EXECUTIVE OFFICES
FISCAL YEAR 2019-20 BUDGET PRESENTATION

OFFICE OF ADMINISTRATION

INCLUDING

OFFICE FOR INFORMATION TECHNOLOGY

MEDICARE PART B PENALTIES

Executive Offices
Fiscal Year 2019-20 Budget Presentation

Table of Contents

Office of Administration

EXECUTIVE OFFICES 2019-20 BUDGET PRESENTATION

I. SUMMARY FINANCIAL DATA ($ Amounts in Thousands)	2017-18 Actual	2018-19 Available	2019-20 Budgeted	
State Funds Total	$65,420	$24,284	$9,822	
Office of Administration (10620)	$9,718	$6,156	$9,822	(a)
Medicare Part B Penalties (10601)	$100	$100	$0	(a)
Commonwealth Technology Services (CTS) (10605)	$54,275	$16,954	$0	(a)
Commonwealth Technology Services (CTS-MLF) (10979)	$1,327	$1,074	$0	
Federal Funds Total	$949	$1,198	$575	
NSTIC Grant	$225	$225	$0	
Information Sharing Initiative	$246	$246	$0	
JNET MARIS Federated Person Search (EA)	$42	$0	$0	
JNET Inter-County Case Transfer (EA)	$45	$45	$0	
JNET Electronic Reporting Improvements (EA)	$107	$107	$0	
JNET JFRS - Messaging Queue (EA)	$150	$0	$0	
JNET AOPC E-Filing Rewrite (EA) (80568)	$0	$441	$441	
Homeland Security Grant Program (EA) (82898)	$134	$134	$134	
Other Funds - Augmentations/Restricted EA	$87,761	$369,418	$392,335	
Other Funds Itemized				
(A) HR Shared Services	$19,628	$76,649	$86,630	
(A) IT Shared Services	$13,636	$235,380	$249,041	
(A) Integrated Enterprise System	$39,000	$41,261	$39,048	
(A) Temporary Clerical Pool (TCP)	$4,683	$4,594	$5,971	
(A) Agency Services	$1,894	$2,102	$2,212	
(A) Benefit Administration	$893	$1,064	$1,065	
(A) CDL Drug and Alcohol Testing	$194	$310	$310	
(A) Managing for Government Responsiveness Training (MGR)	$89	$325	$325	
(A) Group Life Insurance Program Commissions	$100	$100	$100	
(A) Leadership Development Institute (LDI)	$92	$80	$80	
(A) External HR Services	$52	$53	$53	
(R) Agency IT Projects (EA) (26434)	$7,500	$7,500	$7,500	
Total	$154,130	$394,900	$402,732	

(a) This budget proposes funding Office of Administration, Medicare Part B Penalties and Commonwealth Technology Services as Office of Administration.

II. DETAIL BY MAJOR OBJECT
($ Amounts in Thousands)

	2017-18 Actual	2018-19 Available	2019-20 Budgeted	Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	$32,821	$4,271	$3,770	($501)	-11.73%
Federal Funds	$0	$0	$0	$0	0.00%
Other Funds	$30,007	$264,886	$280,293	$15,407	5.82%
Total Personnel	$62,828	$269,157	$284,063	$14,906	5.54%
OPERATING					
State Funds	$28,442	$11,512	$5,787	($5,725)	-49.73%
Federal Funds	$813	$1,001	$575	($426)	-42.56%
Other Funds	$52,326	$94,564	$103,608	$9,044	9.56%
Total Operating	$81,581	$107,077	$109,970	$2,893	2.70%
FIXED ASSETS					
State Funds	$3,432	$1,208	$165	($1,043)	-86.34%
Federal Funds	$0	$0	$0	$0	0.00%
Other Funds	$5,428	$9,968	$8,434	($1,534)	-15.39%
Total Fixed Assets	$8,860	$11,176	$8,599	($2,577)	-23.06%
GRANT & SUBSIDY					
State Funds	$100	$100	$100	$0	0.00%
Federal Funds	$0	$0	$0	$0	0.00%
Other Funds	$0	$0	$0	$0	0.00%
Total Grant & Subsidy	$100	$100	$100	$0	0.00%
BUDGETARY RESERVE					
State Funds	$625	$7,193	$0	($7,193)	-100.00%
Federal Funds	$136	$197	$0	($197)	-100.00%
Other Funds	$0	$0	$0	$0	0.00%
Total Budgetary Reserve	$761	$7,390	$0	($7,390)	-100.00%
TOTAL FUNDS					
State Funds	$65,420	$24,284	$9,822	($14,462)	-59.55%
Federal Funds	$949	$1,198	$575	($623)	-52.00%
Other Funds	$87,761	$369,418	$392,335	$22,917	6.20%
Total Funds	$154,130	$394,900	$402,732	$7,832	1.98%

III. HISTORY OF LAPSES
($ Amounts in Thousands)

	2016-17	2017-18	Estimated 2018-19
State Funds	$268	$364	$0
Office of Administration (10620)	$0	$0	$0
Medicare Part B (10601)	$76	$13	$0
Commonwealth Technology Services (CTS) (10605)	$0	$0	$0
Commonwealth Technology Services (CTS-MLF) (10979)	$192	$351	$0

Page # of Governor's Executive Budget:	Office of Administration
Pp. E2-1, E2-2, E2-3, E2-5, E2-6, E2-7, E2-8, E2-9, E2-10, I3, I6	10601, 10605, 10620, 10979, 26434, 80568, 82898

IV. COMPLEMENT INFORMATION

	12/31/2017	12/31/2018	2019-20 Budgeted
Benefit Factor			
(1) Office of Administration (OA) (10620)	59.00%	68.50%	70.30%
(2) Commonwealth Technology Services (CTS) (10605)	66.90%	67.40%	n/a
Total Funds (State and Other)			
(1) Office of Administration (OA) (10620)			
- Authorized	694	716	2,537
- Filled	646	637	n/a
(2) Commonwealth Technology Services (CTS) (10605)			
- Authorized	1488	1496	n/a
- Filled	1404	1372	n/a

V. DERIVATION OF REQUEST/ LEGISLATIVE CITATIONS

Derivation of Request:

(A) Personnel

All personnel costs were prepared on the complement planning layouts in the BPC system using instructions and factors provided by the Office of the Budget.

(B) Operating Expenses

Operating Funds will be used for continuing activities.

(C) Fixed Assets

Fixed Asset Funds will be used for the purchase of equipment necessary to provide services to the Commonwealth.

Legislative Citations: The Office of Administration was established within the Governor's Office in 1955. Reorganized by Executive Resolution #OR-15-002, February 18, 2015 and reorganized by Executive Resolution #OR-15-021, December 15, 2015.

Additional Information

(1) 2017-18 Obligations rolled forward to 2018-19
      ($ Amounts in Thousands)

State Funds	$0
Federal Funds	$0
Other Funds	$0
Total	$0

(2) 2018-19 Supplemental appropriation needs

($ Amounts in Thousands) $0
Date current appropriation will be exhausted: N/A

The Office of Administration (10620) is not requesting a supplemental appropriation for the current fiscal year.

(3) Prior FY appropriations waived pursuant to Act 146 of 1980 used to support the 2018-19 appropriation.
      ($ Amounts in Thousands)

State Funds

1062000000 (BP 2014)	$30	SCSC transition, NeoGov, & EEO Case Mgmt Sys
1062000000 (BP 2015)	$156	SCSC transition, NeoGov, & EEO Case Mgmt Sys
1062000000 (BP 2016)	$337	SCSC transition, NeoGov, & EEO Case Mgmt Sys
1062000000 (BP 2017)	$416	SCSC transition, NeoGov, & EEO Case Mgmt Sys
1060500000 (BP 2016)	$451	Telecom transition
1060500000 (BP 2017)	$238	Telecom transition
Total	$1,628	

Waiver is currently held in budgetary reserve and will be released as needed for the HR/IT consolidation and telecom transition.

VI. EXPLANATION OF CHANGES
($ Amounts in Thousands)

	State $	Federal $	Other $	Total $
PERSONNEL				
A. Increase to continue current program	$636	$0	$6,487	$7,123
B. Reduction of Complement	($1,137)	$0	$0	($1,137)
C. SCSC Consolidation	$0	$0	$8,920	$8,920
Subtotal Personnel	($501)	$0	$15,407	$14,906
OPERATING				
A. Increase/(Decrease) to continue current program	($6,418)	$0	$7,064	$646
B. EEO project funded in FY18/19	($350)	$0	$0	($350)
C. Transfers between Operating and Fixed Assets	$1,043		$1,534	$2,577
D. SCSC Consolidation	$0	$0	$446	$446
E. Federal grants ended in FY2018-19	$0	($426)	$0	($426)
Subtotal Operating	($5,725)	($426)	$9,044	$2,893
FIXED ASSETS				
A. Decrease in Fixed Assets for use in Operating	($1,043)	$0	($1,534)	($2,577)
Subtotal Fixed Assets	($1,043)	$0	($1,534)	($2,577)
GRANT & SUBSIDY				
A. No Change	$0	$0	$0	$0
Subtotal Grant & Subsidy	$0	$0	$0	$0
BUDGETARY RESERVE				
A. 2018-19 Budgetary Reserve.	($7,193)	($197)	$0	($7,390)
Subtotal Budgetary Reserve	($7,193)	($197)	$0	($7,390)
TOTAL	($14,462)	($623)	$22,917	$7,832

PROGRAM STATEMENT

The *Office of Administration (OA)* was established within the Governor's Office in 1955. OA provides policy direction and support to all commonwealth agencies for human resources, information technology, continuity of government, and records/directives management to help improve the results, reduce costs, and enhance customer service of all agencies under the Governor's jurisdiction.

Effective July 1, 2017, all HR and IT employees were transferred to the Office of Administration, as part of the Shared Services Transformation initiative. Included in this project was the creation of a new structure to provide all HR and IT services inclusive of six Delivery Centers (DCs) designed to provide HR / IT services organized along similar lines of business. The purpose of this reorganization was to take advantage of increased efficiency through resource consolidation (personnel, processes and technology). Effective July 1, 2018, personnel costs along with associated operating costs to support the organization are being billed to agencies.

The *Deputy Secretary for Human Resources and Management* provides policy direction and support for centralized human resource services, ensuring equity by maintaining the classification, pay, benefits, and workers compensation systems; negotiating and administering collective bargaining agreements; recruiting for all commonwealth positions; training in management and supervisory skills; and administering the commonwealth's equal employment opportunity program for all agencies under the Governor's jurisdiction. OA also manages the HR Service Center, the central point of contact for employees and managers for common human resource, benefits and payroll services and information.

These responsibilities are carried out through the Office of the Deputy Secretary for Human Resources and Management which is comprised of three organizational units and six delivery centers:

1) *Employee Relations and Workforce Support Office* negotiates and administers collective bargaining agreements between the commonwealth and the various unions representing state employees; investigates and responds to employee grievances; represents the commonwealth at arbitration hearings; provides assistance to agencies in the day-to-day administration of collective bargaining agreements; conducts labor relations training for supervisory and management personnel; advises agencies on implementing consolidations, closures and other administration initiatives. The office also administers an employee benefit package with the goal of maintaining and further developing the excellent and highly competitive benefits for state employees and retirees. Additionally, it oversees the commonwealth's EEO policies and programs. Provides guidance to help ensure the fair and equitable treatment of employees. Provides training to educate all employees about EEO laws and commonwealth policies. Investigates and reviews appeals of internal complaints alleging discriminatory behavior. Finally the office provides employee assistance benefits and services to commonwealth employees and agencies. Enhances the safety and wellness of the workforce by providing policies, procedures and guidance on workplace violence prevention, work release requests, maintaining a substance-free workplace and the provision of CDL drug/alcohol testing services.

