For the last 18 years the Montana Law Enforcement Academy has been conducting public safety training without adequate funding in a facility that was originally built to house juvenile females in the 1920's. In 2015 the 64th Legislature passed HJ0008, a joint resolution of the Senate and House of Representatives directing an interim study of Academy funding, operations and campus needs. The final results of the study will be reported to the 65th Legislature.

On behalf of our Academy staff, I would like to thank you for your support of the work we do on behalf of the public safety agencies and citizens of Montana.

Glen Stinar MLEA Administrator

## Department of Justice HJ0008 Recommendations for the Legislative Finance Committee

June 9, 2016







## Background

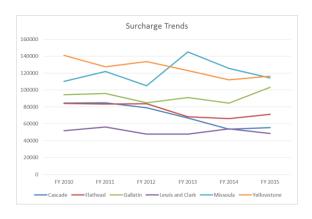
MCA 7-32-303 requires law enforcement, corrections/detention officers and public safety communicators to successfully complete an Academy basic course within 1 year of the date of appointment. Declining surcharge revenues, the Academy's primary funding source, continue to have a negative impact on all aspects of Academy operations. The 2003 fiscal note assumption for the surcharge was that a total of \$1,278,122 would be collected annually. Actual collections have consistently averaged below that. Academy funding has been an issue since 2003. The funding surcharge solution implemented by the 2003 Legislature was a fiscal necessity, but not best practice for a long term solution. For fiscal years 2009 to 2016, the average shortfall was \$136,387. Between 2004 and 2016, there were 9 fiscal years in which the Academy experienced a deficit in spending, a direct result of a lack of surcharge funding.



The charts demonstrate a decline in the criminal surcharge revenue and an increase in expenditures. Historically, loans were taken and gas tax (unrestricted) appropriations were given to mitigate the decline in revenue. The actual revenue received over the past twelve years has been 75% of the original estimate, which was \$1.3 million annually. Different dates were used for each graph to have the best statistical trend line to predict where the revenue and expenditures will be in the future. Surcharge Revenue began to steadily decline in fiscal year 2010. DOJ stopped taking out loans from the general fund due to other short term fixes (gas tax) and austerity in 2013.

Without adequate funding, the Academy cannot maintain its aging infrastructure or replace outdated equipment. The surcharge funding mechanism also does not account for the 2-3% inflationary increases that occur annually. In short, expenses continue to increase while surcharge revenue continues to decline. Declining ticket counts among some Montana's law enforcement agencies, the advent of municipal infractions that replace state traffic code violations and the inability of offenders to pay have compounded the problem. Nationally, other law enforcement academies funded through

surcharge revenue also report similar challenges and do not recommend surcharge collections as a funding stream.



**Note:** 55% of the Academy's annual surcharge revenue comes from 6 counties. Surcharge revenue shows a general decline and how inconsistent the surcharge funding stream is.



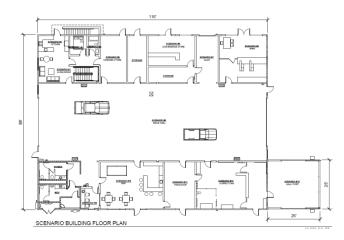
The Architecture and Engineering assessment and master plan found that 9 of the 10 Academy's buildings, the majority of which were built between 1920 and 1960, were structurally sound but needed remodeling and HVAC improvements to meet current and future needs. The study's authors stated that "When MLEA took over the campus the buildings were in very poor and deteriorating condition due to vacancy and lack of maintenance. The Department of Justice (DOJ) and past and current administration of MLEA have

been diligent in their continuing efforts to improve and upgrade not only the educational programs at MLEA, but also the buildings and campus in order to provide a more conducive learning environment for law enforcement cadets".

A significant portion of training that occurs at the Academy is outdoors. Recognizing the need for a

facility to conduct skills based practical training that is not affected to Montana's 4 seasons, the A&E master plan also includes the construction of an indoor training facility. This facility is critical to providing realistic training in a safe environment.

All Montana law enforcement agencies and other stakeholders were sent a survey asking what they thought about Academy staff, training programs and facilities. 100% of responded approved of current staff, 97% approved of the training conducted (some would



like to see more) while only 58% approved of the dorm and cafeteria facilities. Of those that commented, most indicated the dorm rooms were old with insufficient heating and cooling capability.

## Recommendations

**Recommendation 1** – The 65<sup>th</sup> Legislative Session should move Academy funding from Special Revenue to General Fund in the amount of \$1,802,779. One of the goals of the study was to examine and stabilize funding. The General Fund will allow the Academy predictability in revenue while accommodating inflationary increases. Surcharges will continue to be collected at the current rate to offset the actual general fund cost.

