

**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	412.58	412.58	436.83	437.83	412.58	437.83	25.25	6.12%
Personal Services	29,439,881	30,280,661	31,888,159	31,973,563	59,720,542	63,861,722	4,141,180	6.93%
Operating Expenses	7,574,185	7,744,566	9,307,628	8,894,167	15,318,751	18,201,795	2,883,044	18.82%
Equipment & Intangible Assets	121,156	130,870	123,633	125,605	252,026	249,238	(2,788)	(1.11%)
Benefits & Claims	0	0	0	0	0	0	0	n/a
Transfers	0	0	0	0	0	0	0	n/a
Debt Service	8,875	11,651	8,875	8,875	20,526	17,750	(2,776)	(13.52%)
<b>Total Costs</b>	<b>\$37,144,097</b>	<b>\$38,167,748</b>	<b>\$41,328,295</b>	<b>\$41,002,210</b>	<b>\$75,311,845</b>	<b>\$82,330,505</b>	<b>\$7,018,660</b>	<b>9.32%</b>
General Fund	35,052,259	35,658,080	38,699,815	38,376,087	70,710,339	77,075,902	6,365,563	9.00%
State Special	1,969,709	2,386,679	2,506,544	2,504,229	4,356,388	5,010,773	654,385	15.02%
Federal Special	122,129	122,989	121,936	121,894	245,118	243,830	(1,288)	(0.53%)
<b>Total Funds</b>	<b>\$37,144,097</b>	<b>\$38,167,748</b>	<b>\$41,328,295</b>	<b>\$41,002,210</b>	<b>\$75,311,845</b>	<b>\$82,330,505</b>	<b>\$7,018,660</b>	<b>9.32%</b>

**Mission Statement**

The Judicial Branch's mission is to provide an independent, accessible, responsive, impartial and timely forum to resolve disputes; to preserve the rule of law; and to protect the rights and liberties guaranteed by the Constitutions of the United States and Montana.

For additional information, please refer to the agency profile.

**Agency Highlights**

<b>Judicial Branch Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ The major factors contributing to the proposed funding increases are:                             <ul style="list-style-type: none"> <li>● Statewide present law adjustments for personal services, \$2.2 million</li> <li>● Requests to add 25.25 FTE, \$3.4 million</li> <li>● Adjustments for case related district court costs due to lower than historical costs in the base year with historical level of cases, \$720,000</li> <li>● Courtroom technology upgrades, \$322,000</li> </ul> </li> <li>◆ The Governor also proposes funding to add FTE for the following purposes:                             <ul style="list-style-type: none"> <li>● 7.00 FTE information technology positions to support court automation systems</li> <li>● 4.25 FTE to support the Court Help Program that was funded with one-time-only funds in the 2013</li> <li>● 4.00 FTE to support drug courts that are currently being funded with federal grant funds that are expiring</li> <li>● 7.00 FTE as direct judicial staff</li> <li>● 3.00 FTE to support water adjudication work</li> </ul> </li> </ul>	

Legislative Action Issues
<ul style="list-style-type: none"> <li>◆ General fund is requested to replace expiring federal grant funds for drug courts</li> <li>◆ General fund is requested to replace federal funds for DUI courts to free up federal funds for DUI court expansions</li> <li>◆ Funds from the Water Adjudication Fund may be insufficient to fund future work</li> </ul>



## Agency Discussion

### *Agency Personal Services*

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

- Requests to add 25.25 FTE, \$3.4 million, for the following purposes:
  - 7.00 FTE information technology staff to support court automation systems
  - 4.25 FTE to support the Court Help Program
  - 4.00 FTE to support drug courts that are currently being funded with federal grants that are expiring
  - 7.00 FTE to provide direct staff for judges
  - 3.00 FTE to move positions from the Department of Natural Resources and Conservation to the Water Court
- Statewide present law adjustment, \$2.2 million, influenced by the following factors:
  - Fully fund positions after a roughly 3.0% vacancy saving was experienced in the base and no vacancy savings is applied in the 2015 biennium
  - Annualize the funding for career ladder pay changes given part way through FY 2012 to eight law clerks

This agency states that 36% of staff is currently eligible for either early or full retirement. The agency hasn't indicated how many it expects to retired but has requested funding for retirement liabilities in DP 4003 of the District Court Operations Program.

In judicial districts in the eastern part of the state where energy development is taking place the agency is having difficulty filling positions within the current pay structure due to the increasing cost of living and housing shortage.

The agency states that financial resource limitations as the factor in its inability to implement succession planning and identified chief juvenile probation officer retirements as an area of concern for the 2015 biennium.

### *5% Plans*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2015 biennium 5% plan submitted for this agency is in the appendix.

For this agency the general fund impact of the 5% plan is \$1.8 million and the state special revenue impact is \$15,000.

### *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:

- New
- Emerging
- Mature
- Declining
- 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.

*Interim Monitoring*

During the interim the Legislative Finance Committee monitored two programs of the agency that were identified in SJ 26, a resolution that recommended interim monitoring by legislative administrative and interim committees. The following programs were monitored:

- o Court Help
- o Water Court

No formal recommendations resulted from the monitoring of these two programs. For further information on the interim monitoring refer to the Supreme Court Operations and Water Court Programs in this narrative and in the 2013 biennium meeting reports on the Legislative Finance Committee Internet site at:

[http://leg.mt.gov/css/Committees/Administration/Finance/2013\\_lfc\\_default.asp](http://leg.mt.gov/css/Committees/Administration/Finance/2013_lfc_default.asp)

**Funding**

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

Total Judicial Branch Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$77,075,900	\$0	\$0	\$77,075,900	93.2%
State Special Total	5,010,773	-	-	5,010,773	6.1%
Federal Special Total	243,830	-	-	243,830	0.3%
Proprietary Total	-	368,529	-	368,529	0.4%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
<b>Total All Funds</b>	<b>\$82,330,503</b>	<b>\$368,529</b>	<b>\$0</b>	<b>\$82,699,032</b>	
Percent - Total All Sources	99.6%	0.4%	0.0%		

The branch receives the majority of its funding from the general fund. The largest sources of state special revenue are the natural resources operation fund and water adjudication fund, which support the Water Court. Other sources of state

special revenue include fines and fees, assessments for training events, and the accrued county sick/vacation leave fund. Federal funds received by the branch support the Court Assessment Program.

**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	35,052,259	35,052,259	70,104,518	90.96%	37,144,097	37,144,097	74,288,194	90.23%
Statewide PL Adjustments	1,233,272	1,210,024	2,443,296	3.17%	1,473,954	1,454,892	2,928,846	3.56%
Other PL Adjustments	970,218	926,034	1,896,252	2.46%	1,266,178	1,215,451	2,481,629	3.01%
New Proposals	1,444,066	1,187,770	2,631,836	3.41%	1,444,066	1,187,770	2,631,836	3.20%
<b>Total Budget</b>	<b>\$38,699,815</b>	<b>\$38,376,087</b>	<b>\$77,075,902</b>		<b>\$41,328,295</b>	<b>\$41,002,210</b>	<b>\$82,330,505</b>	