

**Agency Budget Comparison**

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	771.85	771.85	757.44	757.42	771.85	757.42	(14.43)
Personal Services	52,082,055	56,392,808	58,083,346	58,099,504	108,474,863	116,182,850	7,707,987
Operating Expenses	28,514,142	29,893,991	33,667,631	34,714,535	58,408,133	68,382,166	9,974,033
Equipment & Intangible Assets	2,470,236	2,405,325	2,355,325	2,355,325	4,875,561	4,710,650	(164,911)
Grants	87,500	80,000	0	0	167,500	0	(167,500)
Benefits & Claims	966,303	976,674	1,121,191	1,121,191	1,942,977	2,242,382	299,405
Transfers	89,349	11,295	11,295	11,295	100,644	22,590	(78,054)
Debt Service	151,506	726,796	726,796	726,796	878,302	1,453,592	575,290
<b>Total Costs</b>	<b>\$84,361,091</b>	<b>\$90,486,889</b>	<b>\$95,965,584</b>	<b>\$97,028,646</b>	<b>\$174,847,980</b>	<b>\$192,994,230</b>	<b>\$18,146,250</b>
General Fund	29,279,048	31,455,088	34,346,626	34,843,856	60,734,136	69,190,482	8,456,346
State/Other Special Rev. Funds	52,219,004	56,032,054	58,421,908	58,981,000	108,251,058	117,402,908	9,151,850
Federal Spec. Rev. Funds	1,086,662	1,148,931	1,334,475	1,333,876	2,235,593	2,668,351	432,758
Proprietary Funds	1,776,377	1,850,816	1,862,575	1,869,914	3,627,193	3,732,489	105,296
<b>Total Funds</b>	<b>\$84,361,091</b>	<b>\$90,486,889</b>	<b>\$95,965,584</b>	<b>\$97,028,646</b>	<b>\$174,847,980</b>	<b>\$192,994,230</b>	<b>\$18,146,250</b>

**Agency Description**

The Department of Justice, under the direction of the Attorney General, is responsible for statewide legal services and counsel, law enforcement and public safety. The duties of the department are as follows:

- Provide legal representation for the state and its political subdivisions in criminal appeals
- Provide legal services and counsel for the state, county and municipal agencies, and their officials
- Enforce Montana traffic laws and register all motor vehicles
- Enforce state fire safety codes and regulations
- Assist local law enforcement agencies in bringing offenders to justice
- Manage a statewide system of death investigations and provide scientific analyses of specimens submitted by law enforcement officials, coroners and state agencies
- Maintain and disseminate criminal justice information to authorized state, local, and other entities
- Provide uniform regulation of all gambling activities in the state of Montana
- Provide criminal justice officers and other qualified individuals with basic and specialized training in the field of law enforcement
- Enforce consumer protection laws and regulations relating to unfair and deceptive business practices, and assist Montana consumers in making sound decisions by providing public outreach
- Provide statewide leadership on issues related to victims of crime and administer the crime victim compensation program for the benefit of victims

**Agency Highlights**

**Department of Justice  
Major Budget Highlights**

- In total funds, biennial appropriations increased by 10%, or \$17.8 million due primarily to approval of funding to:
  - Annualize costs associated with replacement of a contract to provide driver's license processing and production services
  - Annualize costs for the rolling reissuance of vehicle license plates
  - Increase Montana Highway Patrol officer salaries per a statutory salary survey
  - Annualize discretionary pay increases the agency provided in the 2015 biennium
  - Provide sexual assault and state/tribal relations training at a level lower than requested
  - Add 2.00 FTE investigators for the Division of Criminal Investigation
  - Add 1.00 FTE toxicologist at the state crime lab
  - Add 1.00 FTE investigator for the Montana Developmental Center in Boulder, one-time-only
  - Add 1.00 FTE gambling control investigator
  - Transfer 1.00 FTE to the Department of Transportation to coordinate radio interoperability
  - Increase crime victim benefits
  - Support legal and travel costs for the Public Safety Officer Standards and Training function
  - Adjust operating costs in several programs to the FY 2015 legislative base

### Summary of Legislative Action

The legislature approved the department budget with an increase of \$14.4 million, or 8.1%, over the 2015 biennium. The following items were funded and drove the increase:

- Costs associated with replacement of a contract to provide driver's license processing and production services with the funding restricted only for these costs
- Costs to annualize the rolling reissuance of vehicle license plates
- Discretionary pay increases given during the 2015 biennium
- Increases in federal funds for crime victim's benefits

The legislature included language that increases the state special revenue funding for the Motor Vehicle Division by \$3.4 million for the biennium if HB 628 is not passed and approved. HB 628 passed the legislature but was vetoed by the Governor. A poll of the legislature failed to override the Governor's veto and this funding is valid.

