,211,053	\$ 18,234,764	\$ 3,965,445,817

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Department of Transportation	\$ 170,000,000	\$ 36,208,873	\$ 206,208,873
Oklahoma Tax Commission	\$ 43,177,267		\$ 43,177,267
Office of Management and Enterprise Services	\$ 86,386,169	\$ 18,756,876	\$ 105,143,045
House of Representatives	\$ 19,078,327		\$ 19,078,327
Senate	\$ 11,017,919		\$ 11,017,919
Oklahoma Military Department	\$ 16,411,582	\$ (7,200,000)	\$ 9,211,582
State Election Board	\$ 9,737,617	\$ (1,120,069)	\$ 8,617,548
Legislative Service Bureau	\$ 16,723,391		\$ 16,723,391
State Auditor and Inspector	\$ 4,300,315		\$ 4,300,315
Oklahoma State Treasurer	\$ 2,742,651		\$ 2,742,651
Governor	\$ 3,557,940		\$ 3,557,940
State Ethics Commission	\$ 687,956		\$ 687,956
Office of Emergency Management	\$ 505,859		\$ 505,859
Lt. Governor	\$ 464,665		\$ 464,665
Merit Protection Commission	\$ 385,929		\$ 385,929
Space Industry Development Authority	\$ 368,255		\$ 368,255
TOTAL GEN. GOV'T & TRANSPORTATION	\$ 385,545,842	\$ 46,645,680	\$ 432,191,522

**SUMMARY BY AGENCY  
FY 2022**

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Oklahoma Health Care Authority	\$ 1,000,039,368	\$ (9,172,976)	\$ 990,866,392
Department of Human Services	\$ 713,831,158	\$ 2,000,000	\$ 715,831,158
Department of Mental Health & Substance Abuse	\$ 334,915,601	\$ (29,969,262)	\$ 304,946,339
Office of Juvenile Affairs	\$ 93,033,436		\$ 93,033,436
Department of Health	\$ 58,337,964		\$ 58,337,964
University Hospitals Authority	\$ 66,691,554	\$ (2,000,000)	\$ 64,691,554
Department of Veteran Affairs	\$ 33,316,393		\$ 33,316,393
Department of Rehabilitation Services	\$ 34,875,002	\$ (2,509,293)	\$ 32,365,709
OSU Medical Authority	\$ 45,488,996		\$ 45,488,996
J.D. McCarty Center	\$ 4,750,507		\$ 4,750,507
Commission on Children and Youth	\$ 2,295,414		\$ 2,295,414
Office of Disability Concerns	\$ 282,821		\$ 282,821
<b>TOTAL HEALTH &amp; SOCIAL SERVICES</b>	<b>\$ 2,387,858,214</b>	<b>\$ (41,651,531)</b>	<b>\$ 2,346,206,683</b>

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Department of Agriculture	\$ 26,989,607		\$ 26,989,607
Department of Tourism and Recreation	\$ 21,524,457	\$ (750,000)	\$ 20,774,457
Department of Commerce	\$ 17,739,680	\$ 32,150,000	\$ 49,889,680
Historical Society	\$ 11,871,018	\$ (320,000)	\$ 11,551,018
Oklahoma Corporation Commission	\$ 16,865,856		\$ 16,865,856
REAP	\$ 13,126,817		\$ 13,126,817
Conservation Commission	\$ 12,658,644	\$ (500,000)	\$ 12,158,644
Department of Environmental Quality	\$ 7,188,879	\$ (500,000)	\$ 6,688,879
Oklahoma Water Resources Board	\$ 5,205,323		\$ 5,205,323
Department of Labor	\$ 3,578,213		\$ 3,578,213
Department of Mines	\$ 769,933		\$ 769,933
J.M. Davis Memorial Commission	\$ 309,990		\$ 309,990
<b>TOTAL NATURAL RES. &amp; REG. SVCS</b>	<b>\$ 137,828,417</b>	<b>\$ 30,080,000</b>	<b>\$ 167,908,417</b>

Agency	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Department of Corrections	\$ 531,112,247	\$ 9,303,508	\$ 540,415,755
Department of Public Safety	\$ 95,201,888		\$ 95,201,888
District Courts	\$ 67,980,361		\$ 67,980,361
District Attorneys and District Attorneys Council	\$ 56,642,149		\$ 56,642,149
Supreme Court	\$ 16,212,078		\$ 16,212,078
Oklahoma Indigent Defense System	\$ 17,508,363		\$ 17,508,363
Attorney General	\$ 11,058,746		\$ 11,058,746
Oklahoma State Bureau of Investigation	\$ 15,926,840		\$ 15,926,840
Office of the Chief Medical Examiner	\$ 17,771,703	\$ 1,500,000	\$ 19,271,703
Oklahoma Bureau of Narcotics and Dangerous Drugs	\$ 3,145,330		\$ 3,145,330
Court of Criminal Appeals	\$ 4,022,707		\$ 4,022,707
Council on Law Enforcement Education and Training	\$ 3,370,833		\$ 3,370,833
Alcoholic Beverage Laws Enforcement Commission	\$ 2,898,589		\$ 2,898,589
Pardon and Parole Board	\$ 2,273,400		\$ 2,273,400
<b>TOTAL PUBLIC SAFETY &amp; JUDICIARY</b>	<b>\$ 845,125,234</b>	<b>\$ 10,803,508</b>	<b>\$ 855,928,742</b>

