

Agency Budget Comparison

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

| Agency 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 | 771.85 | 771.85 | 759.44 | 759.42 | 771.85 | 759.42 | (12.43) | (1.61)% |
| Personal Services | 52,082,055 | 56,392,808 | 59,129,855 | 59,117,838 | 108,474,863 | 118,247,693 | 9,772,830 | 9.01 % |
| Operating Expenses | 28,514,142 | 29,893,991 | 36,056,252 | 36,747,885 | 58,408,133 | 72,804,137 | 14,396,004 | 24.65 % |
| Equipment & Intangible Assets | 2,470,236 | 2,405,325 | 2,470,236 | 2,510,031 | 4,875,561 | 4,980,267 | 104,706 | 2.15 % |
| Grants | 87,500 | 80,000 | 87,500 | 87,500 | 167,500 | 175,000 | 7,500 | 4.48 % |
| Benefits & Claims | 966,303 | 976,674 | 966,303 | 966,303 | 1,942,977 | 1,932,606 | (10,371) | (0.53)% |
| Transfers | 89,349 | 11,295 | 89,349 | 89,349 | 100,644 | 178,698 | 78,054 | 77.55 % |
| Debt Service | 151,506 | 726,796 | 171,147 | 171,147 | 878,302 | 342,294 | (536,008) | (61.03)% |
| Total Costs | \$84,361,091 | \$90,486,889 | \$98,970,642 | \$99,690,053 | \$174,847,980 | \$198,660,695 | \$23,812,715 | 13.62 % |
| General Fund | 29,279,048 | 31,455,088 | 35,856,717 | 36,024,709 | 60,734,136 | 71,881,426 | 11,147,290 | 18.35 % |
| State/Other Special Rev. Funds | 52,219,004 | 56,032,054 | 60,076,425 | 60,626,588 | 108,251,058 | 120,703,013 | 12,451,955 | 11.50 % |
| Federal Spec. Rev. Funds | 1,086,662 | 1,148,931 | 1,151,805 | 1,151,667 | 2,235,593 | 2,303,472 | 67,879 | 3.04 % |
| Proprietary Funds | 1,776,377 | 1,850,816 | 1,885,695 | 1,887,089 | 3,627,193 | 3,772,784 | 145,591 | 4.01 % |
| Total Funds | \$84,361,091 | \$90,486,889 | \$98,970,642 | \$99,690,053 | \$174,847,980 | \$198,660,695 | \$23,812,715 | 13.62 % |

Mission Statement

The mission of the Department of Justice is to pursue activities and programs that seek to ensure and promote the public interest, safety, and well-being through leadership, advocacy, education, regulation, and enforcement.

There is additional, more detailed information about the department in the agency profile. The profile may be viewed at:

<http://leg.mt.gov/fbp-2017.asp>

Agency Highlights

| Department of Justice Major Budget Highlights |
|---|
| <ul style="list-style-type: none"> • The budget would increase largely due to: <ul style="list-style-type: none"> ◦ Global statewide present law adjustments such as annualization of the HB 13 pay plan ◦ An adjustment to support the rolling reissuance of motor vehicle license plates ◦ An adjustment to annualize costs associated with replacement of a contract to provide driver's license processing and production services ◦ A request for funding to litigate two water right cases: one involving a case continuing from the 2015 biennium between Montana and Wyoming and another associated with the Confederated Salish and Kootenai Tribes water compact ◦ Funding for a statutory salary adjustment for Montana Highway Patrol officers based on a statutory market survey ◦ Requests for funding to add 6.00 FTE ◦ Requests for various present law funding adjustments in all programs • Funding for 6.00 additional FTE is requested <ul style="list-style-type: none"> ◦ 1.00 FTE attorney to enhance prosecution services in Eastern Montana ◦ 2.00 FTE crime investigators to address issues in the Bakken area of Eastern Montana ◦ 2.00 FTE computer applications engineers to support data sharing within the division and with local government law enforcement agencies ◦ 1.00 FTE toxicologist to address workload issues at the state crime laboratory |
| Legislative Action Issues |
| <ul style="list-style-type: none"> • Funding for driver's license contract renewal is speculative and the legislature may want to designate funding as restricted • Outfitting costs for new staff are not an ongoing expenditure and the legislature may want to designate funding as one-time-only |

Agency 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.

5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2017 biennium 5% plan submitted for this agency is in the appendix. For this agency the 5% plan includes reductions totaling \$1.4 million general fund and \$833,000 state special revenue.