**Recommendation 2** – The 65<sup>th</sup> Legislative Session should fully fund the first 7 phases of the Architecture and Engineering Master Plan in the amount of \$12,595,057. The purpose of the resolution was to examine current and future infrastructure needs. To "do it right the first time" all phases should be funded together.

The plan outlines 7 phases;

Phase 1: Dormitory Renovations (4 buildings)

Cost Estimate: \$ 5,023,470

Cost Estimate: \$ 1,431,730

Cost Estimate: \$ 1,431,730

Phase 3: New Scenario Building Cost Estimate: \$3,241,709

Phase 4: Administration Offices Addition to Ohs Bldg. Cost Estimate: \$594,063

Phase 5: Renovate Administration Bldg. to Classrooms Cost Estimate: \$1,619,418

Phase 6: Maintenance Shop Addition Cost Estimate: \$370,673

Phase 7: Cottonwood Dormitory Demolition Cost estimate: \$314,004

Phase 8: New 30 Room Dormitory Cost Estimate: TBD

**TOTAL - \$12,595,057** 

## **Summary**

The Montana Law Enforcement Academy is a one of a kind facility in state government. In 2015, Montana Law Enforcement Academy staff worked tirelessly in coordinating and conducting 39 basic and professional programs totaling 3,458 hours for 1022 students. If each course occurred consecutively and actual training days were considered, staff actually conducted 538 days of training. Nationally and in Montana, the environment public safety professionals operate in is changing. Public perception, mental health, methamphetamine and other drug use issues, use of force and even terrorism have created the need for more relevant and realistic training, not less. Without the training that occurs at the Academy, Montana's law enforcement agencies would have nowhere to send their public safety employees for the basic law enforcement training programs that are, by law, required as a condition of their employment. Academy basic and advanced training ultimately becomes the foundation of skills these same professionals employ across Montana in keeping their communities safe.

				Dep	Department of Justice	ustice							No. of the last
			_	DIVISION OF CRIMINAL INVESTIGATION	CRIMINAL II	WESTIGAT	NO						6
		_	MLEA Annu	MLEA Annual Deficit/Surplus Summary (07/01/2004-6/30/2017)	muns snld.	ary (07/01/2	004-6/30/201	(2					
													)
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected
	2002	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue Account (Criminal Surcharge Fee)	1,006,875	975,434	998,957	985,546	942,242	993'666	962,376	946,948	945,719	897,170	871,527	868,538	860,379
Revenue Account (Course Fees)	204,611	178,589	357,362	341,303	351,112	380,301	368,372	342,925	362,557	432,680	397,480	397,480	413,475
Revenue Account (Professional Program Fees)		10		9,461	15,303	24,591	48,348	35,717	30,061	65,065	123,587	123,587	123,192
Other Revenue (Store Income, rent, etc)	8,195	56,899	49,425	(42,378)	21,795	28,322	28,936	52,044	11,686	11,480	23,403	20,770	20,770
Total Revenue	1,219,680	1,210,931	1,405,743	1,293,931	1,330,452	1,432,779	1,408,032	1,377,633	1,350,022	1,406,395	1,415,997	1,410,375	1,417,817
Expenditures for MLEA	1,021,312	1,249,729	1,286,465	1,440,905	1,407,358	1,417,184	1,490,702	1,520,379	1,410,486	1,534,395	1,609,297	1,681,000	1,723,546
MLEA Annual Deficit/Surplus	198,368	(38,798)	119,278	(146,974)	(906'92)	15,595	(82,670)	(142,746)	(60,464)	(128,000)	(193,300)	(270,625)	(305,729)
Short-term fixes to keep the MLEA Fund Solvent	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
DOA Loans, Non Restricted Gas Tax (02349), Misc.					30,000	,	00008	37.5 7.05	736 177	28/ 358	302.250	186 225	305 720
Total Annual Deficit/Surnlus	198 368	(38 798)	119 278	(146 974)	(46 906)	15 595	(2,670)	134 000	175.658	156.358	108 950	(84 290)	000,120
	200,001	(00),00)	010	(+10,0+1)	(2006)	0000	(=)010)	200,101	2000	200,001	200,001	(004(10)	
	Notes:												
* Historically, bars were taken and gas taxappropriations were given to mitgate the decline in Criminal Surcharge Fee revenue	ven to mitigate th	e decline in Crir	minal Surcharge	Fee revenue									
* The actual Criminal Surcharge revenue received over the past twelve years has been	elve years has b	sen 75% of the c	original estimate	75% of the original estimate, which was \$1.3 million annually.	3 million annuall	×.							