



State Administration & Veterans' Affairs Committee

Department of Administration

Director Misty Ann Giles

July 9, 2026

DEPARTMENT OF ADMINISTRATION

WHAT WE DO

We provide essential enterprise services to MT state agencies and support initiatives that cultivate expertise and enhance cooperative partnerships across State government.

MISSION

Serving state government by providing effective, efficient, and customer driven solutions to benefit Montanans.

DIVISIONS

- Architecture and Engineering
- Banking and Financial Institutions
- General Services
- Health Care and Benefits
- Risk Management and Tort Defense
- State Financial Services
- State Human Resources
- State Information Technology Services
- State Procurement Services

EXTERNAL FACING SERVICES & FUNCTIONS

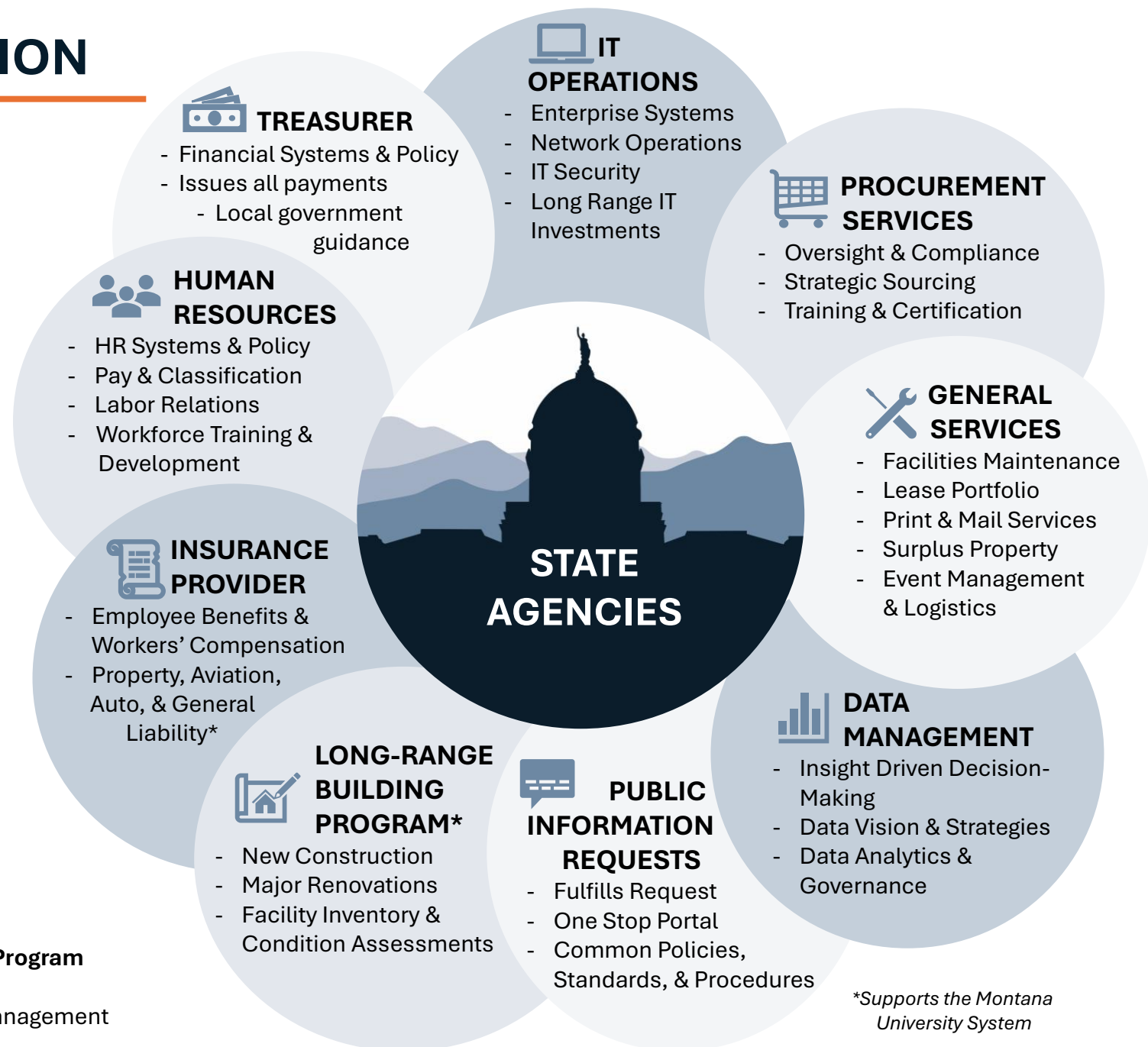


**Financial Services
Regulation & Licensing**



MT Broadband Program

- ConnectMT
- IIJA / Grant Management



**Supports the Montana University System*



LEGISLATIVE PROPOSALS

70th Legislative Session

LEGISLATIVE PROPOSALS

PROCUREMENT 

FINANCIAL / HOUSEKEEPING 

EDUCATION DATA BOARD 

FORMALIZING PROGRAMS 

REPORTING EFFICIENCIES 

INFORMATION TECHNOLOGY 



PROCUREMENT

Allow Direct Purchasing for Certain State Employee Group Insurance Plan Contracts

Currently the state is unable to work directly with health care facilities and providers to set reimbursement rates for state plan members who access health care services. The state must rely on its third-party administrator (TPA) to contract on our behalf.

PROPOSAL: Bill would allow the state employee benefit plan the ability to contract directly with in-state and out-of-state hospitals, health care facilities, and health care providers.

Procurement and Contract Rebate Account Use

Currently the department has limited access to use the 'state special revenue fund' established in 17-2-102 known as the procurement card and term contract rebates. 18-4-227, MCA, and 18-4-406, MCA provide guidance for these rebates and their use.

PROPOSAL: Bill would expand use of these state special revenue funds and apply these funds for procurement operations under the new centralized model.

FINANCIAL / HOUSEKEEPING

Extend Bond Validation Act

The bond validation act needs to be amended biennially to confirm the validity of bonds issued prior to passage of the most recent bill. Last session's bill was HB 63.

PROPOSAL: Extend the bond validation act confirming the validity of bonds issued prior to the date of passage.

EDUCATION DATA BOARD

Repeal of the Education & Workforce Data Governing Board

The Board was established in the 2023 legislative session through HB 949.

Education and workforce data governing board -- membership -- duties. (1) There is an education and workforce data governing board. The board is administratively attached to the department of administration as provided in 2-15-121.

(2) The board is comprised of five voting members: the director of the department of administration or the director's designee; the superintendent of public instruction or the superintendent's designee; the commissioner of higher education or the commissioner's designee; the commissioner of labor and industry or the commissioner's designee; and the presiding officer of the board of public education or the presiding officer's designee.

