

Agency Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	17.50	17.50	18.50	18.50	17.50	18.50	1.00	5.71%
Personal Services	1,057,693	1,085,513	1,232,540	1,232,438	2,143,206	2,464,978	321,772	15.01%
Operating Expenses	790,837	748,052	795,419	794,014	1,538,889	1,589,433	50,544	3.28%
Equipment & Intangible Assets	12,779	13,042	12,779	12,779	25,821	25,558	(263)	(1.02%)
Grants	5,930,638	11,389,002	5,930,638	5,930,638	17,319,640	11,861,276	(5,458,364)	(31.52%)
Transfers	637,956	1,724,475	637,956	637,956	2,362,431	1,275,912	(1,086,519)	(45.99%)
Total Costs	\$8,429,903	\$14,960,084	\$8,609,332	\$8,607,825	\$23,389,987	\$17,217,157	(\$6,172,830)	(26.39%)
General Fund	2,261,059	2,263,250	2,388,659	2,387,774	4,524,309	4,776,433	252,124	5.57%
State Special	151,364	333,199	152,617	152,609	484,563	305,226	(179,337)	(37.01%)
Federal Special	6,017,480	12,363,635	6,068,056	6,067,442	18,381,115	12,135,498	(6,245,617)	(33.98%)
Total Funds	\$8,429,903	\$14,960,084	\$8,609,332	\$8,607,825	\$23,389,987	\$17,217,157	(\$6,172,830)	(26.39%)

Agency Description

To pro-actively contribute to public safety, crime prevention, and victim assistance with planning, policy development, and coordination of the justice systems in partnership with citizens, government, and communities.

For additional information, please refer to the agency profile.

Agency Highlights

Crime Control Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The 2015 biennium appears to be significantly lower than the 2013 biennium because federal pass-through grants are biennial and the unexpended base year authority inflates the appropriated FY 2013 amount for the comparison. Federal funds requested are \$1.2 million lower than appropriated in the 2013 biennium ◆ Personal services would increase due to: <ul style="list-style-type: none"> • Requests to add 1.00 FTE (\$118,000) • Statewide present law adjustments (\$232,000) ◆ If the federal Budget Control Act of 2011 goes forward in its present form it will reduce the amount of federal funds this agency can expect to receive
Legislative Action Issues
<ul style="list-style-type: none"> ◆ Funding is requested for a position funded by the 2011 Legislature but reclassified to perform functions where funding was removed by the 2011 Legislature

Agency Discussion

Agency Personal Services

Personal Services Growth

The personal services budget for the 2015 biennium would increase over the base due to the following factors and biennium amounts:

- o Requests to add 1.00 FTE, \$118,000
- o Statewide present law adjustments of \$232,000 that are influenced by:
 - o The amount needed to annualize pay changes given part way through the base year, \$30,000
 - o Expenditures included in the base for items such as retirement payouts, overtime, and per diem that are not being requested for the 2015 biennium, (\$31,000)
 - o Vacancy savings of 4% in the base year when no vacancy savings was applied, \$40,000
 - o A position budgeted for the 2013 biennium for an accountant that was used to fill the executive director position at a higher than budgeted amount, \$81,000

The agency provided market and performance adjustments averaging 5.7% for 12 employees costing an annualized \$32,000. Overall the agency is currently at 80.0% of the 2012 market for similar positions. The agency stated retention of key employees as the reason for providing the adjustments.

In addition, about 44% of this agency's FTE is eligible for full or early retirement in the 2015 biennium. The agency expects one retirement at an approximate cost of \$35,000. The agency did not request funds for this purpose.

5% Plans

This agency has fewer than 20.00 FTE and is exempt from the requirement to submit a 5% reduction plan.

Impacts of the Federal Budget Control Act of 2011 and Other Federal Action

Congress enacted the Budget Control Act of 2011 (BCA) to reduce the federal deficit. The BCA requires cuts (called sequestering) of \$984 billion over fiscal years 2013 through 2021.

