

**Agency Overview - Highlights**

*For the State Administration and Veterans' Affairs Interim Committee*

**Department Head**

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**Website:** <http://doa.mt.gov/>

**Agency Responsibilities**

<p>The Department of Administration provides support services for state agencies in the following areas:</p> <ul style="list-style-type: none"> <li>• Accounting</li> <li>• State Social Security administration</li> <li>• Local government financial reporting</li> <li>• State treasury</li> <li>• State-bonded indebtedness</li> <li>• Capitol complex grounds and building maintenance and security</li> <li>• Document printing and mail processing</li> <li>• Procurement and surplus property</li> <li>• Information &amp; communication systems</li> </ul>	<ul style="list-style-type: none"> <li>• Human resources</li> <li>• Labor relations</li> <li>• Risk management</li> <li>• Tort Claims Act administration</li> <li>• Long-range building</li> <li>• State employee group benefits</li> <li>• Workers compensation</li> <li>• Continuity of government, emergency management and homeland security</li> </ul> <p>Also regulates many of the state's banks and financial institutions.</p>
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**Programs, FTE, and Funding - 2019 Biennium**

*Source: Legislative Fiscal Division*

Programs	FTE (in FY 2019)	General Fund	State Special	Federal Revenue	Proprietary	Total Funding	% General Fund
Director's Office	3.5	\$889,076	\$0	\$25,414	\$0	\$914,490	97%
Financial Services Div	28.92	\$8,422,395	\$382,138	\$2,854	\$110,746	\$8,918,133	94%
Architecture and Engineering Div	16.5	\$0	\$4,331,675	\$0	\$0	\$4,331,675	0%
General Services Div	0	\$0	\$0	\$0	\$44,917,139	\$44,917,139	0%
State Information Technology Div	5.58	\$862,192	\$547,865	\$1,166,140	\$0	\$2,576,197	33%
Banking and Financial Div	34	\$0	\$7,962,847	\$0	\$0	\$7,962,847	0%
Health Care and Benefits Div	20.88	\$0	\$0	\$0	\$445,568,374	\$445,568,374	0%
State Human Resources Div	14.25	\$3,245,589	\$0	\$0	\$0	\$3,245,589	100%

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Programs	FTE (in FY 2019)	General Fund	State Special	Federal Revenue	Proprietary	Total Funding	% General Fund
Risk Management and Tort Defense Div	17	\$0	\$0	\$0	\$43,892,204	\$43,892,204	0%
State Lottery	31.5	\$0	\$0	\$0	\$10,188,223	\$10,188,223	0%
Tax Appeal Board	5.5	\$1,232,431				\$1,232,431	100%
<b>Agency Total</b>	<b>177.63</b>	<b>\$14,651,683</b>	<b>\$13,224,525</b>	<b>\$1,194,408</b>	<b>\$544,676,686</b>	<b>\$573,747,302</b>	<b>3%</b>

**Budget Highlights From LFD Fiscal Report**

- About 3.8% of the agency's budget is appropriated in HB 2.
- The legislature appropriated a decrease for ongoing HB 2 spending for the Department of Administration (DOA) of 6.0%.
- Elimination of funding supporting personal services for 4.31 FTE.
- The legislature reduced proprietary rates by adopting a 6.0% vacancy savings reduction for personal service costs included in the costs of each proprietary fund.
- The legislature adopted increased insurance premiums ranging from 10% to 35% for automobiles, general liability, and property respectively. The increases are included in state agency fixed costs.
- Fixed costs to state agencies for information technology services are increased \$7.3 million in FY 2018 and \$7.2 million in FY 2019 when compared to the 2017 base budget.
- Transfers from state special revenue accounts to the general fund were adopted for the following:
  - \$2.0 million from the enhanced 911 services account.
  - \$0.6 million from the Banking and Financial Institutions Division account.

**Administratively Attached Agencies - Oversight by SAVA**

- Board of Examiners
- Burial Preservation Board
- Information Technology Board
- Lottery Commission
- State Board of County Printing
- Statewide Interoperability Governing Board (created by Executive Order)
- Public Employees' Retirement Board
- Teachers' Retirement System Board

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**Oversight by Other Interim Committees**

- Division of Banking and Financial Institutions (*Economic Affairs Interim Committee*)
- State Banking Board (*Economic Affairs Interim Committee*)
- State Tax Appeal Board (*Revenue and Transportation Interim Committee*)
- State Workers' Compensation Insurance Fund Board (*Economic Affairs Interim Committee*)