(3) The nonvoting members of the board are: the state chief information officer or the officer's designee; the legislative fiscal analyst or the analyst's designee; the legislative auditor or the auditor's designee; and the director of legislative services or the director's designee.

(4) The presiding officer of the board is the director of the department of administration or the director's designee.

(5) The board shall meet at least quarterly.

PROPOSAL: Repeal MCA 20-7-138 eliminating the board. The Chief Data Office would support data projects to further this work, as requested.

FORMALIZING EXISTING PROGRAMS

Establish the Office of Public Information Requests (OPIR)

DOA created OPIR in 2022. The office has entered into MOUs with executive branch agencies and attached boards and commissions to serve as the single intake point and to provide case management for each agency's records requests.

The office has developed policies and procedures, manages the flow of public information requests, assists with requests on behalf of agencies, maintains systems for tracking and responding to requests, and provides legal advice to agencies on public records law.

OPIR facilitates acknowledgment of new requests, communicates with requesters, generates invoices, processes payments, and coordinates release of responsive records.

PROPOSAL: The bill would establish OPIR as an office within DOA under the authority of the department's director in 2-15-1001. This centralized structure for processing public information requests directed to all executive branch agencies promotes consistency in the state's responses to the public, the press, and other requestors. Continuing the work of this office ensures the ongoing use and refinement of the uniform policies, procedures, and systems that have been established for handling public information requests.

FORMALIZING EXISTING PROGRAMS (cont.)

Establish the Chief Data Office (CDO)

The current Montana CDO office serves two primary functions. First, it operates as an internal data consulting firm for state agencies by providing discovery of best practices, solution design and architecture, project management support, and data modeling services. Most projects have shown evidence of reducing staff time and increasing transparency for both internal decision-makers and the public. Over the past four years, the CDO office has implemented more than 350 databases, over 75 dashboards, and approximately 680 metrics. Since the office was created, agencies have not had to hire third-party consultants at significantly higher rates to perform these same services or to supply the tools needed to migrate hard-copy and electronic records into usable, structured data assets.

The second function is the Agency Performance Management Advisor, established in 2022. The service provides best-practice guidance from program inception through annual planning and goal-setting, and assists with identifying and implementing the business resources, processes, and tools needed to achieve the agency's desired outcomes.

PROPOSAL: The bill would establish the Chief Data Officer and a Chief Data Office within the Department of Administration in Title 2, Chapter 15, Part 10. This proposal formalizes the ongoing work of the CDO to facilitate effective use of state data assets, establish a Data Center of Excellence to provide best practice guidance to state employees on the safe and ethical use of data, facilitate data sharing agreements, maintain privacy controls for sensitive data, and reduce data silos across state government.

REPORTING EFFICIENCIES

The Department of Administration currently contributes to or directly provides over 35 reports required by statute. We are requesting to reduce some of these reporting requirements to lessen the administrative burden on our staff.

Report - Employee Incentive Program

This report was established in 2013.

The Incentive Award Program recognizes and rewards individuals and teams of state employee for innovations that significantly contribute to eliminating or reducing an agency's expenditures or improve the effectiveness of state government or services to the public by permitting more work to be accomplished without increasing the cost of governmental operations.

PROPOSAL: Eliminate the biennial reporting requirement required in MCA 2-18-1103.
The program would continue.

Report – Deposit Modifications

This report was established in 2007.

An agency may propose a modified deposit schedule, including proposed internal controls, to the department that is different from the deposit schedule requirements.

On or before September 15 immediately preceding a regular legislative session, the department shall submit to the legislative fiscal analyst and the legislative auditor a report detailing all active accounts for which a modified deposit schedule has been approved.

PROPOSAL: Eliminate the biennial reporting requirement required in MCA 17-6-105(9).

REPORTING EFFICIENCIES (cont.)

Report – New Proprietary Funds

This report was established in 1995.

The creation of accounts in the enterprise fund or the internal service fund must be approved by the department, using conformity with generally accepted accounting principles as the primary approval criteria. The department shall report annually to the office of budget and program planning and the legislative fiscal analyst on the nature, status, and justification for all new accounts in the enterprise fund and the internal service fund.

PROPOSAL: Eliminate the biennial reporting requirement required in MCA 17-8-101(7).

Report – State and Local Charges for Services

This report was established in 1997.

The director of the department of administration shall report to the legislature a list of each local government entity that had a balance in a local charge for services fund contrary to the limitation provided by 17-2-302(1) or that failed to reduce the charge as provided in 17-2-303, or both, during the previous 12 months.

PROPOSAL: Eliminate the biennial reporting requirement required in 17-2-304(2).

REPORTING EFFICIENCIES (cont.)

Report - Authority to Construct Buildings

This report was established in 2023.

The department is required to submit an annual report on all buildings constructed without legislative approval that cost between \$150,000 and \$300,000 during the previous fiscal year.

PROPOSAL: Eliminate the annual reporting requirement required in MCA 18-2-102(2)(f).

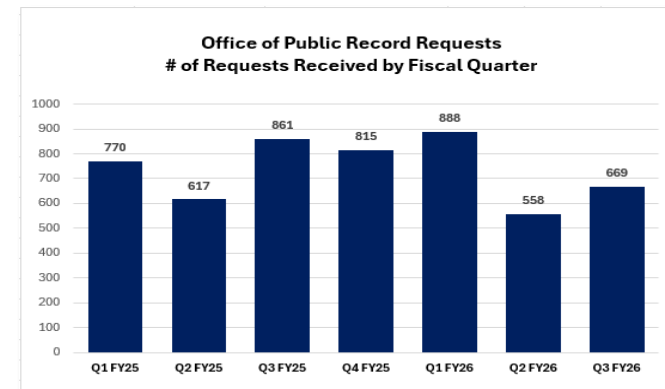
Report – Open Record Requests

This quarterly reporting requirement was established in 2023.

The report must contain the following information: the number of requests for information submitted to each entity in the preceding quarter; the identity of each requester; what information was requested; the date of the request; and the status of the request, whether completed or in progress.

If the entity has completed the request, the report must also provide the following information: the date on which compliance with the request occurred; the number of hours to fulfill the request; and costs imposed on the requester to fulfill the request.

PROPOSAL: Eliminate the quarterly reporting requirement required in MCA 5-12-209.
The Office of Public Records (OPIR) has implemented a case management system. All fulfilled requests are posted in a 'reading room' for any member of the public to view.



INFORMATION TECHNOLOGY

IT Report Consolidation

SITSD is required by statute to produce multiple overlapping IT reports with similar content, audiences, and timelines, creating unnecessary administrative burden.

PROPOSAL: Simplify the current framework into three recurring reporting products, with clear timing, recipients, and content. The intent is to replace multiple overlapping report “products” with one primary biennial report, one concise interim update, and one streamlined budget cycle summary.