2) *Talent Management Office* establishes policies and procedures for selecting and appointing candidates to all commonwealth positions in agencies under the Governor's jurisdiction; receives and evaluates resumes; applies veterans' preference, where appropriate, refers qualified applicants to agencies for consideration for vacant positions in accordance with established job standards and equal employment opportunity guidelines; administers the furlough placement process; manages the assignment of temporary clerical employees to state offices in the Capitol Complex and Dauphin County area to address emergency clerical work needs. This office also establishes and maintains policies and procedures for a comprehensive organization management program; develops and administers job classification and pay standards; provides leadership and technical assistance to agencies on position classification, organizational and staffing matters, and employee compensation; manages a classification grievance program for employees covered by collective bargaining agreements; administers the pay schedules and pay rules; provides support in the management of agency salary and wage complements; and assures compliance with the federal regulations of the Fair Labor Standards Act. This office also administers the Commonwealth's workforce and succession planning, performance management, employee recognition, and training and development programs for executive, management, and supervisory personnel. Finally, the Talent Management Office provides consultative services to agencies to improve organizational efficiency and effectiveness and administers the commonwealth's learning management system.

3) *Human Resources Service Center* provides common human resources, benefits and payroll services and information to employees and agencies under the governor's jurisdiction; administers the enterprise new employee onboarding and orientation program; advises the Secretary of Administration on the best use of technology to support current or future human resource needs; supports central system activities; provides assistance on the use of the commonwealth's human resources systems; manages the commonwealth employee financial disclosure requirements for agencies under the governor's' jurisdiction; manages the human resources data and information access policies while supporting commonwealth human resources reporting needs; and publishes the Governor's annual workforce report. This organization also administers the Commonwealth's employee absences, workers' compensation, unemployment compensation and safety programs.

4) *Human Resource Delivery Centers Office* oversees the six Human Resource Delivery Centers and ensures the consistent and efficient delivery of human resource services to all agencies served. The six Human Resource Delivery Centers are:

General Government serves the HR needs of OA, Office of the Budget, Office of State Inspector General, Council on the Arts, General Services, Office of General Counsel, Juvenile Court Judges' Commission, PA Human Relations Commission, PA Department of Education, Lieutenant Governor's Office & Board of Pardons, PA Historical & Museum Commission, State Ethics Commission, State Civil Service Commission, PA Infrastructure Investment Authority, Port of Pittsburgh Commission, PA Health Care Cost Containment Council and PA Municipal Retirement System.

Public Safety serves the HR needs of Corrections, JNET, Probation & Parole, and State Police.

Employment, Banking, and Revenue serves the HR needs of Labor & Industry, Revenue, State, Banking & Securities, and Insurance.

Health & Human Services serves the HR needs of Human Services, Health, Drug & Alcohol Programs, Aging, and Military & Veterans Affairs.

Conservation and Environment serves the HR needs of Conservation & Natural Resources, Environmental Protection, Agriculture, Milk Marketing Board, and Environmental Hearing Board.

Infrastructure and Economic Development serves the HR needs of Community & Economic Development, Transportation, and PA Emergency Management (PEMA).

The *Deputy Secretary for Information Technology/State Chief Information Officer* (CIO) is responsible for developing and administering statewide policies and standards governing the management and use of the commonwealth's IT resources. The deputy oversees the management of the OIT Bureaus and provides direct oversight for large, enterprise-wide initiatives such as on-demand compute services, commonwealth shared services, and cyber security, as well as enterprise IT technology support.

The *Enterprise Delivery Center* is comprised of four core areas: the Strategy and Management Office; the Enterprise Information Security Office; the Bureau of Enterprise Solutions; and the Enterprise Technology Service Office.

The *Strategy and Management Office* (SAMO) provides direction and guidance on IT strategy, the annual strategic planning process, project management, performance management, OIT service portfolio health, service quality assurance, continual service improvement, financial management regarding the OIT services, IT policy, training and outreach. SAMO provides the following services:

1. **Project Management** services to establish and maintain IT project management standards across the commonwealth, improving project management maturity through education, and oversight and management of commonwealth information technology projects. This includes responsibility for coordinating the approval of all strategic IT projects to ensure alignment with the commonwealth's IT strategic direction and plan and to ensure existing assets are being leveraged. Lastly, this includes oversight over the commonwealth's Enterprise Project, Portfolio Management tool, which is used for project intake and prioritization, project portfolio management, reporting and time tracking.

2. **IT Policy Management** services focused on reviewing, analyzing, and maintaining IT policies and standard frameworks for the commonwealth, overseeing the process to administer waivers to existing IT policy, managing commonwealth's audit and compliance initiatives, and application risk program.

3. **IT Training Services** focus administering the commonwealth's IT training and leadership development programs while serving as a liaison to business and IT partners in order to gain a broad understanding of industry trends and innovations, and their potential impacts on business/IT capabilities, operations, and enterprise services.

4. **IT Performance Metrics** which are maintained and monitored to ensure performance targets are met and that trends that provide an ongoing evaluation of how well the IT service organizations are effectively meeting predefined performance levels and objectives.

5. **IT Service Management** services include establishing consistent processes for IT operational processes as well as the automated solution to enable those processes in alignment with an ITIL based approach. This service includes established metrics to ensure the health of the overall IT operating environment.

6. **IT Financial Management** services ensure that OIT is implementing a fair and sustainable funding model for all OIT services funded by agencies. The includes ensuring that a consistent funding methodology is documented and ensuring that all funding formulas are documented and reviewed on an annual basis for relevancy and accuracy. This service includes processing supplier/vendor invoices relating to the enterprise contracts managed by OIT.

7. **IT Supplier Management** services to ensure contract compliance activities for enterprise contracts including management of key performance indicators and dispute resolution. This includes interaction with vendors on a regular basis to ensure positive relationships are maintained with suppliers who do or want to do business with the agency.

The *Enterprise Information Security Office (EISO)* establishes the commonwealth's cyber security strategy, standards, and enterprise cyber security posture. The high-level objectives of the organization are to prevent and defend against cyber-attacks on critical infrastructures, to reduce the commonwealth's vulnerability to cyber-attacks, to minimize damage and recovery time from attacks that may occur, and to continuously promote security awareness through education and information sharing thereby limiting risks and exposure. The EISO is responsible for cyber security governance, auditing, monitoring and compliance across the enterprise and provides a host of security services and functions encompassing enterprise risk management, vulnerability and threat management, incident management, auditing monitoring and compliance, forensic investigations, security awareness - outreach and education, identity and access management, and agency assistance. The EISO organization serves as a central point for coordination and communication among agency cyber security officers and provides guidance and direction involving information security architecture, policies, directives, standards, and guidelines.

1.   **Governance** serves to set enterprise policies, processes, and standards. These are based on enterprise needs, federal and state requirements, and best practices. They are constantly reviewed in light of the ever-changing cyber security environment.

2.   **Risk Management** serves to identify and document known risks, threats, and vulnerabilities for the enterprise and delivery center infrastructure. It catalogs them, categorizing them in terms of severity and likelihood of being exploited. It works with the Vulnerability Management team and the agencies to prioritize these risks and work on their mitigation. It serves as a central clearinghouse for incidents at the enterprise, the delivery centers, and the agencies.

3. Vulnerability and Threat Management works with the Risk Management team to categorize known risks, threats, and vulnerabilities based on impact and likelihood of being exploited. By inventorying IT infrastructure and data assets and matching this against these known vulnerabilities, it provides an enterprise picture of our overall security posture and provides guidance to the enterprise, the delivery centers, and the agencies on remediating or mitigating these vulnerabilities.

4. Incident Management responds to active incidents. Despite the efforts of the EISO and delivery center teams, incidents will occur, even if it's something as simple as a lost or stolen smart phone. The Incident Management team intakes such incidents from a variety of sources within the commonwealth as well as third-party services such as Verizon SOC, MS-ISAC, and the FBI. These incidents are triaged and responded to, managing the enterprise, delivery center, and agency activities as appropriate.

5. Auditing, Monitoring, and Compliance serves to identify vulnerabilities in enterprise or agency systems and processes. These, in turn, are fed to the Risk Management and the Vulnerability and Threat Management teams to help establish the enterprise security posture. These activities may be done on in response to a state or federal requirement or as part of a mandated, regularly scheduled security assessment of the enterprise or agencies.

6. Forensic Investigations are provided as a service to the enterprise and agencies in cases where there is suspected or known abuse of IT infrastructure and data assets in violation of Management Directives or state and federal law. This team works in concert with HR and Legal. In the case of suspected criminal misconduct the team will work with state and federal authorities as appropriate.

7. Security Awareness is an important first line of defense against in cyber security. By training and making users of our IT systems aware of the hazards of clicking on phishing emails, sending data to unsecured systems for convenience, and so on, we can head off many threats before they become an incident. The team works with HR on annual cyber security awareness training, distributes security awareness posters, and works with the agencies on specialized training relevant to their business needs.

8. Identity Access and Management (IAM) provides control of user identities and accounts in three main populations – employees and contractors, business partners, and citizens. This embodies several functions:

•Directory Services – these are the repositories of user account information, with separate ones for each of the three populations.
•Provisioning – this function serves to manage the lifecycle of a user's account: creation, information updates, password management, and finally retirement or "de-provisioning" the account when it's no longer needed.
•Identity Verification – in many cases it is necessary to determine that John Smith that is registering for an account is indeed the John Smith and not someone else trying to impersonate John Smith and create an account in John Smith's name. This is addressed as needed through processes involving both internal and external data resources.
•Authentication and Authorization – these processes go hand-in-hand, first validating the user account is valid and that the login is successfully executed, second being sure that the user account is actually allowed to access the system or data they are attempting to get into.
•Multi-factor Authentication – in some cases, a simple user account and password is not sufficient and additional information such as a one-time text message may be needed to complete the login attempt.

9. Agency Assistance is provided through the ServiceNow service catalog. The expertise of EISO staff is made available to the agencies in all of the above areas and will work with delivery center staff and agency business units to provide secure solutions to their needs.

The *Office of Enterprise Solutions* (OES) offers enterprise backend client/server and web-based software and application development and support for OA, and the Delivery Centers. OES provides augmented aid to the General Government Delivery Center OB, PHMC, PHRC, Governor's Office, Lt. Governor's Office, Office of the First Lady, Board of Pardons and OGC. The OES operating and fixed asset FY 19-20 budget includes funding for personnel and operating expenditures to support this mission. Some specific programs and initiatives included in the budget are:

•Enterprise Solutions-- Provides funding for enterprise services for MS SharePoint, MS Dynamics CRM, TFS, , analytics tools, Payeezy and several other services. These are products and services leveraged by all Commonwealth Delivery Centers.
•Governance – Working with key vendors to establish Commonwealth tenants which comply with Commonwealth policies, but also allow for inter-agency collaboration of data and code. BES holds primary responsibility for the software series of Commonwealth IT policies.
•Transparency Reporting – Maintain a central system and environment to coordinate the gathering of data required for transparency; develop and maintain the PennWATCH.pa.gov website Pursuant to Act 18 of 2011, which includes data and content to further our transparency efforts related to how Commonwealth agencies spend appropriated funds, both federal and state dollars; continue to work with agencies in gathering requirements for the federal government, Pennsylvania oversight committee and agency reporting to Pennsylvania citizens.