**Statutory Advisory Councils**

- Capitol Complex Advisory Council (2-17-803, 2-17-804, MCA)
- Information Technology Board (2-15-1021, 2-17-513, MCA)
- 911 Advisory Council (10-4-102(2), MCA)
- State Employee Groups Benefits Advisory Council (2-15-1016, MCA)

**Statutorily Required Reports to SAVA**

- Capitol Complex Advisory Council report (2-17-804(3), MCA)
- Employee Incentive Program report (2-18-1103(3), MCA)
- Information Technology Board report (2-17-512(1)(x), MCA)

**Most Recent Legislative Audits**

- [Oversight of Discretionary Pay Changes for State Employees: January 2017 - 15P-05](#)  
Recommendations:
  - Take a more active role in the pay change process by clarifying state pay change policy and providing training.
  - Establish and implement a biennial review process for agency pay plans.
  - Develop and implement a pay change review process.
  - Simplify pay change options available to agencies.
  - Enact legislation to provide for an investigation of the effect of pay adjustments under the broadband pay plan.
  - Clarify state law on use of pay adjustments under the broadband pay plan.
- [State Employee Health Clinics Contract Management and Oversight: June 2017 - 16P-03](#)  
Agency concurred in all recommendations, except it partially concurred in cost comparison recommendation under #2.
  - Define types of visits available at the MHCs.
  - Regularly conduct independent audits of the MHCs, including cost comparisons.
  - Create a growth plan for potential future expansion of the MHCs.
  - Improve communications between the MHCs and private health care providers.
  - Educate employees on what an electronic medical record is and how to distribute their records between the MHCs and their private health care providers.
  - Link performance incentives to the goals of the MHCs using clearly defined, measurable outcomes.
  - Collect comprehensive patient data and complete the data warehouse.
  - Require future contract modifications to be in written format.
  - Develop a vision for the MHCs, including clear and measurable goals.
  - Develop a new Request for Proposal to align with the newly create vision, goals, and objectives.

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**Bills Related to General State Government That PASSED - 2017 Session**

*\* denotes agency bill*

- [HB 77](#) - Revise public defender system, head to be hired by director of Dept. of Admin.
- [HB 102\\*](#) - Karjala (D) - Extend bond validating act.
- [HB 208](#) - Wagoner (R) - Provide that it is unlawful to retaliate against whistle blowers.
- [HB 282](#) - Burnett (R) - Require agencies to report grant information.
- [HB 601](#) - Harris (R) - Revise public safety communications laws.
- [SB 43](#) - Sesso (D) - Revise long-range building laws.
- [SB 46\\*](#) - Vincent (R) - Revise laws on forest reserve money kept in state treasury.
- [SB 54\\*](#) - Sesso (D) - Revise laws on approval of accounting system for state contractors.
- [SB 152](#) - Sesso (D) - Revise laws related to state employee pay and group benefits.
- [SB 268](#) - S. Fitzpatrick (R) - Revise transparency in state employee settlement laws.
- [SB 294](#) - S. Fitzpatrick (R) - Revise laws related to state government pay plans.

**Bills Related to General State Government That FAILED - 2017 Session**

*\* denotes agency bill*

- [HB 13\\*](#) - Funk (D) - State employee pay plan.
- [HB 202](#) - Wagoner (R) - Allowing public officers and employees to report certain matters of public concern, creating a civil penalty. (*vetoed*)
- [HB 341](#) - Dunwell (D) - Revise state employee travel and per diem laws.
- [HB 439](#) - Ehli (R) - Clarify when a state employee receives additional compensation for supervising other employees.
- [HB 594](#) - Lenz (R) - Revise funding for Montana state museum
- [HB 569](#) - T. Jacobson (D) - Revise state procurement laws.
- [HB 592](#) - Zolnikov (R) - Appropriate money for security of state IT systems.
- [HB 658](#) - Hamlett (D) - Revise lease-purchasing laws regarding state buildings.
- [SB 270](#) - Kary (R) - Revise state building acquisition and leasing laws.
- [SB 335](#) - Welborn (R) - Revise laws to facilitate public/private partnerships.
- [SB 376](#) - J. Cohenour (D) - Revise lodging facility tax to construct Montana Heritage Center.

