

IMPACT EVALUATION

Post-Report Follow Up

September 2026



LOFT
LEGISLATIVE OFFICE OF
FISCAL TRANSPARENCY

LOFT Report #23-000-01

Office of Management and Enterprise Services Budget Review

In November 2023, LOFT published its findings related to OMES's budget practices, focusing on three key areas: operational funding sources, use of one-time funds, and the status of federal relief dollars. This evaluation was prompted, in part, by the agency's appropriation requests increasing by 267% between FY18 and FY24.

LOFT found that in addition to receiving appropriations for its operations, OMES assesses fees to agencies and also charges to cover the cost of certain services, such as dedicated IT support or IT projects. Agencies reported the timing of OMES' notification of increased rates left agencies little opportunity to make budget adjustments. Additionally, LOFT found OMES' billing practices did not consistently or clearly provide details about the costs of the services, the basis for the rates, and how costs were calculated, which limits an agency's ability to control costs or confirm the accuracy of the billing.

LOFT's 2023 Report Found:

1. OMES' Increasing Operating Budget Has Been Covered by Appropriations and Non-Fee Revenue
2. OMES Has Flawed and Untimely Budgeting Practices
3. OMES' Billing Practices Lack Transparency, are not Customer-Focused, and Limit Agencies' Ability to Control Expenses
4. COVID Spending on IT Has Created Ongoing Costs to the State
5. OMES' Organizational Structure is the Underlying Cause of Its Budget and Service Challenges

Agency Actions & Key Legislation Since LOFT Report

- In 2023 OMES replaced manual checks of Purchase Orders with Celonis Process Intelligence AI software solution to monitor and flag questionable transactions.
- Expanded transaction visibility from 8 agencies to 118 agencies.
- **HB3057** (2024) subjects OMES IT to competitive bidding.
- **SB68** (2024) allows OMES to enter into MOUs with agencies for the employment of IT personnel by the agencies.
- **SB582** (2025), State fiscal affairs; modifying fiscal years requiring estimated revenue collections.

Agency Cost Savings and Efficiencies

- FTE reduction in force from 1,330 to 894.
- Creation and review of Standard Operating Procedures to ensure consistent workflows.
- Implementation of Celonis resulted in a 65% decrease in sole source PO usage totaling \$392 million;
 - 92% decrease in improper direct PO usage totaling \$1.4B;
 - 15% increase in tracking of statewide contract usage totaling \$129M.
- Deficiency rate for exemptions fell from 37% to 0% (FY24-25).
- OMES reconfigured its disaster recovery backup services (physical servers) for an annual savings of \$3.5 million, which OMES stated will be reinvested in other data storage projects.
- OMES projects that in FY27, upon completion of the migration of data from physical servers at the TX1 data facility in Texas to cloud based storage, the agency will realize annual savings of \$2 million.

The goal of Impact Evaluations is to foster accountability by assessing the status of recommendations issued in the original evaluation report and any related agency actions to address identified challenges.



LOFT Recommendation to Agency	Status			Comments
	No Action	In Progress	Complete	
For recommendations related to Improved Budgeting				OMES has created a deferred maintenance dashboard that shows the needed projects for OMES owned and operated facilities. OMES does not have visibility on the full system to see the deferred maintenance needs of other state agency owned facilities.
For recommendations related to Improved Budgeting				OMES is implementing a new budgeting software.
For recommendations related to Improved Accountability				Oklahoma Employees Insurance and Benefits Board rules were revoked on October 1, 2025 because the Employees Group Insurance Division was moved from OMES to OHCA, effective July 1, 2024.
For recommendations related to Improved Accountability				Removed a Central Purchasing Audit division from Central Purchasing to Risk, Assessment, and Compliance division.
For recommendations related to Improved Accountability				The implementation of Celonis has allowed for a wider scope of review that replaced years of auditing on a select number of agencies to reviewing all PeopleSoft agency's PO lines for accuracy and compliance.
For recommendations related to Improved Billing Practices				SB 68 allows OMES to enter into a memorandum of understanding with agencies for the employment of information technology personnel by the agencies.
For recommendations related to Improved Billing Practices				OMES has seen an increase in payments being paid late to vendors (14,729 of 31,410 or 47%). OMES has started the process of implementing an automated invoice intake system that will hopefully allow for faster turn around time.
For recommendations related to Improved IT Spending Strategy				HB 3057 subjects OMES IT purchases to competitive bidding.

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