•Business Objects – Maintain and support a Business Objects environment for agencies to use, develop and host executive reporting and decision support solutions.
•Shared Services – Support the implementation of enterprise shared service offerings (ex: Identity Access Management) that will allow agencies to focus on the development of business solutions while avoiding the need to make expensive investments in the underlying core IT infrastructure necessary to support these services.
•OES also provides a suite of geospatial, managed file transfers, communication lists, content management (document management), IT service management, and legacy application support services to both commonwealth and external organizations. These services entail the selection of vendors, software, infrastructure, applications, designs, policies and procedures needed to configure and provide services required by the agencies.

The *Enterprise Technology Services Office* (ETSO) provides direction and guidance on the establishment of enterprise wide technology services. As such, the Office is responsible for the architecture, design & development, security, operational integrity, system support and maintenance across the bureaus engaged in providing mainframe systems support, server-class/distributed systems support, telecommunications, database design, software development, enterprise service desk, end-user compute, and shared IT services to all agencies in the commonwealth. The ETSO is responsible for delivering IT solutions with a focus on planning, directing, evaluating, and controlling the technical operations.

1. **Service Delivery and Operations** services includes direction, design, implementation, and management of Enterprise network, compute, and security operations technology services supporting both agency and external customers. This responsibility includes oversight for planning, directing, evaluating, and controlling the technology and operations of the Service Delivery and Service Operations Managers and associated staff engaged in Enterprise network, compute, and security operations technology services and ensures alignment to the vision, strategy, and roadmap established by the Commonwealth's CIO and CTO and that the provided solutions meet agreed agency and external customer requirements and service levels.

2. **Managed Compute Services** is responsible for management of the Commonwealth's Enterprise Managed Compute Strategy program portfolio, focusing on service strategy, service design, service transition, and service improvement. Its program portfolio services include, but are not limited to, Catalog of Services provided by all managed compute suppliers, manage the definition and standardization of Service Offerings across all the program portfolio providers, source and manage internal and external service providers, govern the ETSO Change Management Process, support and assist auditing activities for the services and systems within the program portfolio (IRS, SSA, GAAP, SOC, Etc.), and leads Continuous Service Improvement activities for the Program and related services.

3. **Managed Network and Telecommunications Services** is responsible for management of the Commonwealth's Enterprise Telecommunication Strategy program portfolio, focusing on service strategy, service design, service transition, and service improvement. Program portfolio services include, but are not limited to, data network services, VoIP services, Unified Communications, core enterprise security services, and Last User Connectivity services to help identify demand, prioritize demand and track the health of the Telecommunication Strategy program portfolio along with contract compliance monitoring.

4. **Customer Support Services** is responsible for administration and management of all client computing endpoint devices; these devices include personal computers, printers, desktop applications, and select mobile devices and apps. Responsibilities involve the setup, configuration, and ongoing administration and support to ensure that employees have a secure and reliable computing environment to support the Commonwealth. Service Desk services are also a key component of in providing the services needed to resolve issues related to the services provided by OA/OIT. Included in this bureau is day-to-day support for the Governor's Office, the Lieutenant Governor's Office, the Office of General Counsel, the Governor's residence, and several satellite Offices.

5. **Service Architecture** is responsible for the technical architecture strategies and the underpinning target architecture and transition states. The bureau provides and drives enterprise architecture direction for working with key stakeholders (both leadership and subject matter experts) and build a holistic view of the Commonwealth's strategy, processes, information, and technology assets. leads the program to develop, maintain and govern the technology architecture across the Commonwealth enterprise. This bureau is also responsible for defining the architecture review process, and for leading the integration of those processes with the Delivery Centers and core enterprise functions.

A _Delivery Center ("DC") CIO's_ primary responsibility is to deliver IT services across all agencies assigned within their DC to meet business needs. In addition to day-to-day operational activities, they are tasked with the coordination of major initiatives and requirements -- working to enhance service delivery by looking for common platforms and services that eliminate duplication among customer agencies.

General Government serves the IT needs of OA, Office of the Budget, Office of General Counsel, Governor's Office, Lieutenant Governor's Office, Historical and Museum Commission, Education, General Services, and Office of State Inspector General.

Public Safety serves the IT needs of Corrections, JNET, Probation & Parole, PCCD, and State Police.

Employment, Banking, and Revenue serves the IT needs of Labor & Industry, Revenue, State, Banking & Securities, and Insurance.

Health & Human Services serves the IT needs of Human Services, Health, Drug & Alcohol Programs, Aging, and Military & Veterans Affairs.

Conservation and Environment serves the IT needs of Conservation & Natural Resources, Environmental Protection, Agriculture, Milk Marketing Board, and Environmental Hearing Board.

Infrastructure and Economic Development serves the IT needs of Community & Economic Development, Transportation, and PA Emergency Management (PEMA).

Office of Continuity and Records Information Management ensures the continuance of essential government services during or shortly after a disruption or emergency. This office creates and implements policy, provides subject matter expertise and technical support, and conducts multi-agency exercises to ensure readiness and resilience and serves as a liaison to independent agencies, the legislature, and the judiciary. This office is also responsible for the efficient and systematic control of the creation, receipt, maintenance, use, and disposition of records and information, and manages the process for policy development for the Commonwealth through the maintenance of the Directives Management System and Executive Board Review process.

Office of Communications and Legislative Affairs is responsible for communicating news and information about the Office of Administration to various internal and external constituencies and for the overall Office of Administration web presence and direction, media questions and resolution, and public affairs; and coordinates with the Governor's Communication Office so that all communication aligns with the Governor's Office direction and policies. This office is also responsible for coordinating the relationship between the House and Senate with the Office of Administration and the Governor's Legislative Office and works with the Secretary of Administration, the Office of Human Resources and Management, and the Office for Information Technology in driving legislation that aligns with the Office of Administration's and the Governor's Office policies.

MEDICARE PART B PENALTIES
Beginning in 1992, commonwealth retirees with health care coverage paid for by the commonwealth were required to sign up for Medicare Part B if eligible as a condition of coverage. Many incurred a late enrollment penalty from the Federal Government as a result. First enacted July 1, 1992, this appropriation rebates annuitants penalized by the Federal Government and ameliorates the financial impact of selecting Part B coverage.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2017-18 ACTUAL	2018-19 AVAILABLE	2019-20 BUDGET
GENERAL FUND:			
General Government:			
Office of Administration	$ 9,718	$ 6,156	$ 9,822 a
(F)NSTIC Grant	225	225	0
(F)Information Sharing Initiative	246	246	0
(F)JNET MARIS Federated Person Search (EA)	42	0	0
(F)JNET Inter-County Case Transfer (EA)	45	45	0
(F)JNET Electronic Reporting Improvements (EA)	107	107	0
(F)JNET JFRS - Messaging Queue (EA)	150	0	0
(F)JNET AOPC E-Filing Rewrite (EA)	0	441	441
(F)Homeland Security Grant Program (EA)	134	134	134
(A)HR Shared Services	19,628	76,649	86,630
(A)IT Shared Services	13,636	235,380	249,041
(A)Integrated Enterprise System	39,000	41,261	39,048
(A)Temporary Clerical Pool	4,683	4,594	5,971
(A)Agency Services	1,894	2,102	2,212
(A)Benefit Administration	893	1,064	1,065
(A)CDL Drug and Alcohol Testing	194	310	310
(A)Managing for Government Responsiveness Training	89	325	325
(A)Group Life Insurance Program Commissions	100	100	100
(A)Leadership Development Institute	92	80	80
(A)External HR Services	52	53	53
(R)Agency IT Projects (EA)	7,500	7,500	7,500
Subtotal	$ 98,428	$ 376,772	$ 402,732
Medicare Part B Penalties	100	100	0 a
Commonwealth Technology Services	54,275	16,954	0 a
Civil Service Commission	1	1	0
(A)Fees From Agencies	12,809	12,699	5,012
(A)Special Merit System Services	625	669	264
Subtotal	$ 13,435	$ 13,369	$ 5,276
Office of Inspector General	4,042	4,070	4,151
(A)Reimbursements for Special Fund Investigations	1,111	1,111	1,111
Subtotal	$ 5,153	$ 5,181	$ 5,262
Inspector General - Welfare Fraud	11,189	11,883	12,121
(F)TANFBG - Program Accountability	1,500	1,500	1,500
(F)Food Stamps - Program Accountability	7,000	7,000	7,000
(F)Medical Assistance - Program Accountability	5,000	5,500	5,500
(F)CCDFBG - Subsidized Day Care Fraud	905	905	905
Subtotal	$ 25,594	$ 26,788	$ 27,026
Office of the Budget	17,577	19,903	19,903
(A)Support for Commonwealth Payroll Operations	6,589	6,713	6,713
(A)BOA - Single Audit	728	704	800
(A)Comptroller Single Audit	3,715	2,809	3,334
(A)Support for PLCB Comptroller's Office	6,363	5,690	6,025
(A)Support for Comptroller Services	32,305	35,909	37,028
(A)OAS Support Services	51	80	80
(A)RCAP - eGrant System	344	160	160
Subtotal	$ 67,672	$ 71,968	$ 74,043
Audit of the Auditor General	99	0	0
Law Enforcement Activities	3,000	3,000	3,000
Office of General Counsel	3,772	4,222	4,973
(A)CLE Registration Fees	138	121	121
Subtotal	$ 3,910	$ 4,343	$ 5,094

Suggested Questions for Office of Administration & Office of Information Technology

OA Secretary Michael Newsome

Deputy Secretary for Information Technology and Chief Information Officer John MacMillan

Information Technology
1. Almost a year and half ago (October 2017), the Wolf Administration announced that Executive Branch Information Technology services would be consolidated. Shortly thereafter, it was announced that human resources services would also be consolidated. Please tell us very briefly the status of the consolidations.

    - Have there been any service interruptions to Commonwealth citizens since the consolidation of IT and HR services were undertaken?

    - Have Commonwealth employees encountered any unexpected difficulties with the completion of job functions?

    - What cost savings will be realized by the Commonwealth when the consolidation of IT and HR services is completed?

2. What is the total amount being expended by Commonwealth Executive Branch agencies on information technology projects whether through direct expenditure or through payment of billings by the Office of Administration Office of Information Technology for shared IT services? Please provide a list by agency and appropriation of current year and budget year expenditures for IT projects and personnel.

3. What type of performance metrics are utilized to ensure that Commonwealth agency IT services are being delivered in most cost- effective and efficient manner?

4. The Office of Administration is currently in the process of rolling out new phone systems across Executive Branch agencies. My staff had trouble getting through to certain offices in the Department of Community & Economic Development, and staff in DCED had to use their personal cell phones to make calls because the new phone system didn't work properly for a few days. I also was speaking with a constituent, who is a Department of Revenue employee, who was frustrated because he was unable to complete work for a few days, because the new Revenue phone system was not properly connecting phone calls. The Revenue employee could not compromise confidential data like Social Security Numbers and EINs by using his personal cell phone to complete his work. Has the roll-out of new the phone system been completed?

    Have all the problems with the new phone system been resolved or are there still problems being encountered by Commonwealth employees and Pennsylvania citizens?

5. 2019-20 billings for shared IT and HR services are increasing by 5.8% and 13.0%, respectively. What is the reason for these large increases?

6. Briefly explain the cost allocation model being used by the Office of Administration to bill Commonwealth agencies for shared IT and HR services?

    A written description of the cost allocation methodology was provided to the Appropriations Committee yesterday afternoon. The billing methodology excludes DMVA employees from the consolidation to maintain federal program eligibility. There are other agencies that have large numbers of employees working on projects/services that are funded by federal dollars. The Department of Human Services is an example. Is there a risk of future federal disallowances because no exception to the consolidations and shared services billings were made for other federally-funded employees?