**SAVA Activities Since 2013**

- Monitoring only

**Hot Topics of 2017 Session**

- State employee pay plan
- Montana state museum/heritage center

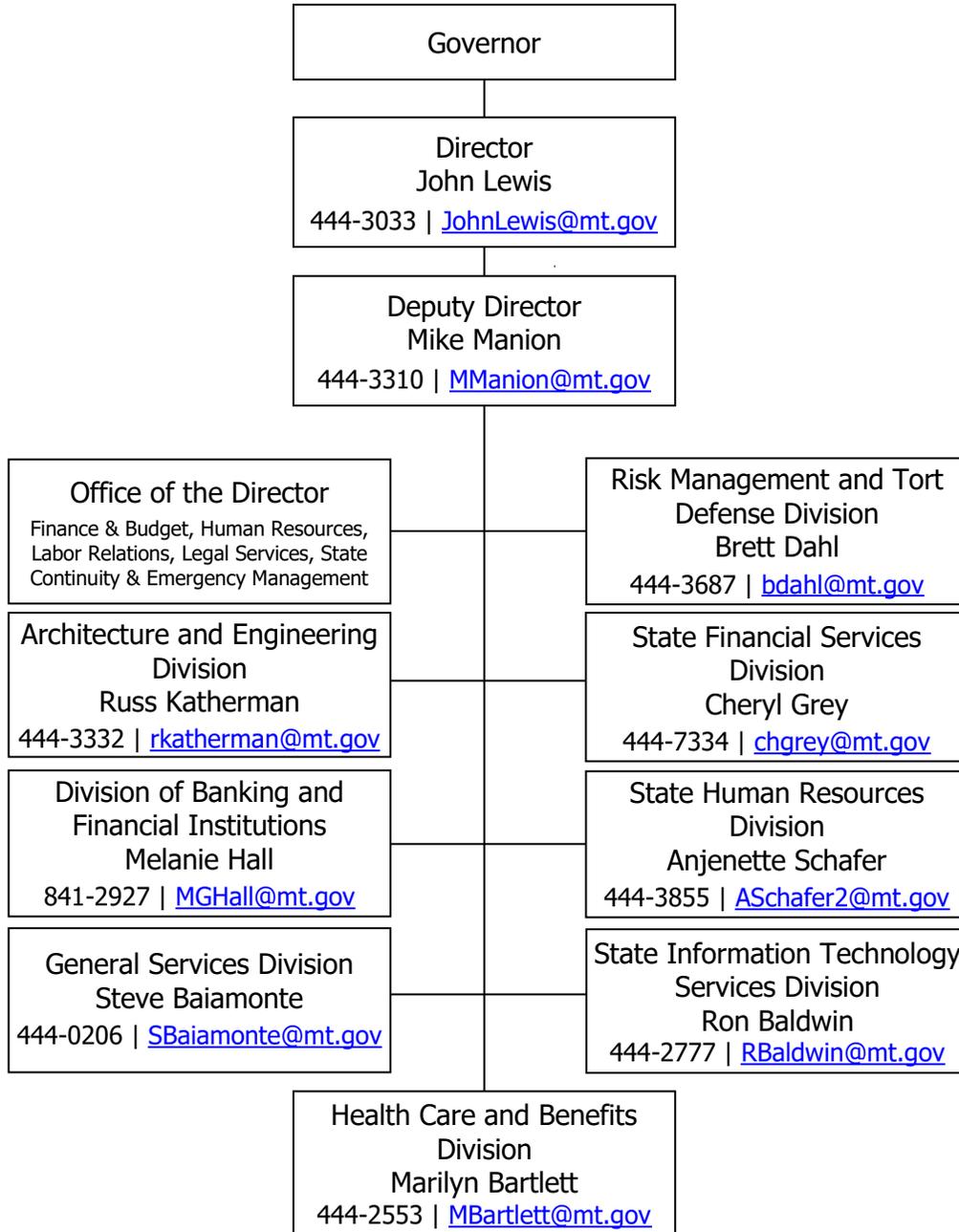
**ATTACHMENT**

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# Department of Administration Organizational Structure

July 2017



Boards, commissions, and advisory councils allocated to the department for administrative purposes:

## Boards

- Board of County Printing
- Board of Examiners
- Burial Preservation Board
- Information Technology Board
- Montana Tax Appeal Board
- Public Employees' Retirement Board
- State Banking Board
- State Compensation Insurance Fund Board
- Statewide Interoperability Governing Board\*
- Teachers' Retirement Board

## Commissions

- State Lottery Commission

## Advisory Councils

- 9-1-1 Advisory Council
- Capitol Complex Advisory Council
- Montana Information Security Advisory Council\*
- State Employee Group Benefits Advisory Council

\*Created by Executive Order. All others created by statute.