Revise Rulemaking Authority

In 2025, the Governor issued an executive order integrating information technology functions into the Department of Administration for executive branch agencies that report to the Governor. Current law requires the department to adopt administrative rules governing information technology operations, but most of these provisions regulate internal activities between state agencies rather than affecting the public.

PROPOSAL: Reduce unnecessary rulemaking and better align with the integrated structure, the department intends to replace the majority of these internal operational rules with policies and standards, while retaining permissive authority to adopt rules when appropriate under 2-17-500 and subsequent and 2-6-1500 and subsequent, MCA.

INFORMATION TECHNOLOGY (cont.)

Repeal the Information Technology Board

In 2001, the ITB was created and has been amended in 2013, and 2023. This is an advisory board. The purpose of the ITB is to provide a forum to guide state agencies, the legislative branch, the judicial branch in developing and deploying shared IT resources and to share information. Additionally, it is to advise DOA on cooperative IT contracts, and other aspects of digital government. The ITB also reviews IT strategy, policies, and procedures.

Even though the statute was amended in 2021 to allow for additional delegates for Board members, the ITB has difficulty in having a quorum at its meetings. And, often has to continue business in order for the board to take appropriate action.

PROPOSAL: Repeal 2-15-1021, MCA to end the Information Technology Board and amend MITA to remove reference in MITA 2-17-506 (Definitions), 2-17-503 (Duties of Board), 2-17-512 (Powers and Duties of department). The Governor's Executive Order No. 3-2025 integrated IT resources and created an enterprise information technology governance. This order and the consolidation of State Procurement eliminate the need for the ITB .

INFORMATION TECHNOLOGY (cont.)

Permit Cybersecurity Threat / Incident Data Sharing

Montana has no state-law framework authorizing or protecting the sharing of cyber threat indicators and defensive measures among state agencies, local governments, and critical-infrastructure partners. The State's cyber information-sharing activities depend entirely on the federal Cybersecurity Information Sharing Act of 2015 (CISA 2015), which Congress has allowed to lapse and may continue to extend only on a short-term basis.

Without a state-level backstop, every federal lapse or delayed reauthorization forces Montana to choose between continuing to share threat data without clear legal cover or halting coordination during the moments when speed matters most.

PROPOSAL:

- Create clear Montana-law authority for state agencies, local governments, public universities, and participating private or critical-infrastructure entities to share cyber threat indicators and defensive measures for cybersecurity purposes.
- Provide state-law immunity or safe-harbor protection for good-faith sharing that follows the statute's requirements.
- Preserve privilege and trade secret protections under Montana law so that sharing does not become a waiver.
- Protect qualifying shared indicators from public-records disclosure under Montana law.
- Require privacy and minimization rules so the statute is not used as a backdoor for unnecessary personal data sharing.
- Designate approved in-state and external recipients, such as state entities, fusion or analytic centers, MS-ISAC/CIS where appropriate, federal cyber partners, and sector-specific information-sharing organizations.



Centralization Initiatives

CENTRALIZATION INITIATIVES / BENEFITS



PROCUREMENT



HUMAN RESOURCES



INFORMATION TECHNOLOGY

ELEVATED AGENCY SUPPORT: Enables responsive, flexible, and overall improved service quality for agencies.

COST EFFICIENCIES: Reduces duplication, increases cost efficiencies, and drives better resource utilization.

DATA-DRIVEN DECISION MAKING: Integrated systems and processes deliver reliable data and real-time insights to support better decision making.

UNIFIED COLLABORATION: Seamless cross-agency knowledge sharing and adoption of best practices. Allows for focus on agency-specific needs and solutions.

OPERATIONAL EFFICIENCIES: Centralized policies, procedures, and tools reduces the administrative burden in the agency and frees up capacity for high-impact strategic work.

CONSISTENT CUSTOMER EXPERIENCE: Standardized processes, practices, and messaging ensures the same customer/vendor/employee experience across all agencies.

PROFESSIONAL DEVELOPMENT: Enterprise-wide training and development opportunities strengthening employee capabilities in these critical function areas.

REDUCED RISK: Provides for a more proactive approach and reduces legal and compliance risk.

The centralization initiative **DOES NOT** include plans for reduction in force activities.

- Supporting employees is a top priority.
- Centralization as an opportunity to enable agencies to elevate the importance of these functions and providing more opportunities for career enhancement.



CENTRALIZATION INITIATIVES

This well-established solution-based best practice is used across all sectors of industry, including state governments. On our state level, centralization translates into greater government efficiency through responsible collaboration.



INFORMATION TECHNOLOGY

29 states report initiatives to consolidate or centralize IT services.



HUMAN RESOURCES

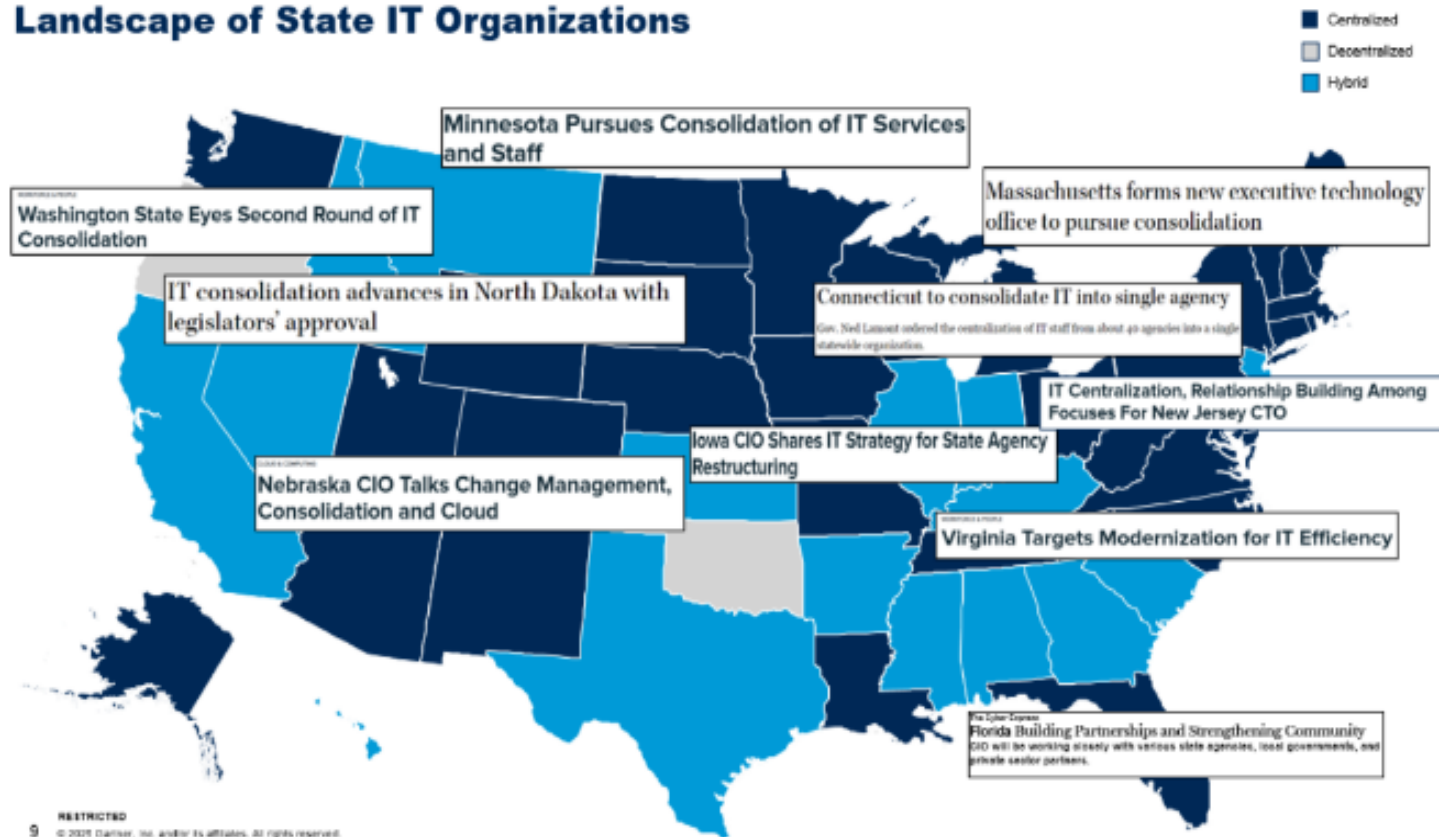
23 states report initiatives to consolidate or centralize services. 17 have implemented 'shared services' models as part of these initiatives.



