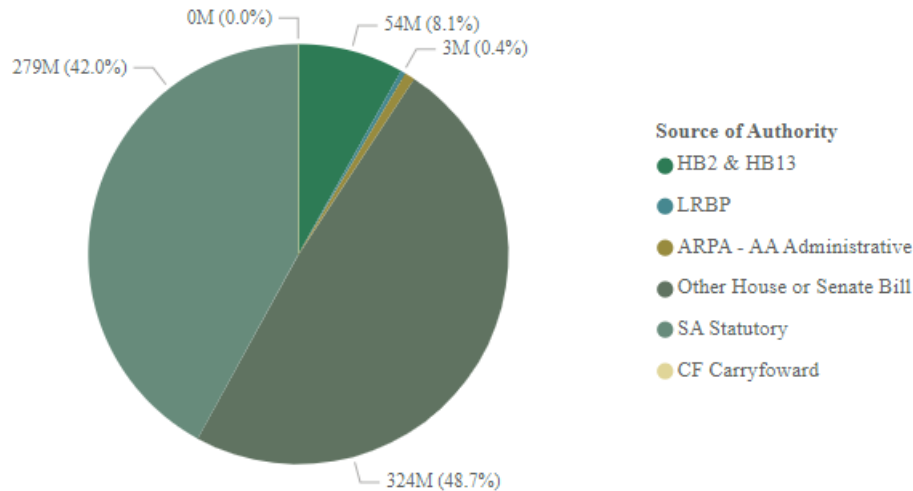


# DEPARTMENT OF ADMINISTRATION (DOA)

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Administration is shown in the pie chart below. HB 2 and HB 13 provide 8.1% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

**Total Modified Budget by Source of Authority**



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	54,088,944	49,984,177	92.4%
CF Carryforward	282,021	10,876	3.9%
LRBP	2,522,771	2,029,881	80.5%
Other House or Senate Bill	323,888,326	104,845,286	32.4%
SA Statutory	279,484,371	208,322,591	74.5%
ARPA	5,129,706	1,730,078	33.7%
<b>Total</b>	<b>665,396,139</b>	<b>366,922,890</b>	<b>55.1%</b>

## Carryforward

The Department of Administration has approximately \$282,000 in carryforward authority in FY 2024. Approximately \$74,000 is carryforward authority from FY 2022 and \$209,000 is from FY 2023. Carryforward authority from FY 2022 will remain available until the end of FY 2024 and carryforward authority from FY 2023 will remain available until the end of FY 2025. Approximately 30.7% of this authority is in proprietary funding for the Montana State Lottery. Remaining carryforward authority includes approximately 32.2% in state special revenue within the Architecture & Engineering Division and the Division of Banking and Financial Insurance, 36.6% in general fund within the State Human Resources Division, Montana Tax Appeal Board, Directors Office, and the State Financial Services Division, and less than 1.0% in the State Financial Services Division for federal special

revenue. To date, the Department of Administration has expended 3.9% of this authority. However, they anticipate utilizing these funds for various expenses including but not limited to anticipated retirement payouts, employee trainings, and furniture and moving costs for consolidating workspaces.

### **Long-Range Building Program (LRBP)**

Long-Range Building Program authority totals approximately \$2.5 million in FY 2024 for the Architecture and Engineering Division. Approximately \$2.4 million is for the Infrastructure Investment and Jobs Act (IIJA) Broadband Equity, Access, and Deployment (BEAD) Program, which is a federal fund aimed at addressing broadband internet infrastructure needs. To date, \$1.9 million has been expended from the IIJA BEAD funds. The remaining authority is for the IIJA Digital Equity Act which provides federal funding to grant access to high-speed internet to communities who lack access or to individuals who cannot afford high-speed internet. Out of the \$98,000 appropriated in FY 2024 for IIJA Digital Equity Act, approximately \$94,000 has been expended. The IIJA Digital Equity funds were available until February 28, 2024, and the IIJA BEAD funds will be available until November 30, 2027.

### **Other Bills**

The majority, 48.7%, of the Department of Administrations budget comes from other house and senate bill authority. Other house and senate bill authority for FY 2024 totals \$323.9 million and approximately \$104.8 million has been expended to date. Approximately 68.0% of other house and senate bill authority comes from HB 10 long range information technology (IT) projects in the State Information Technology Services Division. Long range information technology projects approved in HB 10 often take multiple years to complete. As state agencies work on these projects, appropriation authority is transferred to that agency. Since the March IBC meeting, the Department of Administration has transferred approximately \$26.9 million to Montana Healthcare Program Modularity project in the Department of Health and Human Services (DPPHS). Additionally, the remaining \$541,902 for the Medicaid Management Information System and \$3.0 million for HB 4 IT projects was transferred to DPHHS and removed from the table below. Additional information on the Long-Range Information Technology Program can be found here: <https://leg.mt.gov/lfd/interim-budget-committee-section-f/>.

Despite most authority being for HB 10 projects, the majority of expenditures made to date have been for HB 569 Montana Public Employee Retirement Account (MPERA) supplemental funding which provided a one-time-only \$95.6 million general fund transfer at the start of the fiscal year to the highway patrol officers', sheriffs', game wardens', and peace officers' retirement systems.

The table below shows the original appropriation, the appropriation that was transferred to other agencies, remaining appropriations after transfers, expenditures, and the percent expended for other house and senate bill appropriations in the Department of Administration.

Department of Administration Other House and Senate Bill Authority FY 2024					
	Original Appropriation	Total Transferred to Date	Remaining Appropriation	Expenditures	Percent Expended
Director's Office					
HB 569 - MPERA Supplemental Funding	\$ 95,600,000	\$ -	\$ 95,600,000	\$ 95,600,000	100.0%
HB 949- Education and Workforce Data Governance Board	50,000	-	50,000	19,189	0.0%
Program Total	95,650,000	-	95,650,000	95,619,189	100.0%
State Financial Services Division					
HB 830 - Alternative Property Tax Payment (Biennial)	35,000	-	35,000	-	0.0%
Program Total	35,000	-	35,000	-	0.0%
Architecture and Engineering Division					
HB 5 - Major Repair Projects	2,000,000	-	2,000,000	-	0.0%
Program Total	2,000,000	-	2,000,000	-	0.0%
General Services Division					
HB 856 - Capitol Complex	6,000,000	-	6,000,000	825,036	13.8%
Program Total	6,000,000	-	6,000,000	825,036	13.8%
State Information Technology Services					
HB 890 - AV Training (Biennial)	5,000	-	5,000	-	0.0%
HB 10 -Long Range Information Technology Projects					
Department of Administration					
Montana Cybersecurity Enhancement Project	19,362,397	-	19,362,397	8,401,060	43.4%
E-Discovery/Public Information Request Software	1,800,000	-	1,800,000	-	0.0%
Montana Cybersecurity Enhancement Project*	500,000	249,719	250,281	-	0.0%
HVAC Network*	500,000	-	500,000	-	0.0%
Department of Agriculture					
Commodity Assessment System	370,000	350,000	20,000	-	0.0%
SAFHER Federal System	200,000	-	200,000	-	0.0%
Grant Management System	60,000	25,000	35,000	-	0.0%
Department of Livestock					
Animal Health System	450,000	-	450,000	-	0.0%
Snowflake Integration	125,000	-	125,000	-	0.0%
Google AI	425,000	375,000	50,000	-	0.0%
Department of Fish, Wildlife, and Parks					
Automated Licensing System Replacement*	10,000,000	2,341,310	7,658,690	-	0.0%
Public Service Commission					
Software Modernization (REDDI)	1,496,436	1,082,000	414,436	-	0.0%
Department of Natural Resources and Conservation					
Financial Management System	1,204,000	-	1,204,000	-	0.0%
Fire Finance Processing System	500,000	-	500,000	-	0.0%
Flathead Reservation Information Technology System	656,667	400,833	255,834	-	0.0%
Trust Land Management System Customer Portal	2,000,000	-	2,000,000	-	0.0%
Trust Land Management System II*	2,000,000	1,500,000	500,000	-	0.0%
Department of Corrections					
Offender Management System	17,750,000	-	17,750,000	-	0.0%
Department of Public Health and Human Services					
Comprehensive Child Welfare Information System	25,075,762	260,000	24,815,762	-	0.0%
Montana Child Support Enforcement Automated System	31,521,000	-	31,521,000	-	0.0%
Electronic Health Records & Billing - State Facilities	27,607,304	-	27,607,304	-	0.0%
Montana Healthcare Programs Modularity Project	49,406,130	29,456,130	19,950,000	-	0.0%
SNAP Employment & Training Enterprise Solution	2,800,000	-	2,800,000	-	0.0%
Electronic Benefits Transfer System Replacement	2,500,000	-	2,500,000	-	0.0%
Montana Family Safety Information System (MFSIS)*	5,445,238	-	5,445,238	-	0.0%
Department of Labor and Industry					
Unemployment Insurance Tax System Upgrade*	5,000,000	-	5,000,000	-	0.0%
Unemployment Insurance Benefits System Replacement*	45,000,000	-	45,000,000	-	0.0%
Department of Justice					
Mainframe Transition*	4,034,822	1,626,438	2,408,384	-	0.0%
Program Total	257,794,756	37,666,430	220,128,326	8,401,060	3.8%
State Human Resources Division					
HB 13 - Labor Management Training Program (Biennial)	75,000	-	75,000	-	0.0%
Program Total	75,000	-	75,000	-	0.0%
Total	\$ 361,554,756	\$ 37,666,430	\$ 323,888,326	\$ 104,845,285	32.4%