Roughly 71% of the base funding for this agency was from federal funds and most of these federal funds are allocated by the U.S. Department of Justice under various programs. The majority of federal funding under the U.S. Department of Justice is for Justice Assistance Grants, which are mostly subjected to reduction under the BCA. If the deficit reduction proceeds in its current form Montana is expected to receive around an 8% reduction in this source of federal funding in FY 2013 than it received in FY 2012, with further and potentially deeper cuts in subsequent years.

In the base year, the agency used 92% of the federal funds in HB 2 to provide grants to state and local government entities. The remaining federal funds were used by the agency to deliver related programs or administer the funding.

Regardless of whether deficit reduction proceeds as currently written, various grants administered by this agency have been targeted for reduction in recent federal budgets.

The legislature may wish to:

- 1) Reduce the amount of federal appropriations to this agency to reflect the amounts anticipated with federal deficit reduction; and/or
- 2) Ask the agency how it intends to address the potential loss of funding in the coming biennium.

IT Systems

State agencies have identified information technology (IT) systems that are critical to the state as a whole or to the agency. Further, state agencies have assessed the age of the systems to establish whether the system is:

- o New
- o Emerging
- o Mature
- o Declining
- o Obsolete

The Legislative Finance Committee recommended that House Appropriations and Senate Finance and Claims Committee leadership direct the Long Range Planning Subcommittee to meet jointly with each of the appropriate joint appropriations subcommittees to discuss priorities related to critical IT systems, and that state agencies be prepared to discuss:

- o Current plans to address obsolescence
- o Costs to replace the system
- o Costs of maintaining the current system
- o Risks associated with both retaining the current system and replacing the system

LFD staff will be prepared to discuss issues related to those systems that have been determined to be either critical to the state as a whole or to the agency and either declining or obsolete. Issues include security, continuity of operations, and funding.

Agency Goals and Objectives

Goals and Objectives for the agency can be found in the appendix.

Funding

The following table shows agency funding by source of authority.

Total Crime Control Division Funding by Source of Authority 2015 Biennium Budget - Justice System Support Service							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$4,776,433	\$0	\$0	\$4,776,433	27.7%		
State Special Total	\$305,226	\$0	\$0	\$305,226	1.8%		
02768 Dom Violence Intervention - Hb 476	\$305,226	\$0	\$0	\$305,226	1.8%		
Federal Special Total	\$12,135,498	\$0	\$0	\$12,135,498	70.5%		
03008 Juvenile Justice Council	\$1,222,828	\$0	\$0	\$1,222,828	7.1%		
03962 Enf. Underage Drinking Laws	\$110,000	\$0	\$0	\$110,000	0.6%		
03081 Ovw Sexual Assault Services	\$520,000	\$0	\$0	\$520,000	3.0%		
03090 P Coverdell Forensic Science	\$200,000	\$0	\$0	\$200,000	1.2%		
03093 Title V Delinquency Intervention	\$25,000	\$0	\$0	\$25,000	0.1%		
03111 Rsat Residential Substance Abuse	\$177,648	\$0	\$0	\$177,648	1.0%		
03186 Project Safe Neighborhood	\$300,000	\$0	\$0	\$300,000	1.7%		
03188 Justice Assistance Grants	\$2,886,294	\$0	\$0	\$2,886,294	16.8%		
03201 Justice System Enhancements	\$180,000	\$0	\$0	\$180,000	1.0%		
03343 Criminal History Record Improv	\$400,000	\$0	\$0	\$400,000	2.3%		
03344 Violence Against Women Act	\$1,911,799	\$0	\$0	\$1,911,799	11.1%		
03962 Enf. Underage Drinking Laws	\$110,000	\$0	\$0	\$110,000	0.6%		
Total All Funds	\$17,217,157	\$0	\$0	\$17,217,157	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