	FY 2021 Appropriation	Funding Adjustments	FY 2022 Proposed Budget
Rate Preservation Fund	\$ 4,092,470	\$ (4,092,470)	\$ -
Multiple Injury Trust Fund	\$ 1,000,000	\$ (1,000,000)	\$ -
Ad Valorem Reimbursement	\$ 112,000,000		\$ 112,000,000
TR Credit - SDE	\$ 9,824,315	\$ (9,824,315)	\$ -
Regents	\$ 210,000	\$ (210,000)	\$ -
Move Kerr-Edmondson	\$ 2,470,000	\$ (2,470,000)	\$ -
<b>TOTAL OTHER &amp; SUPPLEMENTALS</b>	<b>\$ 129,596,785</b>	<b>\$ (17,596,785)</b>	<b>\$ 112,000,000</b>

Increases to agency appropriations are described in the Executive Summary.

Reduction of One-Times to agency appropriations are listed on Page 12.

Mental Health reduction in appropriation is due to offsets that will occur with Medicaid Expansion and the IMD Waiver.

The entire proposed Ad Valorem Reimbursement Fund amount of \$124M is a supplemental appropriation.

# Office of Management and Enterprise Services

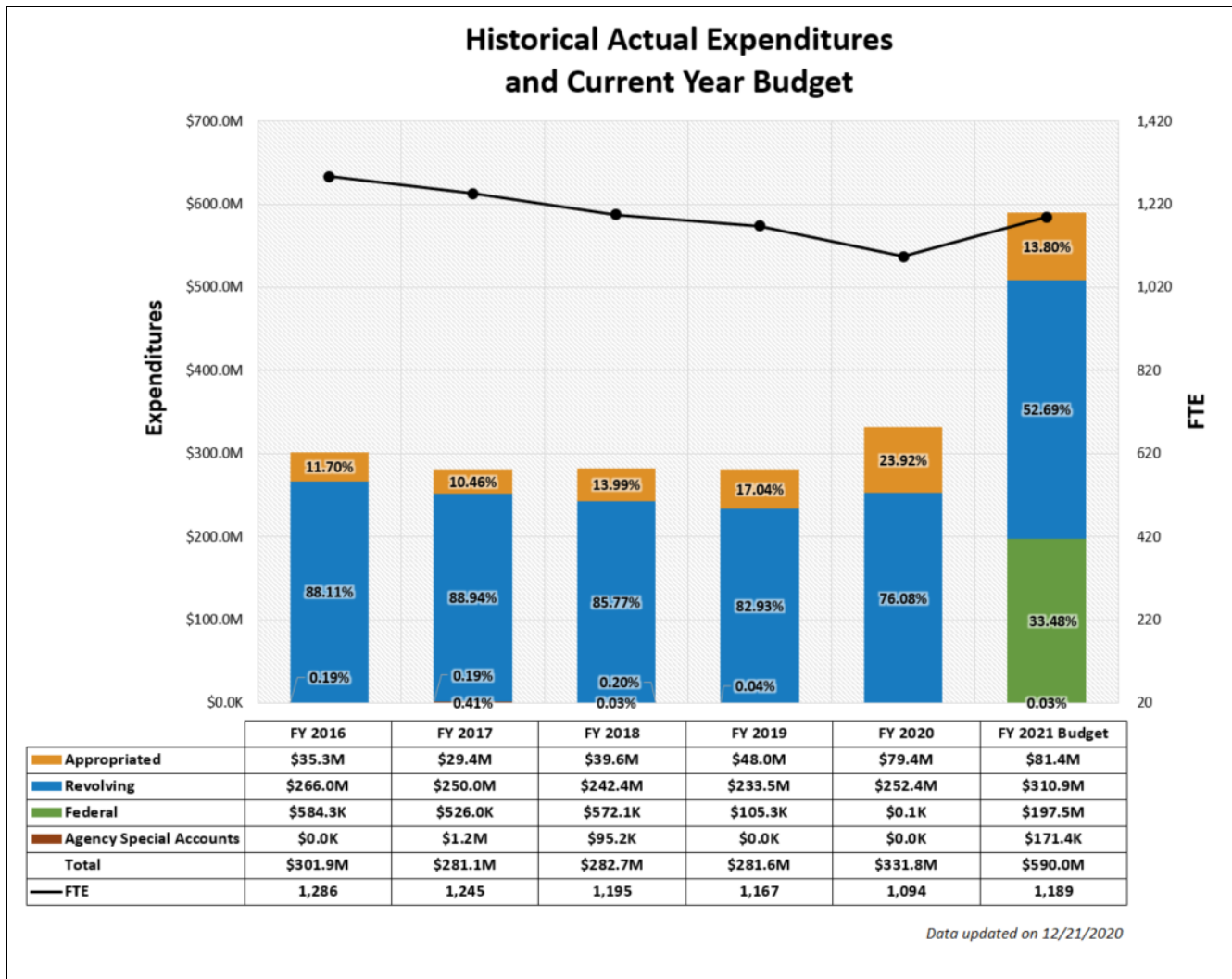


**OKLAHOMA**  
Office of Management  
& Enterprise Services



# Agency Information

## Office of Management and Enterprise Services



Note: FY 2021 budgeted appropriations include budgeted carryover.

### Mission

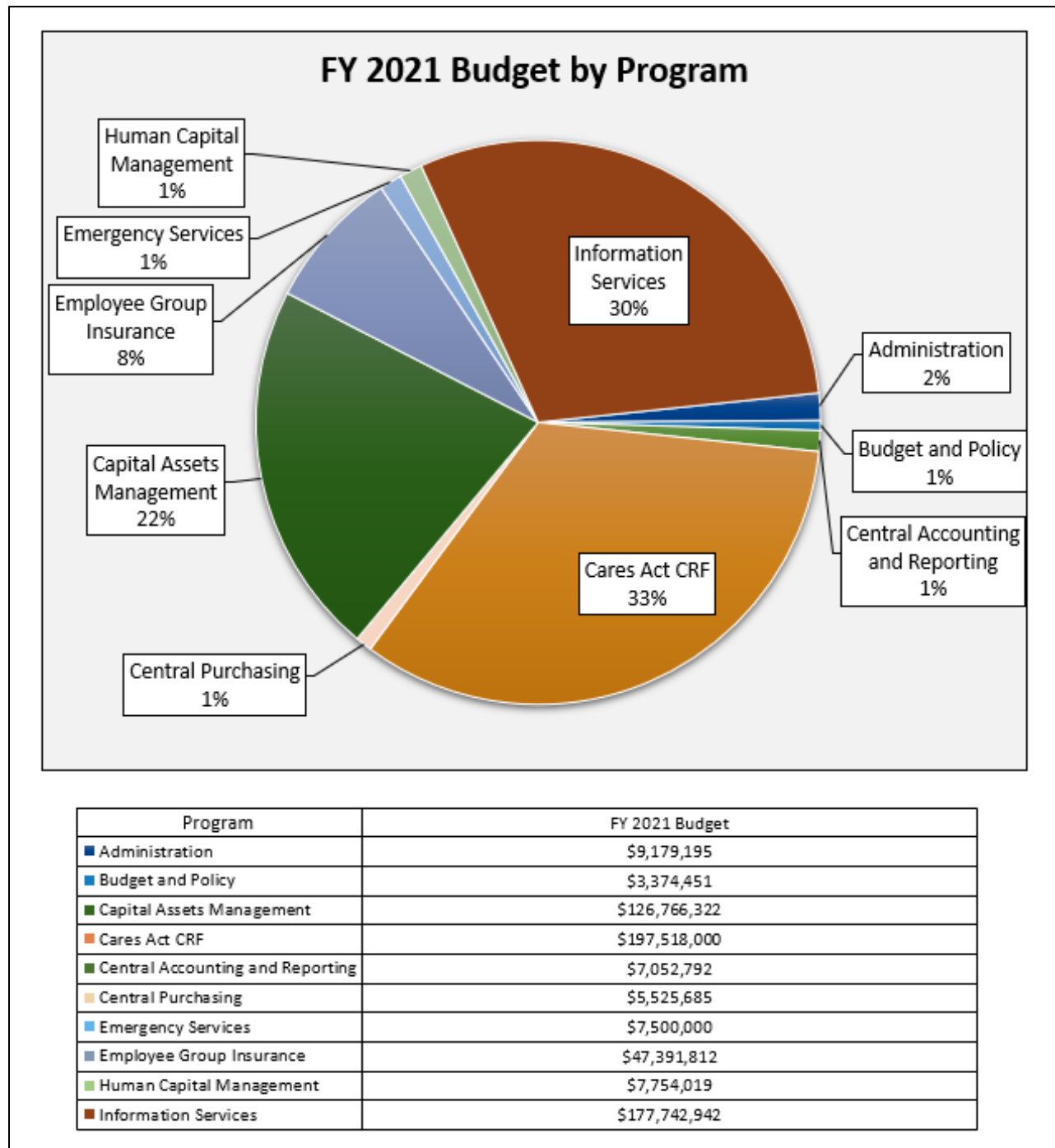
Dramatically change the experience of providing central services for the State of Oklahoma by focusing on human capital management, building deep relationships with all we serve, infusing modern technology into the citizen experience, while being fiscally responsible.