\*Indicates appropriation authority from legislative sessions other than the 2023 Legislative Session.

## Statutory Appropriations

Statutory appropriations account for 42.0% of the Department of Administration's total FY 2024 budget. Statutory appropriation authority consists of \$90.9 million general fund, \$12.5 million state special revenue, \$20.0 million federal special revenue, and \$156.2 million proprietary funds. Of the approximately \$279.5 million budgeted in FY 2024, \$208.3 million, or 74.5% has been expended. The table below shows appropriations, expenditures, remaining appropriations, and the percent expended for individual statutory appropriations in the Department of Administration.

<b>Department of Administration Statutory Appropriations and Expenditures FY 2024</b>				
	<b>Appropriations</b>	<b>Expenditures</b>	<b>Remaining Appropriations</b>	<b>Percent Expended</b>
<b>General Fund</b>				
Federal Rebates	310,649	-	310,649	0.0%
Lodging Tax	140,000	-	140,000	0.0%
Local Government PERS Contribution	1,307,255	540,440	766,815	41.3%
School District PERS Contribution	718,305	577,007	141,298	80.3%
TRS GABA Contribution	1,106,000	716,066	389,934	64.7%
TRS Supplemental Contribution	48,859,000	40,071,432	8,787,568	82.0%
State Fund Division	745,287	745,287	-	100.0%
Public Employees Retirement Transfer	35,329,705	32,385,563	2,944,142	91.7%
Bank Charges	2,279,070	1,927,023	352,047	84.6%
Fees and Bond Costs	96,453	72,793	23,660	75.5%
<b>Total General Fund</b>	<b>90,891,724</b>	<b>77,035,611</b>	<b>13,856,113</b>	<b>84.8%</b>
<b>State Special Revenue</b>				
Mineral Impact Fees	11,942,347	11,923,593	18,754	99.8%
State Building Insurance Proceeds	511,500	507,607	3,893	99.2%
<b>Total State Special Revenue</b>	<b>12,453,847</b>	<b>12,431,200</b>	<b>22,647</b>	<b>99.8%</b>
<b>Federal Special Revenue</b>				
Taylor Grazing Fees	125,000	-	125,000	0.0%
Forest Reserve Funds	19,831,450	13,396,642	6,434,808	67.6%
<b>Total Federal Special Revenue</b>	<b>19,956,450</b>	<b>13,396,642</b>	<b>6,559,808</b>	<b>67.1%</b>
<b>Enterprise Funds</b>				
Lottery Prizes	133,500,000	90,124,973	43,375,027	67.5%
Lottery Commissions	10,200,000	6,356,245	3,843,755	62.3%
Lottery Vendor Fees	12,482,350	8,977,919	3,504,431	71.9%
<b>Total Enterprise Funds</b>	<b>156,182,350</b>	<b>105,459,137</b>	<b>50,723,213</b>	<b>67.5%</b>
<b>Total Statutory Appropriations</b>	<b><u>\$ 279,484,371</u></b>	<b><u>\$ 208,322,590</u></b>	<b><u>\$ 71,161,781</u></b>	<b><u>74.5%</u></b>

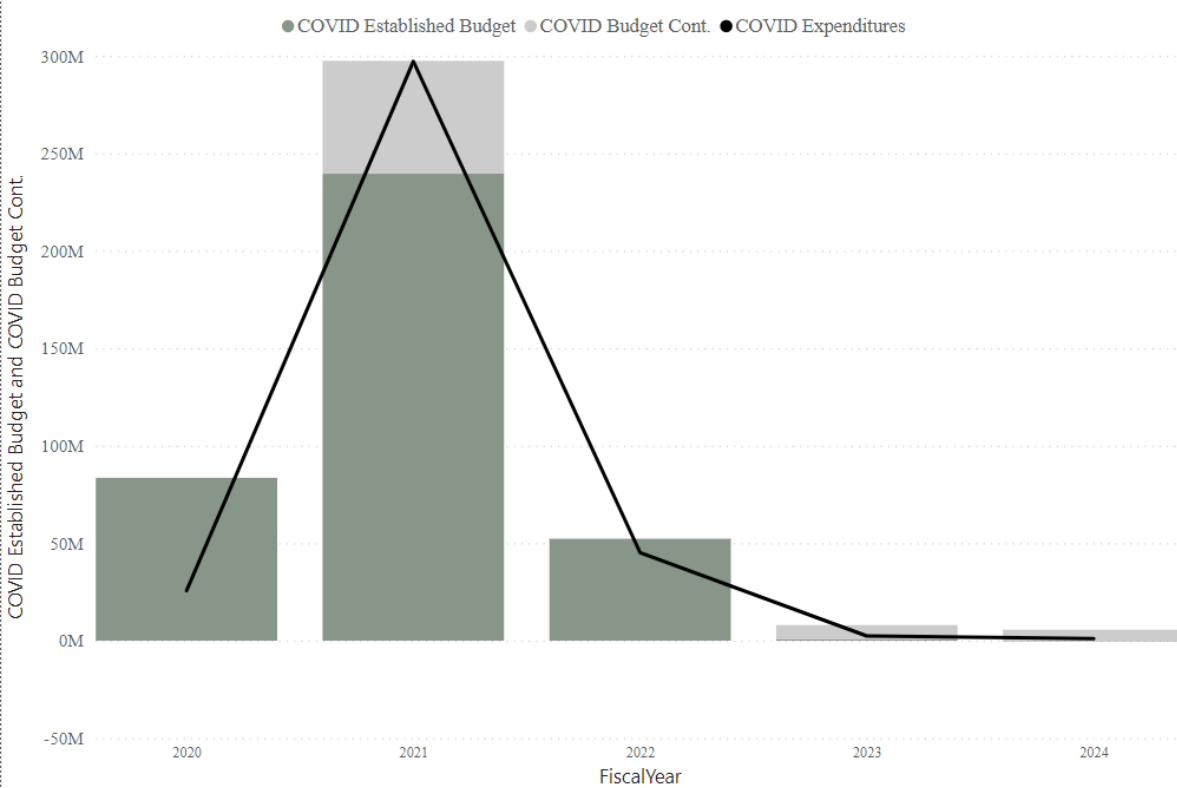
Since the March 2024 IBC meeting, total statutory appropriation authority has increased by approximately \$42.9 million. Appropriations for the State Lottery were increased by \$58.0 million due

