

## Appendix 1

**From:** Englert, Yvette <[YEnglert@mt.gov](mailto:YEnglert@mt.gov)>  
**Sent:** Monday, August 19, 2024 4:24 PM  
**To:** Pattin, Julia <[Julia.Pattin@legmt.gov](mailto:Julia.Pattin@legmt.gov)>  
**Cc:** Reynolds, Kristin <[KReynolds2@mt.gov](mailto:KReynolds2@mt.gov)>; Bedey, David <[david.bedey@legmt.gov](mailto:david.bedey@legmt.gov)>  
**Subject:** RE: Section E Administrative Services Study

Julia,

Please see our inputs to the document you provided (attached).

In addition, I wanted to provide clarification associated with the Human Resource service model that would be provided by DofA. The Montana Historical Society indicated in their memo dated May 15, 2024, that DofA may not provide some of the services that they would require. I've provided the portion of their memo below.

To clarify, the support model that DofA offers includes all of the items listed below highlighted in yellow. We have an HR manager and three senior HR business partners who regularly provide the services noted to nine DofA divisions and our four attached agencies. The Historical Society would not need any HR staff within their agency. We use this same service model for the Montana Lottery, MPERA, Teachers' Retirement System, and Montana Tax Appeal Board. None of these agencies have HR or payroll staff in their agency. DofA provides all HR and payroll services so there is no need for additional HR resources within the agency.

Using the cost information provided by MTHS, they would receive all services required from DofA at an annual cost of \$109,144 resulting in a savings of \$71,579 annually.

If you have further questions, please let me know.

##

From Montana Historical Society Memo dated May 15, 2024

### ***Potential Cost Savings for Human Resource Services: \$-29,428 annually***

*MTHS has 2 human resources staff, a Human Resources Assistant1 and a Human Resources Generalist 1. Total annual compensation for these employees is \$180,723.*

*In their Services Overview, DoA indicated that Human Resources and Payroll Services are charged at \$1,265 per FTE. MTHS will have 86.28 FTE in FY2025. Department of Administration fees for this service would be \$109,144 annually (\$1,265 x 86.28). DoA Human Resources and Payroll Services, as outlined in the Services Overview, do not include all the duties performed by the MTHS human resources staff. Examples of the HR services that would need to be maintained at MTHS include addressing employee relations issues, such as harassment allegations and work complaints; gathering employee feedback and making organizational recommendations based on the data; overseeing responses to grievances; leadership training on human resources topics; and implementing human resources programs. These tasks are within the occupational standard of the Human Resources Generalist 2, which has a total annual compensation rate of \$101,006 in FY2025. The Human Resources Assistant 1 covers the tasks*

offered through DoA Human Resources and Payroll Services. The annual compensation rate for the Human Resources Assistant 1 is \$79,716 in FY2025, which is \$29,428 lower than the \$109,144 that would be charged by DoA for those services.

MTHS currently utilizes the following services through DoA at no cost: position classification, labor relations and collective bargaining support, and advising leadership on policy and labor laws.



**Yvette Englert** | Deputy Director

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**From:** McKeever, Emily <Emily.McKeever@mt.gov>

**Sent:** Thursday, September 12, 2024 5:02 PM

**To:** Swimley, Kurt <Kurt.Swimley@legmt.gov>

**Cc:** Pattin, Julia <Julia.Pattin@legmt.gov>; Hall, Nancy <nhall@mt.gov>; Gunlock, Tami <Tami.Gunlock@mt.gov>; Kruckenberg, Molly <mkruckenberg@mt.gov>

**Subject:** Fw: Administrative Services

Dear Kurt,

Thank you for the opportunity to review the Administrative Services analysis.

We appreciate the work that LFD has completed in this analysis and agree with their analysis for Accounting, Legal, and IT services.

However, we are not comfortable with the analysis of the Human Resources Services. The Cost-Savings Summary states in the second paragraph under **1. Human Resources** that *"DOA reports that they offer all of the services performed by the Human Resources Generalist 2 position through their HR services....(and) DOA reports that they have an HR manager and three senior HR business partners who regularly provide these same services to the nine DofA divisions and the four administratively attached agencies, none of whom have their own HR or payroll staff."* Two important questions arise for us from these assertions:

1. We have not been informed by LFD or DOA of all of the HR Generalist 2 services that can be performed, and therefore, we cannot ascertain that DOA can provide adequate coverage of the HR work we need.
2. We have serious concerns that the 4,160 full-time work hours that we need from our HR Generalist 2 and our HR Assistant 1 position to meet the HR needs of our 77 MTGS agency employees (soon to be 87) can be performed by the existing DOA staff of 1 HR manager and 3 senior HR business partners, whose work is already allocated across 9 divisions and 4 agencies. The Cost-Savings Summary does not take into consideration the additional time required by DofA Human Resources staff to complete the work of the 2 Human Resources FTE at MTGS. It appears to us that DOA would need to hire additional staff to absorb the HR needs of MTGS, which is not calculated in this Cost-Saving Summary.