At the urging of the legislature, the Montana Highway Patrol transferred ownership of \$133,000 in sports utility vehicles purchased with funds from a risk mitigation grant to the State Motor Pool. This item appeared as an audit finding and had no net budget impacts.

### Funding

The following table shows agency funding by source of authority. 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	69,190,482	0	9,479,127	78,669,609	36.45 %	
State Special Total	117,402,908	0	10,116,208	127,519,116	59.09 %	
Federal Special Total	2,668,351	0	85,000	2,753,351	1.28 %	
Proprietary Total	3,732,489	3,143,760	0	6,876,249	3.19 %	
Other Total	0	0	0	0	0.00 %	
<b>Total All Funds</b>	<b>\$192,994,230</b>	<b>\$3,143,760</b>	<b>\$19,680,335</b>	<b>\$215,818,325</b>		
<b>Percent - Total All Sources</b>	<b>89.42 %</b>	<b>1.46 %</b>	<b>9.12 %</b>			

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 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 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	87.60 %	89,336,889	89,336,889	178,673,778	92.58 %
PL Adjustments	3,792,505	4,294,995	8,087,500	11.69 %	6,389,662	7,457,984	13,847,646	7.18 %
New Proposals	249,033	243,773	492,806	0.71 %	239,033	233,773	472,806	0.24 %
<b>Total Budget</b>	<b>\$34,346,626</b>	<b>\$34,843,856</b>	<b>\$69,190,482</b>		<b>\$95,965,584</b>	<b>\$97,028,646</b>	<b>\$192,994,230</b>	

**Other Legislation**

**HB 115** - HB 115 adds a requirement that each applicant for a license with the Board of Nursing is required to obtain a state and federal criminal background check. The fiscal note for HB 115 states that in order to process the background checks the Division of Criminal Investigations of the Department of Justice would have additional workload equivalent to 0.25 FTE and costs of \$38,984 in FY 2016 and \$35,584 in FY 2017. The costs would be funded by state special revenue from the additional license fees. The legislature did not add funding to HB 2 for the fiscal impacts of HB 115.

**HB 123** - HB 123 revises public records laws as to how public records are managed. The fiscal note for HB 123 indicates that the department would see additional workloads equivalent to 1.15 FTE and general fund costs of \$99,422 in FY 2016 and \$95,696 in FY 2017 to provide comprehensive legal review and legal advice to divisions and to fund information technology maintenance and data storage costs. The legislature did not add funding to HB 2 for the fiscal impacts of HB 123.

**HB 244** - HB 244 provides a \$1.0 million general fund appropriation to the department to fund major litigation costs. Of these funds, \$200,000 is restricted only to actions to improve and protect the state's access to and growth in domestic and international markets for its products and natural resources.

HB 463 - HB 463 revise laws related to asset forfeiture. According to the fiscal note, the department assumes that current state special revenue forfeiture revenues would decline and costs funded by general fund would increase for net general fund impacts of \$79,400 in each of FY 2016 and FY 2017. No additional funding was added to HB 2 for these impacts.

HB 472 - HB 472 reauthorize the child and family ombudsman. Contingency language in HB 472 moves \$85,741 general fund from the Department of Public Health and Human Services to the department to fund costs for 1.00 FTE paralegal to assist the ombudsman with case work, responding to citizens, and completing investigations.

HB 488 - HB 488 revised driving under the influence laws by increasing the fines and establishing a new administrative fee for refusal to submit to field tests for drug or alcohol use. The new administrative fee will be deposited in a state special revenue account. The fiscal note for HB 488 assumes the new fee would be used by the state crime laboratory to lease instrumentation. No funding was included in HB 488 or HB 2 to allow expenditures of the new fee.

HB 512 - HB 512 establishes an eastern Montana branch of the state crime laboratory in Yellowstone County. The bill appropriates \$1.5 million general fund to the department for the biennium to fund facility lease costs as well as personal services and operating costs to operate the laboratory and purchase equipment. It assumes 2.00 FTE forensic scientists and 1.00 biological laboratory technician would staff the laboratory. HB 512 will increase the HB 2 budget pressures on the department in the 2019 biennium and beyond by a minimum of \$1.5 million to continue operating the laboratory.

HB 628 - HB 628 extends the period for the rolling reissuance of motor vehicle license plates from five years to ten years. HB 2 includes contingency language that increases state special revenue for the Motor Vehicle Division by \$1,697,988 in FY 2016 and by \$1,703,961 in FY 2017 if HB 628 is not passed and approved. The Governor has vetoed HB 628 and a poll of the legislature failed to override the Governor's veto. As such, this appropriation is valid.