### Governance and Administration

The Office of Management and Enterprise Services has no governing board. The director is appointed by the Governor. Steven Harpe was appointed as director of OMES by Governor J. Kevin Stitt in January 2020. Director Harpe’s salary is \$225,000.



# Programs



## Administrative Services

### Administration, Finance, Public Affairs

Administration supports the director of OMES, coordinates and liaises with Capital Assets Management (CAM) to maintain the OMES offices within the Capitol; manages the OMES administrative offices for the director of OMES; and serves as the recording secretary for the Legislative Compensation Board and Contingency Review Board.

Continuous Improvement supports the office of the state chief operating officer (COO), coordinates and liaises with OMES offices and other agencies with special attention to process improvement; and creates reports, performs analyses, and completes special projects.

Project Coordinator supports the director and deputy director of OMES, coordinates and liaises with OMES offices and other agencies to complete special projects.

State Capitol Projects provides a wide range of representation, oversight and support services to the Capitol Restoration Project, including managing tenants within the Capitol, supporting the State Capitol Oversight Committee, acting as an internal OMES liaison, handling media relations for the Capitol Restoration Project and administrative support.

Statewide Operations (SWOPS) supports the office of the chief operating officer for the State of Oklahoma, Secretary John Budd. This branch of OMES coordinates with the Governor's office to achieve operational goals/processes as directed by the Governor to the state COO.

OMES Finance facilitates financial functions specific to OMES operations. OMES Finance meets on a regular basis with divisions to discuss budgets, purchasing, accounts payable, cash management, rate determination, billing and tracking, and asset management.

OMES Public Affairs collaborates with OMES divisions for all internal and external communications. It also collaborates with OMES and other state agencies to produce attractive, high-quality digital and printed publications while providing expertise in graphic design, layout, editing, writing, video production, branding, marketing and social media.

Media Relations offers support to the director of OMES Public Affairs in regard to drafting and editing press releases, researching and addressing media inquiries, and responding to open records requests.

Publications reviews and edits public-facing and internal reports for OMES and other state agencies for acceptable content, style, grammar, and branding.

Video Production shoots and produces various OMES training and informational content and videos. The department also creates promotional and informational public-facing videos for several projects.

Marketing Services is responsible for the development of marketing products such as brochures, posters, logos, graphics, infographics, one-page informational documents and flyers as needed by divisions and departments to communicate about products, services and events.

Social Media manages social media for OMES through Twitter, Facebook, YouTube and LinkedIn, posting press releases, news and other pertinent information regarding OMES events and projects.

Branding promotes unity and reduces confusion among external audiences; maintains and enforces the OMES Branding and Identity Guidelines to promote OMES as one, unified entity. The guidelines assist in creating one unified look, voice and feel. The guidelines explain how and when to use the logos, present templates and layouts for standard communications and offer guidance on writing concisely while following the proper grammar and style rules.

Clients served: OMES employees; all state agencies, higher education institutions, and affiliates.

## **Budget and Policy**

### **Budget, Policy and Gaming Compliance**

Budget provides the following services:

- Fiscal impact and legislative policy analysis to the Governor's office.
- Assistance to agencies with budget entry and review.
- Composition of the Governor's proposed state budget and creation of the executive budget book.

- Budget and fiscal analysis and projections.
- State revenue tracking and analysis and staffing for the State Board of Equalization.
- Serving as the official record of the state for budget information.

Gaming Compliance ensures gaming entities operate in accordance with the Tribal Gaming Compact and federal regulations, participates in specific task forces with other state and federal agencies and represents the state in federal litigation.

Clients served: All state agencies and participating Native American Tribal Nations.

## Central Accounting and Reporting

### Central Accounting and Reporting, Agency Business Services

Statewide Accounting and Reporting attends to the state's general ledger and accounting, financial reporting and PeopleSoft support. This department also provides payroll shared services to approximately 60 state agencies.

Agency Business Services (ABS) performs financial transaction processing as a shared service to state agencies. Currently it serves approximately 63 state entities, providing budget, procure-to-pay, account reconciliation, financial reporting and billing and accounts receivable services.

