

Cost-Savings Summary: Montana State Library

1. Human Resources

Current costs: The Montana State Library (MSL) has 1.00 FTE for human resources, totaling \$103,103 in annual compensation. MSL also reports that the Department of Administration (DOA) currently provides services at no cost for position classification, advising on HR policy and labor law, and labor relations/collective bargaining support. MSL also reports that DOA routinely advises MSL in the following HR areas: pay/compensation strategies, employee safety, and HR policy review and enforcement.

DOA proposed rate: \$1,265 per FTE; MSL has 52.00 FTE. If MSL were to pay for these services based on DOA's proposed rate, it would incur an expense of \$65,780 for FY 2025.

Analysis: In addition to routine human resources responsibilities and the services provided by DOA, MSL reports that they rely on their human resources specialist to do 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. However, DOA reports that these services are included in their HR service model.

Estimated costs: inconclusive – see Appendix 1

2. Budgeting/Accounting

Current costs: MSL has 1.75 FTE for budgeting/accounting, totaling \$139,082 in annual compensation.

DOA proposed rate: \$1,024 per FTE; MSL has 52.00 FTE. If MSL were to pay for these services based on DOA's proposed rate, it would incur an expense of \$53,248 for FY 2025. These day-to-day budgeting/accounting services would be provided by DOA Director's Office staff at the suggested rate, but MSL accounting staff would still need to perform all accounting activities that are unique to the agency's operations.

Analysis: In addition to routine budgeting and accounting services, MSL reports they rely on their accountant for other duties: creating the agency budget from scratch which requires an intricate understanding of agency goals and objectives, project deliverables, and the associated costs to achieve those goals, monitoring agency expenditures, run budget projections and compare expenditures to projections, meeting quarterly with all program leads to review program budgets, ensure spending is on track and to plan for any unforeseen budget matters; monitoring year-end spending, managing draw downs on federal grants, preparing reports for the State Library Commission, and staffing the

Commission Finance Committee. If MSL utilized DOA's budgeting/accounting services, the agency would still likely need to retain its own budgeting/accounting positions for these functions.

Estimated costs: (\$53,248)

3. Legal Services

Current costs: MSL does not employ any legal staff and instead contracts for legal services through the Department of Justice. Over the last two fiscal years, MSL has averaged \$18,967 in legal costs (\$26,842 in FY 2022 and \$11,091 in FY 2023). MSL reports that DOA historically has not charged a fee for legal services provided to MSL by their legal staff related to procurement, contracting, and labor relations.

DOA proposed rate: \$190 per FTE; MSL has 52.00 FTE. If MSL were to pay for these services based on DOA's proposed rate, it would incur an expense of \$9,880 for FY 2025. DOA reports that the cost of the legal resources/staff within the Director's Office at DOA is allocated across the nine DOA divisions and attached agencies requiring services. Historically, the costs have been allocated by size of a division/agency. Services provided include day-to-day counsel, procurement/contracting, ARM implementation, etc. If a need arises to address a more in-depth legal issue, there are times when that work could be provided in-house by DOA attorneys at no additional cost or the issue may require engaging with Agency Legal Services at the Department of Justice or other outside counsel.

Analysis: DOA reports they are open to reducing the annual rate suggested of \$190 per FTE to a lower agreed upon amount based on the projected services needed for each year within the biennium. However, if MSL requires more comprehensive legal support that could require services from DOJ, this could further impact the overall cost comparison.

Estimated savings: \$9,087

4. IT Services

Current costs: MSL already uses DOA's SITSD information technology services. SITSD costs are calculated as part of the agency's information technology fixed costs or as part of the agency's annual operating budget. MSL also has 3.00 FTE for information technology services, totaling \$311,938 in annual compensation. MSL reports that their information technology duties involve several tasks not offered by DOA's SITSD, including routine desktop support, networking support, IT procurement, digital collections of recorded talking books, historic digital state government publications, geospatial information systems computing environment.

Estimated costs/savings: \$0

Summary

MSL could benefit from using DOA's legal services. However, the current arrangements for HR services, budgeting/accounting, and IT services appear to be most cost-effective for MSL.