to higher lottery participation than anticipated. Additionally, general fund authority was added for the federal rebates and the lodging tax which allows the agency to pay the federal portion of the pro-card rebates received and for the agency to record the return of in-state lodging facility use tax paid with federal funds to the federal government, respectively. No expenditures have been made for these two additions as of the end of May 2024. General fund authority was reduced by approximately \$15.6 million due to the removal of the Debt Service fund since the March IBC meeting. Due to the Governor’s Debt Free 23 initiative, all general obligation debt was paid off at the end of FY 2023, therefore the agency removed the statutory authority in FY 2024 as it was not needed. Additionally, no expenditures have been made for the Taylor Grazing Fees. Expenditures for this fund are not made until the agency receives federal distributions which typically occurs in the spring. Low expenditures in the Local Government PERS Contribution fund are due to projected contributions being more in line with FY 2023 rather than projections made for FY 2024.

**COVID-19 Authority**

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.

COVID Established Budget, COVID Continuing Budget. and COVID Expenditures by Fiscal Year



The Department of Administration received funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which totaled \$83.5 million, in FY 2020. Of this funding, \$80.0 million was for reimbursing local governments for COVID-19 related expenses. Local governments submitted requests to the Department of Administration for reimbursement for items like medical expenses, public health expenses, or employees’ regular and overtime hours that were substantially related to mitigating or responding to COVID-19. In FY 2020, the appropriations for reimbursing local governments were 27.2% expended, and remaining budget authority was carried forward to FY 2021.

In FY 2021, the department had authority of approximately \$254.6 million from the CARES Act and \$43.2 million from the American Rescue Plan Act (ARPA). This authority was 99.9% expended at the end of the fiscal year. Significant expenditures included:

- Approximately \$171.0 million in CARES Act funding for reimbursing local governments for COVID-19 related expenses (additional details included above)
- Approximately \$81.8 million in CARES Act funding for the School Funding for COVID Related Impacts Program
- Approximately \$43.2 million in ARPA local government recovery funds, distributed to ARPA-designated non-entitlement units of local governments based upon federal formulas

In FY 2022, funding from the CARES Act totaled approximately \$344,000 and was 100.0% expended at the end of the fiscal year. Funding from ARPA totaled \$52.3 million at the end of the fiscal year. ARPA funding included \$43.2 million for reimbursing local governments for COVID-19 expenses and \$8.6 million for administering the broadband program. Overall, the ARPA funding was 85.8% expended and remaining funding was continued into FY 2023.

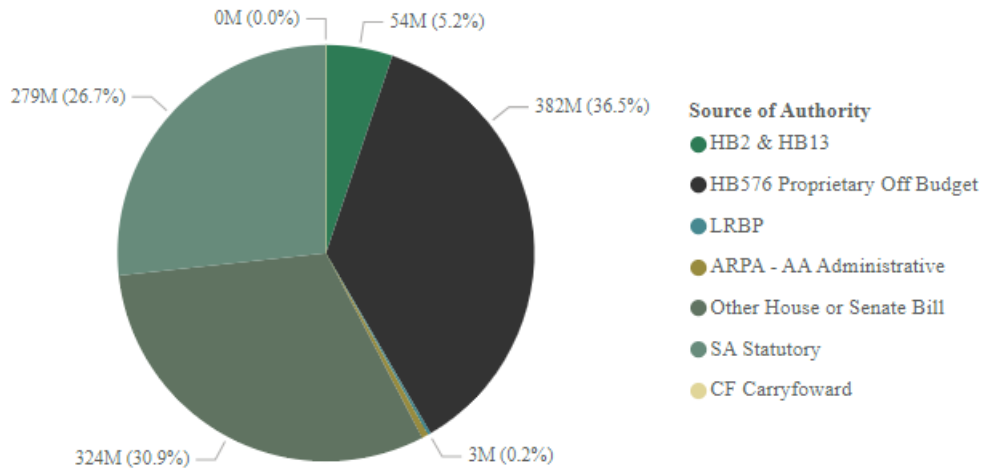
In FY 2023, \$7.3 million of the ARPA funding was continued for administering the broadband program. The State Information Technology Services Division (SITSD) also had approximately \$584,000 budgeted in FY 2023 for the contact center. As of fiscal year-end, the authority was 29.8% expended.

The remaining ARPA funding totaling \$5.3 million was continued into FY 2024, which includes \$5.0 million for the broadband program and \$237,000 for the contact center. As of June 1, 2024, the Department of Administration had expended \$1.7 million primarily for broadband administration. Funds for the contact center will remain available until the end of December 2024 and the broadband program administration funding will remain available until the end of December 2026.

## EXPENDITURE AUTHORITY

The total expenditure authority for the agency is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart as the expenditures are not appropriated.

**Modified Budget & Expended Budget by Source of Authority**



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	54,088,944	49,995,299	92.4%
CF Carryforward	282,021	10,876	3.9%
HB576 Proprietary Off Budget	381,839,942	340,132,580	89.1%
LRBP	2,522,771	2,029,881	80.5%
Other House or Senate Bill	323,888,326	104,845,286	32.4%
SA Statutory	279,484,371	208,322,591	74.5%
ARPA	5,129,706	1,730,078	33.7%
<b>Total</b>	<b>1,047,236,081</b>	<b>707,066,592</b>	<b>67.5%</b>

## Non-budgeted Proprietary Fund Authority

A significant portion, or 36.5%, of the funding for the Department of Administration is from non-budgeted proprietary funds and totals \$381.8 million in FY 2024. These funds support the operations of several programs in the Department of Administration, as shown in the table below. Overall, the department has expended 89.1% of the non-budgeted proprietary funds. There are lower expenditures in the Chief Data Office, Electronic Government Services, and group benefit claims in the State Human Resources Division. The Chief Data Office lower expenditures have been driven by vacancies. The Electronic Government Services only recorded three months of State Information Technology Services Division support and maintenance as of the end of May 2024, leading to lower expenditures. Lastly, the group benefit claims in the State Human Resources Division shows low expenditures due to the Employee Assistance Program (EAP) fees no longer being posted to this division once the agency switched vendors to Blue Cross Blue Shield. The table below shows the year-

to-date budget, expenditures, remaining budget, and percent expended for each of the non-budgeted proprietary funds for FY 2024.