Agency Personal Services

The personal services budget for the 2017 biennium would increase over the FY 2015 legislative budget primarily due to funding for the following factors:

- Montana Highway Patrol officer statutory pay increases
- 2.00 FTE computer applications engineers
- 2.00 FTE criminal investigators for narcotics investigations in the Bakken region of Eastern Montana
- 1.00 FTE attorney to serve as a prosecutor in Eastern Montana
- 1.00 FTE toxicologist for the state crime laboratory
- Annualization of pay increases funded in the pay plan of the 2013 Legislature
- Annualization of pay increases given at the agency's discretion

In addition to pay increases funded in the state pay plan (HB 13); and in HB 2 for highway patrol officer salary survey adjustments, elected official survey, and longevity the agency provided various additional increases either selectively or in response to negotiated pay settlements that resulted from decisions of the Board of Personnel Appeals. Agency-wide, 314 additional pay adjustments were provided, including 32 associated with a negotiated pay settlement for highway patrol dispatchers. All pay adjustments above the three listed above averaged 3.61% and increased hourly pay by \$269, or \$562,200 annually, for a population of employees with a previous base rate of a combined \$7,570 per hour, or \$15.8 million annually. These adjustments were given primarily for recruitment and retention, career ladders, and to reward high performing staff with pay incentives for demonstrated competencies.

The agency continues to experience high turnover in license and permit technicians, attorneys, and forensic scientists.

Although the agency didn't specify what percent of its workforce is eligible for retirement in the 2017 biennium, it stated that it expects it will have a higher retirement rate in the 2017 biennium than in the 2015 biennium when it expected about 25% of its workforce would retire. In FY 2014, 24 employees in the agency retired with a combined 529 years of service, or an average of 22 years of service. In FY 2014, the agency expended \$527,000 in HB 2 funding for termination payouts. The agency did not request funds for this purpose for the 2017 biennium.

Comparison of FY 2015 Legislative Base to FY 2015 Appropriation

The following highlights the differences between the FY 2015 appropriations as shown in the main table to the FY 2015 legislative appropriations used for purposes of the budget base, by program.

| FY 2015 Appropriation Transactions - Department of Justice | | | | | | | |
|--|-----------------------|--------------------|---------------------|-----------|----------------------|-----------|-------------------------|
| Program | Legislative Approp | Leg App OTO | Direct Transfers | Op Plan | Program Transfers | Reorgs | Total Exec Implement |
| 01 Legal Services Div | \$7,021,030 | \$1,000,000 | | - | \$29,000 | \$906,465 | \$8,956,495 |
| Personal Services | 4,747,962 | | | (6,000) | 2,038 | 612,756 | 5,356,756 |
| Operating Expenses | 1,448,356 | 1,000,000 | | 6,000 | (125,000) | 293,709 | 2,623,065 |
| Bnfts&Clms | 824,712 | | | | 151,962 | | 976,674 |
| 02 Ofc Consum Prot | 906,465 | | | | | (906,465) | - |
| Personal Services | 612,756 | | | | | (612,756) | - |
| Operating Expenses | 293,709 | | | | | (293,709) | - |
| 07 Gambling Cont Div | 4,152,214 | | | | | | 4,152,214 |
| Personal Services | 3,319,318 | | | | | | 3,319,318 |
| Operating Expenses | 750,036 | | | | | | 750,036 |
| Equipment & Intangible Assets | 82,860 | | | | | | 82,860 |
| 12 Motor Vehicle Div | 20,042,834 | | | - | | | 20,042,834 |
| Personal Services | 7,172,278 | | | 140,000 | | | 7,312,278 |
| Operating Expenses | 12,139,828 | | | (140,000) | | | 11,999,828 |
| Equipment & Intangible Assets | 114,028 | | | | | | 114,028 |
| Debt Service | 616,700 | | | | | | 616,700 |
| 13 MT Hwy Patrol | 36,034,239 | - | (\$89,068) | | | | 35,945,171 |
| Personal Services | 25,891,643 | | | | | | 25,891,643 |
| Operating Expenses | 8,150,431 | | | | | | 8,150,431 |
| Equipment & Intangible Assets | 1,992,165 | | (89,068) | | | | 1,903,097 |
| 18 Div Criminal Invest | 11,490,969 | 100,000 | | - | 58,155 | (315,622) | 11,333,502 |
| Personal Services | 7,345,169 | | | | 171,401 | (176,260) | 7,340,310 |
| Operating Expenses | 4,011,053 | 100,000 | | (80,000) | (113,246) | (139,362) | 3,778,445 |
| Equipment & Intangible Assets | 123,452 | | | | | | 123,452 |
| Grants | | | | 80,000 | | | 80,000 |
| Transfers | 11,295 | | | | | | 11,295 |
| 19 Post Council | | | | | | 315,622 | 315,622 |
| Personal Services | | | | | | 176,260 | 176,260 |
| Operating Expenses | | | | | | 139,362 | 139,362 |
| 28 Central Svcs Div | 1,459,574 | | | | | | 1,459,574 |
| Personal Services | 1,271,424 | | | | | | 1,271,424 |
| Operating Expenses | 188,150 | | | | | | 188,150 |
| 29 Info Tech Svc | 4,031,508 | | | | (87,155) | | 3,944,353 |
| Personal Services | 2,883,182 | | | | (85,882) | | 2,797,300 |
| Operating Expenses | 1,111,506 | | | | (1,273) | | 1,110,233 |
| Equipment & Intangible Assets | 36,820 | | | | | | 36,820 |
| 32 Forensic Sci Div | 4,198,056 | | | | | | 4,248,056 |
| Personal Services | 2,927,519 | | | | | | 2,927,519 |
| Operating Expenses | 1,154,441 | | | | | | 1,154,441 |
| Equipment & Intangible Assets | 6,000 | 50,000 | | | | | 56,000 |
| Debt Service | 110,096 | | | | | | 110,096 |
| Agency Total | \$89,336,889 | \$1,100,000 | (\$89,068) | - | - | - | \$90,397,821 |

