EXHIBIT 2
DATE 1/11/13
HB 2

2

Department of Administration

Director's Office Budget

Financial Manager, Pat McNamee
(filling in for Deputy Director Sheryl Olson)
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January 2013

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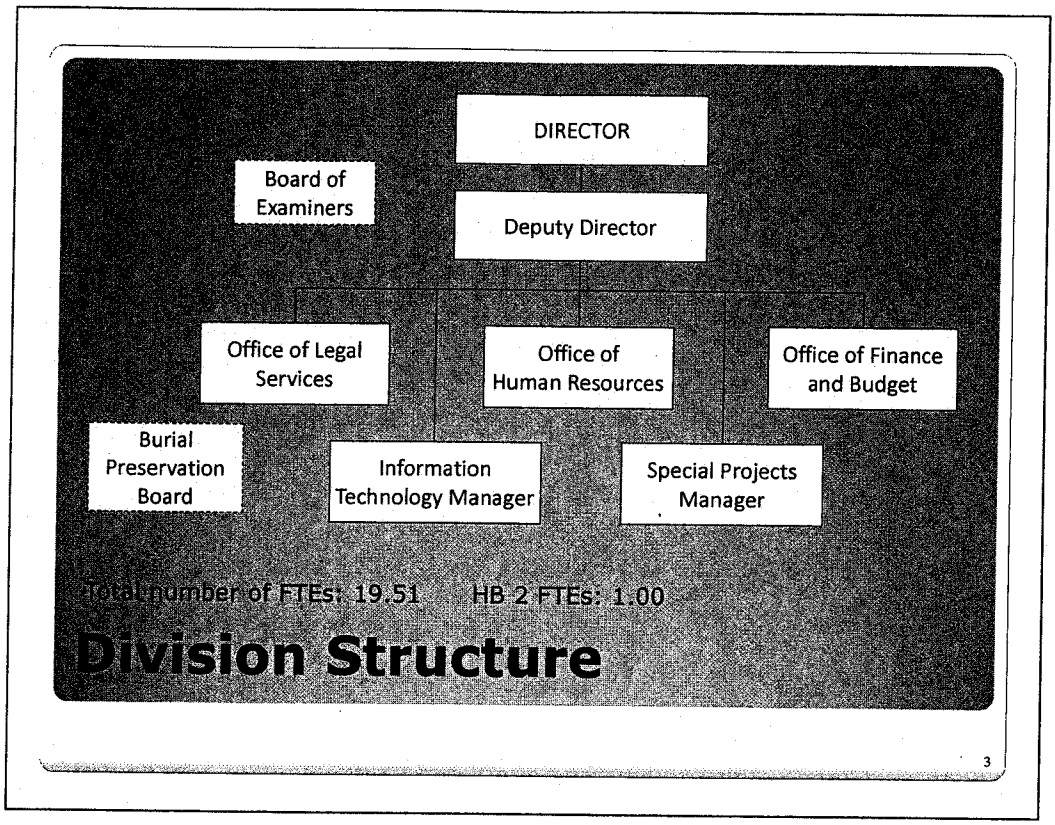
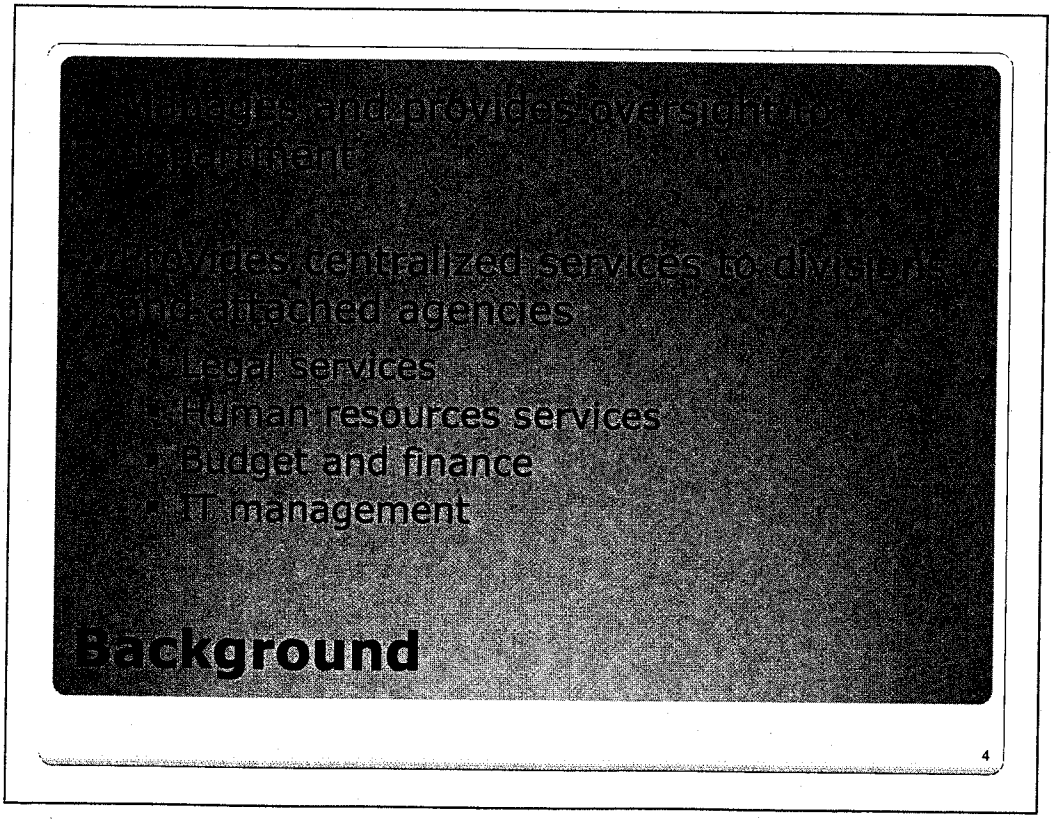
Components of Statewide Present Law Adjustments in Personal Services

