

**Program Budget Comparison**

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	66.00	66.00	63.75	63.75	66.00	63.75	(2.25)	(3.41)%
Personal Services	5,014,146	5,356,756	6,033,974	6,027,138	10,370,902	12,061,112	1,690,210	16.30 %
Operating Expenses	1,728,531	2,623,065	2,934,676	2,938,052	4,351,596	5,872,728	1,521,132	34.96 %
Equipment & Intangible Assets	10,678	0	10,678	10,678	10,678	21,356	10,678	100.00 %
Benefits & Claims	966,303	976,674	966,303	966,303	1,942,977	1,932,606	(10,371)	(0.53)%
Transfers	0	0	0	0	0	0	0	0.00 %
<b>Total Costs</b>	<b>\$7,719,658</b>	<b>\$8,956,495</b>	<b>\$9,945,631</b>	<b>\$9,942,171</b>	<b>\$16,676,153</b>	<b>\$19,887,802</b>	<b>\$3,211,649</b>	<b>19.26 %</b>
General Fund	6,094,036	7,287,190	7,923,333	7,920,537	13,381,226	15,843,870	2,462,644	18.40 %
State/Other Special Rev. Funds	1,045,865	1,096,463	1,442,469	1,441,696	2,142,328	2,884,165	741,837	34.63 %
Federal Spec. Rev. Funds	579,757	572,842	579,829	579,938	1,152,599	1,159,767	7,168	0.62 %
<b>Total Funds</b>	<b>\$7,719,658</b>	<b>\$8,956,495</b>	<b>\$9,945,631</b>	<b>\$9,942,171</b>	<b>\$16,676,153</b>	<b>\$19,887,802</b>	<b>\$3,211,649</b>	<b>19.26 %</b>

**Program Description**

The Legal Services Division (LSD) provides:

- Legal research and analysis for the Attorney General
- Legal counsel for state government officials, bureaus, and boards
- Legal assistance to local governments and Indian tribes
- Legal assistance, training, and support for county prosecutors
- Assistance to victims of crime, including compensation payments

The Prosecution Services Bureau assists local county attorneys by providing training and assisting in the prosecution of complex criminal cases, particularly homicide cases. The bureau prosecutes cases where the county attorney has a conflict of interest, and drug, workers' compensation, and Medicaid fraud cases. The bureau also investigates complaints against county attorneys.

The Appellate Services Bureau handles appeals of criminal matters, including death penalty cases, and represents the state in federal court when constitutional challenges are made to a criminal conviction.

The Civil Services Bureau defends the state in constitutional challenges and coordinates appeals of civil cases that involve the state. This bureau also provides legal assistance to state and local governments on matters involving Indian jurisdiction and federal reserved water rights.

The Child Protection Unit handles child abuse and neglect cases around Montana. The unit has offices in Bozeman, Billings, Great Falls, and Miles City and focuses on resolving the legal status of children who have been in foster care for more than 15 out of the most recent 22 months.

The Office of Victim Services (OVS) works to elevate the status of victims and their rights and responds to the needs of crime victims in Montana. It serves as a central reference point for victims of crime, administers the Crime Victim Compensation Program and the Forensic Rape Examination Payment Program, and offers information and referral services. OVS staffs the Domestic Violence Fatality Review Commission and provides training and information for those who work with victims, including law enforcement, victim advocates, probation and parole workers, and local community organizations.

The Office of Consumer Protection (OCP) responds to consumer complaints and enforces Montana's consumer protection laws and regulations relating to unfair and deceptive business practices, including: "bait and switch," false claims,

changing a contract after a sale, abusive arbitration, debt collection misconduct, door-to-door sales, telemarketing including administering Montana's do-not-call list, car and truck sales and repair including the New Vehicle Warranty Act (or Lemon Law) violations, and antitrust issues including price fixing, monopoly abuse, and restraint of trade. OCP assists victims of identity theft and administers the state's Security Freeze Program. It provides extensive public education about consumer and telemarketing fraud and identity theft to Montana consumer groups, senior citizen organizations, law enforcement agencies, and businesses.

**Program Highlights**

<p><b>Legal Services Division Major Budget Highlights</b></p>
<ul style="list-style-type: none"> <li>• The budget would increase largely due to:                             <ul style="list-style-type: none"> <li>◦ Annualize funding of the legislative pay plan</li> <li>◦ A request for funding to add 1.00 FTE attorney to enhance prosecution services in Eastern Montana</li> <li>◦ Requests to fund litigation costs for water rights litigation between Montana and Wyoming and potential litigation associated with the Confederated Salish and Kootenai Tribes water compact</li> </ul> </li> </ul>
<p><b>Major LFD Issues</b></p>
<ul style="list-style-type: none"> <li>• Outfitting costs for new staff are not an ongoing expenditure and the legislature may want to designate funding as one-time-only</li> </ul>

**Program Discussion -**

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

*Personal Services*

In the FY 2015 legislative budget, personal services comprised 59.2% of the program budget. The Governor proposes 60.7% in FY 2016 and 60.6% in FY 2017. The increases in costs are due to:

- Funding to annualize the legislative pay plan, HB 13 of the 2013 Legislature
- Funding to annualize pay increases given at the agency's discretion

This program provided pay increases to 11 staff for competitive hires or market adjustments. The average increase for the adjustments was 16.2% and would increase funding requirements for subsequent years by an estimated \$98,000.