7. What is the current status of the project to upgrade the Commonwealth's Unemployment Compensation computer system?

8. What is the total amount being expended on IT consultants?

9. What is the total amount being expended on IT contracted staff?

    What is the average cost paid per hour for IT staff contractors? How does that compare to Office of Information Technology employees?

10. What is the process used by the Office of Administration to hire IT consultants and contractors?

11. Are you able to readily find qualified IT professionals to work with the Office of Information Technology?

    What can be done to attract and retain qualified IT professionals to your office?

12. The Governor's Budget shows a $7.5 Million restricted executive authorization for Agency IT projects. What projects are being funded from the restricted account, and what is the source of the restricted funds?

13. OIT's Risk Management team is responsible for identifying and documenting known risks to Commonwealth IT systems and data. Does the risk management protocol OIT has in place conform to best practices for public sector entities?

14. Treasurer Torsella told the committee when he appeared before us that his office needs $1 Million for cyber-security. I know the Treasury Department is an independent row office, but shouldn't there be some shared oversight of risk management across all Commonwealth IT services and platforms?

15. If a Commonwealth employee encounters an IT or software problem during their work, or on even evenings or weekends when they may be working, is there a Help Desk or Service Center that is readily available to take calls to resolve problems quickly?

Human Resources

16. All hiring and human resources functions will be centralized under the Office of Administration at the end of March. Civil Service Commission functions of testing and hiring were moved to OA by Act 71 of 2018. How is the implementation of the testing functions under OA's authority proceeding?

17. What strategies are being used to make a diverse Commonwealth population aware of job opportunities with Commonwealth agencies?

18. What is the Wolf administration doing to increase employment of individuals with disabilities in open positions throughout State government?

19. The State Civil Service Commission will need to keep operating for purposes of appeals and (job desk) audits. The Governor's Budget proposal seeks to bring the State Civil Service Commission under the auspices of the Office of Administration. How will your office avoid conflicts if all functions – testing, hiring, appeals, and audits are all housed under OA?

Medicare Part B

20. What is the benefit of folding the Medicare Part B $100 thousand appropriation in to the Office of Administration's operating line item? This small appropriation is used to provide rebates of penaltiy payments paid by a declining number of former Commonwealth employees, now annuitants, who were penalized by the Federal Government for failing to sign up for Medicare Part B because they were improperly advised by the Commonwealth. Why should this appropriation with a specific purpose be folded in to the Office of Administration appropriation?

Parking Costs

21. Throughout the Governor's 2019-20 budget, there are a number of entries and funds being added for "the re-distribution of parking costs." Can you please explain these entries to the committee?

   Where were these parking costs paid from previously?

IT Shared Services Billing   AMOUNTS ARE ESTIMATED

Agency	2018-19 Estimated Billing	2019-20 Estimated Billing *
Aging	258,698	273,145
Agriculture	1,823,490	1,925,320
Banking & Securities	1,038,332	1,096,316
Civil Service Commission	95,347	100,672
Community & Economic Develop	1,593,998	1,683,013
Conservation & Natural Resourc	4,067,797	4,294,957
Corrections	22,547,961	23,807,120
Drug and Alcohol Programs	164,011	173,170
Education	3,456,885	3,649,930
Environmental Hearing Board	28,616	30,214
Environmental Protection	9,063,963	9,570,127
Ethics	14,318	15,118
Fish & Boat Commission	300,095	316,853
Game Commission	516,064	544,883
General Services	1,788,091	1,887,944
Governor's Office	235,116	248,246
Health	8,135,155	8,589,451
Historical & Museum Commission	906,903	957,548
Human Services	46,255,885	48,838,980
Insurance	906,411	957,028
JNET	321,120	339,052
Labor & Industry	21,878,738	23,100,526
Lieutenant Governor	57,226	60,422
Liquor Control Board	1,418,284	1,497,486
Military & Veterans Affairs	875,840	924,750
Milk Marketing Board	44,945	47,455
OA	7,368,519	7,780,004
Office of the Budget	1,180,801	1,246,741
OGC	91,333	96,433
PA Council for the Arts	26,095	27,552
PA Emergency Management Agency	1,360,524	1,436,501
PA Gaming Control Board	213,042	224,939
PA Infrastructure Investment	22,887	24,165
Patient Safety Authority	13,007	13,733
PCCD	408,768	431,595
PHRC	215,284	227,306
PMRS	21,285	22,474
Pub School Employees' Ret Sys	255,702	269,981
Public Utility Commission	380,549	401,800
Revenue	19,912,730	21,024,729
SOIG	521,901	551,046
State Department	2,497,927	2,637,420
State Employees' Ret Sys	161,258	170,263
State Police	16,295,717	17,205,729
Transportation	33,412,015	35,277,862
Total	**$212,152,633**	**$224,000,000**

* billing estimate determined by % allocation of the 2018-19 year. Actual billing amounts will
be determined once reconciliation is performed on 2018-19 actual expenditures.

Commonwealth of Pennsylvania
Office of Administration
Office of Information Technology
Billed Service Description and Methodology

OVERVIEW

Under a recent initiative, the Office of Information Technology (OIT) developed a strategic plan to accomplish its technology mission and vision and achieve its desired future state of a customer- driven information technology (IT) services model. IT staff throughout all state agencies under the Governor's jurisdiction were consolidated under Pennsylvania's Office of Administration (OA) into OA-OIT. OIT is responsible for oversight of investments and performance of IT systems across the Commonwealth. OIT establishes and implements policies, standards and guidelines regarding planning, acquisition, management and security of IT assets and provides IT services and solutions. These responsibilities are carried out by the Chief Information Officer and his organization, which is comprised of Enterprise operations and six (6) agency delivery centers as shown in **Figure 1. OA-IT Organization Chart**.

BILLING METHODOLOGY

Effective State fiscal year 2018-19, the Commonwealth of Pennsylvania will bill the costs of the Office of Information Technology to all benefitting state agencies.
The primary billing unit for many of the services provided by OIT is based on the FTE's served. It was determined that the number of Microsoft Office 365 software licenses by agency best represents the actual consumers of IT services and is the basis for our FTE equivalent count. Since the cost of a "Kiosk" O365 license is approximately 20% of the cost of a standard O365 license, an employee assigned a "Kiosk" O365 license was weighted at 20% of an employee assigned a standard O365 license.

There are three distinct customer groups served. Enterprise services are received by all agencies utilizing IT services. These services include support of the overall Commonwealth infrastructure, Security policy and programming and Telecommunications support, among others. The second customer group receives Matrix services. These services are similar to enterprise services but are only provided to

Figure 1. OA-IT Organization Chart

```
                          Chief Information
                              Officer
                                 |
        _____
        |                                                       |
    Enterprise                                            Delivery Centers
        |                                                       |
  _____                            _____
  |                    |                            |                           |
Business &        Software Platforms         Conservation &          Employment,
Service                                       Environment          Banking & Revenue
Management                                      (C&E)                   (EBR)
  |                                                                        
Technology          Security                   General              Health & Human
Services                                      Government               Services
  |                   |                           (GG)                    (HHS)
Enterprise        Enterprise              Infrastructure &          Public Safety
Services           Services                  Economic                  (PS)
  |                   |                      Development
Matrix             Matrix                       (IED)
Services           Services
```
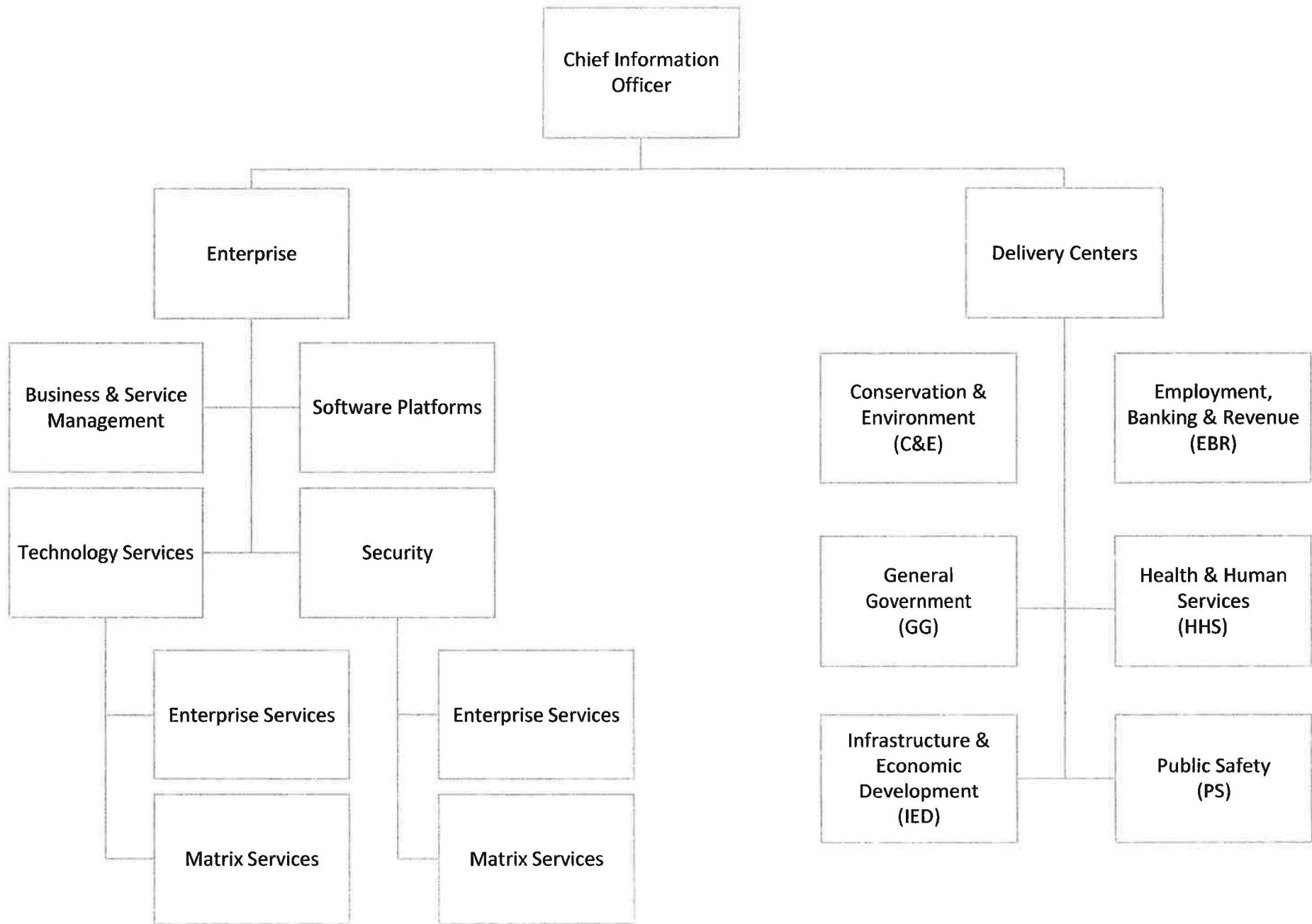
those agencies participating in the consolidation of IT resources. The third customer group is the (agency) Delivery Centers. These six delivery centers provide services to only those agencies identified as part of the delivery center.

There is a unique distinction between the Enterprise and Delivery Center rates. Service categories are divided between the Enterprise, Matrix and the Delivery Centers. The breakdown of total annual costs for FY 2018-19 is provided in **Table 1. Summary of Allocated Cost by Billing Group, FY 2018-19**.