Transaction Processing monitors and processes all PeopleSoft expenditure transactions, such as the payment of employee payroll, travel vouchers and supplier/vendor vouchers. This department certifies vouchers for payment issued by the state treasurer's office and manages the purchase card program for state agencies.

Vendor Registration manages vendor files, online vendor registration, customer service, support of IRS compliance, and state agency direct deposit payment information for all state agencies including higher education.

Clients served: All participating state agencies and affiliates.

## Central Purchasing

Statewide Procurement is the lead agent for statewide procurement and contracts. This department identifies statewide contract opportunities for goods and services including information technology; creates and manages statewide contracts for use by agencies and affiliates; works closely with suppliers, agencies and affiliates to promote the use of those contracts; and tracks usage and administration fee payments. This department also assists agencies in procuring technology.

Agency-Specific Procurement assists agencies with purchases that are not on statewide contracts in compliance with the Central Purchasing Act and manages the Performance Information Procurement System, sole source contracts, and solicitations including request for proposal, request for quote or an invitation to bid.

Administration and CPO Training conducts training and certification for certified procurement officers. This department focuses on reporting and other programs that address compliance for OMES Central Purchasing as a whole.

State Use is a mandated purchasing program that facilitates contracts between the State of Oklahoma and statutorily qualified organizations.

Audit ensures that programs and contracts administered by OMES and its partners are conducted in accordance with laws and are used in an ethical manner. To reduce exposure to fraud, waste, mismanagement and abuse, Audit and Internal Investigations provides OMES and its partners with continuous monitoring, risk-based audits and recommendations, compliance audits and recommendations, an anonymous

fraud reporting system and preventive training courses and guides. This includes regular auditing of Purchase Card purchases to ensure compliance with Statewide Purchase Card guidelines.

Clients served: State agencies, county offices, higher education institutions, K-12 schools, career technology centers and municipalities.

## **Capital Assets Management**

State Facilities Strategy and Operations assists other agencies in their building operations, building assessments and long-term strategies. This unit coordinates with other divisions of OMES to provide oversight of tenant relocations.

Fleet Management oversees the acquisition, leasing, rental, maintenance, repair and disposal of light-duty vehicles needed to conduct the state's business.

Central Printing and Interagency Mail oversees printing, mailing and distribution services for the State of Oklahoma; state agencies; and any city, county or municipality within the State of Oklahoma.

Federal Surplus Property Reutilization serves as the monitoring and requesting entity for equipment donated by the federal government to state agencies or to local enforcement agencies in Oklahoma.

State Surplus Property Reutilization facilitates the reutilization of all state-owned materials, the Recycling Program for agencies within the Oklahoma City area and public auctions of state-owned goods.

Risk Management manages property and liability coverage for state agencies, higher education, rural fire districts, motor license agents, foster care parents and conservation districts. Coverage is offered through both self-insurance and commercial policies.

Construction and Properties contracts and administers construction, maintenance, and related consultant contracts; maintains the state-registered consultant list for state agencies, including schools and higher education; executes contracts; and manages approved capital improvement projects for state entities.

Real Estate and Leasing Services provides real estate services and solutions, including defining agency space needs; property acquisition and disposal; requests for proposals and information; and preparing, negotiating, executing, and managing contracts and easements. REALS also maintains a comprehensive inventory of all property owned or leased by the State of Oklahoma.

The Office of Facilities Management is responsible for the following services related to specific state-owned buildings: operations and maintenance; landscaping for the Capitol Park; on-site building managers; the Governor's Mansion operations, grounds, maintenance and upkeep; and administrative and project management for projects performed by the Office of Facilities Management.

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.

Clients served: State agencies contract for the Capital Assets Management services as needed or required.

## **Employees Group Insurance Division**

OMES Employees Group Insurance Division administers the self-funded HealthChoice health, dental, life and disability plans available to state, education and local government employees and retirees. The division also contracts with commercial health, dental and vision carriers as alternatives. EGID handles many administrative functions internally and partners with national firms for consulting and other services specific to the industry in areas such as provider reimbursement, actuarial, medical and pharmacy claims management, and care coordination.

Clients served: Over 1,000 employer groups comprising approximately 290,000 covered state, education and local government employees and retirees.

## **Emergency Services**

Title 69 O.S., Section 687.3 designates OMES as the administrator of the Emergency and Transportation Revolving Fund. The Finance department manages a passthrough for the purpose of funding emergency or transportation projects to any qualified county.

## **Human Capital Management**

Human Resources supports leadership in achieving organizational goals, handles human resources issues within OMES, and advises on human resources issues outside OMES including employee relations, training, benefits administration, interpretation of federal and state laws and statutes, recruitment, hiring, onboarding, orientation, employee data management, occupational health, and legal compliance. The department serves as the HR department for the Governor's and Lieutenant Governor's offices.