The agency transferred \$89,000 to the Architectural and Engineering Division to fund construction of a communications tower for the Montana Highway patrol.

The agency also transferred FTE between programs for the following purposes

- 2.00 FTE from the Information Technology program to the Division of Criminal Investigation to administer the Criminal Justice Network

- 1.00 FTE from the Division of Criminal Investigation to the Legal Services Division to realign attorney general personal staff
- 1.00 FTE from the Legal Services Division to the Division of Criminal Investigation for the child and family ombudsman function

In FY 2014, the agency reorganized how it administers two of its functions:

- Office of Consumer Protection
- POST (Montana Public Safety Officer Standards and Training Council)

The Office of Consumer Protection including 9.00 FTE and funding were moved from a stand-alone budget program to a bureau under the Legal Services Division. Additionally, POST and its 3.00 FTE and funding were moved from being a portion of the budget under the Division of Criminal Investigation to being a stand-alone program for budgeting purposes.

Funding

The following table shows proposed agency funding by source of authority as proposed. Funding for each program is discussed in detail in the individual program narratives that follow.

| Total Department of Justice Funding by Source of Authority 2017 Biennium Budget - Department of Justice | | | | | | |
|--|----------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds | HB2 | Non-Budgeted Proprietary | Statutory Appropriation | Total All Sources | % Total All Funds | |
| General Fund | 71,881,426 | 0 | 9,366,522 | 81,247,948 | 37.55 % | |
| State Special Total | 120,703,013 | 0 | 4,233,676 | 124,936,689 | 57.74 % | |
| Federal Special Total | 2,303,472 | 0 | 212,256 | 2,515,728 | 1.16 % | |
| Proprietary Total | 3,772,784 | 3,895,624 | 0 | 7,668,408 | 3.54 % | |
| Other Total | 0 | 0 | 0 | 0 | 0.00 % | |
| Total All Funds | \$198,660,695 | \$3,895,624 | \$13,812,454 | \$216,368,773 | | |
| Percent - Total All Sources | 91.82 % | 1.80 % | 6.38 % | | | |

Funding for the department varies by division and function. General fund supports the Legal Services Division, Motor Vehicle Division, Division of Criminal Investigation, POST, Central Services Division, Information Technology Division, and Forensic Science Division. The highways state special revenue account supports a number of programs where highway safety is impacted. Highways state special revenue provides significant portions of the funding for the Motor Vehicle Division, Highway Patrol Division, and Central Services Division. State special revenue from consumer settlement proceeds supports consumer protection activities, gambling license fees support Gambling Control, and motor vehicle fees support the debt payment for the development and implementation of a computer system. Federal funds combined with general fund support Medicaid fraud investigation and the Child Protection Unit within the Legal Division. Proprietary funds support liquor licensing functions and legal services provided under contract to other agencies. Please refer to the narrative for the Department of Transportation in Section C for a discussion of the highway state special revenue fund.

Budget Summary by Category

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

| Budget Summary by Category | | | | | | | | |
|----------------------------|-------------------------------|-------------------------------|----------------------------------|----------------------|-------------------------------|-------------------------------|----------------------------------|----------------------|
| 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 | 30,305,088 | 30,305,088 | 60,610,176 | 84.32 % | 89,336,889 | 89,336,889 | 178,673,778 | 89.94 % |
| PL Adjustments | 4,732,717 | 4,909,881 | 9,642,598 | 13.41 % | 8,814,841 | 9,543,424 | 18,358,265 | 9.24 % |
| New Proposals | 818,912 | 809,740 | 1,628,652 | 2.27 % | 818,912 | 809,740 | 1,628,652 | 0.82 % |
| Total Budget | \$35,856,717 | \$36,024,709 | \$71,881,426 | | \$98,970,642 | \$99,690,053 | \$198,660,695 | |