- Annualization of
  - Longevity increments (2-18-304, MCA)
  - Training assignment progressions
  - Reclassifications
  - Broadband pay adjustments
- Restoration of funding for positions that were vacant for part of the base year

2


DIRECTOR
Board of Examiners
Deputy Director
Office of Legal Services
Office of Human Resources
Office of Finance and Budget
Burial Preservation Board
Information Technology Manager
Special Projects Manager
Total number of FTEs: 19.51
HB 2 FTEs: 1.00
Division Structure
3


Manages and provides oversight to department
Provides centralized services to divisions and attached agencies
Legal services
Human resources services
Budget and finance
IT management
Background
4

Background

- Respond to requests from agencies, citizens, legislative committees, and Governor's Office
- Director is "ex-officio" State Treasurer

Funding

- Directly funded by rates we charge our divisions and some attached-agencies
- Less than 6% of our budget is General Fund

- Most DOA accomplishments listed within divisions and on our website
- Montana Operations Manual automated after nearly 40 years
- DOA leads state government in our "continuity planning"
- Recent completion of DOA Incident Response Plan

Accomplishments

- [illegible] adapting to needs of customer agencies
- [illegible] forecast of emerging management issues
- Adapt to changing state and federal requirements
- Increase efficiency and transparency and drive down costs
- Continue work on Continuity and Emergency Planning

Priorities

- Proprietary Rates
  - Rates charged to divisions and some attached agencies to cover operating costs for 17.51 FTEs
  - Formulas drive how we distribute costs:
    - Based on anticipated operational expenses for management, legal, HR, budget, and IT management services
  - Broken out as two rates

Budget Issue Background

- Rates approved for legal unit, budget unit, and general management
  - $71,289 total for FY14
  - $160,005 total for FY15
- Amount needed to fund Director's Office personal services and operating costs

Administrative Costs

- Need rate approved for our HR Unit
  - Allocated by FTE count
- $606 per FTE in FY14
- $603 per FTE in FY15
- About $30 per FTE per year higher than last biennium