Talent Management processes and reviews applications of both classified (merit) and unclassified (nonmerit) positions within the state; develops and administers written and performance-based tests for merit system applicants and employees; and audits the processing of all human resources transactions for the State of Oklahoma involving hires, promotions, pay increases and demotions. Talent Management conducts a salary survey of private and public sector employers in Oklahoma and compares results to surrounding states. The results of this survey are compiled into an Annual Compensation Report, which is presented to the Governor and Legislature.

Employee Benefits Department works with insurance companies to obtain benefits for state employees; administers insurance plans; and trains benefit coordinators at agencies. Employee Benefits manages the Flexible Spending Account program by issuing benefits credit cards, processing paper claims, reviewing requested documentation for approval or denial of expenditures, and providing customer service.

Strategic Workforce Services helps customers prepare their workforce and organizations to better meet their missions through long-term strategic planning and practical workforce solutions. SWS assists agencies in acquiring, developing, training, aligning and retaining talent.

Policy and Legislative Services provides legislative perspective and advice to agency staff, elected officials, constituents and other stakeholders. Policy and Legislative Services supports the agency through OMES legislation, legislative relationships for OMES, constituent support, projects and research, and committees and boards.

Clients served: All state agencies.

## **Information Services**

Information Security Team protects mission-critical networks and the state's digital assets through technology, services and security best practices. Information security functions are organized into three general areas: Oklahoma Cyber Command, Unification of Central Security, and Business Continuity and Emergency Disaster Preparedness.

Public Safety and Defense IT Service Team provides IT support functions for public safety agencies and oversees the Criminal Justice Information Systems Center for Excellence program, which facilitates the unification of IT for all law enforcement agencies.

Application Services Team supports existing statewide and agency-specific technology applications and develops 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.

External Relations and Service Quality Team assists OMES Central Purchasing, agencies and affiliates with technology procurement, and establishes mutually beneficial partnerships with external entities. This team is charged with establishing, maintaining and continually improving a quality of service program.

Technology Services supports the state with IT infrastructure, a server team and Information Technology Operations Command Center, and supports state agencies that have completed IT unification with customer services including service requests, projects, system enhancements and more.

Enterprise Programs Service Team is 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.

Data Driven Service Team provides data management services for OMES and state agencies. Data management is the common framework for cost-effective, efficient sharing and analysis of information across organizational lines; the creation of structures that support collaboration for the secured sharing of data, information and knowledge; a framework to leverage data and information as an asset; and transparency support.

Strategy, Planning, Architecture, Research and Knowledge Service Team focuses on strategic planning, enterprise architecture methodology and implementation, and research and knowledge to create a cohesive plan for state agencies and Oklahoma as a whole. This team stays current on IT issues facing the state and seeks long-term solutions.

Client Experience Service Team is responsible for assuring overall client satisfaction. The department oversees PC support, the service desk and customer relationship management, which includes technical account managers and the customer care team.

Clients served: All state agencies, as well as political subdivisions that request services.

## **NACEA**

Passthrough funding for the Native American Cultural Education Authority for operations and debt service.



# Performance and Projects

## Key Performance Measures by Program

Agencywide					
Goal					
Establish OMES as the partner of choice for leadership and employee development in Oklahoma.					
Key Performance Measure					
OMES employee engagement.					
Key Performance Measure Description					
Increase the percentage of employees who are fully engaged as measured by the annual OMES employee engagement survey.					
Unit of Measure					
Percentage.					
Actuals		Targets			
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
77.70%	82%	94%	95%	95%	95%

Human Capital Management					
Goal					
Establish OMES as the partner of choice for leadership and employee development in Oklahoma.					
Key Performance Measure					
Completion of statutory credit hours by supervisors statewide.					
Key Performance Measure Description					
Increase compliance with the administration of statutorily required credit hours completed by supervisors statewide.					
Unit of Measure					
Percentage.					
Actuals		Targets			
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
78%	Not available	95%	95%	95%	95%

Central Purchasing					
Goal					
Transform OMES statewide services through technology modernization by driving cost and innovation.					
Key Performance Measure					
Statewide contract cost savings.					
Key Performance Measure Description					
Increase the amount of annual cost savings resulting from statewide procurement contracts.					
Unit of Measure					
Dollars and percentage.					
Actuals		Targets			
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Savings of \$54.51 million on \$239.86 million spend (23%)	Savings of \$60.01 million on \$264.20 million spend (23%)	Savings of \$27.55 million on \$275.5 million spend (10%)	Savings of \$27.55 million on \$275.5 million spend (10%)	Savings of \$27.55 million on \$275.5 million spend (10%)	Savings of \$27.55 million on \$275.5 million spend (10%)