**Funding**

The following table shows proposed program funding by source from all sources of authority.

Department of Justice, 01-Legal Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	15,843,870	0	0	15,843,870	77.94 %	
02106 Crime Victims Compensation	0	0	441,028	441,028	13.26 %	
02140 Consumer Education Settlement	2,388,661	0	0	2,388,661	71.84 %	
02937 JUSTICE STATE SPECIAL MISC	495,504	0	0	495,504	14.90 %	
<b>State Special Total</b>	<b>\$2,884,165</b>	<b>\$0</b>	<b>\$441,028</b>	<b>\$3,325,193</b>	<b>16.36 %</b>	
03169 Federal Crime Victims Benefits	836,573	0	0	836,573	72.13 %	
03801 Dept Of Justice-Misc Grants	323,194	0	0	323,194	27.87 %	
<b>Federal Special Total</b>	<b>\$1,159,767</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,159,767</b>	<b>5.70 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$19,887,802</b>	<b>\$0</b>	<b>\$441,028</b>	<b>\$20,328,830</b>		

The division receives the majority of its funding from the general fund. Each of the various functions within the division has a unique funding source. Attorneys are supported primarily by general fund with state special revenue from highway special revenue, tobacco settlement funds, and other funds supporting specific activities. Additionally, work for the Reserved Water Rights Compact Commission is funded by the Department of Natural Resources and Conservation; prosecution of hunting violations is funded by the Department of Fish, Wildlife and Parks; and prosecution of worker's compensation violations is funded by the State Fund. The cost of major litigation is supported entirely by the general fund. Funding for assistance to crime victims comes from the general fund and federal grants. State special revenue from the settlement of consumer protection litigation funds the portion of the program that supports consumer protection functions.

**Budget Summary by Category**

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	6,412,190	6,412,190	12,824,380	80.94 %	7,021,030	7,021,030	14,042,060	70.61 %
PL Adjustments	841,163	842,467	1,683,630	10.63 %	2,254,621	2,255,261	4,509,882	22.68 %
New Proposals	669,980	665,880	1,335,860	8.43 %	669,980	665,880	1,335,860	6.72 %
<b>Total Budget</b>	<b>\$7,923,333</b>	<b>\$7,920,537</b>	<b>\$15,843,870</b>		<b>\$9,945,631</b>	<b>\$9,942,171</b>	<b>\$19,887,802</b>	

**Program Reorganization -**

The 2013 Legislature appropriated funding for consumer protection in a separate and stand-alone program for budget purposes. During the 2015 biennium, the Office of Consumer Protection Program was reorganized to combine it with this program for budgeting purposes. The reorganization moved the funding for operations and 9.00 FTE into this program.

**Present Law Adjustments -**

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	360,082	780,140	(12,632)	1,127,590	0.00	358,848	774,681	(12,367)	1,121,162
DP 99 - LEG. Present Law	0.00	481,081	472,331	173,619	1,127,031	0.00	483,619	477,017	173,463	1,134,099
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$841,163</b>	<b>\$1,252,471</b>	<b>\$160,987</b>	<b>\$2,254,621</b>	<b>0.00</b>	<b>\$842,467</b>	<b>\$1,251,698</b>	<b>\$161,096</b>	<b>\$2,255,261</b>

DP 98 - LEG. Personal Services Present Law -

The following table outlines various components of the changes included in the PS PL adjustments.

Personal Services Present Law Adjustments					
FY 2016					
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL Item					
State Share Health Insurance	53.75	\$19,197	\$11,189	\$110	\$30,497
Executive Implementation of 2015 Pay Increase		65,154	39,653	(920)	103,887
Fully Fund 2015 Legislatively Authorized FTE		92,118	-	-	92,118
Other					
Reorganization	9.00	-	612,756	-	612,756
Remainder of Other	0.00	183,613	116,542	(11,822)	288,333
Total Other	9.00	183,613	729,298	(11,822)	901,089
Personal Services Present Law Adjustments	62.75	\$360,082	\$780,140	(\$12,632)	\$1,127,590
FY 2017					
	FTE	General Fund	State Special	Federal Special	Total Funds
CP 98 PSPL Item					
State Share Health Insurance	53.75	\$19,197	\$11,189	\$110	\$30,497
Executive Implementation of 2015 Pay Increase		64,924	39,925	(963)	103,887
Fully Fund 2015 Legislatively Authorized FTE		92,118	-	-	92,118
Other					
Reorganization	9.00	-	612,756	-	612,756
Remainder of Other	0.00	182,609	110,811	(11,515)	281,905
Total Other	9.00	182,609	723,567	(11,515)	894,661
Personal Services Present Law Adjustments	62.75	\$358,848	\$774,681	(\$12,367)	\$1,121,162

The executive has proposed to increase funding for personal services by 32.6% in FY 2016 and by 32.5% in FY 2017 compared to the FY 2015 legislative budget.