PROCUREMENT

34 states report having a central procurement office with statutory purchasing authority—similar to MT. 12 states have or are in the process of further centralizing these services.

Landscape of State IT Organizations



Source: The Center for Digital Government



STATE OF MONTANA CENTRALIZATION INITIATIVE

[FAQS & RESOURCES](#)

[PROCUREMENT](#)

[HUMAN RESOURCES](#)

[INFORMATION TECHNOLOGY](#)

Centralization Information

The decision to centralize these three functional areas was made to achieve the following benefits:

- Improve service quality for agencies
- Increase support for agency-specific needs
- Create consistency in services and policy application
- Reduce legal and compliance risk
- Increase cost efficiency and create better resource utilization
- Improve workforce analytics for strategic decisions
- Create efficiency in talent acquisition and management
- Reduce agency administrative burden

As the centralization process proceeds, you can expect to receive regular communications specific to your area – IT, procurement, and human resources.

“

Centralization of Montana's functional areas within executive branch agencies underscores the need to truly function as one government, driven by dedicated civil servants working together to support one another, our specialized agencies, and, most of all, our citizens.

This well-established solution-based best practice is used across all sectors of industry, including state government. On our state level, centralization translates into greater government efficiency through responsible collaboration.

- Misty Ann Giles, Director
Department of Administration

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Centralization Resource Center

Please see the below areas for more information.

[FAQS & RESOURCES](#)

[AGENCY DISCOVERY MEETINGS](#)



[PROCUREMENT](#)



[HUMAN
RESOURCES](#)

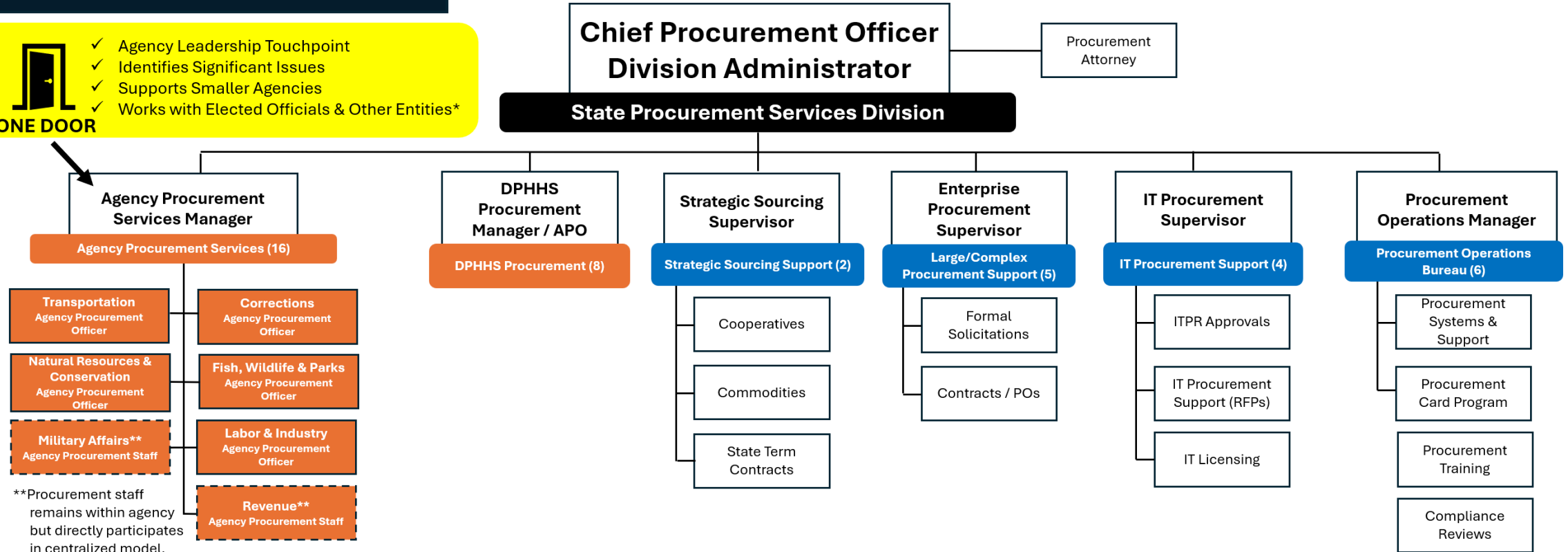
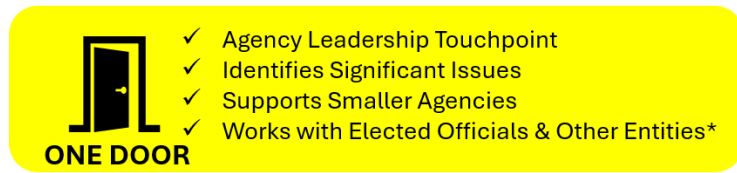


[INFORMATION
TECHNOLOGY](#)



PROCUREMENT & HUMAN RESOURCES

NEW ORG STRUCTURE PROCUREMENT



**Procurement staff remains within agency but directly participates in centralized model.

***These entities continue operating within the current model and under a delegation agreement.**

- Agriculture
- Arts Council
- Board of Education
- Environmental Quality
- Commerce
- Comm. of Political Practices
- Historical Society
- Judicial Branch
- Justice
- Legislative Branch
- Livestock
- MT Consumer Council
- MT Public Employees Retirement Administration
- MT State Library
- MT University System
- Office of Public Instruction
- Public Service Commission
- Secretary of State
- State Office of Public Defender
- State Auditor
- Teachers' Retirement System



NEW PROCUREMENT INTAKE / APPROVAL WORKFLOW SYSTEM

ProcureMT

In support of the Procurement Centralization initiative, a new intake and approval workflow will be implemented.

