

## Administrative Services Study (HB 946)

### Cost-Savings Summary

Per HB 946 (2023 Session), the Section E Interim Budget Committee (EIBC) was tasked with studying how administrative services offered by the Department of Administration (DOA) may be able to create operating efficiencies for the Montana Arts Council (MAC), the Montana Historical Society (MHS), and the Montana State Library (MSL). The committee identified four areas of service provided by DOA that could potentially reduce costs for the agencies in the study: human resources, accounting and budgeting, legal services, and IT services.

The participating agencies provided reports to the committee detailing the costs each agency would incur if the services remained within the agency, and DOA provided a report of the costs of their services. A summary table of the costs and savings is shown below.

Agency	Service area	Potential savings from switching to DOA's services*
Montana Historical Society	Human Resources	Human Resources Assistant 1: (\$29,428) Human Resources Generalist 2: inconclusive – see Appendix 1
	Accounting/Budgeting	(\$88,351)
	Legal Services	(\$15,743)
	IT Services	\$0
Montana Arts Council	Human Resources	(\$8,703)
	Accounting/Budgeting	(\$7,168)
	Legal Services	Internal audit only: \$45
	IT Services	\$1,574
Montana State Library	Human Resources	\$0
	Accounting/Budgeting	(\$53,248)
	Legal Services	\$9,087
	IT Services	\$0

\*A positive number in the potential savings column represents a savings, while a negative number represents additional cost from switching to DOA's services.

Note that these numbers are estimates; for example, the need for legal services can vary year to year. The agencies also often have staff positions with multiple duties, which include both services DOA provides and additional duties specific to the agencies that DOA does not provide. These dual role positions also made it more challenging to determine the exact costs or savings for these service areas. Additionally, some of the costs or savings estimates are for a specific service within one of the service areas, rather than the entire set of services provided by DOA within service area.