*Reorganization* - The executive reorganized this program by moving the staff of the former Office of Consumer Protection into this program. Moving the 9.00 FTE to this program increased the program personal services budget by \$612,756 in FY 2015.

*Remainder of Other* - Changes that make up the remainder of the other adjustments are to annualize funding for pay adjustments made at the agency's discretion.

DP 99 - LEG. Present Law -

The following table outlines various components of the changes included in the LGPL adjustments.

Legislative Present Law Adjustments				
	FY 2016			
	General Fund	State Special	Federal Special	Total Funds
CP 99 Item				
Reorganization	\$0	\$293,709	\$0	\$293,709
Major Litigation	-	550,378	-	550,378
Vehicle Lease	-	11,761	-	11,761
Sexual Assault and State/Tribal Relations Training	-	215,815	-	215,815
Case Management System Maintenance	-	25,762	-	25,762
Other	481,081	(625,094)	173,619	29,606
<b>Legislative Present Law Adjustments</b>	<b>\$481,081</b>	<b>\$472,331</b>	<b>\$173,619</b>	<b>\$1,127,031</b>
	FY 2017			
	General Fund	State Special	Federal Special	Total Funds
CP 99 Item				
Reorganization	\$0	\$293,709	\$0	\$293,709
Major Litigation	-	550,378	-	550,378
Vehicle Lease	-	11,732	-	11,732
Sexual Assault and State/Tribal Relations Training	-	215,815	-	215,815
Case Management System Maintenance	-	26,137	-	26,137
Other	483,619	(620,754)	173,463	36,328
<b>Legislative Present Law Adjustments</b>	<b>\$483,619</b>	<b>\$477,017</b>	<b>\$173,463</b>	<b>\$1,134,099</b>

The executive has proposed to increase funding for all other expenditure categories excluding personal services by 50.1% in FY 2016 and by 50.5% in FY 2017 compared to the FY 2015 legislative budget. Changes that make up the other category include the following, while individually listed adjustments are described separately:

- Increases in costs to purchase insurance and information technology services from the Department of Administration

The executive requests increases over the FY 2015 legislative funding for purchase of services from other state agencies, including funding for insurance, rent, and information technology purchased from the Department of Administration.

*Reorganization* - The reorganization that moved the Office of Consumer Protection to this program increased the 2015 legislative budget for the non-personal services expenditures by \$293,709.

*Major Litigation* - The executive requests funding for costs associated with major litigation. The funding would fund major litigation at \$1.0 million each year.

*Vehicle Lease* - The executive requests funding to lease two vehicles from the State Motor Pool.

*Sexual Assault And State/Tribal Relations Training* - The executive requests funding to contract for sexual assault and state/tribal relations training.

*Case Management System Maintenance* - The executive requests funding to contract for maintenance and support of its case management system.

**New Proposals -**

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 100102 - LSD Eastern Montana Prosecutor	1.00	169,980	0	0	169,980	1.00	165,880	0	0	165,880
DP 100103 - LSD Montana v. Wyoming Litigation (RST/BIEN/OTO)	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
DP 100104 - LSD CSKT Water Litigation (RST/BIEN/OTO)	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
<b>Total</b>	<b>1.00</b>	<b>\$669,980</b>	<b>\$0</b>	<b>\$0</b>	<b>\$669,980</b>	<b>1.00</b>	<b>\$665,880</b>	<b>\$0</b>	<b>\$0</b>	<b>\$665,880</b>

DP 100102 - LSD Eastern Montana Prosecutor -

The executive requests funding for the addition of 1.00 FTE attorney to serve as a prosecutor to address caseload growth in Eastern Montana.

<b>LFD COMMENT</b>	<p><u>Outfitting Costs are One-Time-Only</u></p> <p>Included in this request are costs to outfit the new staff. Outfitting costs are not on-going expenditures. The legislature may want to designate \$3,400 of the FY 2016 funding as one-time-only.</p>
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DP 100103 - LSD Montana v. Wyoming Litigation (RST/BIEN/OTO) -

The executive requests funding to support the Montana v. Wyoming water rights litigation. The executive recommends designating the funding for this request as restricted, biennial, and one-time-only.

The Montana v. Wyoming litigation would continue litigation on the alleged water compact violations made by the state of Wyoming. The executive recommends restricting the funding only for these two cases and designating the funding as restricted, biennial, and one-time-only.

<b>LFD COMMENT</b>	<p><u>2015 Biennium Funding</u></p> <p>The 2013 Legislature funded the Montana v. Wyoming litigation as a \$2.0 million restricted, biennial, and one-time-only appropriation. As such, the funding must be requested in full for the 2017 biennium.</p>
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DP 100104 - LSD CSKT Water Litigation (RST/BIEN/OTO) -

The executive requests funding for litigation associated with the Confederated Salish and Kootenai Tribes (CSKT) water compact. The executive recommends designating the funding for this request as restricted, biennial, and one-time-only.