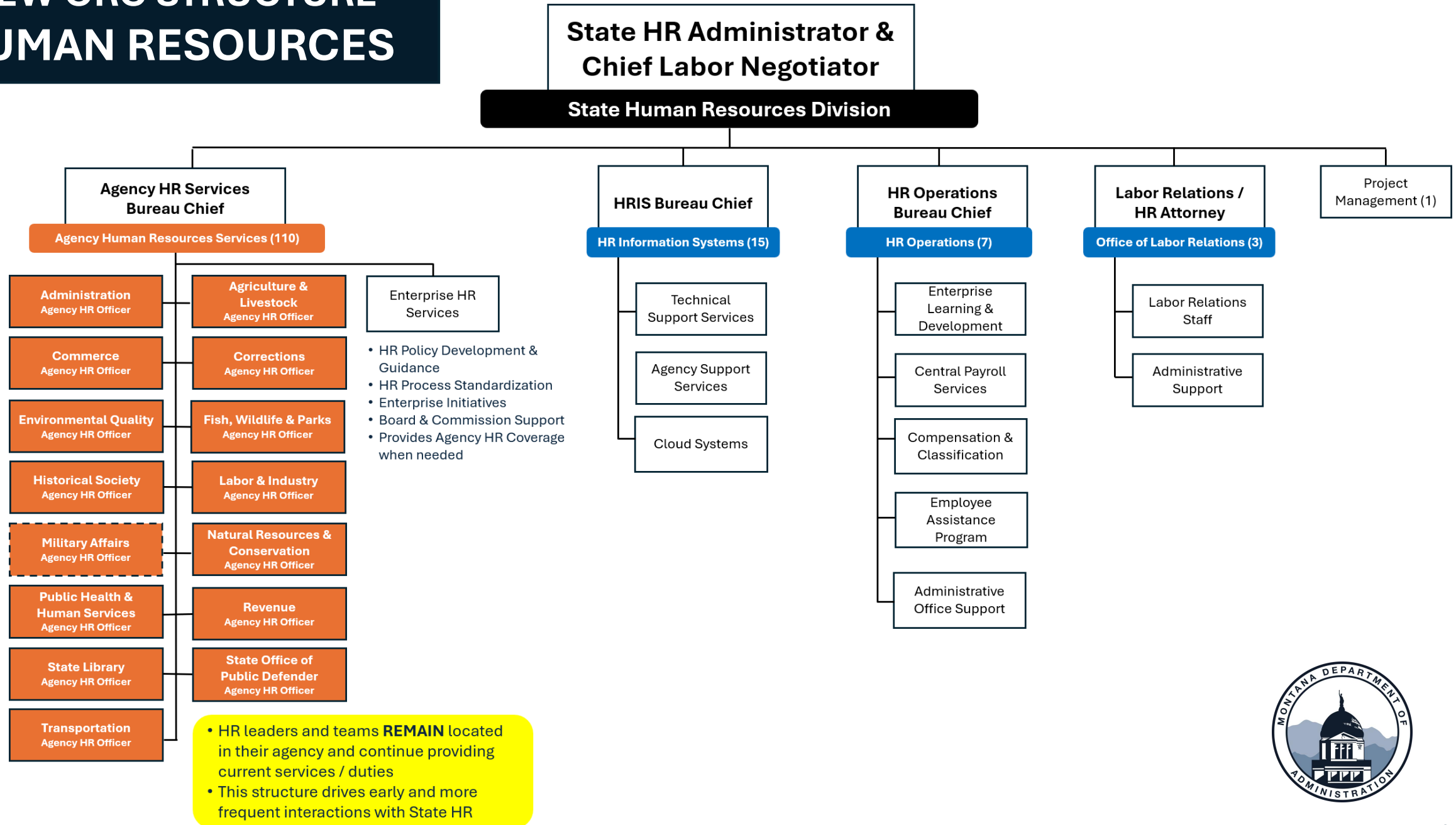
This system was built with internal resources and will be used by all agencies.

Covers all categories of procurement processes:

- *RFPs*
- *IT Review / Approval (ITPR)*
- *Cooperative Purchases*
- *Sole Source Approval*
- *and others.*

The screenshot displays the 'Request Workflow' interface. At the top, a progress bar shows six stages: Draft (active), Intake, Refinement, Legal Review, Submitted, and Approved. Below the progress bar is a 'Quick Entry' section with the instruction 'Enter the essential details for your procurement request.' It includes a document icon, the request ID 'REQ-7bfac93d', and a dropdown menu showing 'Unknown User', 'Department of Administration', and 'Draft Request'. To the right of this section are buttons for 'Quick Entry' (checked) and 'Full Form'. The main content area is divided into two columns. The left column, 'Purchase Details', contains a 'Category*' dropdown menu, an 'Item Name*' text field with the value 'Draft Request', a 'Department*' text field, and a 'Description*' text area with the value 'Draft request in progress'. The right column, 'Financials', is titled 'How will this be paid for?' and contains four options: 'One-time Purchase' (selected, with a checkmark icon), 'Subscription / Contract', 'Hourly / Time-based', and 'I know the total'. Each option has a brief description. At the bottom of the interface, there are links for 'Privacy & Security' and 'Accessibility', and the URL 'mt.gov'.