<b>Department of Administration Non-Budgeted Proprietary Funds FY 2024</b>					
	<b>Appropriations</b>	<b>Expenditures</b>	<b>Remaining Appropriations</b>	<b>Percent Expended</b>	
<b>Director's Office</b>					
Management Services	\$ 2,607,690	\$ 1,886,617	\$ 721,073	72.3%	
Office of Public Information Requests	202,319	168,737	33,582	83.4%	
Chief Data Office	500,000	295,615	204,385	59.1%	
<b>Program Total</b>	<b>3,310,009</b>	<b>2,350,969</b>	<b>959,040</b>	<b>71.0%</b>	
<b>State Financial Services Division</b>					
Local Government Services Bureau	1,377,957	1,095,719	282,238	79.5%	
SABHRS Financials	5,156,004	4,036,202	1,119,802	78.3%	
Warrant Writing	1,180,059	1,102,072	77,987	93.4%	
<b>Program Total</b>	<b>7,714,020</b>	<b>6,233,993</b>	<b>1,480,027</b>	<b>80.8%</b>	
<b>General Services Division</b>					
Facilities Management	12,199,566	10,848,891	1,350,675	88.9%	
Print and Mail Services	11,649,381	11,476,058	173,323	98.5%	
Surplus Property	879,366	776,759	102,607	88.3%	
<b>Program Total</b>	<b>24,728,313</b>	<b>23,101,708</b>	<b>1,626,605</b>	<b>93.4%</b>	
<b>State Information Technology Services</b>					
Electronic Government Services	1,824,711	263,815	1,560,896	14.5%	
SITSD Proprietary	68,578,836	64,189,340	4,389,496	93.6%	
<b>Program Total</b>	<b>70,403,547</b>	<b>64,453,155</b>	<b>5,950,392</b>	<b>91.5%</b>	
<b>Health Care and Benefits Division</b>					
Flexible Spending Funds	7,888,201	7,152,994	735,207	90.7%	
Group Benefits Claims	224,518,842	209,407,301	15,111,541	93.3%	
Workers' Compensation Management	341,805	254,834	86,971	74.6%	
<b>Program Total</b>	<b>232,748,848</b>	<b>216,815,129</b>	<b>15,933,719</b>	<b>93.2%</b>	
<b>State Human Resources Division</b>					
Group Benefits Claims	361,744	112,635	249,109	31.1%	
Human Resources Information Services	3,983,538	3,148,029	835,509	79.0%	
Enterprise Learning and Development	407,099	349,171	57,928	85.8%	
<b>Program Total</b>	<b>4,752,381</b>	<b>3,609,835</b>	<b>1,142,546</b>	<b>76.0%</b>	
<b>Risk Management and Tort Defense Division</b>					
Agency Insurance	38,182,824	23,567,791	14,615,033	61.7%	
<b>Program Total</b>	<b>38,182,824</b>	<b>23,567,791</b>	<b>14,615,033</b>	<b>61.7%</b>	
<b>Total</b>	<b>\$ 381,839,942</b>	<b>\$ 340,132,580</b>	<b>\$ 41,707,362</b>	<b>89.1%</b>	



## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from March 1, 2024, through May 31, 2024. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

### Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
<input type="checkbox"/> Department of Administration	54,088,944	54,088,944	0
01 DIRECTORS OFFICE	33,184,748	33,184,748	
03 STATE FINANCIAL SERVICES DIV	3,638,116	1,805,913	-1,832,203
04 ARCHITECTURE & ENGINEERING DIV	2,786,377	2,786,377	
05 STATE PROCUREMENT SERV. DIV.		1,832,203	1,832,203
14 DIV OF BANKING & FINANCIAL INS	4,871,125	4,871,125	
15 MONTANA STATE LOTTERY	6,640,776	6,640,776	
23 STATE HUMAN RESOURCES DIVISION	2,230,347	2,230,347	
37 MONTANA TAX APPEAL BOARD	737,455	737,455	
<b>Total</b>	<b>54,088,944</b>	<b>54,088,944</b>	<b>0</b>

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 61000 Personal Services	13,825,810	13,825,810	0
<input type="checkbox"/> 62000 Operating Expenses	7,485,322	7,485,322	0
<input type="checkbox"/> 63000 Equipment & Intangible Assets	85,000	85,000	
<input type="checkbox"/> 65000 Local Assistance	28,979	28,979	
<input type="checkbox"/> 68000 Transfers-out	31,834,925	31,834,925	
<input type="checkbox"/> 69000 Debt Service	828,908	828,908	0
<b>Total</b>	<b>54,088,944</b>	<b>54,088,944</b>	<b>0</b>

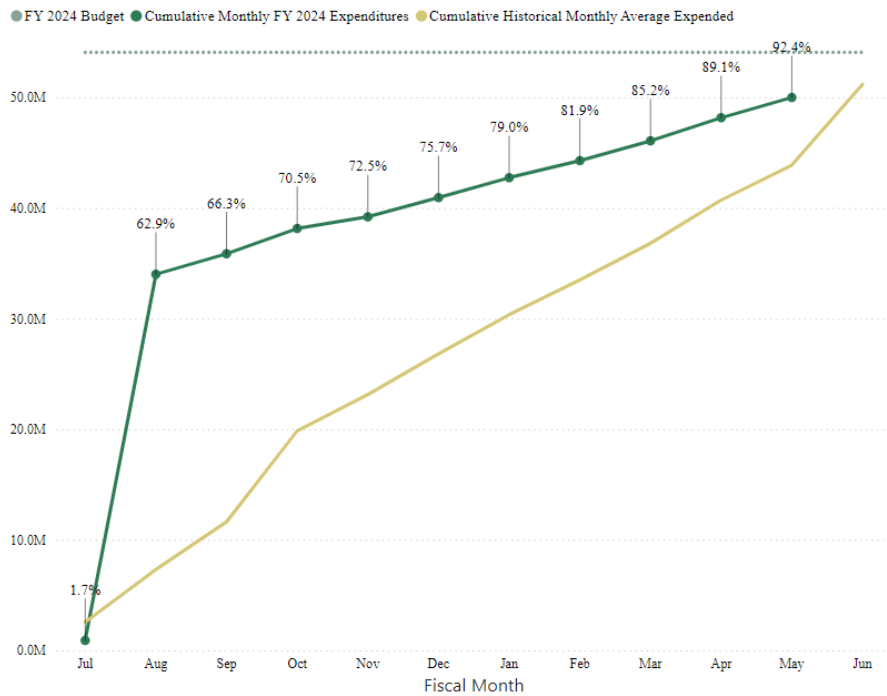
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 01 General	39,482,425	39,482,425	0
<input type="checkbox"/> 02 State/Other Spec Rev	7,863,100	7,863,100	0
<input type="checkbox"/> 03 Fed/Other Spec Rev	18,535	18,535	
<input type="checkbox"/> 06 Enterprise	6,640,776	6,640,776	
<input type="checkbox"/> 06 Internal Service	84,108	84,108	
<b>Total</b>	<b>54,088,944</b>	<b>54,088,944</b>	<b>0</b>

The Department of Administration has made one budget change since the last reporting period. This was a reorganization which established the Procurement Services Division, which was previously housed in the State Financial Services Division. This reorganization moved 12.25 FTE and approximately \$1.8 million appropriation authority from the State Financial Services Division into the newly created State Procurement Services Division. The agencies reasoning for this reorganization was to create procurement efficiencies for the entire agency.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2024.

