

PRESENTATION TO THE 2023 HEALTH AND HUMAN SERVICES JOINT APPROPRIATION SUBCOMMITTEE

Operations Services Division

Agency Oversight and Operations

Department of Public Health and Human Services

THE FOLLOWING TOPICS ARE COVERED IN THIS REPORT:

- **Overview**
- **Summary of Major Functions**
- **Highlights and Accomplishments during the 2023 Biennium**
- **Funding and FTE Information**
- **Change Packages**

OVERVIEW

The Operations Services Division provides leadership and guidance for the financial and budgetary implementation and operation of the Department's programs and services for Montanans. The programs within the Operations Services Division support the activities of DPHHS in the areas of accounting, budgeting, procurement, and projections.

The Operations Services Division is comprised of the following:

- Chief Financial Officer
- Office of Budget and Finance
- Office of IT Procurement and Contracting

SUMMARY OF MAJOR FUNCTIONS

CHIEF FINANCIAL OFFICER

The Chief Financial Officer provides leadership to the department on budgetary and financial management to ensure the delivery of timely, affordable, and effective health and human services.

OFFICE OF BUDGET AND FINANCE

The Office of Budget and Finance (OBF) oversees the Department's \$6 billion biennial budget, which includes over 260 different funding streams. OBF directs the proper utilization, tracking, and management of DPHHS's appropriations in accordance with state statute and federal regulations.

OFFICE OF IT PROCUREMENT AND CONTRACTING

DPHHS has made significant improvements in the management and oversight of IT Contracts over the few years. Currently, this area manages over 70 IT contracts and 20 software license agreements and is responsible for ensuring compliance with evolving IT procurement requirements and laws. The department has successfully established training for programs department-wide and implemented standardized business processes and modernization efforts surrounding IT procurements.

This area coordinates the Advance Planning Document (APD) process which is the primary mechanism to obtain federal funding match dollars for DPHHS IT systems tied to Federal cognizant agencies. These agencies include Centers for Medicare & Medicaid Services (CMS), Food & Nutrition Services (FNS), Office of Child Support Enforcement (OCSE) and Administration for Children & Families (ACF).

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2023 BIENNIUM

TRAINING AND PROCESS IMPROVEMENT

The Office of IT Procurement and Contracts (OIPC) and the Office of Budget and Finance (OBF) both implemented training protocols and process improvements in the 2023 Biennium.

- OIPC implemented an automated system, process, and procedures for departmental use increasing efficiency in and understanding of the IT contracts and procurements process.
- OBF has provided leadership and implemented training opportunities in appropriation management and projections, critical thresholds, financial analysis creating and incorporating tools that reduce duplication of effort and minimize projections errors. In both 2021 and 2022 the department experienced widespread turnover in financial positions and OBF led the effort to provide knowledge transfer to mitigate financial risk.

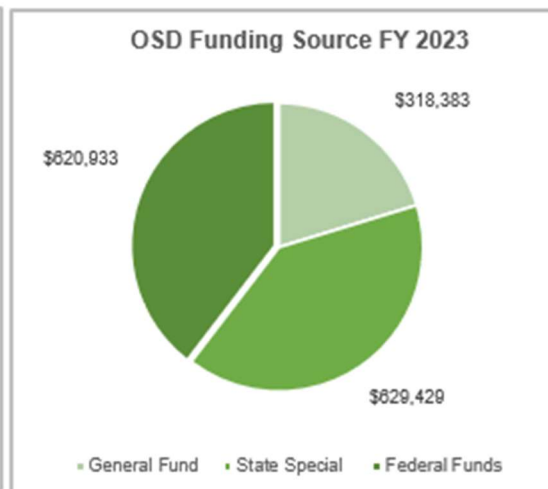
ADVANCE PLANNING MODERNIZATION

OIPC has integrated and streamlined Advance Planning Documentation in order to streamline the process to obtain federal approval of funds for large IT projects.

- Maximize enhanced federal match for IT efforts.
- Streamlined APD submissions to improve turnaround time for federal approval.
- Recommended by federal cognizant agencies to other states as examples of how to request funding for mechanized systems.

FUNDING AND FTE INFORMATION

OPERATIONS SERVICES	FY 2023 Budget	FY 2024 Request	FY 2025 Request
FTE	7.6	7.6	7.6
Personal Services	\$1,026,088	\$813,897	\$820,736
Operating	\$542,657	\$580,122	\$590,058
Debt Services	\$0	\$0	\$0
TOTAL COSTS	\$1,568,745	\$1,394,019	\$1,410,794
	FY 2023 Budget	FY 2024 Request	FY 2025 Request
General Fund	\$318,383	\$240,927	\$249,944
State Special Fund	\$629,429	\$622,883	\$624,810
Federal Fund	\$620,933	\$530,209	\$536,040
TOTAL FUNDS	\$1,568,745	\$1,394,019	\$1,410,794



CHANGE PACKAGES

PRESENT LAW ADJUSTMENTS

SWPL 1 – Personal Services

The request includes reductions of \$212,191 in FY 2024 and \$205,352 in FY 2025 to annualize various personal services costs including FY 2023 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	General Fund	State Special	Federal Funds	Total Request
FY 2024	(\$99,378)	(\$12,319)	(\$100,494)	(\$212,191)
FY 2025	(\$96,175)	(\$11,922)	(\$97,255)	(\$205,352)
Biennium Total	(\$195,553)	(\$24,241)	(\$197,749)	(\$417,543)

SWPL 3 – Inflation Deflation

The request includes an increase of \$37,465 in FY 2024 and \$47,401 in FY 2025 to reflect budgetary changes generated from the application of inflation to specific expenditure accounts. Affected accounts include those associated with supplies & materials, communications, repair & maintenance, state motor pool, and other services.

	General Fund	State Special	Federal Funds	Total Request
FY 2024	\$21,922	\$5,773	\$9,770	\$37,465
FY 2025	\$27,736	\$7,303	\$12,362	\$47,401
Biennium Total	\$49,658	\$13,076	\$22,132	\$84,866