NEW ORG STRUCTURE HUMAN RESOURCES



HR-PROCUREMENT / PILOT DETAILS

<u>Week of</u> HUMAN RESOURCES	
No formal staff transitions during this timeframe.	May 4 Kickoff – All Pilot Directors & Other Agency Leadership
	May 18 Initial Pilots Begin – MDT, DEQ, COM
	June 8 Phase 2 Agencies – DNRC, HHS, DLI, OPD, MSL, HIS, DMA*
	July 6 Phase 3 Agencies – DOR, COR, FWP, AG, LIV, DOA

<u>Week of</u> PROCUREMENT	
No formal staff transitions during this timeframe.	May 4 Kickoff – All Pilot Directors & Other Agency Leadership
	May 18 Initial Pilots Begin – HHS, COM, DNRC
	June 8 Phase 2 Agencies – COR, DLI, FWP, DOR*, DMA*
	July 6 Phase 3 Agencies – DEQ**, LIV**, AGR**, DOA**, OPD** Continue deployment – MSL**, HIS**, and all other state agencies

*Operating in new model – no staff transitioning.

**No dedicated procurement staff – new delegation agreement will be deployed.

WHAT TO EXPECT

- Onboarding sessions planned with all agencies prior to transition of staff
- Plan to ‘road test’ the new SLAs and Procurement Delegation Agreement and adjust, as necessary
- Full engagement with new Agency Managers
- Use the new Procurement workflow system and adjust, as needed

PILOT MOUs

Establishes terms for the pilot program to evaluate operational processes, service delivery, communication, and related administrative functions before implementing a permanent arrangement.

**FIRST STAFF TRANSITIONS (HR & PROCUREMENT)
HHS, DNRC, COM, DEQ**

Effective August 8

Timing of other transitions will be determined by the success of this initial group’s transition.



INFORMATION TECHNOLOGY

MONTANA EXECUTIVE ORDER - IT INTEGRATION

The executive order from Governor aims to transform how technology services are delivered to state agencies and citizens.



Central oversight of all executive branch IT personnel by the State CIO



Creation of the Integration Management Office (IMO) under the Department of Administration (DOA)



Empowerment of DOA to direct integration activities, restructure delivery models, and align budgets.



Bi-Weekly steering committee (Cabinet)

Core Project Objective: Transition from the current decentralized IT environment to an integrated model that enhances efficiency, strengthens cybersecurity, and improves the delivery of digital services

INITIAL SCOPE FOR IT INTEGRATION

Discovery discussions resulted in the following agencies and SITSD divisions being considered in-scope.

16 State Agencies

- Department of Administration (DOA)
- Department of Agriculture (AGR)
- Department of Commerce (COM)
- Department of Corrections (COR)
- Department of Environmental Quality (DEQ)
- Department of Fish, Wildlife and Parks (FWP)
- Department of Labor and Industry (DLI)
- Department of Livestock (LIV)
- Department of Military Affairs (DMA)
- Department of Natural Resources and Conservation (DNRC)
- Department of Public Health and Human Services (DPHHS)
- Department of Revenue (DOR)
- Department of Transportation (MDT)
- Montana Historical Society (HIS)
- Montana State Library (MSL)
- Office of Public Defender (OPD)

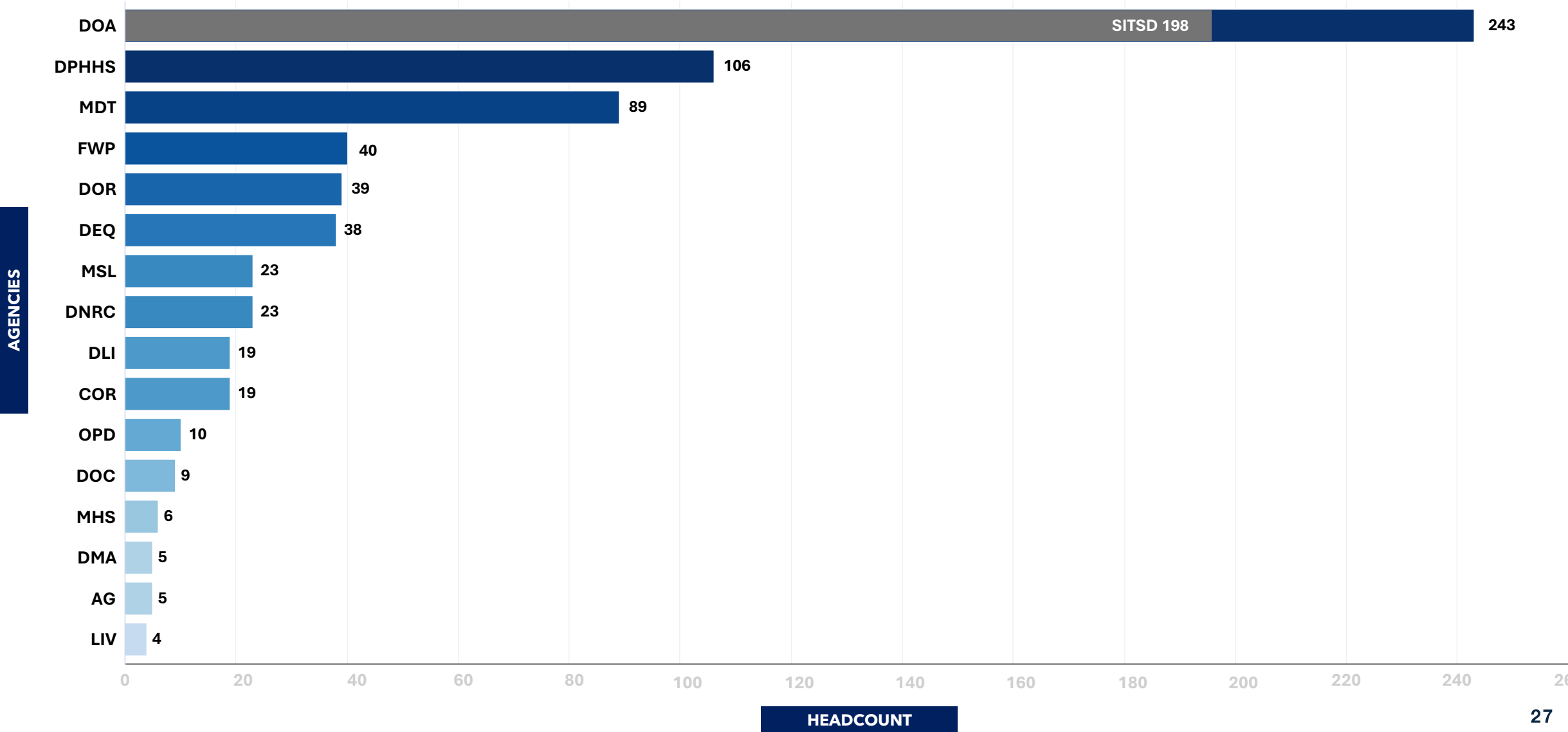
5 SITSD Bureaus

- Chief Digital Infrastructure Office (CDIO)
- Chief Information Security Office (CISO)
- Chief Innovation & Transformation Office (CITO)
- Chief Operating Office (COO)
- Chief Technology Office (CTO)



IT RESOURCE HEADCOUNT BY AGENCY

In partnership with DOA and State HR, we have identified **678 IT Resources** across 16 agencies.