Central Purchasing					
Goal					
Transform OMES statewide services through technology modernization by driving cost and innovation.					
Key Performance Measure					
IT contracts cost avoidance.					
Key Performance Measure Description					
Increase the total amount of cost avoidance for IT contracts.					
Unit of Measure					
Dollars.					
Actuals		Targets			
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
\$51.02 million	\$51.35 million	\$40.74 million	\$40.74 million	\$40.7 million	\$40.7 million

Employees Group Insurance Division					
Goal					
Transform OMES statewide services through technology modernization by driving cost and innovation.					
Key Performance Measure					
Health care premium cost growth.					
Key Performance Measure Description					
Manage health care premium cost growth at or below the national five-year rolling average for HealthChoice members.					
Unit of Measure					
Percent change.					
Actuals		Targets			
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Oklahoma 5-year average 2.3%.	Oklahoma 5-year average 2.5%.	Oklahoma 5-year average 2.2%.	Oklahoma 5-year average 5.0%.	Oklahoma 5-year average 5.0%.	Oklahoma 5-year average 5.0%.
National 5-year average 3.6%.	National 5-year average 3.2%.	National 5-year average 3.1%.	National 5-year average 5.3%.	National 5-year average 5.3%.	National 5-year average 5.3%.

Information Services					
Goal					
Drive customer experience through all divisions of OMES to improve agency relationships and mission goals.					
Key Performance Measure					
Time to deliver new standard device to end user.					
Key Performance Measure Description					
Decrease the average time to deliver a new standard device (computer) to an end user after the receipt of the request and confirmation of delivery details.					
Unit of Measure					
Days.					
Actuals		Targets			
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
13 days	7 days	5.2 days	3 days	3 days	3 days

Information Services					
Goal					
Drive customer experience through all divisions of OMES to improve agency relationships and mission goals.					
Key Performance Measure					
Overall customer satisfaction with IS resolution services.					
Key Performance Measure Description					
Increase the average customer satisfaction rating for IS services, as measured by Cherwell CSAT surveys.					
Unit of Measure					
Percentage satisfied.					
Actuals		Targets			
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
94%	93%	93%	97%	97%	97%

Information Services					
Goal					
Drive customer experience through all divisions of OMES to improve agency relationships and mission goals.					
Key Performance Measure					
First call resolution.					
Key Performance Measure Description					
Increase the percentage of issues resolved on the first call to Information Services.					
Unit of Measure					
Percentage.					
Actuals		Targets			
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
53%	61%	81%	90%	90%	90%

<b>Capital Assets Management</b>					
<b>Goal</b>					
Transform OMES statewide services through technology modernization by driving cost and innovation.					
<b>Key Performance Measure</b>					
Reduce total energy usage in state-managed properties.					
<b>Key Performance Measure Description</b>					
Reduce energy usage in state managed properties through energy savings measures and the reduction of the state real estate footprint.					
<b>Unit of Measure</b>					
Total energy usage per Kbtu/sq.ft. of state-managed properties.					
<b>Actuals</b>		<b>Targets</b>			
<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
63.8 Kbtu/sq.ft	62.06 Kbtu/sq.ft	62.62 Kbtu/sq.ft	<61.00 Kbtu/sq.ft	<61.00 Kbtu/sq.ft	<61.00 Kbtu/sq.ft

## Regional Benchmarks and Comparisons

- OMES Central Accounting and Reporting operates in a similar manner to most other states. The shared financial services program provided through CAR is one of the top programs in this initiative.
- OMES Capital Assets Management Real Estate and Leasing benchmarks with other states to compare operating practices, methods and rates. Fees and practices vary by state. Benchmarking has demonstrated that OMES space allocations for leasing office space are within range for the area, lease language is very favorable, and disposal practices are similar to surrounding states. Lease rates are market driven, but are below market in the Oklahoma major market areas.
- OMES Human Capital Management: There are a number of states that have undergone classification projects in recent years to lower the number of job classifications used. Per the 2019 NCASG survey, Montana, Nebraska, North Dakota, and California have implemented similar projects. During the NASPE Subject Matter Expert round table discussion in August, several states referenced similar classification projects to lower the number of classified job codes.
- OMES Central Purchasing compares operations and practices to other states via membership in NASPO. 83% of the states also have a central procurement office. The central procurement offices of 31 other states are also self-funded through admin fees, the same as OMES Central Purchasing. The central procurement offices of 46 other states are also providing the training to all their state CPOs, the same as OMES Central Purchasing.