SB 68 - SB 68 extends the termination date for the crime victims compensation account from June 30, 2015, to June 30, 2021. Expenditures from the crime victims compensation account are made via statutory appropriations and are estimated to be \$404,653 in each FY 2016 and FY 2017.

SB 93 - SB 93 creates a restricted-use driving permit for individuals otherwise ineligible to be issued a driver's license. The fiscal note for SB 93 assumes costs of \$62,200 in FY 2016 to create a driver's license and identification card and program computer systems. No funding was included in SB 93 or HB 2 for these costs.

SB 110 - SB 110 provides for temporary registration permits for nonresident owners of quadricycles and motorcycles for off-road use. The fiscal note for SB 110 assumes costs of \$3,097 in FY 2016 and \$6,194 in FY 2017 to generate temporary registration stickers/permits. No funding was included in SB 110 or HB 2 for these costs.

SB 393 - SB 393 revises security interest and title filing fees and provides for online driver's license renewal. The fiscal note for SB 393 assumes costs of \$28,900 in FY 2017 to program computer systems and pay credit card transaction fees for online license renewals. No funding was included in SB 393 or HB 2 for these costs.

### **Executive Budget Comparison**

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	771.85	759.44	757.44	(2.00)	759.42	757.42	(2.00)	(2.00)
Personal Services	52,082,055	59,129,855	58,083,346	(1,046,509)	59,117,838	58,099,504	(1,018,334)	(2,064,843)
Operating Expenses	28,514,142	36,056,252	33,667,631	(2,388,621)	36,747,885	34,714,535	(2,033,350)	(4,421,971)
Equipment & Intangible Assets	2,470,236	2,470,236	2,355,325	(114,911)	2,510,031	2,355,325	(154,706)	(269,617)
Grants	87,500	87,500	0	(87,500)	87,500	0	(87,500)	(175,000)
Benefits & Claims	966,303	966,303	1,121,191	154,888	966,303	1,121,191	154,888	309,776
Transfers	89,349	89,349	11,295	(78,054)	89,349	11,295	(78,054)	(156,108)
Debt Service	151,506	171,147	726,796	555,649	171,147	726,796	555,649	1,111,298
<b>Total Costs</b>	<b>\$84,361,091</b>	<b>\$98,970,642</b>	<b>\$95,965,584</b>	<b>(\$3,005,058)</b>	<b>\$99,690,053</b>	<b>\$97,028,646</b>	<b>(\$2,661,407)</b>	<b>(\$5,666,465)</b>
General Fund	29,279,048	35,856,717	34,346,626	(1,510,091)	36,024,709	34,843,856	(1,180,853)	(2,690,944)
State/other Special Rev. Funds	52,219,004	60,076,425	58,421,908	(1,654,517)	60,626,588	58,981,000	(1,645,588)	(3,300,105)
Federal Spec. Rev. Funds	1,086,662	1,151,805	1,334,475	182,670	1,151,667	1,333,876	182,209	364,879
Other	1,776,377	1,885,695	1,862,575	(23,120)	1,887,089	1,869,914	(17,175)	(40,295)
<b>Total Funds</b>	<b>\$84,361,091</b>	<b>\$98,970,642</b>	<b>\$95,965,584</b>	<b>(\$3,005,058)</b>	<b>\$99,690,053</b>	<b>\$97,028,646</b>	<b>(\$2,661,407)</b>	<b>(\$5,666,465)</b>

The legislative budget is \$5.7 million in total funds and \$2.7 million in general fund lower than the executive request. The main differences are:

- Funding was not approved for the following requests:
  - To annualize the full amount of executive implementation of the FY 2015 portion of the 2013 Legislative pay plan
  - To fund potential litigation associated with the Confederated Salish and Kooteni Tribes water compact
  - To fund litigation associated with water rights litigation against Wyoming
  - To fund increased overtime for Montana Highway Patrol officers, criminal investigators, and information technology staff
  - To fund the addition of 2.00 FTE computer applications engineers for the Montana Highway Patrol
  - To fund the increased costs of computer equipment, system maintenance, and vehicle leases
- Funding for the addition of 1.00 FTE attorney to serve as a prosecutor in eastern Montana was not approved as the agency withdrew the request
- Funding for sexual assault and state/tribal relations training was approved at a lower level than requested
- Funding for increased costs of the Montana Insurance Verification System and license plate rolling reissuance was funded via contingency language if HB 628 failed to become law

At the legislature's urging, the Montana Highway Patrol transferred ownership of \$133,000 in sports utility vehicles purchased with funds from a risk mitigation grant to the State Motor Pool. This item appeared as an audit finding.

### Language and Statutory Authority

The legislature included the following language in HB 2:

If HB 628 is not passed and approved, Motor Vehicle Division is increased in state special revenue by \$1,697,988 in FY 2016 and \$1,703,961 in FY 2017.