Table 1. Summary of Allocated Cost by Billing Group, FY 2018-19

Billing Group	Total Annual Cost of Service, $
Enterprise Services	$50,033,126
Matrix Services	$57,235,912
Conservation & Environment Delivery Center (C&E DC)	$5,613,249
Employment, Banking & Revenue Delivery Center (EBR DC)	$30,280,515
General Government Delivery Center (GG DC)	$6,518,972
Health & Human Services Delivery Center (HHS DC)	$31,879,264
Infrastructure & Economic Development Delivery Center (IED DC)	$12,538,687
Public Safety Delivery Center (PS DC)	$18,052,909
Total Allocated Costs	$212,152,634

Based on guidance provided in the Master Cooperative Agreement for Federal Personnel and National Guard Regulation 5-1 (NGR 5-1) for maintaining federal program eligibility, Department of Veterans and Military Affairs (DMVA) employees were not included in the consolidation and have been retained by DMVA. Therefore, although costs for Enterprise Services will be billed to DMVA, costs for Matrix Services and agency Delivery Center services will not.

A more detailed description of the function, structure and billing methodology for each

of the organizational units which comprise OA-OIT is given below. **Appendix A - OIT Billing Rates, FY 2018-19** provides a comprehensive breakdown of all agency billings.

ENTERPRISE

Includes Enterprise Services, Enterprise Telecomm, Matrix Services, Matrix Telecomm and Matrix End User Support and Service Desk costs

ENTERPRISE BILLING DETAILS

Enterprise Services

There are seven Enterprise service categories that are billed based on the FTE's served. The individual rates for the seven services have been rolled into a single rate of **$677.82** per FTE (based on O365 licenses per year). All agencies assigned to the six delivery centers plus twelve (12) other agencies that were not part of the consolidation plan will be billed for these services.

A definition for each of the seven services included in this rate calculation is provided below:

Business & Service Management

Definition: Activities associated with providing project management, contract management, financial management, business analysis or business relationship management services.

Enterprise Software Platforms

Definition: Activities associated with managing the enterprise software platform, coordinating, developing and implementing maintenance activities, releases and patches to ensure the health of the solution.

Facilities – EDC

Definition: Activities associated with managing floor space to accommodate IT infrastructure requirements. This includes managing utility power and cooling components to address power distribution, air conditioning, and racks and hardware (servers, storage, network, security) requirements.

Infrastructure

3

Definition: Activities associated with managing compute infrastructure components within racks and standalone elements. Interconnect components to LAN, SAN and WAN. Monitor for security, capacity, performance and availability.

Network

Definition: Activities related to managing, troubleshooting, or oversight of agency specific wide area networks (WAN), local area networks (LAN), and virtual private networks (VPN). This would include support of agency business partner networks or data support services provided to either the agency or business partner.

Office Productivity

Definition: Activities associated with overseeing the provisioning of desktop/laptops to include troubleshooting.

Security

Definition: Activities associated with oversight of the InfoSec program, cyber security strategy alignment with organizational goals and objectives, risk assessment, security policy/standards development, exception management, auditing, monitoring, compliance, and enforcement with applicable policies and regulations.

Enterprise Telecomm

The Enterprise Telecomm service is defined as activities related to managing, troubleshooting, or oversight of voice telecommunications. This includes Centrex, VoIP, PBX, key systems, unified communications, and cellular/wireless related activities.

The total cost for Enterprise Telecomm services is the wage and associated expenses for telecomm personnel that provide services for the Enterprise. Historically, the level of telecomm services received by an agency has been proportional to the agency's share of the total telecom billing. Therefore, the agency's share of the most recently available, complete fiscal year's total telecom billing will be used to determine its share of the total Enterprise Telecomm services billing.

MATRIX BILLING DETAILS

Matrix Services

The Enterprise Delivery Center and (agency) Delivery Centers both support elements of four services described in the Enterprise Services section above. The service categories included in Matrix Services that will be billed only to agencies served by an agency Delivery Center are:

- Infrastructure
- Network
- Security
- Telecomm

To improve productivity and achieve efficiencies, the cost of Infrastructure, Network, and Security services are merged under Matrix Services and will be billed at a single rate of **$479.69** per FTE.

Like the Enterprise Telecomm services billing described above, Matrix Telecomm services will be billed based on the agency's share of the most recently available, complete fiscal year's total telecom billing.

The total cost for Matrix Telecomm services is the wage and associated expenses for telecomm personnel that provide services for the Matrix customer group. Historically, the level of telecomm services received by an agency has been proportional to the agency's share of the total telecomm billing. Therefore, the agency's share of the most recently available, complete fiscal year's total telecom billing will be used to determine its share of the total Matrix Telecomm services billing.

Matrix End User Support & Service Desk

The End User Support and Service Desk from four of the Delivery Centers are combined into a single billed service. All agencies that are part of the C&E, GG, EBR and IED Delivery Centers will be billed **$745.75** per FTE (based on O365 licenses per year) for End User Support and Service Desk. The HHS and PS Delivery Centers will provide these services to the agencies they serve. Agencies that were not part of the consolidation will not be billed because they will not receive these services. A definition for each of the services included in this rate calculation is provided below:

End User Support

Definition: Activities associated with providing end user support services to include roll out, training, user education and general deployment support.

Service Desk

Definition: A communications center that provides a single point of contact between an IT department and its customers, employees and business partners. The purpose of the service desk is to ensure that users receive appropriate help in a timely manner

DELIVERY CENTERS

Includes six (6) agency delivery centers

DELIVERY CENTER BILLING DETAILS

The six (6) Delivery Centers offer a distinct mix of services defined by the unique requirements of the agencies served by each Delivery Center. The service categories align with the Enterprise Services described previously; however, there are two additional services offered by the Delivery Centers which are combined and billed as a single service, Solution Management and Business Service Management:

Solution Management

Definition: Activities associated with managing a software solution; coordinating, developing and implementing maintenance activities, releases and patches to ensure the health of the solution.

Data Management & Analytics

Definition: Activities associated with designing, normalizing, implementing and producing visualizations for data.

For FY 2018-19, oversight and supervisory costs of each Delivery Center are allocated to only those service categories remaining within the Delivery Center. Costs also include an estimated $1,000,000 for overtime for all Delivery Center staff allocated to both the Delivery Center staff and Matrix staff. The rate for the majority of Delivery Center services is based on FTE's (O365 licenses). **Table 2. Delivery Center Billing Rate, FY 2018-19** gives a summary of the Delivery Center billing rates and is followed by a brief

description of each delivery center.

Table 2. Delivery Center Billing Rates, FY 2018-19

Delivery Center	Total Annual Cost, $	Total Units, O365 count	Billing rate, $/FTE
Conservation & Environment Delivery Center (C&E DC)	$2,667,601	4,752	$561.36
Employment, Banking & Revenue Delivery Center (EBR DC)	$6,888,541	7,858	$876.63
General Government Delivery Center (GG DC)	$1,138,751	4,197	$271.32
Health & Human Services Delivery Center (HHS DC)	$14,870,803	18,206	$816.81
Infrastructure & Economic Development Delivery Center (IED DC)	$4,736,484	12,147	$389.93
Public Safety Delivery Center (PS DC)	$11,008,111	17,837	$617.15

Conservation and Environment Delivery Center (CE DC)

The Conservation and Environmental (C&E) Delivery Center serves the Department of Agriculture, Department of Conservation and Natural Resources and Department of Environmental Protection. The agencies served by the C&E Delivery Center will utilize the Enterprise End User Support and Service Desk services.

Employment, Banking and Revenue Delivery Center (EBR DC)

The Employment, Banking and Revenue (EBR) Delivery Center serves the Department of Banking & Security, Department of Revenue, Department of State, Department of Labor and Industry and the Pennsylvania Insurance Department. The agencies served by the EBR Delivery Center will utilize the Enterprise End User Support and Enterprise Service Desk.

General Government Delivery Center (GG DC)

The General Government (GG) Delivery Center manages technology operations and strategy solutions for the Governor and Lieutenant Governor's Office, Office of Administration, Department of General Services, Office of General Counsel, Office of Budget, Office of Inspector General, Department of Education, Human Relations Commission and the Historical Museum Commission. The agencies served by the GG Delivery Center will utilize the Enterprise End User Support and Enterprise Service Desk services.

Health and Human Services Delivery Center (HHS DC)

The Health and Human Services (HHS) Delivery Center serves the Departments of Human Services, Health, Aging, Drug and Alcohol Programs, and Military and Veteran Affairs. This Delivery Center is associated with programs for the elderly, public health, veteran homes, the PA National Guard, child support, and child welfare, as well as eligibility for benefit programs including food stamps, medical assistance, low income heating assistance, cash assistance, childhood and early development programs, and home and community-based programs for the elderly and intellectually challenged citizens. The Health and Human Services Delivery Center will deliver End User Support and Service Desk services to all agencies served by the HHS Delivery Center.

Infrastructure and Economic Development Delivery Center (IED DC)

The Infrastructure and Economic Development (IED) Delivery Center serves the Department of Transportation, Department of Community and Economic Development and the Pennsylvania Emergency Management Agency. The agencies served by the IED Delivery Center will utilize the Enterprise End User Support and Enterprise Service Desk.

Public Safety Delivery Center (PS DC)

The Public Safety (PS) Delivery Center serves the Department of Corrections, the Justice Network, the Pennsylvania State Police and PCCD. Presented below is a summary of the service categories that PS staff were assigned during the rate development process. The PS Delivery Center will provide End User Support and Service Desk services for the agencies served by the Delivery Center.

BILLING RECONCILIATION

Since the initial 2018-19 OA-IT billing will be predominantly based on billing rates calculated by number of Microsoft Office 365 software licenses, revised billing rates will be calculated at the end of State fiscal year 2018-19 based on 2018-19 actual expenditure amounts. Each agency's 2018-19 initial billing amount will be compared to its revised billing amount based on the revised service rates and any billing overpayments or underpayments will be applied to each agency's 2019-20 billing amount. This reconciliation process for overpayments and underpayments will continue in each subsequent fiscal year so agency billing amounts for any given fiscal year will be based on actual expenditure amounts and actual average number of Microsoft Office 365 software licenses.