PHASED APPROACH

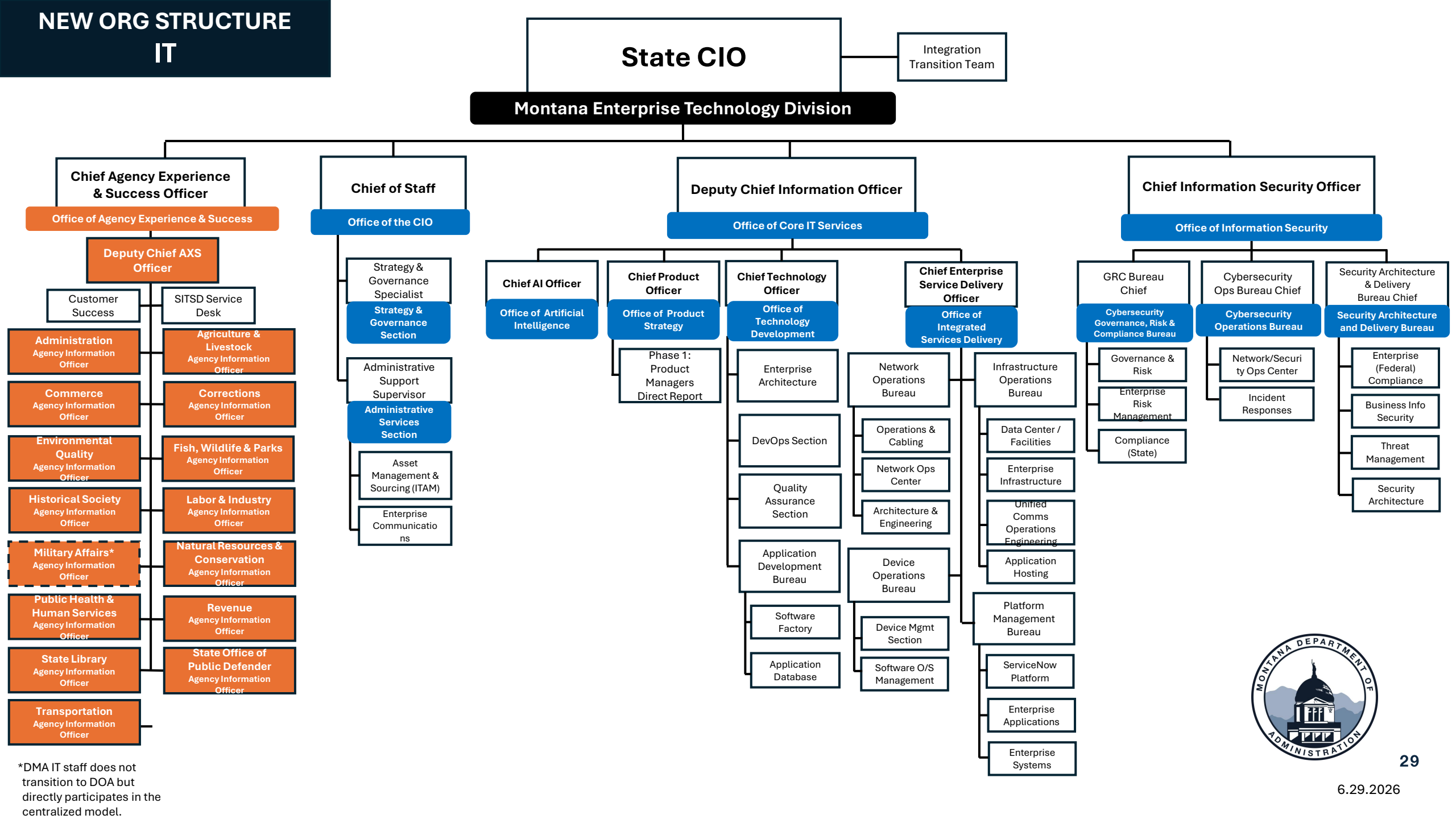


Objective: Establish future state direction and conduct a thorough assessment of the current state IT landscape across in scope agencies.

Objective: Design the future-state Montana IT Operating Model that will result in IT priorities supporting the States goals of being a digital-first government.

Objective: Support the state with change management, project management, and CIO advisory support to implement roadmaps and conceptual operating model design.

NEW ORG STRUCTURE
IT



*DMA IT staff does not transition to DOA but directly participates in the centralized model.

