Department of Administration

Agency Overview - Highlights

For the State Administration and Veterans' Affairs Interim Committee

Department Head
John Lewis, 444-3033, JohnLewis@mt.gov

Website: http://doa.mt.gov/

Agency Responsibilities

The Department of Administration provides support services for state agencies in the following areas:

- Accounting
- State Social Security administration
- Local government financial reporting
- State treasury
- State-bonded indebtedness
- Capitol complex grounds and building maintenance and security
- Document printing and mail processing
- Procurement and surplus property
- Information & communication systems
- Human resources
- Labor relations
- Risk management
- Tort Claims Act administration
- Long-range building
- State employee group benefits
- Workers compensation
- Continuity of government, emergency management and homeland security

Also regulates many of the state's banks and financial institutions.

Programs, FTE, and Funding - 2019 Biennium
Source: Legislative Fiscal Division

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

Compiled by Sheri Scurr, Research Analyst
sscurr@mt.gov

Montana Legislative Services Division
http://leg.mt.gov (406) 444-3064

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<th>General Fund</th>
<th>% General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Management and Tort Defense Div</td>
<td>17</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$43,892,204</td>
<td>$43,892,204</td>
<td>0%</td>
<td></td>
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<tr>
<td>State Lottery</td>
<td>31.5</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$10,188,223</td>
<td>$10,188,223</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Tax Appeal Board</td>
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<td>$1,232,431</td>
<td></td>
<td></td>
<td></td>
<td>$1,232,431</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Agency Total</td>
<td>177.63</td>
<td>$14,651,683</td>
<td>$13,224,525</td>
<td>$1,194,408</td>
<td>$544,676,686</td>
<td>$573,747,302</td>
<td>3%</td>
<td></td>
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</tbody>
</table>

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
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.
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
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.