Appendix A - OIT Billing Rates, FY 2018-19

Delivery Center/Agency	Enterprise FTE (O365 Count)	Enterprise Services FTE Billings	Enterprise Telecomm Billings (1)	Enterprise Services Total Billings	Matrix Services & Delivery Center FTE (O365 Count)	Matrix Service FTE Billings	Matrix Telecomm Billings (1)	Matrix End User Sppt/ Service Desk FTE Billings	Matrix Services Total Billings	Enterprise DC Total Billings	Delivery Center Services FTE Rates (2)	Delivery Center FTE Billings	Delivery Center Solution Mgt and Bus Svc Mgt Consumption	Delivery Center Total Billings	Total Agency Billings
Conservation & Environment Delivery Center (C&E DC)	**4,752**	**$3,221,001**	**$101,985**	**$3,322,986**	**4,752**	**$2,279,501**	**$269,270**	**$3,543,804**	**$6,092,575**	**$9,415,562**	**$561.36**	**$2,667,601**	**$2,945,648**	**$5,613,249**	**$15,028,811**
Environmental Hearing Board	11	$7,456	$413	$7,869	11	$5,277	$1,092	$8,203	$14,572	$22,441	$561.36	$6,175	$0	$6,175	$28,616
PA Agriculture	731	$495,486	$6,002	$501,488	731	$350,656	$15,846	$545,143	$911,645	$1,413,133	$561.36	$410,357	$0	$410,357	$1,823,490
PA DCNR	1,358	$920,480	$44,413	$964,892	1,358	$651,423	$117,262	$1,012,729	$1,781,414	$2,746,306	$561.36	$762,332	$559,158	$1,321,490	$4,067,797
PA Milk Marketing	18	$12,201	$160	$12,361	18	$8,634	$422	$13,424	$22,480	$34,841	$561.36	$10,105	$0	$10,105	$44,945
PA DEP	2,634	$1,785,378	$50,998	$1,836,376	2,634	$1,263,512	$134,648	$1,964,306	$3,362,465	$5,198,841	$561.36	$1,478,632	$2,386,490	$3,865,122	$9,063,963
Employment, Banking & Revenue Delivery Center (EBR DC)	**7,858**	**$5,326,310**	**$274,095**	**$5,600,405**	**7,858**	**$3,769,428**	**$723,687**	**$5,860,104**	**$10,353,219**	**$15,953,623**	**$876.63**	**$6,888,541**	**$23,391,974**	**$30,280,515**	**$46,234,138**
Banking & Securities	196	$132,853	$3,982	$136,834	196	$94,020	$10,513	$146,167	$250,700	$387,534	$876.63	$171,819	$478,979	$650,798	$1,038,332
PA Dept of State	797	$540,223	$21,791	$562,013	797	$382,315	$57,534	$594,363	$1,034,212	$1,596,225	$876.63	$698,672	$203,029	$901,701	$2,497,927
PA L&I - agency wide	4,523	$3,065,780	$149,451	$3,215,231	4,523	$2,169,652	$394,592	$3,373,027	$5,937,271	$9,152,502	$876.63	$3,964,987	$8,761,248	$12,726,236	$21,878,738
PA Revenue	2,024	$1,371,908	$92,716	$1,464,624	2,024	$970,899	$244,797	$1,509,398	$2,725,094	$4,189,718	$876.63	$1,774,295	$13,948,718	$15,723,012	$19,912,730
PID	318	$215,547	$6,155	$221,702	318	$152,542	$16,251	$237,149	$405,942	$627,644	$876.63	$278,768	$0	$278,768	$906,411
General Government Delivery Center (GG DC)	**4,197**	**$2,844,811**	**$368,430**	**$3,213,240**	**4,197**	**$2,013,272**	**$972,756**	**$3,129,913**	**$6,115,941**	**$9,329,181**	**$271.32**	**$1,138,751**	**$5,380,221**	**$6,518,972**	**$15,848,153**
Gov / Lt. Gov	106	$71,849	$1,266	$73,115	106	$50,847	$3,343	$79,050	$133,240	$206,355	$271.32	$28,760	$0	$28,760	$235,116
Lt. Gov	26	$17,623	$189	$17,812	26	$12,472	$498	$19,390	$32,359	$50,171	$271.32	$7,054	$0	$7,054	$57,226
DGS	604	$409,403	$9,200	$418,603	604	$289,735	$24,291	$450,433	$764,459	$1,183,062	$271.32	$163,880	$441,148	$605,028	$1,788,091
GBO	543	$368,056	$0	$368,056	543	$260,473	$0	$404,947	$665,410	$1,033,472	$271.32	$147,329	$0	$147,329	$1,180,801
OGC	42	$28,468	$0	$28,468	42	$20,147	$0	$31,322	$51,469	$79,937	$271.32	$11,396	$0	$11,396	$91,333
Agencies	1,754	$1,188,896	$344,931	$1,533,828	1,754	$841,382	$910,715	$1,308,046	$3,060,142	$4,593,970	$271.32	$475,904	$2,298,645	$2,774,550	$7,368,519
PA Council for the Arts	12	$8,134	$0	$8,134	12	$5,756	$0	$8,949	$14,705	$22,839	$271.32	$3,256	$0	$3,256	$26,095
PA OIG	240	$162,677	$0	$162,677	240	$115,126	$0	$178,980	$294,106	$456,783	$271.32	$65,118	$0	$65,118	$521,901
PDE	365	$247,404	$6,245	$253,649	365	$175,088	$16,488	$272,199	$463,775	$717,424	$271.32	$99,034	$2,640,427	$2,739,461	$3,456,885
PHMC	406	$275,195	$6,598	$281,793	406	$194,755	$17,422	$302,775	$514,951	$796,745	$271.32	$110,158	$0	$110,158	$906,903
PHRC	99	$67,104	$0	$67,104	99	$47,490	$0	$73,829	$121,319	$188,423	$271.32	$26,861	$0	$26,861	$215,284
Human & Health Services Delivery Center (HHS DC)	**19,465**	**$13,193,766**	**$533,635**	**$13,727,402**	**18,206**	**$8,733,292**	**$1,349,632**	**$0**	**$10,082,924**	**$23,810,326**	**$816.81**	**$14,870,803**	**$17,008,461**	**$31,879,264**	**$55,689,590**
DDAP	82	$55,581	$582	$56,163	82	$39,335	$1,536	$0	$40,870	$97,033	$816.81	$66,978	$0	$66,978	$164,011
DMVA	1,259	$853,375	$22,465	$875,840	0	$0	$0	$0	$0	$875,840	$0.00	$0	$0	$0	$875,840
PA Department of Health	1,497	$1,014,697	$51,087	$1,065,784	1,497	$718,101	$134,885	$0	$852,986	$1,918,770	$816.81	$1,222,761	$4,993,623	$6,216,385	$8,135,155
PA Aging	126	$85,405	$2,729	$88,134	126	$60,441	$7,205	$0	$67,646	$155,781	$816.81	$102,918	$0	$102,918	$258,698
PA DHS	16,501	$11,184,708	$456,773	$11,641,480	16,501	$7,915,415	$1,206,006	$0	$9,121,422	$20,762,902	$816.81	$13,478,146	$12,014,838	$25,492,983	$46,255,885
Infrastructure & Economic Development Delivery Center (IED DC)	**12,147**	**$8,233,480**	**$194,742**	**$8,428,221**	**12,147**	**$5,826,832**	**$514,172**	**$9,058,625**	**$15,399,629**	**$23,827,850**	**$389.93**	**$4,736,484**	**$7,802,203**	**$12,538,687**	**$36,366,537**
PA DCED	424	$287,396	$7,956	$295,351	424	$203,390	$21,006	$316,198	$540,593	$835,945	$389.93	$165,330	$592,725	$758,054	$1,593,998
PA Department of Transportation	11,212	$7,599,718	$168,611	$7,768,329	11,212	$5,378,319	$445,181	$8,361,349	$14,184,848	$21,953,177	$389.93	$4,371,899	$7,086,938	$11,458,837	$33,412,015
PEMA	511	$346,366	$18,175	$364,541	511	$245,123	$47,986	$381,078	$674,187	$1,038,728	$389.93	$199,254	$122,547	$321,796	$1,360,524
Public Safety Delivery Center (PS DC)	**17,837**	**$12,090,275**	**$240,118**	**$12,330,393**	**17,837**	**$8,556,285**	**$633,978**	**$0**	**$9,190,263**	**$21,520,657**	**$617.15**	**$11,008,111**	**$7,044,798**	**$18,052,909**	**$39,573,566**
PA DOC	11,170	$7,571,249	$72,881	$7,644,130	11,170	$5,358,172	$192,425	$0	$5,550,597	$13,194,727	$617.15	$6,893,570	$2,433,044	$9,326,614	$22,521,341
PBPP	15	$10,167	$0	$10,167	15	$7,195	$0	$0	$7,195	$17,363	$617.15	$9,257	$0	$9,257	$26,620
JNET	63	$42,703	$0	$42,703	63	$30,221	$0	$0	$30,221	$72,923	$617.15	$38,880	$209,316	$248,196	$321,120
PCCD	148	$100,317	$0	$100,317	148	$70,995	$0	$0	$70,995	$171,312	$617.15	$91,338	$146,118	$237,456	$408,768
PA State Police	6,441	$4,365,839	$167,237	$4,533,076	6,441	$3,089,703	$441,553	$0	$3,531,256	$8,064,332	$617.15	$3,975,069	$4,256,320	$8,231,389	$16,295,717
Agencies not Included in the Delivery Centers															
Ethics	21	$14,234	$84	$14,318	0	$0	$0	$0	$0	$14,318	$0.00	$0	$0	$0	$14,318
PENNVEST	31	$21,012	$515	$21,527	0	$0	$1,360	$0	$1,360	$22,887	$0.00	$0	$0	$0	$22,887
PA Civil Service Commission	136	$92,184	$3,164	$95,347	0	$0	$0	$0	$0	$95,347	$0.00	$0	$0	$0	$95,347
PA Fish & Boat	432	$292,818	$7,277	$300,095	0	$0	$0	$0	$0	$300,095	$0.00	$0	$0	$0	$300,095
PA Game Commission	750	$508,365	$7,699	$516,064	0	$0	$0	$0	$0	$516,064	$0.00	$0	$0	$0	$516,064
PA Gaming Control Board	305	$206,735	$6,307	$213,042	0	$0	$0	$0	$0	$213,042	$0.00	$0	$0	$0	$213,042
PA LCB	1,986	$1,346,151	$72,133	$1,418,284	0	$0	$0	$0	$0	$1,418,284	$0.00	$0	$0	$0	$1,418,284
PA SERS	230	$155,899	$5,359	$161,258	0	$0	$0	$0	$0	$161,258	$0.00	$0	$0	$0	$161,258
Patient Safety Authority	19	$12,879	$128	$13,007	0	$0	$0	$0	$0	$13,007	$0.00	$0	$0	$0	$13,007
PMRS	30	$20,335	$951	$21,285	0	$0	$0	$0	$0	$21,285	$0.00	$0	$0	$0	$21,285
PSERS	369	$250,116	$5,586	$255,702	0	$0	$0	$0	$0	$255,702	$0.00	$0	$0	$0	$255,702
PUC	550	$372,801	$7,748	$380,549	0	$0	$0	$0	$0	$380,549	$0.00	$0	$0	$0	$380,549
All Other - Billed Out	0	$0	$0	$0	0	$0	$0	$0	$0	$0	$0.00	$0	$0	$0	$0
Grand Totals	**71,115**	**$48,203,169**	**$1,829,957**	**$50,033,126**	**64,997**	**$31,178,610**	**$4,464,856**	**$21,592,446**	**$57,235,912**	**$107,269,038**		**$41,310,291**	**$63,573,305**	**$104,883,596**	**$212,152,634**

(1) Enterprise and Matrix Telecomm Billings are assigned based on each Agency's percentage of FY16 Total Telecomm Billings
(2) Delivery Center Services for HHS and PS Delivery Centers includes End User Support and Service Desk rate components