Additionally, we would like to present our belief that the tasks completed by the Human Resources Generalist 2 cannot be completed by DofA either more efficiently or effectively than they are by a position internal to MTHS.

MTHS's HR Generalist 2 is familiar with the work of the agency, allowing her to complete her tasks more efficiently and effectively. She is able to complete tasks in significantly less time than if MTHS has to work through DOA HR staff. As an example, we have worked to classify several new positions at MTHS over the past year plus. Prior to hiring an HR Generalist 2 in June 2024 we worked with DOA HR staff on those classifications. We experienced a turnaround time of up to 3 months for classifications. Since hiring an HR Generalist 2, that time is now shortened to 2 to 3 weeks on average for classifications. Our understanding is that DOA HR have an extremely heavy workload already handling the HR services for their internal divisions and existing administratively attached agencies.

We believe also that there are many services that our HR Generalist will complete more effectively. For example, our HR Generalist will be developing and managing a performance evaluation system for MTHS staff over the next year. While she will use the State's Talent system as a base, it will be customized for the specific tasks of MTHS's many specialized positions. The list of services provided to us does not indicate that DOA HR would build performance evaluation systems specific to agencies. MTHS cannot develop or manage an evaluation system without an HR Generalist 2.

We rely upon our HR Generalist to provide regular information and training for our leadership and our agency staff. The training is tailored to HR issues identified within our agency. Again, this is not a service offered by DofA HR staff based on the list of services previously provided.

As we reported in our May 15th memo to the committee, we believe that while the work completed by our HR Assistant 1 might be outsourced to DOA, the work of the HR Generalist 2 don't appear to be offered by DOA to meet our HR needs. Maintaining the HR Generalist 2 position at MTHS plus paying a service fee of \$109,144 to DOA would equal a loss to the State of **(\$29,428)**, as communicated in our May memo. Essentially, it is cheaper for MTHS to maintain our HR Assistant 1 than to pay DOA for the tasks she completes.

We rely upon our HR Generalist 2 and HR Assistant 1 positions to promptly respond to employee HR general questions, management questions, union questions, harassment concerns, retirement questions, time reporting questions, etc. Their prompt service to our employees promotes employee morale, positive and effective program management by supervisors, and supports positive union labor relations, values that cannot be measured in dollars.

In summary, efficiencies are not always measured in dollars. While this Cost-Savings Summary presents a savings in dollars to the State overall to transfer our HR services to DofA, there is a loss in operational efficiencies that cannot be calculated in dollars. Each of the many services provided by our HR Generalist 2 and our HR Assistant 1 would take significantly longer to complete based on our experience with DOA HR, if DOA is able to provide these services. We believe that MTHS will struggle to adequately and effectively manage our 87 FTE without internal HR staff while maintaining positive employee morale and union relationships.

Thank you for this opportunity to respond, Kurt. Please let me know if there are any further questions.

Kind regards,

Emily

**Emily McKeever, CPA**  
Administrator  
Montana Historical Society  
406.444.4699 (office)

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**From:** Englert, Yvette <YEnglert@mt.gov>  
**Sent:** Thursday, September 12, 2024 5:01 PM  
**To:** Pattin, Julia <Julia.Pattin@legmt.gov>  
**Cc:** Reynolds, Kristin <KReynolds2@mt.gov>; Bedey, David <david.bedey@legmt.gov>  
**Subject:** RE: Section E Administrative Services Study

Julia,

Thank you for sharing these documents in advance.

The only input I would provide is to clarify the nature of the HR Services that DOA provides. The service model we provide includes all HR services and assumes that the agencies would not need any HR staff employed at the agency. This model is in place with MPERA, TRS, MTAB, and the Lottery—none of these agencies have HR staff. I believe this concept may have not been clear in exploring the potential cost savings. Also worth mentioning, the DOA HR staff provides in person support and travels regularly to these agencies for meetings and to interface with employees on all variety of HR matters.

In the State Library summary, it states that some duties would not be provided by DOA (below). These services are included in our service model.

*“. . . additional duties that are not provided by DOA, such as providing information on performance evaluations, coaching and administrative support, responding to HR data requests and inquiries from the Library Commission, staffing the Commission Personnel Subcommittee, presenting State HR policies to the Commission for review and adoption, and communication to agency leadership on matters of importance from the State HR Division.”*

Thank you for your work on this study and we appreciate the opportunity to contribute.

Thank you.



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