

**5% Base Budget Reduction Form**

**17-7-111-3(f)**

**AGENCY CODE & NAME: 61010 Administration**

	<b>Minimum Requirement</b>	
	<b>General Fund</b>	<b>State Special Revenue Fund</b>
<b>TARGETED REDUCTION TO EQUAL 5% OF CURRENT BASE BUDGET</b>	<b>\$ 203,603</b>	<b>\$ 205,347</b>
<b>SERVICE(S) TO BE ELIMINATED OR REDUCED</b>	<b>General Fund Annual Savings</b>	<b>State Special Revenue Annual Savings</b>
<b>1</b> Director's Office	15,951	
<b>2</b> SFSD	100,773	8,834
<b>3</b> ITSD	15,450	8,326
<b>4</b> SHRD	70,071	
<b>5</b> MTAB	1,359	
<b>6</b> Banking		188,187
<b>7</b>		
<b>8</b>		
<b>TOTAL SAVINGS</b>	<b>\$ 203,604</b>	<b>\$ 205,347</b>
<b>DIFFERENCE</b>	<b>-1</b>	<b>0</b>

Form A

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 6101 Department of Administration  
Program 1 - Director's Office**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce a Labor Relations Specialist position from 1.00 FTE to approximately 0.85 FTE.

**#2 THE SAVINGS THAT ARE EXPECTED:**

A reduction from a full-time position to a 0.85 time position would generate a \$15,951 savings in FY 2020 and a \$15,951 savings in FY 2021.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

The Office of Labor Relations provides labor relations services on behalf of all executive branch agencies except the Montana University System and the Montana State Fund. These positions help negotiate collective bargaining agreements and represent state governments in administrative hearings and labor arbitrations.

The office is staffed by two Labor Specialists and supervised by the Department's Chief Labor Negotiator/Chief Legal Counsel. The 2017 Legislature removed one of the three Labor Specialist positions.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED**

Duties will be assumed by the other Specialist in the office.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes

**Form B**

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 6101 Department of Administration  
Program 3 - State Financial Services Division**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Leave Local Government Services accountant positions 62000 and 62006 vacant, both General Fund. State Procurement State Special Revenue Fund would fund some of their operating expenses with another funding source (08 fund).

**#2 THE SAVINGS THAT ARE EXPECTED:**

Estimated annual costs savings is \$144,363 for the General Fund, and \$8,834 for the State Special Revenue Fund.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Local Government Services training and technical accounting and financial reporting services may need to be limited to resources (staff) available.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED**

Local Government Services training videos and webinars could be created to assist with training and technical financial reporting services.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

No, however reviewing local government budgets, annual financial reports, and audits is required and providing training and technical services reduces the work effort and number of errors identified during the required review process.

**Form B**

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 6101 Department of Administration  
Program 7 - State Information Technology Services Division**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduction in personnel expenditures in SSR primarily due to vacancies, and reduction in operating in the general fund.

**#2 THE SAVINGS THAT ARE EXPECTED:**

General Fund: \$15,450 and \$8,326 SSR

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Minimal to no consequence. The SSR fund showed a surplus in FY 2018 in personnel services and the general fund showed a surplus in operating expenses.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED**

No major impact to constituents.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes

**Form B**

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 6101 Department of Administration  
Program 23 - State Human Resources Division**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduction in: a) the number of position classifications, b) policy and rule updates, c) salary market analysis, and d) service to agencies in support of appeals, grievances and disciplinary matters, and recruitment and selection processes.

**#2 THE SAVINGS THAT ARE EXPECTED:**

1.00 FTE or approximately 5% of general fund budget.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Slower response to agency requests for classifications; outdated policies or rules not in compliance with state and federal regulations; delayed agency representation during appeals; loss of qualified applicants during recruitment and selection of vacancies; duplication of services at agency level.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED**

Classification services could be replaced by consultants but at a higher cost; agencies may need to redesign work processes to accommodate the lack of support from the Department of Administration.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes

**Form B**

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 6101 Department of Administration  
Program 37 - Montana Tax Appeal Board**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Reduce expenditures in two categories: 62200 supplies reduced by \$1,000, and 62300 communications reduced by \$359.

**#2 THE SAVINGS THAT ARE EXPECTED:**

Savings would be \$1,359 per year.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Consequences are minimal. These are two of only several areas where the Board has any discretionary spending.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:**

Minimal impact on customers or staff is likely to result.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes, the work of MTAB is mandated in Article VIII, Section 7 of the Montana Constitution.

**Form B**

## 5% Base Budget Reduction Form

**AGENCY CODE & NAME: 6101 Department of Administration  
Program 14 - Division of Banking & Financial Institutions**

**#1 BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR ELIMINATION OR REDUCTION:**

Eliminate \$188,187 from Personal Services Budget. This would be approximately two positions.

**#2 THE SAVINGS THAT ARE EXPECTED:**

For the 5% reduction, personal services is reduced by \$188,187 in FY 2020 and FY 2021.

**#3 THE CONSEQUENCES OR IMPACTS OF THE PROPOSED ELIMINATION OR REDUCTION:**

Loss of personal services funding would create an extreme hardship on the Division which is already struggling to maintain an acceptable number of trained examination staff. Failure to have enough trained and qualified examiners could result in loss of accreditation and an inability to examine all state-chartered banks and financial institutions on the statutorily required basis. Trained bank examiners are commonly lured away by higher paying federal regulatory agencies and private lending institutions. Bank examinations are critical to maintaining the safety and soundness of Montana's financial institutions. Without adequate supervision, constituents could experience increased risk at local lending institutions and changes in local bank services. The loss of this funding would also create a greater strain on remaining examination staff resulting in increased overtime and travel which would result in higher fees charged to licensees and leads to greater turnover due to burnout in experienced examiners.

**#4 HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED**

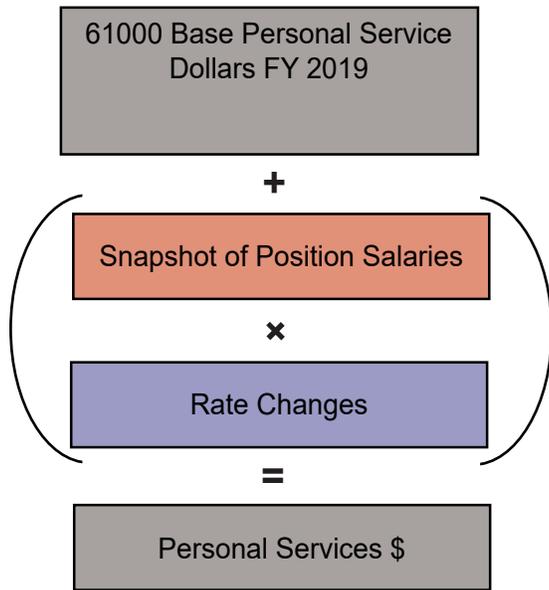
There are no mitigation options that can compensate for the loss of a trained bank examiner. The Division is continuously working on an electronic examination format that will reduce the number of examiners that are required to be onsite during an examination.

**#5 WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE & /OR FEDERAL STATUTE - YES OR NO:**

Yes - 32-1-211 MCA

# 2021 Biennium Personal Services Comparison

## Expected PS Calculations



Personal Services  
- 61000 FY 2019 Personal Services Base  
= Compare to DP1

## Executive



Executive Personal Services  
- 61000 FY 2019 Personal Services Base  
= DP1 Statewide Present Law Adjustment

## Expected Personal Services Calculation Details

(Base 61000 Amount plus Expected-Benefit-Changes-Amount)