## Accomplishments

- Empowered the entire network of ~33,000 state employees with telework and video conferencing capabilities and transitioned 98% of OMES's workforce to either full-time or part-time telework as a result of COVID-19 pandemic.
- Rapidly implemented enhanced health benefits for members and providers as a result of the COVID-19 pandemic.
- Quickly mobilized staff and resources to stabilize and improve OESC employment security systems and services.
- Completed PeopleSoft upgrade.
- Recognized by Government Finance Officers Association for Excellence in Financial Reporting for FY 2020. OMES has been recognized for the award for 24 straight years.
- Provided Central Accounting and Reporting business and payroll shared services to 65 agencies at a savings to the state of approximately \$7 million annually.
- Implemented virtual meetings for pre-bid and preconstruction conferences, expanding vendor pool and lowering costs.
- Assisted with procurement of emergency space needed for customer agencies to assist with providing service to Oklahomans responding to COVID-19 and to meet space reallocation goals.
- Instituted quarterly financial reports for all agencies with top 15 agencies submitted to Governor, state COO, and Secretary of Budget for analysis.
- Partnered with the CARES FORWARD team to administer \$1.259B of CARES Act funding and launched transparency website.

## Savings and Efficiencies

- Began consolidating OMES building space to reduce the agency's real estate footprint, increase agency operational efficiency and improve collaboration between programs and divisions. In future years, the consolidation will generate cost savings for the agency.
- During FY 2020, the Governor issued Executive Order 2020-04 in order to streamline the organization and management of state-owned vehicles to generate efficiencies in the use of the state's fixed assets.
- ABS shared services provided services to 63 client agencies, at an annual savings of approximately \$3 million.
- Payroll shared services provided services to 65 client agencies at an annual savings of approximately \$4 million.
- Construction and Properties implemented online bidding, which resulted in cost savings to agencies and vendors.
- Risk Management made online claims reporting forms available to all state entities and the public.
- Real Estate and Leasing Services assisted state agencies in reducing 81,158 square feet of space leased from the private sector through office closures, space reductions and moves to state-owned space.
- OMES HCM implemented a mobile optimized design for the state job posting site, allowing candidates to apply on their mobile devices with ease.



- Transitioned trainings from in-person to virtual, serving 500 state employees a week while maintaining their mandated supervisory training. Employees no longer have to travel to obtain training, which results in agency savings.
- Implemented Payfactors, a classification and compensation software, which has allowed OMES HCM to streamline and increase efficiency for compensation practices. Payfactors provides analytical functionality that reduces manual calculations, which increases accuracy and reduces lag time to complete analysis.
- OMES Central Purchasing transitioned from receiving solicitation bids in printed form to receiving bids electronically.

## Agency Goals

- Modify performance management training to include calibration of agency talent through newly developed methods.
- Implement 360-degree evaluations for management structure.
- Continue creating competitive cost structure for the delivery of technology.
- Perfect the customer experience.
- Roll out HealthChoice mobile application to all members.
- Design and build disaster recovery center that provides out-of-region protection for the state of Oklahoma.
- Infuse technology into the HealthChoice member experience while optimizing premiums for members.
- Provide a common human resources software platform for all agencies.
- Implement modern integrated payroll system statewide.
- Modernize citizen web experience for more than 25 agencies and over 40,000 pages.
- Radically change the customer experience by creating multichannel feedback loops for all OMES service delivery.
- Empower agencies by partnering to eliminate or create statutes to help them accomplish their missions.
- Implement a statewide full e-procurement system.
- Roll out accounts payable workflow statewide as well as travel and expense.
- Launch new and modernized statewide budget platform.

## Projects for Implementation

- Implement alternative health insurance service delivery methods to better serve members in availability, location, and coverage. Alternative service delivery methods would include development of an insurance app, increased telehealth, technological modernization, and electronic health records.
- Bring all agencies that require grants, projects, contracts, or billing onto PeopleSoft Phase II, eliminating outside systems that are repetitive and less transparent.
- Implement PeopleSoft Accounts Payable Workflow and Travel and Expense modules statewide.
- Implement Workday to address the weaknesses exposed by COVID-19 in statewide human resources and payroll systems and processes.

- Reform state real estate practices to significantly reduce the state’s investment in buildings after the COVID-19 pandemic. Reforms will require approval by the State Legislature.
- Continue modifying occupant spaces to modernize the work environment, improve workflow, increase morale and address COVID-19 recommendations to complete a major reform of the state’s real estate practices.
- Build a leadership development program that drives outcomes, accountability and development of a workforce to modernize state government while focusing on diversity.
- Complete the eight-year capitol restoration project in 2022 on time and on budget.
- Implement major reforms specified in updated Central Purchasing Act to reduce duplication, streamline processes, and modernize purchasing thresholds for fair and reasonable non-IT purchases (\$25,000) and in-house agency purchasing (up to \$250,000).
- Design, build and implement business continuity platform for all consolidated technology for the State of Oklahoma.
- Replace OESC mainframe to improve citizen unemployment processing experience.