**Monthly Expenditures Compared to Historical Average**



Program Name	Modified Budget	Expended Budget	% Expended
01 DIRECTORS OFFICE	33,184,748	32,129,278	96.8%
03 STATE FINANCIAL SERVICES DIV	1,805,913	1,653,149	91.5%
04 ARCHITECTURE & ENGINEERING DIV	2,786,377	2,457,187	88.2%
05 STATE PROCUREMENT SERV. DIV.	1,832,203	1,702,969	92.9%
14 DIV OF BANKING & FINANCIAL INS	4,871,125	4,180,177	85.8%
15 MONTANA STATE LOTTERY	6,640,776	5,421,992	81.6%
23 STATE HUMAN RESOURCES DIVISION	2,230,347	1,812,121	81.2%
37 MONTANA TAX APPEAL BOARD	737,455	627,304	85.1%
<b>Total</b>	<b>54,088,944</b>	<b>49,984,177</b>	<b>92.4%</b>

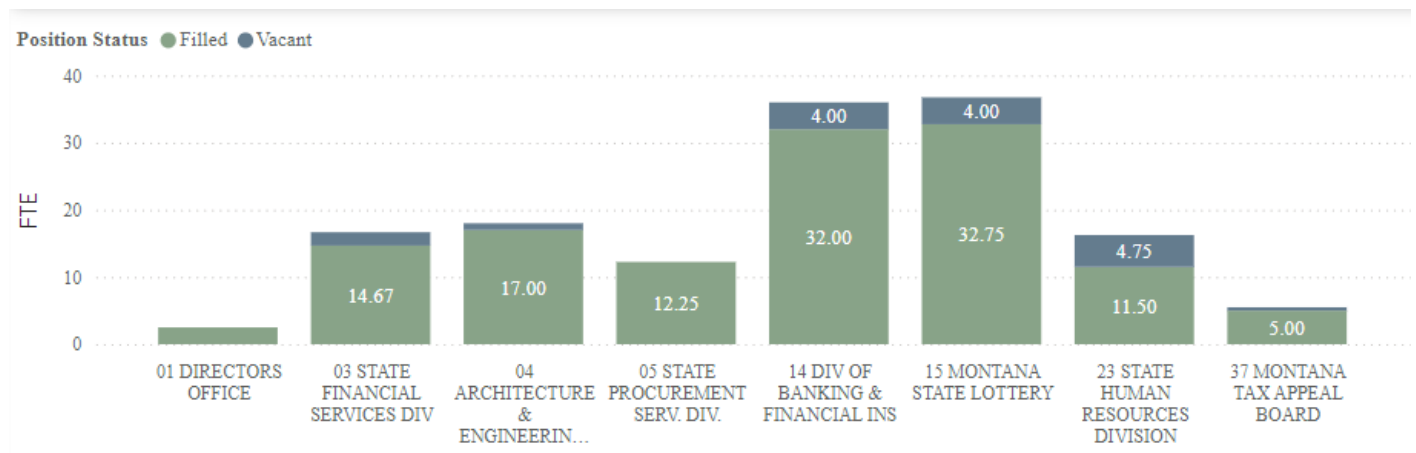
Expenditure Type	Modified Budget	Expended Budget	% Expended
Personal Services	13,825,810	12,038,692	87.1%
Operating Expenses	7,485,322	5,193,887	69.4%
Equipment & Intangible Assets	85,000	77,090	90.7%
Local Assistance	28,979	10,677	36.8%
Transfers-out	31,834,925	31,834,925	100.0%
Debt Service	828,908	828,907	100.0%
<b>Total</b>	<b>54,088,944</b>	<b>49,984,177</b>	<b>92.4%</b>

Fund Type	Modified Budget	Expended Budget	% Expended
01 General	39,482,425	37,645,560	95.3%
02 State/Other Spec Rev	7,863,100	6,837,483	87.0%
03 Fed/Other Spec Rev	18,535	3,125	16.9%
06 Enterprise	6,640,776	5,421,992	81.6%
06 Internal Service	84,108	76,018	90.4%
<b>Total</b>	<b>54,088,944</b>	<b>49,984,177</b>	<b>92.4%</b>

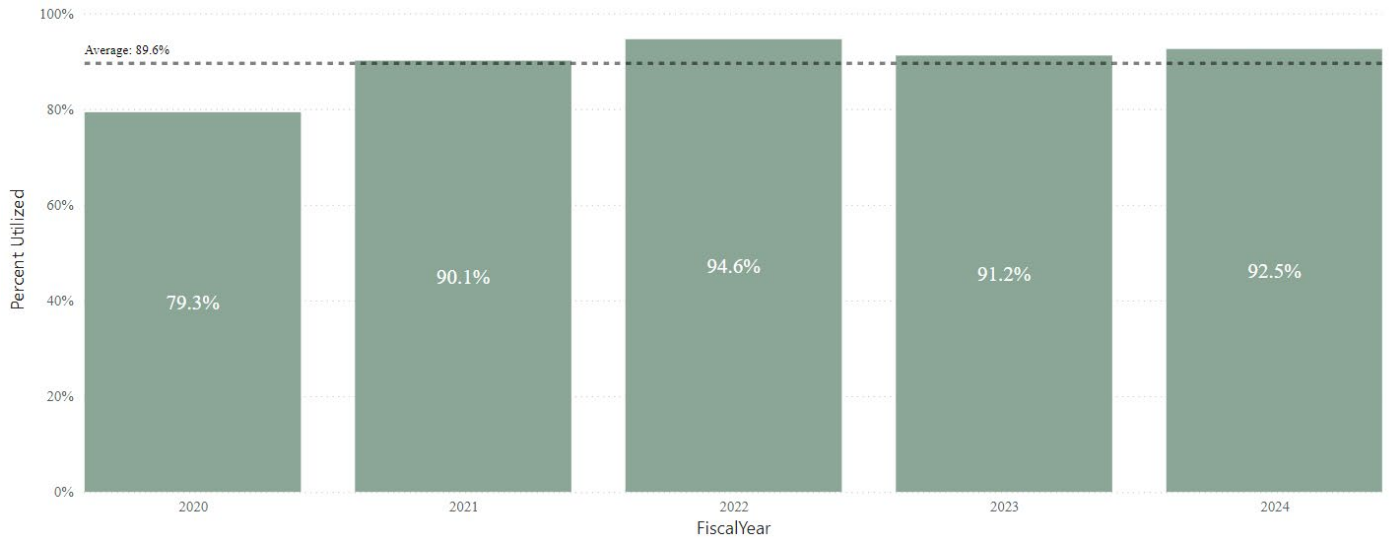
The Department of Administration has expended 92.4% of its HB 2 authority in FY 2024 as of May 31, 2024. The Director’s Office has expended 96.8% of its budget due to a general fund transfer of approximately \$23.1 million to the capital development long-range building program account as required by 17-7-208, MCA, and an \$8.5 million transfer to the major repair long-range building program account as required by 17-7-222, MCA that occurred at the beginning of FY 2024. This transfer of authority was not in previous biennia and therefore is not reflected in the historical average line.

### Personal Services

Appropriations for personal services in the Department of Administration total \$13.8 million and are 87.1% expended through May 31, 2024. The department has 143.92 HB 2 FTE and 88.7% of these positions are filled as of May 1, 2024. The following chart shows the filled and vacant FTE within the agency as of May 1, 2024.



The chart below shows the hourly utilization percentage for the Department of Administration between July 1 and May 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 92.5% of the available hours for FY 2024, as shown in the chart below. This is slightly above the average utilization rate of 89.6%.