HR Shared Services Billing   AMOUNTS ARE ESTIMATED

Agency	2018-19 Estimated Billing	2019-20 Estimated Billing *
Aging	124,154	137,985
Agriculture	973,335	1,081,770
Attorney General	80,250	89,190
Auditor General	29,033	32,267
Banking & Securities	248,145	275,790
Capitol Preservation committee	204	227
Community & Economic Development	282,518	313,992
Conservation & Natural Resources	2,674,346	2,972,284
Corrections	11,906,636	13,233,106
Council on the Arts (PACA)	10,740	11,936
Department of General Services (DGS)	913,026	1,014,743
Drug & Alcohol Programs	93,909	104,371
Environmental Hearing Board	12,864	14,297
Environmental Protection	2,756,957	3,064,098
Fish and Boat Commission	142,298	158,151
Game Commission	254,840	283,231
Governor's Office	12,240	13,604
Health	1,636,875	1,819,233
House of Representatives	51,042	56,728
Human Services	24,687,611	27,437,957
Independent Fiscal Office	292	325
Independent Regulatory Review Commission	292	325
Insurance	294,632	327,456
Insurance Liquidators	526	585
Joint Conservation Committee	117	130
Joint State Government Commission	321	357
Juvenile Court Judges' Commission (JCJC)	22,362	24,853
Labor & Industry	5,090,203	5,657,282
Legislative Budget & Finance Committee	350	389
Legislative Data Processing Center	993	1,104
Legislative Reference Bureau	2,190	2,434
Lieutenant Governor's Office & Board of Pardons	15,313	17,019
Liquor Control Board	872,068	969,222
Local Government Commission	204	227
Military & Veterans Affairs	836,142	929,293
Milk Marketing Board	24,369	27,084
Office of Administration (OA)	153,952	171,103
Office of General Counsel (OGC)	53,984	59,998
Office of Information Technology (OIT)	1,525,795	1,695,778
Office of Inspector General (OIG)	203,374	226,031
Office of the Budget (OB)	533,075	592,463
PA Commission on Crime & Delinquency (PCCD)	71,106	79,028

PA Emergency Management Agency (PEMA)	255,641	284,121
PA Gaming Control Board	27,216	30,248
PA Health Care Cost Containment Council (PHC4)	25,715	28,580
PA Historical & Museum Commission (PHMC)	220,383	244,935
PA Infrastructure Investment Authority (PENNVEST)	29,877	33,205
PA Municipal Retirement System (PMRS)	28,401	31,565
PA State System of Higher Education	1,173,823	1,304,594
Patient Safety Authority	3,446	3,830
Pennsylvania Department of Education (PDE)	487,504	541,815
Pennsylvania Human Relations Commission (PHRC)	80,272	89,215
PHEAA	99,192	110,243
Port of Philadelphia Commission	7,568	8,410
Port of Pittsburgh Commission	12,347	13,720
Probation & Parole	980,659	1,089,910
Public School Bldg Authority	263	292
Public School Employees Retirement System	102,998	114,473
Public Utility Commission	77,070	85,656
Revenue	2,295,337	2,551,051
Senate	22,426	24,924
State	570,890	634,491
State Civil Service Commission (SCSC)	134,262	149,220
State Employees Retirement System	56,020	62,261
State Ethics Commission	20,351	22,618
State Police	4,747,701	5,276,623
Thaddeus Stevens School of Technology	4,818	5,355
Transportation	9,866,722	10,965,933
Treasury	22,733	25,266
Total	**77,946,318**	**86,630,000**

* Actual billing amounts to be determined once reconciliation is performed with 2018-19
actual expenditures

Commonwealth of Pennsylvania
Office of Administration
Office of Human Resources and Management
Billed Service Description and Methodology

OVERVIEW

Under a recent initiative, Human Resources (HR) functions were reorganized to become more consistent, efficient, and effective. As part of this initiative, HR staff in state agencies were consolidated under the Office of Administration, Office of Human Resources and Management (see Figure 1. OA-HR Organization Chart). In addition to the Human Resource Service Center, the Office of Human Resources and Management includes three offices that report to the Office of the Deputy Secretary for Human Resources and Management: Talent Management Office, Employee Relations and Workforce Support Office, and Delivery Center Office. The Commonwealth of Pennsylvania will bill the costs of the Office of Human Resources and Management to all benefitting state agencies.

As part of Pennsylvania's Office of Administration (OA), the Office for Human Resources and Management provides policy direction and support for centralized human resource services, ensures equity by maintaining the talent acquisition and planning, organization management, talent development, employee relations, workforce support, employee benefits, and equal employment opportunity programs; and negotiates and administers collective bargaining agreements. OA also manages the HR Service Center, the central point of contact for employees and managers for common human resource, benefits, and payroll services and information.

These responsibilities are carried out through four organizational units consisting of seven bureaus and six delivery centers which report through the Office of the Deputy Secretary for Human Resources and Management.

BILLING METHODOLOGY

Effective State fiscal year 2018-19, this billing methodology replaces the HR Shared Services Billing.

The cost for the Office of the Deputy Secretary for Human Resources and Management are excluded from the current project scope and will continue to be included in the SWICAP.

Based on guidance provided in the Master Cooperative Agreement for Federal Personnel and National Guard Regulation 5-1 (NGR 5-1) for maintaining federal program eligibility, Department of Veterans and Military Affairs (DMVA) employees were not included in the

1

consolidation and have been retained by DMVA. Therefore, although costs for enterprise-wide services (HR Service Center, Talent Management, Employee Relations and Workforce Support, and SEAP) will be billed to DMVA, costs for HR Delivery Center services will not.

Cost for each office/center reporting to the Deputy Secretary for Human Resources and Management will be billed to departments/agencies based on the number of benefits eligible employees in each department served with the following three noted exceptions:

Office/Center	Cost	Billing Based On
Talent Management Office	Temporary Clerical Pool	Hourly Rate
Talent Management Office	Leadership Development Institute and Emerging Leader Program	Cost/participant
Employee Relations and Workforce Support Office	Bureau of Workforce Support	Number of SEAP eligible employees/staff

A breakdown of the total FY 2018-19 cost that will be billed for services provided by each office/center is given in **Table 1. Total Cost to be Billed, FY 2018-19**

Table 1. Total Cost to be Billed, FY 2018-19

Office/Center	Total Annual Cost, $
Human Resources Service Center	$12,789,556
Talent Management Office	$5,401,625
Employee Relations and Workforce Support Office	$5,848,511
SEAP	$3,180,934
Conservation & Environment	$4,551,806
Employment, Banking & Revenue	$6,239,488
General Government	$3,057,461
Health & Human Services	$20,650,113
Infrastructure & Economic Development	$6,151,096
Public Safety	$10,075,728
Total	$77,946,318

A more detailed description of the function, structure, and billing methodology for each of the three offices and the Human Resource Service Center which comprise the Office of Human Resources and Management is given below.

Human Resources Service Center

The HR Service Center provides enterprise-wide employee and agency HR support services including a call center for employee benefits support, personnel transactions processing, employee self-service support for the SAP HR/Payroll system, and the management of role security. The HR Service Center also provides absence services, which includes FMLA services, work-related injury services, time and attendance services, and safety services.

The Human Resources Service Center will be billed to departments/agencies based on the number of benefits eligible employees in each department served. The total annual cost and billing rate for the Human Resources Service Center is given in **Table 2. Human Resources Service Center Billing Rate, FY 2018-19.**

Table 2. Human Resources Service Center Billing Rate, FY 2018-19

Total Annual Cost, $	Total Units, FTE	Billing rate, $/FTE
$12,789,556	73,221.2	$174.67

Talent Management Office

The Talent Management Office oversees the functions of talent acquisition and planning, organization management, and talent development. Additionally, this office provides support to the Governor's Office and the agencies on senior level staffing and consists of the following bureaus:

Bureau of Talent Acquisition and Planning - This bureau establishes policies and procedures for selecting and appointing candidates to non-civil service positions in agencies under the Governor's jurisdiction; receives and evaluates applications; refers qualified applicants to agencies for consideration for vacant positions in accordance with established job standards and equal employment opportunity guidelines; administers the furlough placement process; and manages the assignment of temporary clerical employees to state offices in the Capitol Complex and Dauphin County area to address emergency clerical work needs.

Bureau of Organization Management - This bureau establishes and maintains policies and procedures for a comprehensive organization management program; develops and administers job classification and pay standards; provides leadership and technical assistance to agencies on position classification, organizational and staffing matters, and employee compensation;

manages a classification grievance program for employees covered by collective bargaining agreements; administers the pay schedules and pay rules; provides support in the management of agency salary and wage complements; and assures compliance with the Federal regulations of the Fair Labor Standards Act.

Bureau of Talent Development - This bureau administers the Commonwealth's workforce and succession planning, performance management, employee recognition, and training and development programs for executive, management, and supervisory personnel; provides consultative services to agencies to improve organizational efficiency and effectiveness; and administers the Commonwealth's learning management system.

The costs of the Talent Management Office will be billed to departments/agencies based on the number of benefits eligible employees in each department served, with the exceptions below:

> Temporary Clerical Pool (TCP) – Customer agencies submit work orders for temporary clerical support. TCP bills the agencies for this support by the hour. The hourly rate for TCP employees includes salary and fringe cost of the employees and an overhead factor for administration.

> Leadership Development Institute and Emerging Leader Program - These are small programs with less than 100 participants annually in each. Total costs are divided by the number of participants to arrive at the cost per participant. The cost will be charged to customer agencies based on the number of participants.

The total annual cost and billing rate for the Human Resources Service Center and Talent Management Office is given in **Table 3. Talent Management Billing Rate, FY 2018-19.**

Table 3. Talent Management Billing Rate, FY 2018-19

Total Annual Cost, $	Total Units, FTE	Billing rate, $/FTE
$5,401,625	78,821.3	$68.53

Employee Relations and Workforce Support Office

This office oversees the functions of employee relations, employee benefits, equal employment opportunity, and workforce support programs and consists of the following bureaus:

Bureau of Employee Relations - This bureau negotiates and administers collective bargaining agreements between the Commonwealth and the various unions representing state employees; investigates and responds to employee grievances; represents the Commonwealth at arbitration hearings; provides assistance to agencies in the day-to-day administration of collective bargaining agreements; conducts labor relations training for supervisory and

management personnel; and advises agencies on implementing consolidations, closures and other administration initiatives.

Bureau of Employee Benefits - This bureau administers an employee benefit package with the goal of maintaining and further developing the excellent and highly competitive benefits for state employees and retirees, while controlling costs. Employee benefits are an integral part of an overall compensation package designed to attract and retain excellent employees to enhance the responsiveness and performance of state government. Programs administered by the Bureau of Employee Benefits and Services include State Police health benefits, State Police supplemental benefits, and group life insurance. Programs administered elsewhere with coordination by the bureau include state employee health and supplemental health benefits, retired employee health benefits, and the retirement and deferred compensation programs.

Bureau of Equal Employment Opportunity - This bureau oversees the Commonwealth's EEO policies and programs; provides guidance to help ensure the fair and equitable treatment of employees; training to educate all employees about EEO laws and commonwealth policies; and investigates and reviews appeals of internal complaints alleging discriminatory behavior.

The costs of the Employee Relations and Workforce Support Office will be billed to departments/agencies based on the number of benefits eligible employees in each department served, with the exceptions below:

Bureau of Workforce Support - This bureau provides employee assistance benefits and services (SEAP) to commonwealth employees and agencies. It also enhances the safety and wellness of the workforce by providing policies, procedures and guidance on workplace violence prevention, work release requests, maintaining a substance-free workplace and the provision of CDL drug/alcohol testing services.

The costs of the Bureau of Workforce Support will be billed to departments/ agencies based on the number of SEAP eligible employees/staff in each department served.

The total cost and billing rate for the Employee Relations and Workforce Support Office is given in **Table 4. Employee Relations and Workforce Support Billing Rate, FY 2018-19.**

Table 4. Employee Relations and Workforce Support Billing Rate, FY 2018-19

Services	Total Annual Cost, $	Total Units, FTE	Billing rate, $/FTE
Employee Relations and Workforce Support (except SEAP)	$5,848,511	93,711.2	$62.41
SEAP	$3,180,934	108,936.0	$29.20

Delivery Center Office

This office oversees the six Human Resource Delivery Centers and ensures the consistent and efficient delivery of human resource services to all agencies served; directs business process improvement; advises the Deputy Secretary for HR and Management on matters of program policy, performance, and other operational issues and concerns; develops HR governance policies and standards; ensures HR service level agreements (SLA), Memorandums of Understanding (MOU), and related mechanisms for measurement are established, deployed, and monitored for the improvement of management practices and customer service and achievement of operational efficiencies and cost savings.

