



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

**Bill #** HB0512

**Title:** Establish an eastern Montana crime laboratory

**Primary Sponsor:** Mortensen, Dale

**Status:** As Amended in Senate Committee - Revised

- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$995,440	\$514,510	\$469,047	\$476,081
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u><u>(\$995,440)</u></u>	<u><u>(\$514,510)</u></u>	<u><u>(\$469,047)</u></u>	<u><u>(\$476,081)</u></u>

**Description of fiscal impact:** As amended in Senate Finance and Claims, HB 512 appropriates \$310,000 general fund on a one-time-only basis to cover the leasing costs of a Yellowstone County laboratory of criminalistics for use by the Department of Justice. To operate the laboratory, it would require the department to hire 3.00 FTE and purchase or lease additional laboratory equipment. HB 512 appropriates \$1,200,000 on a one-time-only basis for personal services and operating expenses for the 2017 biennium.

### FISCAL ANALYSIS

#### Assumptions:

- As amended in Senate Finance and Claims, the Department of Justice (DOJ) is authorized to spend up to \$310,000 one-time-only to secure appropriate leased facilities. See Technical notes.
- For purposes of this fiscal note, it is assumed that a facility can be leased at a rate of \$25-\$30 per square foot. A rate of \$30 per square foot would be \$105,000 per year. This rate would include basic interior build outs. Any specialized build out costs would be an additional cost to the lease rate. This fiscal note assumes the entire \$310,000 appropriation will be used to enter into a lease agreement; however any unused portion would revert to the general fund. See Technical notes.
- As amended in Senate Finance and Claims, HB 512 appropriates \$1,200,000 on a one-time-only basis for initial costs of the lab as well as personal services, training, and operating expenses. See Technical notes.

4. At 3,500 square feet, the Eastern Montana laboratory is estimated to be approximately 12% of the capacity of the laboratory in Missoula. In order to staff a 3,500 square foot facility, the Department of Justice (DOJ) would require 3.00 FTE. Positions needed include: 2.00 Forensic Scientists (Chemists), and 1.00 FTE Biological Lab Technician.
5. The 2.00 FTE Forensic Scientists would require up to one year of training in the Western Montana facility. These FTE are assumed to begin employment on 1/1/2016, therefore personal services costs for the 2.00 FTE are reflected at roughly 50% in FY 2016. See Technical Notes. The 1.00 FTE Biological Lab Technician will be hired 3/1/2016, therefore personal services costs for this position are reflected at 33% in FY 2016.
6. Per diem costs are necessary for the FTE to complete training at the Western Montana facility. Per diem is estimated at a total cost of \$19,680.
7. The standard office package for an office setup and new computer is \$2,900 per FTE for a total of \$8,700 in FY 2016. Other one-time set up costs total \$2,500 in FY 2016.
8. Equipment required for the new lab includes the purchase of 2 GC/MS at a cost of \$110,000 per device ( $110,000 * 2 = \$220,000$ ) and 1 GC/IRD for \$100,000, 2 Infrared spectrometer ( $\$35,000 * 2 = \$70,000$ ) and various equipment at \$7,622 as well as 1 LC/MS/MS (\$295,000) device to accommodate increases in caseload for a total of \$724,000 in FY 2016.
9. Costs to begin in FY 2017 include laboratory equipment and supplies which are estimated at \$55,906 per year. Electricity costs for the laboratory are estimated at an annual total of \$11,367 per year.
10. Information Technology (IT) related requirements to make the laboratory operational in FY 2017 include the one-time only (OTO) costs of a network switch for \$9,500, the cost of cabling at \$21,300, cost of server and power backup at \$20,000 for a total of \$50,800 OTO information technology costs in FY 2017.
11. Ongoing IT costs beginning in FY 2014 include the 10MB fiber at \$10,236 per year, and server maintenance at \$2,000 per year for a total of \$12,236 ongoing information technology costs.
12. Fixed costs and office supplies are estimated to cost \$6,037 for both fiscal years.
13. While the appropriations in the bill are one-time-only, this fiscal note also reflects the costs of leasing and operating the lab in the 2019 biennium. If the 2017 Legislature, were to not fund the continuation of the satellite lab, these costs would not be incurred. However, there may be costs for employee payouts, equipment return/disposal, etc. All expenditures are inflated at 1.5 percent in FY 2018 and FY 2019.

	<b><u>FY 2016</u></b> <b><u>Difference</u></b>	<b><u>FY 2017</u></b> <b><u>Difference</u></b>	<b><u>FY 2018</u></b> <b><u>Difference</u></b>	<b><u>FY 2019</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
FTE	3.00	3.00	3.00	3.00
<b><u>Expenditures:</u></b>				
Personal Services	\$96,388	\$207,200	\$210,308	\$213,463
Operating Expenses	\$51,430	\$152,360	\$101,414	\$102,933
Equipment	\$692,622	\$0	\$0	\$0
Building Lease	\$155,000	\$155,000	\$157,325	\$159,685
<b>TOTAL Expenditures</b>	<b>\$995,440</b>	<b>\$514,560</b>	<b>\$469,047</b>	<b>\$476,081</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$1,026,818	\$514,560	\$469,047	\$476,081
<b>TOTAL Funding of Exp.</b>	<b>\$1,026,818</b>	<b>\$514,560</b>	<b>\$469,047</b>	<b>\$476,081</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$1,026,818)	(\$514,560)	(\$469,047)	(\$476,081)
Capital Projects Fund (05)	\$0	\$0	\$0	\$0

**Technical Notes:**

1. The start date for the FTE has been structured to fit within the \$1,200,000 appropriation in new section 3 (2). These FTE will begin training at the Western Montana facility. The Forensic Scientist FTE are assumed to begin employment on 1/1/2016, therefore personal services costs are reflected at roughly 50% in FY 2016. The 1.00 FTE Biological Lab Technician will be hired 3/1/2016 personal services costs are reflected at 33% in FY 2016.
2. The DOJ assumes the leased facility provided for in this bill will have adequate network connectivity. If this is not the case, costs to run fiber to the facility could exceed \$100,000.
3. Due to the funding for personal services and operations being designated as one-time-only there are anticipated recruitment and retention issues for personnel in these specialized fields.
4. Due to the funding for securing leased space being designated as one-time-only, there may be difficulty in entering into a leasing agreement.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*