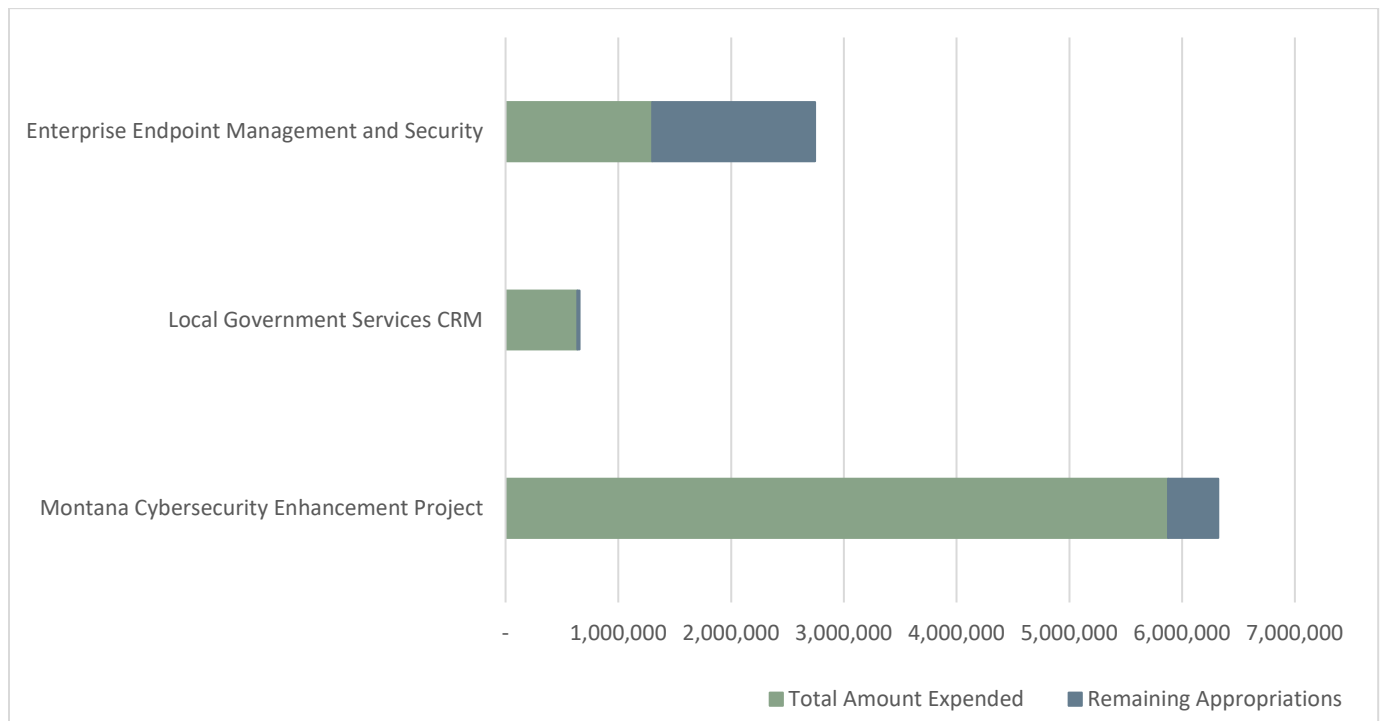
The chart below shows the vacant FTE in each division, the number of months each position has been vacant, and the midpoint hourly pay rate. Of the 16.25 FTE that are vacant, 7.25 FTE have been vacant for greater than one year. It should be noted that one of the two IT examiner positions in the Banking and Financial Division was in an inactive, or unapproved, status for a period of 72 months and could not have been filled during that timeframe. The position was reactivated on July 1, 2023; as such, it has only been vacant for ten months. Therefore, both IT examiner positions have been vacant for ten months, not the 57.05 months reflected in the table below.

### Vacant Positions Report

	FTE	Median Months Vacant	Market Midpoint (Hourly)
<b>61010 ADMINISTRATION</b>	<b>16.25</b>	<b>10.61</b>	<b>34.82</b>
<b>03 STATE FINANCIAL SERVICES DIV</b>	<b>2.00</b>	<b>4.44</b>	<b>29.22</b>
Accountant	1.00	0.36	36.96
Program Support Assistant	1.00	8.52	21.48
<b>04 ARCHITECTURE &amp; ENGINEERING DIV</b>	<b>1.00</b>	<b>25.84</b>	<b>54.39</b>
Construction Manager	1.00	25.84	54.39
<b>14 DIV OF BANKING &amp; FINANCIAL INS</b>	<b>4.00</b>	<b>9.56</b>	<b>47.33</b>
Certified Mortgage Examiner	1.00	9.11	32.68
Examination & Scheduling Mgr	1.00	4.62	46.30
IT Examiner	2.00	57.05	48.36
<b>15 MONTANA STATE LOTTERY</b>	<b>4.00</b>	<b>9.54</b>	<b>27.83</b>
Administrative Supervisor	1.00	9.54	20.74
Communications Manager	1.00	0.82	38.19
Info Systems Security Officer	1.00	0.36	40.08
Receptionist	0.50	10.75	15.17
Sales Rep	0.50	10.00	27.83
<b>23 STATE HUMAN RESOURCES DIVISION</b>	<b>4.75</b>	<b>26.07</b>	<b>33.75</b>
Administrative Assistant	0.50	17.38	18.15
Human Resource Generalist	1.00	10.46	30.00
Human Resources Generalist	1.00	52.95	30.00
Human Resources Generalist 3	1.00	30.66	37.50
Human Resources Manager	0.25	80.69	37.50
Labor Relations Specialist	1.00	21.48	42.24
<b>37 MONTANA TAX APPEAL BOARD</b>	<b>0.50</b>	<b>78.16</b>	<b>7.59</b>
Secretary	0.25	123.38	15.17
Short Term Worker	0.25	32.95	
<b>Total</b>	<b>16.25</b>	<b>10.61</b>	<b>34.82</b>

## OTHER ISSUES

### Information Technology Project Expenditures



#### ***Enterprise Endpoint Management and Security***

This project will implement Tanium, a cybersecurity software that enhances endpoint security, reduces incident response time, and improves the efficiency of IT operations. This project began January 8, 2024, and is expected to be completed October 31, 2024. The budget for this project is \$2.7 million. To date, this project is 10.0% complete and \$1.3 million has been expended.

#### ***Local Government Services CRM***

This project replaces the current customer relationship manager (CRM) system as it was at the end of its life and unsupported by the vendor. The new CRM system is supported by Hike2. The original budget for this project was \$600,000; this budget has been revised to \$657,500. Additionally, the original delivery date of March 9, 2024, has been revised to February 26, 2024. This project is 100.0% complete and the agency expended \$637,400. A post implementation report has yet to be released.

#### ***Montana Cybersecurity Enhancement Project***

The Montana Cybersecurity Enhancement Project began July 1, 2019, and was officially completed in FY 2023. The agency expended \$5.9 million out of the \$6.3 million budget. A post-implementation report has not been released to date.

# APPENDIX A

## Did the agency utilize contractors in FY 2024?

The Department of Administration utilizes contractors to provide critical services to agencies in areas such as facilities management; insurance programs; IT systems implementation, management of IT procurement activities, and other IT support; and one-time costs in support of new initiatives. In addition, contractors are used to perform work where ongoing permanent staffing is not expected to continue, such as the Broadband Program.

## If so, how much did you pay contractors?

During FY 2024 the Department spent \$37.6 million on contracted staff and services. A large portion of this amount, \$32.1 million, is associated with our obligation to provide insurance programs to the enterprise in the areas of commercial insurance and employee benefit programs. The remaining \$5.5 million expended are in support of general department operations and new initiatives.

## How much of the amount paid to contractors do you estimate is due to vacant positions? If contractors were paid because of vacant positions, what are the types of vacant positions that resulted in the need for contractors?