General fund supports agency operations and grants to regional juvenile detention centers. Agency operations receives most of its support from the general fund with the balance funded primarily with federal funds. State special revenue for the misdemeanor domestic violence intervention program is administered by this agency. Federal funds administered by the agency come from seventeen different federal grants with the majority of these funds being pass-through funds that go to state and local agencies. A small portion of the federal funds support agency operations. The amount of administrative costs that may be recovered from federal grants varies from 0% to 10% depending upon the grant source, with the average administrative cost rate for all federal grants administered by the agency being 5.5%.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	2,261,059	2,261,059	4,522,118	94.68%	8,429,903	8,429,903	16,859,806	97.92%
Statewide PL Adjustments	82,309	81,437	163,746	3.43%	116,115	114,625	230,740	1.34%
Other PL Adjustments	45,555	45,542	91,097	1.91%	63,578	63,561	127,139	0.74%
New Proposals	(264)	(264)	(528)	(0.01%)	(264)	(264)	(528)	0.00%
Total Budget	\$2,388,659	\$2,387,774	\$4,776,433		\$8,609,332	\$8,607,825	\$17,217,157	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					115,798					115,782
Inflation/Deflation					(347)					(143)
Fixed Costs					664					(1,014)
Total Statewide Present Law Adjustments		\$82,309	\$807	\$32,999	\$116,115		\$81,437	\$799	\$32,389	\$114,625
DP 1 - Financial Monitoring of Projects	1.00	45,555	446	17,577	63,578	1.00	45,542	446	17,573	63,561
Total Other Present Law Adjustments	1.00	\$45,555	\$446	\$17,577	\$63,578	1.00	\$45,542	\$446	\$17,573	\$63,561
Grand Total All Present Law Adjustments	1.00	\$127,864	\$1,253	\$50,576	\$179,693	1.00	\$126,979	\$1,245	\$49,962	\$178,186

DP 1 - Financial Monitoring of Projects - The executive requests general fund (71.7%), state special revenue (0.7%), and federal special revenue (27.6%) to fund the addition of 1.00 FTE financial compliance auditor and a leased vehicle from the State Motor Pool to perform site financial monitoring of sub-grantees awarded funding from federal grants.

LFD ISSUE	<u>Reclassification of FTE Funded by 2011 Legislature</u>
	<p>The 2011 Legislature reduced funding for personal services associated with two management positions. During the interim, the executive reclassified a position previously funded as an accountant to a management position to assume duties previously performed by one of the two management positions the 2011 Legislature did not fund. The duties the position in this request would perform are those previously done by the accountant position that was reclassified. The funding for the reclassified position is 66% or \$42,820 higher than that for the position funded by the 2011 Legislature.</p> <p>Currently, 2.00 FTE account for 200 projects awarded by the board across the state annually. The agency states that with these resources 20% of the projects receive annual on-site financial examinations to verify that pass-through funding is administered in compliance with provisions of the awards. The funding for the position of this request would be used to perform annual on-site financial examinations of at least 50% of the awards.</p> <p>In light of the potential federal funding reductions of the Budget Reduction Action of 2011, the legislature may want to consider how this request to effectively perform annual on-site financial examinations of 30% more projects ranks compared to other general fund priorities.</p>

New Proposals

New Proposals										
-----Fiscal 2014-----						-----Fiscal 2015-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6101 - Professional Development Center Fee Allocation										
01	0.00	(264)	0	0	(264)	0.00	(264)	0	0	(264)
Total	0.00	(\$264)	\$0	\$0	(\$264)	0.00	(\$264)	\$0	\$0	(\$264)

DP 6101 - Professional Development Center Fee Allocation - The executive requests an increase for training services purchased from the Professional Development Center (PDC) of the Department of Administration. This request reflects the difference between the amount paid in the base for PDC services and a fixed cost allocation based on agency FTE counts. Starting in the 2015 biennium and beyond, the executive recommends funding the PDC as a fixed cost item. For a further discussion, see the narrative for the Department of Administration.

Language and Statutory Authority

The Governor proposes the following language for inclusion in HB 2.

"All pass-through grant authority is biennial."

"All remaining pass-through grant appropriations, up to \$100,000 in general fund money, \$180,000 in state special revenue, and \$7 million in federal funds, including reversions, for the 2013 biennium are authorized to continue and are appropriated in fiscal year 2014 and fiscal year 2015."