CENTRALIZATION INITIATIVES: UPDATED TIMELINE

June 24, 2025
Centralization
Initiative Announced

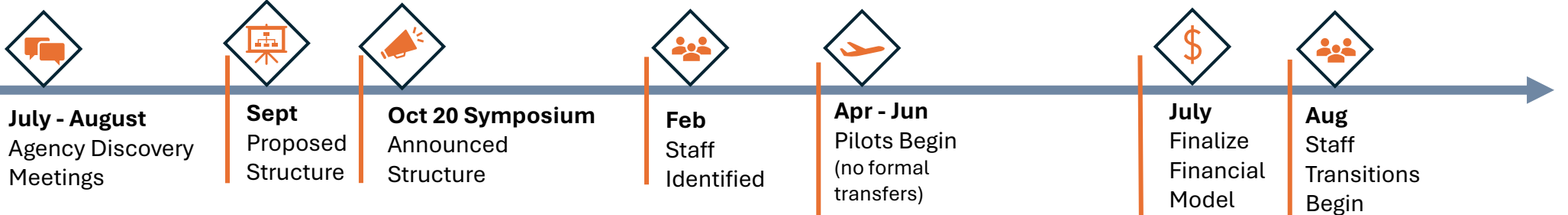


July – December 2025

January – December 2026

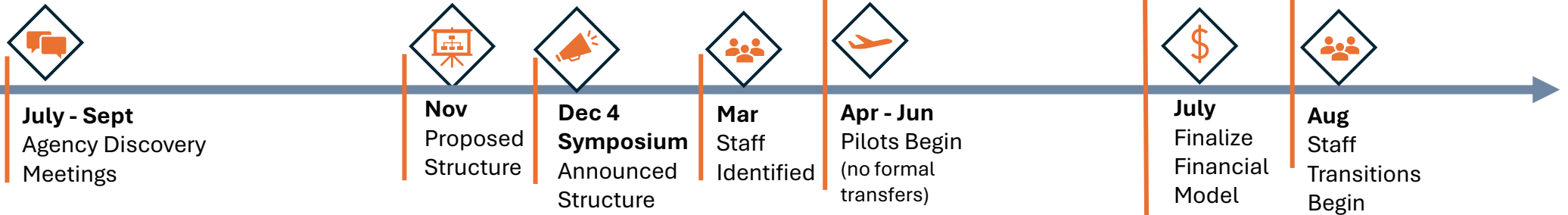
PROCUREMENT

~ 25 FTE*



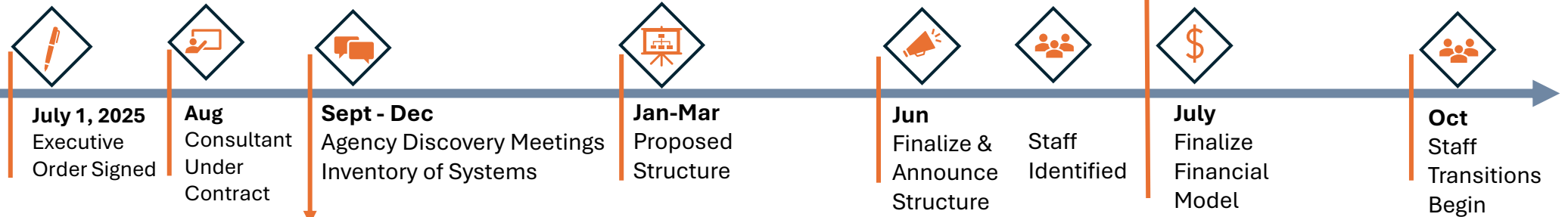
HR

~ 100 FTE*



IT

~ 400 FTE*



*Staff to be transitioned identified during the discovery phase for each function.

6/17/2026

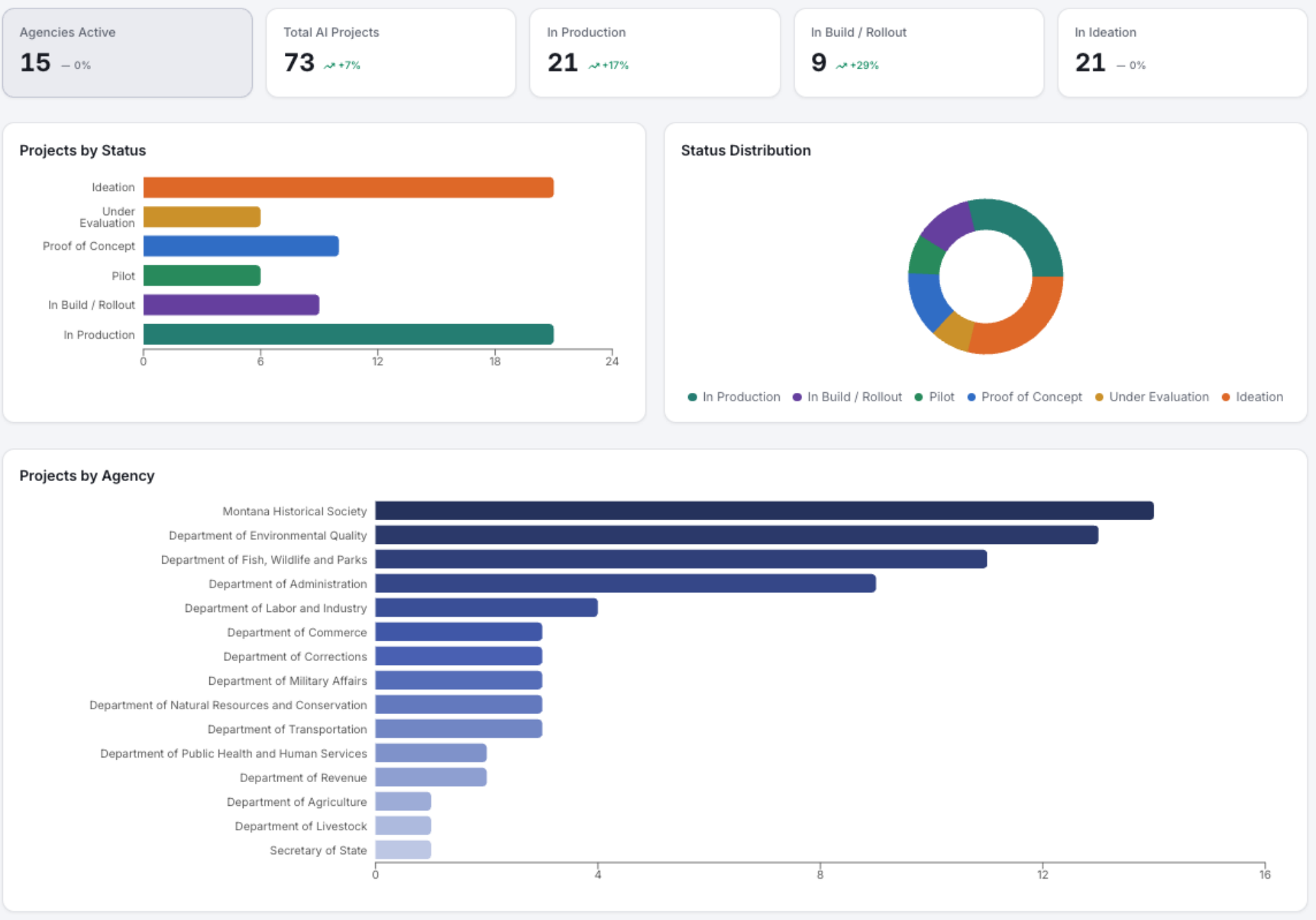
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AI INFORMATION



AI DASHBOARD



AGENCY AI ADOPTION

ENTERPRISE (DEPT. OF ADMINISTRATION)

- Master AI RFP - CLOSED; 68 vendors in review (qualified vendor list).
- FLOW (flow.mt.gov) - In Production (Limited): state's first fully AI-built webform/workflow platform.
- ProcureMT - In build/rollout: AI-assisted built application for procurement intake/workflow and rules engine.
- AI Community of Practice - launched 5/20; weekly workgroups + office hours.
 - Regular sessions draw 50–100 participants consistently across recurring AI programming (Coffee Talks, AI 101 Workgroup, and community-of-practice meetings).
 - Multiple engagement formats are running, including several small-group workgroups and office hours.
 - ~440 members on the DOA AI Teams channel.
 - Over 1,000 people reached through AI programming year-to-date.
- Enterprise AI Sandbox - Vertex AI & AWS Bedrock/SageMaker for safe agency experimentation.
- AI Security & Process Automation - evaluating XCOM / Prompt Security guardrails.

AGENCY MOMENTUM - SELECT HIGHLIGHTS

- Commerce: Enabling AI with the Community Planning Platform for partners and business to better discover doing business in Montana.
- DLI: sending in NSF grant for AI hubs letter of intent
- DPHHS: complete call center initial discovery in Bozeman and ready out to inform work and how we could use AI to better serve citizens and agents





QUESTIONS?