A total of \$38,274 was paid to contracted staff while positions were vacant. Vacant positions were in the areas of IT, print operations, treasury operations, and Capitol custodial services.

The Montana Lottery utilizes contracted services to support Lottery and Sports Bet systems, advertising services, and facility safety and security systems. The Lottery spent \$8.9 million on contracted services in FY 2024. No contractors were hired as a result of vacant positions within the agency.

The Montana Tax Appeal Board utilizes contracted services for general operations and spent \$3,636 in FY 2024. No contractors were hired as a result of vacant positions within the agency.

A list of contracted service payments made in FY 2024 has been provided for reference.

Department of Administration - Payments to Contracted Services - FY2024		As of 5/2/2024
<b>General Operations</b>		
American Databank LLC	Background Check Services	\$ 758.20
D Warner Group LLC	Card Integrity - Enterprise ProCard Monitoring Services	\$ 50,500.00
Dex Imaging LLC	Printer Leasing & Services	\$ 4,171.35
Dorsey & Whitney LLP	Bond Services	\$ 6,867.00
Helena Recycling LLC	Recycling Services	\$ 74,723.50
Hometown Leasing, LLC	Printer Leasing & Services	\$ 6,333.61
Iron Mountain Inc	Records Mgmt. / Shredding Services	\$ 6,846.94
Junkermier Clark Campanella Stevens PC	Financial Consulting Services / Tax Withholding	\$ 4,488.12
KR Office Interiors Inc	Furniture Services	\$ 5,370.00
Piper Sandler & Co	Bond Services	\$ 65,000.00
Yellowstone E-Waste Solutions Inc	E-waste Recycling Services	\$ 2,662.00
		<b>\$ 227,720.72</b>
<b>Facilities Maintenance &amp; Support Services</b>		
ABM Janitorial Services	Custodial Services	\$ 112,248.00
ALM Consulting LLC	Environmental Engineering Consulting	\$ 1,727.50
Candace Stout	Environmental Engineering Consulting	\$ 1,971.20
Dayspring Restoration Inc	Custodial Services	\$ 555,835.69
DG Investment Inter Holdings 2 Inc	Alarm Services	\$ 798.30
DP Lund Company	Electrical work - Arc Flash Certification Services (Data Center)	\$ 7,000.00

Fire Guys Leasing Inc	Fire Suppression Inspection Services (Data Center)	\$ 890.00
Fire Protection Service Corp	Fire Alarm System Services	\$ 660.00
GBD PC	Engineering / Technical Assistance	\$ 3,964.23
Helena Abstract & Title Co	OGM Easement Assessment Services	\$ 150.00
Innovative Cutting Systems	Onsite Equipment Training & Preventive Maintenance Services	\$ 2,800.00
Integrity Electrical Contractors Inc	Electrical Work (Data Center)	\$ 9,460.00

<b>Facilities Maintenance &amp; Support Services (continued)</b>		
James E Pace	Custodial Services	\$ 130,654.00
Johnson Controls Fire Protection LP	Fire Alarm System Services	\$ 1,856.40
Joki and Associates	Appraisal Services	\$ 6,000.00
Kalispell Low Voltage LLC	Statewide County Buildings Cabling Services	\$ 760.47
Karen Isola Murphy Silo Drive Enterprise	Fire Extinguisher Maintenance and Inspection	\$ 2,962.28
Kone Inc	Elevator Repair & Services	\$ 89,842.63
Lantek	Statewide Cabling Services	\$ 107,883.58
Lapraim Stephen	Fiber Optic Installation Services	\$ 10,800.83
Long Building Technologies	Mechanical Maintenance & Support (Data Center)	\$ 1,141.87
Mark Bartholomew	Custodial Services (Miles City Data Center)	\$ 6,354.00
Marsh McLennan Agency	US Postal Service Contract Bond Services for the Capitol Post Office	\$ 500.00
Millenium Engineering Inc	Engineering / Technical Assistance	\$ 3,000.00
Morrison Maierle Inc	Facilities Engineering Consulting	\$ 6,778.00
Nitro Green	Pest Control Services	\$ 10,639.98
Northwest Subsurface Warning System	Temp Control / Humidity Sensor System Installation Services (Data Center)	\$ 665.92
Plant Lady	Plant Services	\$ 1,115.00
Rocky Mountain Contractors	Statewide Fiber Optic Installation Services	\$ 3,799.00
Securitas Sec Svcs USA	Capitol Complex Security Services	\$ 296,487.39
Stahly Engineering	Facilities Engineering Consulting	\$ 6,500.00
Summit Fire & Security LLC	Fire Suppression System Services (Data Center)	\$ 396.00
Summit Utility Services LLC	Copper & Fiber Telephone / Data Cable Locating Services	\$ 18,580.00
Systems Northwest LLC	Fire Alarm System Services	\$ 540.00
Tank Management Services Inc	Tank Management Services (Data Center)	\$ 1,190.19
Todd Dotseth	Petroleum Compliance Services (Data Center)	\$ 3,452.02
Toms Crane Service Inc	Crane Services for Capitol Christmas Tree / Cogswell Generator Removal	\$ 1,020.00
Tracy Elizabeth Egeline	Architecture Services	\$ 18,000.00
Tri County Mechanical & Electrical Inc	Electrical Services / Removal of old PBX Equipment	\$ 1,580.00
Tyco Fire & Security US Management Inc	Fire Alarm System Services	\$ 50,277.14
Utilities Underground Location Center	811 Underground Location Services	\$ 53.32
West Mont	Custodial Services - HHS	\$ 95,599.53
		<b>\$ 1,575,934.47</b>
<b>Insurance Program Support &amp; Services</b>		
Actuaries Northwest LLC	Actuary Services - Health Plan	\$ 54,168.75
Allegiance Benefit Plan Management Inc	TPA Services - Health Plan	\$ 4,500.00
Alliant Insurance Services Inc	Consulting Services - Health plan	\$ 196,866.70
Alliant Insurance Services Inc	Commercial Insurance Premium	\$ 14,682,802.51
ASI Flex	Flex Plan Administration	\$ 90,704.20
Blue Cross Blue Shield of MT	TPA Services - Health Plan	\$ 2,796,015.13
Brown & Brown of Massachusetts, LLC	Audit Services - statutorily required	\$ 109,704.20
BusinessSolver.com Inc	Benefit System Contract	\$ 589,872.32
Claim Technologies Incorporated	Audit Services - statutorily required	\$ 54,000.00
Crawford & Company	Claims Adjuster Services	\$ 15,819.40
Deerwalk Inc	Data Warehouse Services	\$ 94,627.55
Delta Dental Insurance Company	Dental Plan Services	\$ 313,167.69
Digital Insurance	Actuary Services - Health Plan	\$ 36,956.25
Health Care Service Corp, A MUTU	Administrative Fees - Health Plan	\$ 312,006.61
Montana Claims Service	Claims Adjuster Services	\$ 53,939.54
Motorcycle Safety Foundation	Commercial Insurance Premium	\$ 5,973.76
Mountain Air Insurance Services Inc	Commercial Insurance Premium	\$ 448,033.00
My Health Navigator LLC	Medication Management Services	\$ 538,207.16
Navitus Health Solutions LLC	Pharmacy Administrative and Claims Services	\$ 1,246,914.53
Premise Health Employer Solutions	State Employee Clinic Staffing & Services	\$ 10,419,178.55
Quality Claims Solutions Inc	Claims Adjuster Services	\$ 2,290.00
Vision Service Plan Insurance Company	Vision Plan Administration & Claims Mgmt.	\$ 52,202.60
		<b>\$ 32,117,950.45</b>
<b>Broadband Program (Federally Funded)</b>		
Columbia Telecommunications Corp	Engineering / Technical Assistance	\$ 1,275,545.35
Ernst & Young US LLP	Financial Compliance Assistance	\$ 152,081.50
Lightbox Parent LP	Broadband Mapping System Support	\$ 262,500.00
Quadra Partners, LLC	Expert Consulting Services	\$ 67,500.00
Summit Consulting, LLC	Grant Support / Technical Assistance	\$ 145,000.00