The six Human Resource Delivery Centers are:

Delivery Centers
1. Conservation & Environment
2. Employment, Banking & Revenue
3. General Government
4. Health & Human Services
5. Infrastructure & Economic Development
6. Public Safety

The costs of the Delivery Center Office and each Delivery Center will be billed to departments/agencies based on the number of benefits eligible employees in each department served.

The total cost and billing rate for each Delivery Center is given in **Table 5. Delivery Center Billing Rates, FY 2018-19.**
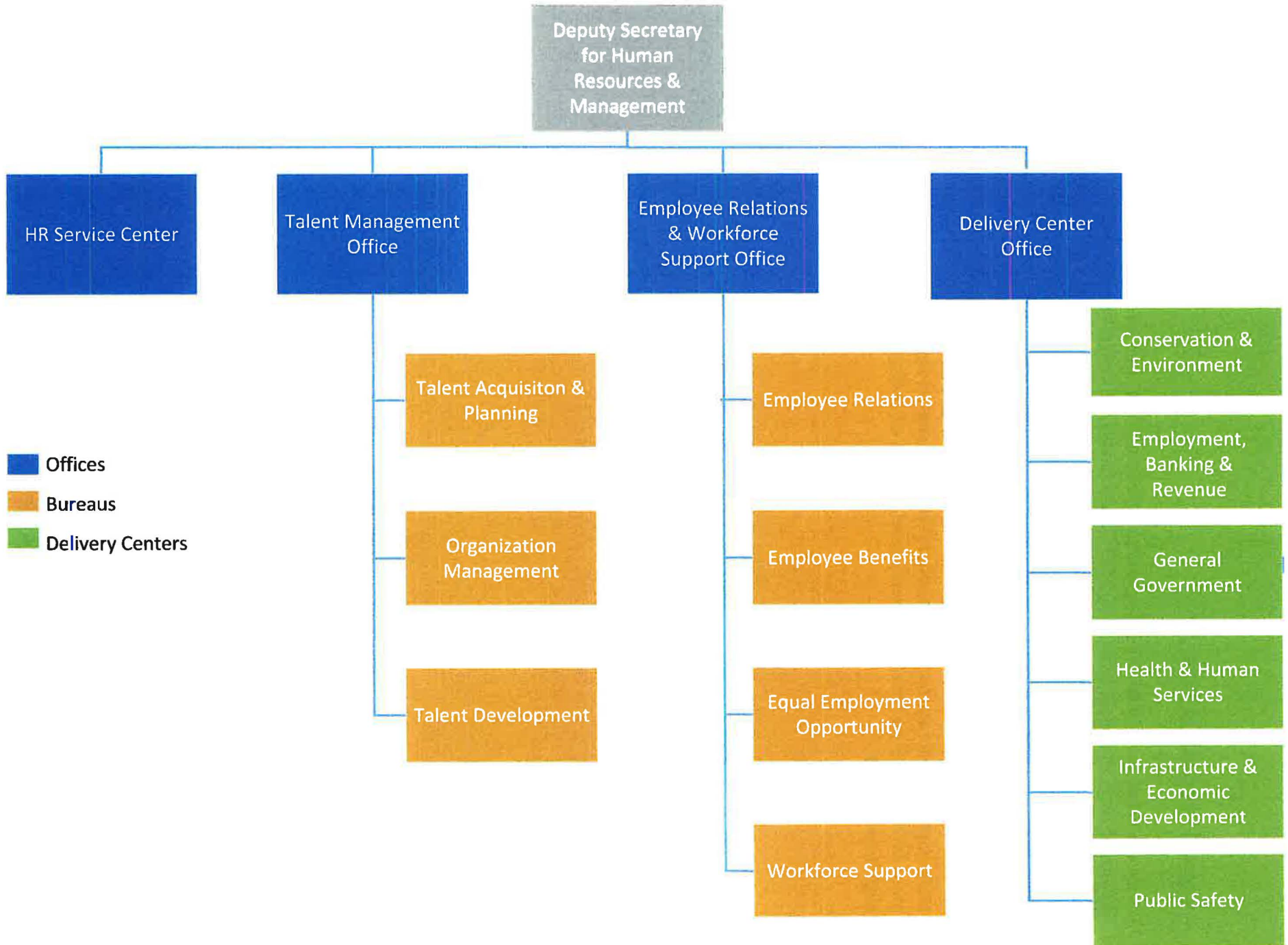
Table 5. Delivery Center Billing Rates, FY 2018-19

Delivery Center	Total Annual Cost, $	Total Units, FTE	Billing rate, $/FTE
Conservation & Environment	$4,551,806	5,570.5	$817.13
Employment, Banking & Revenue	$6,239,488	6,536.8	$954.52
General Government	$3,057,461	4,122.2	$741.71
Health & Human Services	$20,650,113	17,435.2	$1,184.39
Infrastructure & Economic development	$6,151,096	12,595.7	$488.35
Public Safety	$10,075,728	22,732.0	$443.24

BILLING RECONCILIATION

Since the initial 2018-19 OA-HR billing will be based on billing rates calculated by dividing the approved 2018-19 budget amount by 2017-18 actual average annual benefit eligible employees, revised billing rates will be calculated at the end of State fiscal year 2018-19 based on 2018-19 actual budget amount and 2018-19 actual average annual benefit eligible employees. Each agency's 2018-19 initial billing amount for each HR office and HR Service Center will be compared to its revised billing amount based on the revised service rates and any billing overpayments or underpayments will be applied to each agency's 2019-20 billing amount for each HR office and the HR Service Center. This reconciliation process for overpayments and underpayments will continue in each subsequent fiscal year so agency billing amounts for any given fiscal year will be based on actual budget amount and actual average annual benefit eligible employees.

Figure 1. OA-HR Organization Chart

7/01/2018

Deputy Secretary for Human Resources & Management

- **HR Service Center**
- **Talent Management Office**
  - Talent Acquisiton & Planning
  - Organization Management
  - Talent Development
- **Employee Relations & Workforce Support Office**
  - Employee Relations
  - Employee Benefits
  - Equal Employment Opportunity
  - Workforce Support
- **Delivery Center Office**
  - Conservation & Environment
  - Employment, Banking & Revenue
  - General Government
  - Health & Human Services
  - Infrastructure & Economic Development
  - Public Safety

Legend:
- Offices
- Bureaus
- Delivery Centers

Office of Administration
Activities Funded Through Restricted Account 60308
February, 2019

The Enterprise Data Center (EDC) Service costs recovered as outlined below are for services such as Infrastructure as a Service (IaaS), Database as a Service (DBaaS), Data Storage, Backup and Recovery Services, Colocation, Enterprise Network and Security Operations Services (Firewall), Server Patching Operations, Website Hosting and Certificates.

All of the costs recovered for these services are done through EDC Solution Proposals and are used to cover all of the related expenditures of the service provided. These expenditures include server hardware, storage hardware, network hardware, server software, virtualization software, backup software, operating system software, patching software, monitoring software, firewall hardware, firewall software and data center facility hardware and maintenance (cooling, power protection, power conditioning, fire suppression).

Both the services provided by the EDC and the associated recoveries to cover expenditures are not exhaustive lists. Our service catalog provides additional service detail and a report can be run to show all invoices paid for out of the EDC Restricted Fund. No projects are funded by the EDC Restricted Fund, only hard costs are recovered that directly relate to a provided service expenditure.

Agency	FY17-18	FY18-19	FY19-20 (Estimated)
Center for Juvenile Justice	$ 23,917.68	$ 50,982.38	$ 52,511.85
Department of Banking and Securities	$ 17,665.50	$ 28,568.25	$ 29,425.30
Department of Community and Economic Development	$ 20,992.38	$ 20,992.38	$ 21,622.15
Department of Conservation and Natural Resources	$ 169,164.44	$ 169,164.44	$ 174,239.37
Department of Corrections	$ 298,952.30	$ 449,295.58	$ 462,774.45
Department of Education	$ 533,179.42	$ 533,179.42	$ 549,174.80
Department of Environmental Protection	$ 115,093.05	$ 115,093.05	$ 118,545.84
Department of General Services	$ 160,879.37	$ 160,879.37	$ 165,705.75
Department of Health	$ 198,723.89	$ 267,414.07	$ 275,436.49

Agency	FY17-18	FY18-19	FY19-20 (Estimated)
Department of Insurance	$ 6,653.78	$ 6,653.78	$ 6,853.39
Department of Labor and Industry	$ 39,920.26	$ 39,920.26	$ 41,117.87
Department of Public Welfare	$ 84,214.54	$ 84,214.54	$ 86,740.98
Department of Revenue	$ 116,916.76	$ 116,916.76	$ 120,424.26
Department of State	$ 424,521.58	$ 424,521.58	$ 437,257.23
Department of Transportation	$ 101,448.06	$ 425,279.72	$ 438,038.11
Emergency Management Agency	$ 35,510.98	$ 35,510.98	$ 36,576.31
Game Commission	$ 121,669.73	$ 122,849.85	$ 126,535.35
Governor's Office of General Counsel	$ 18,779.30	$ 18,779.30	$ 19,342.68
Historical & Museum Commission	$ 53,040.14	$ 50,761.45	$ 52,284.29
Human Relations Commission	$ 52,856.26	$ 46,458.65	$ 47,852.41
Liquor Control Board	$ 54,075.43	$ 70,179.50	$ 72,284.89
Milk Marketing Board	$ 5,443.92	$ 5,443.92	$ 5,607.24
OA-COG	$ 250.00	$ 209.42	$ 215.70
OA-EISO	$ 275,740.54	$ 372,762.63	$ 383,945.51
OA-ES	$ 800,377.77	$ 1,198,309.07	$ 1,234,258.34
OA-HR	$ 2,118.41	$ 8,012.03	$ 8,252.39
OA-IES	$ 6,536.82	$ 11,008.74	$ 11,339.00
OA-JNET	$ 382,767.60	$ 381,213.18	$ 392,649.58
OA-ODDT	$ 4,020.00	$ -	$ -
OA-OSAM	$ 66,621.90	$ 74,560.82	$ 76,797.64
Office of Budget	$ 56,658.44	$ 56,658.44	$ 58,358.19
Patient Safety Authority	$ 49,540.12	$ 54,479.76	$ 56,114.15
Pennsylvania Board of Pardons	$ 1,215.82	$ 1,585.60	$ 1,633.17

Agency	FY17-18	FY18-19	FY19-20 (Estimated)
Pennsylvania Civil Service Commission	$ 6,583.98	$ 6,583.98	$ 6,781.50
Pennsylvania Commission on Crime and Delinquency	$ 65,793.36	$ 63,685.69	$ 65,596.26
Pennsylvania Department of Agriculture	$ 409,870.32	$ 409,870.32	$ 422,166.43
Pennsylvania Infrastructure Investment Authority	$ 58,330.01	$ 33,637.30	$ 34,646.42
Pennsylvania State Police Commission	$ 607,116.98	$ 1,040,007.63	$ 1,071,207.86
Public School Employees Retirement System	$ 3,150.49	$ 1,233.24	$ 1,270.24
Public Utility Commission	$ 26,323.84	$ 59,328.05	$ 61,107.89
State Employees Retirement System	$ 33,835.32	$ 63,712.96	$ 65,624.35
State Ethics Commission	$ 6,077.04	$ 4,086.49	$ 4,209.08