



# Department of Administration

House Bill 946 Study

February 20, 2024

This overview provides information for consideration regarding the services the Department of Administration (DOA) could provide to the Montana state library, Montana historical society, and Montana arts council as part of the study called for in HB 946.

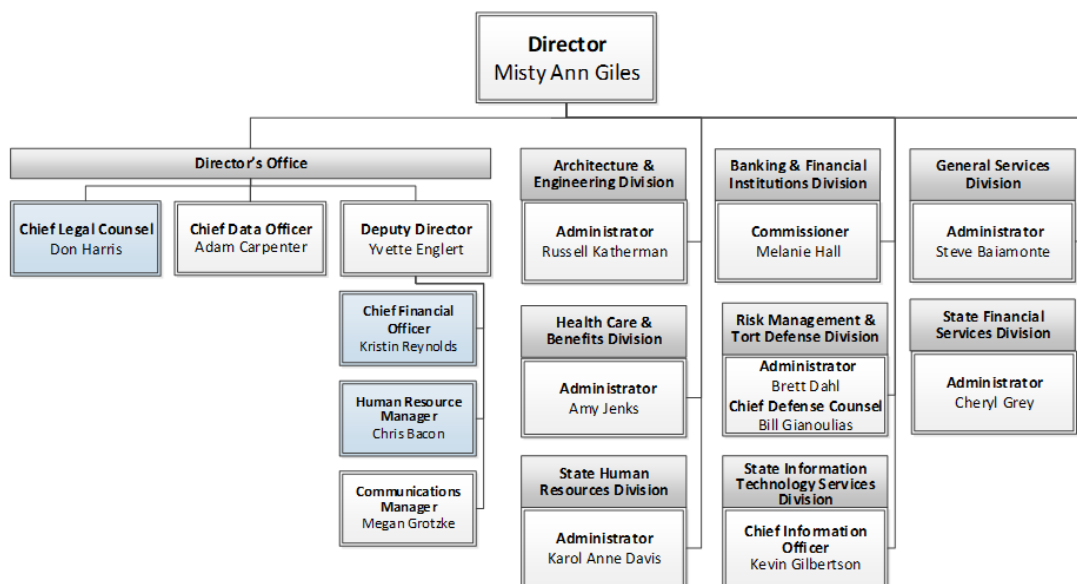
## OVERVIEW

The Department of Administration’s mission is to provide enterprise services and guidance in the areas of human resources, procurement, treasury, information technology, risk management, facilities management, infrastructure projects, and employee benefits through seven divisions within the department. The department supports the enterprise providing high level strategies, policy and guidance, in these service areas.

The following agencies are currently administratively attached to DOA: the Montana Tax Appeal Board (MTAB), Montana Lottery, Montana Public Employees Retirement Administration (MPERA), Teacher’s Retirement System (TRS), and the Office of Public Defender (OPD). The support services provided to these entities vary based on the size and needs of the agency.

In some instances, DOA performs the day-to-day tactical work for smaller agencies where it may not be fiscally prudent to employ fulltime staff to complete the work. This service model also ensures no interruption in services in the event of staff turnover. Staff also benefit from being part of a larger team within a functional area, such as human resources or accounting from a career development perspective.

DOA currently provides a variety of services to agencies that are administratively attached to the department. The majority of services are provided by functions residing in the DOA Director’s Office.



## SERVICES PROVIDED TO ATTACHED AGENCIES

### Human Resource Services

The DOA Human Resource Office consists of a team of seven employing HR generalists/business partners, payroll specialists, safety specialist, and HR manager. The team provides services to support the full employment life cycle and assist agency leadership in implementing workforce strategies that are in alignment with executive branch objectives and initiatives. Services provided include:

- Recruiting / New Employee Onboarding
- Workforce Planning / Strategies
- Pay / Compensation Strategies
- Bi-weekly Timesheet / Payroll Verification
- Position Classification
- Advising Leadership on HR Policy & Labor Law
- Leave Management (e.g., FMLA, etc.)
- Labor Relations / Collective Bargaining Support
- Employee Safety / Workers' Compensation
- Employees Offboarding / Exit Interviews

The DOA HR Office would engage with the State HR Division for consulting and other services, as needed.

### Budget / Accounting Services

The DOA Office of Budget and Finance (OFB) consists of a team of nine employing budget analysts, accountants, accounting technicians, internal auditor, and Chief Financial Officer. The DOA OFB team works regularly with the OBPP in the Governor's Office oversee DOA's budget processes and apply required accounting principles within the department. Services provided include:

#### Budget Services

- Preparing Monthly Budget Status Reports
- Budget Development Assistance
- Budget Change Document Support

#### Accounting Services

- Accounts Payable
- Billing / Receivables
- Travel Expense / PCard Services
- Internal Audit Services

### Legal Services

The DOA legal team consists of six attorneys supporting a variety of functions within the department. Expertise is provided in the areas of procurement, contracting, healthcare, IT, human resources, labor relations, and infrastructure. The department could provide legal services to an attached agency and assist in securing and working with outside counsel if the need were to arise.

### IT Services

SITSD provides agency-level IT services internally to DOA divisions and other agencies. These services include, but are not limited to desktop support, service desk support, security services, software license procurement and installation, desk phone services, etc. SITSD has begun efforts to consolidate some of their services in these service areas already.

### Current Services Provided to Attached Agencies

The following table reflects the current service arrangements the Department of Administration has with its attached agencies. All vary based on the size and needs of the agency.

Services Provided by DOA	Montana Tax Appeal Board (5 FTE)	Montana Lottery (37 FTE)	MPERA (50 FTE)	Teacher's Retirement System (21 FTE)	Office of Public Defender (300 FTE)
Human Resource and Payroll Services	Yes – all services (no HR staff)	Yes – all services (no HR staff)	Yes – all services (no HR staff)	Yes – all services (no HR staff)	No – Employ their own HR staff
Budget Services	Yes	Yes	No	No	No
Accounting Services	Yes	No	No	No	No
Legal Services	No	Yes	No	No	No
IT Services	Yes – all services	No – Employ their own IT staff	No – Employ their own IT staff	No – Employ their own IT staff	No – Employ their own IT staff

The cost model used to provide these services varies by function.

DOA HR Office is funded through an annual internal service rate of \$1,265 per FTE supported. For example, the MT Lottery pays \$46,805 annually for all HR services based on their total number of FTE (\$1,265 x 37 FTE). This is much more cost effective than employing one HR professional at a cost of \$107,000.

Other services requested and provided, such as accounting or IT, would be evaluated and provided at a rate commensurate with the support.

**Potential Approaches for Consideration**

If the decision is made to transition to a DOA service model for all or part of the services outlined above the following approaches could be considered individually or in part.

- DOA begins to perform services at a designated date to allow DOA planning time and staff adjustments, if required.
- Where staff exist performing these services in the agencies, those staff could potentially transfer to DOA and continue to preform work on behalf of the agency.
- Transition services performed by DOA over time as staff turnover occurs within the three agencies.

Members of the DOA Director’s Office are available to meet with agency leadership and further discuss services and approach. Please contact Yvette Englert, DOA Deputy Director, at 444-2508 or [yenglert@mt.gov](mailto:yenglert@mt.gov) with questions or to schedule time.