		\$ 1,902,626.85
<b>IT Systems Support / Maintenance</b>		
BMC Software Inc	Used to migrate on Prem Control M to Helix Cloud for batch processing	\$ 31,711.00
Carahsoft	Reseller – SITSD uses service to purchase software as a solution (SaaS), hardware, and licensing	\$ 358,072.22
CDW Government Inc	Reseller - SITSD uses service to purchase software (non-SaaS), hardware, and licensing	\$ 46,250.00
Cerium Networks	Services for Implementation of Contact Center/Phone Deployment	\$ 158,311.64
CompuNet	Reseller - SITSD uses service to purchase system implementor services for Tanium (TrueZero)	\$ 68,528.57
Digital Communications Systems Inc	Statewide Transport Services	\$ 51,146.00
Levinson Enterprises Inc	IBARS System Maintenance & Support	\$ 41,142.50

<b>IT Systems Support / Maintenance (continued)</b>		
SHI International Corp	Reseller – SITSD uses service to purchase software as a solution (SaaS), hardware, and licensing	\$ 100,629.02
Sockeye Business Solutions	Customer Case Mgmt. System Support (HCBD) - Sockeye also does this for DETD in DPHHS	\$ 21,350.00
Sockeye Business Solutions	Customer Case Mgmt. System Support (Loc Gov--Contract Ending)	\$ 15,170.00
Tel Net Systems Inc	Telecommunications Equipment & Services	\$ 102,068.48
		\$ 994,379.43
<b>One-Time Costs / Initiative Support</b>		
BCC Software LLC	Onsite vendor training/consulting for staff	\$ 8,107.23
Civic Initiatives, LLC	Procurement Modernization Consulting Services	\$ 62,924.52
Hike2 LLC	Implementation of New Local Gov Services System	\$ 594,978.40
Mesa Systems Inc	Office Move Services	\$ 2,692.03
Schlenker & Mckittrick Architects PC	Capitol Complex Traffic Study	\$ 24,317.00
Stabilize to Optimize Consulting LLC	IT Services - Innovation and Transformation Training Services	\$ 5,000.00
Strategy Management Group, Inc	Balanced Scorecard Consulting Services	\$ 9,000.00
The Envoy Portfolio LLC	Enterprise Leadership Training Services	\$ 75,000.00
		\$ 782,019.18
<b>Temporary Staffing Services</b>		
Brady Co Inc*	Temp Staff for Capitol Custodial Services	\$ 4,339.05
HQ: Adroit Employment Resources	Temporary employment services / backfill for employee on leave of absence	\$ 25,672.78
Employbridge Holding Company*	Temp Staff for Print & Mail Services	\$ 3,306.00
Employbridge Holding Company*	Temp Staff for Treasury / Warrant Writing Services	\$ 3,912.10
Westaff Workforce Solutions, LLC*	Temp Staff for Capitol Custodial Services	\$ 1,044.70
		\$ 38,274.63

\*Contracted staff hired to cover vacant positions until positions could be filled.

**Department of Administration Total \$ 37,638,905.73**

<b>Montana Lottery - Payments to Contracted Services - FY2024</b>		<b>As of 5/2/24</b>
406 Electric LLC	Alarm Monitoring & Maintenance Services; Electrical Services, as needed	\$ 4,273.04
ABM Janitorial Services / Central Inc	Custodial Services for Lottery Facility	\$ 14,700.00
Action Fire Extinguisher Service	Fire Extinguisher Inspection and Charging Services	\$ 168.15
Intralot	The provider of the Lottery and Sports Bet Operating Systems. This is a long term contract and Intralot is paid thru a percentage of our sales.	\$ 8,720,089.84
LexisNexis Risk Solutions	Open source information services to support backgrounds checks / investigations conducted by the Lottery to comply with the MCA.	\$ 1,800.00
Wendt Inc	The Lottery has a contract with Wendt to provide advertising services to develop lottery sales.	\$ 183,062.89
	<b>Montana Lottery Total</b>	\$ 8,924,093.92

<b>Montana Tax Appeal Board - Payments to Contracted Services - FY2024</b>		<b>As of 5/2/24</b>
Prudence Gildroy	Transcription Services	\$ 2,573.00
Iron Mountain Inc	Records Mgmt. / Shredding Services	\$ 1,063.77
	<b>Montana Tax Appeal Board Total</b>	\$ 3,636.77



**How much did you pay in overtime in FY 2024?**

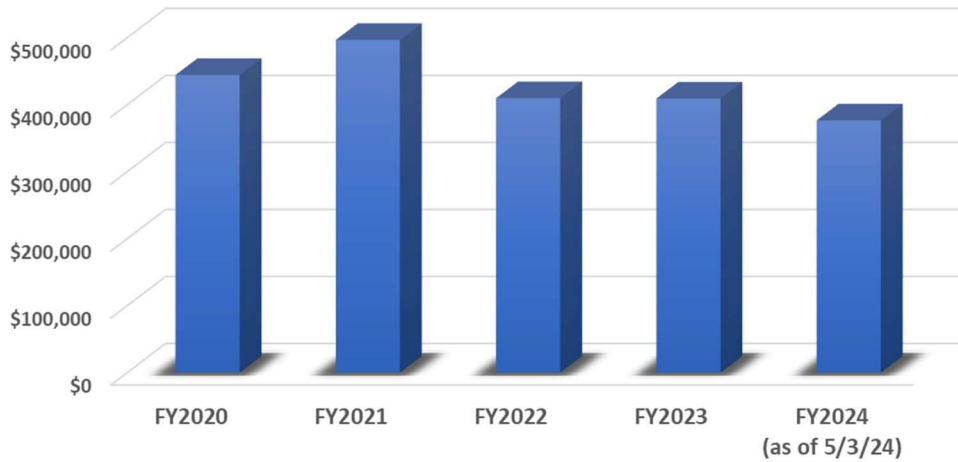
The Department of Administration has paid \$376,352 in overtime in FY 2024. The majority of overtime paid by the department is for IT systems maintenance performed outside of normal working hours; call out hours for IT system support or facilities incidents; and snow removal or other after hour activities on the Capitol Complex support by the General Services Division.

**How much of the overtime paid do you estimate is due to vacant positions? If overtime was paid because of vacant positions, what are the types of vacant positions that resulted in the need for overtime?**

There is no process or coding that identifies overtime paid due to vacant positions. Based on a cursory review, the best estimate would be about 7.6% or \$28,780 in FY 2024 would fall into that category. This estimated amount would be associated with staff vacancies in information technology, custodial, print operations, and landscape maintenance.

The department does monitor overall overtime spending and is seeing a downward trend.

**DOA Total Overtime Spend by Fiscal Year**



The Montana Lottery paid \$13,107 in overtime in FY 2024. Thirty percent of this overtime spend can be attributed to a vacancy associated with work performed outside of normal working hours to conduct draws.

The Montana Tax Appeal Board had no overtime expenditures in FY 2024.