HR Costs

- [illegible] allocates the increase in rates to each division for each division's share of the costs for operating the Director's office.
- Request global approval

Allocation of Indirect/ Administrative Costs

- Burial Preservation Board
  - Staffed by Director's Office Legal Counsel
  - Implements the Human Skeletal Remains and Burial Site Protection Act and Montana Repatriation Act, Title 22, Chapter 3, Parts 8 and 9, MCA
    - Protect and preserve skeletal remains, burial sites, and funeral objects throughout state
    - Mediate disputes between landowners, known descendants, and scientific community and to adjudicate "ownership" claims

Budget Issue Background

13

- Seeking $7,000 per year for reburial costs and repatriation hearings

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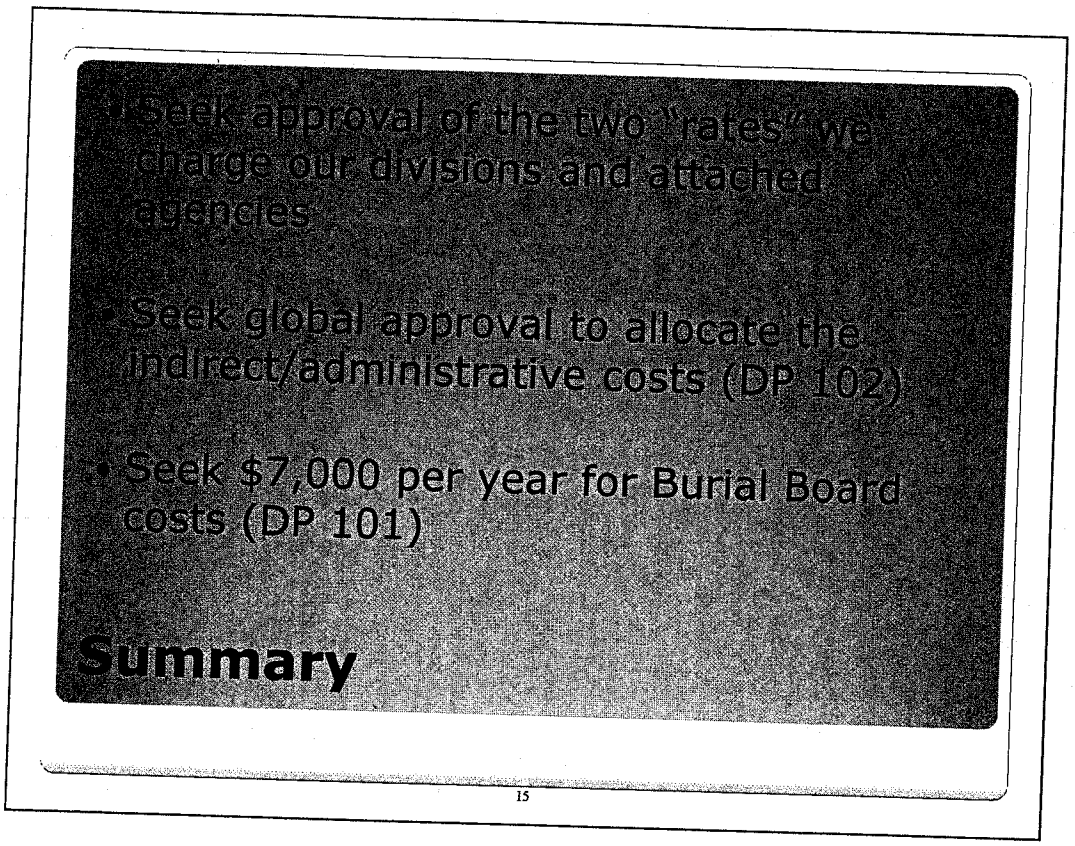
Burial Board - OTO

14


Summary
• Seek approval of the two "rates" we charge our divisions and attached agencies
• Seek global approval to allocate the indirect/administrative costs (DP 102)
• Seek $7,000 per year for Burial Board costs (DP 101)