

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	754.85	754.85	763.85	763.85	754.85	763.85	9.00	1.19%
Personal Services	46,742,854	50,296,036	52,020,186	52,085,689	97,038,890	104,105,875	7,066,985	7.28%
Operating Expenses	26,076,259	24,686,726	29,579,856	30,016,226	50,762,985	59,596,082	8,833,097	17.40%
Equipment & Intangible Assets	2,284,825	1,995,547	2,460,325	2,460,325	4,280,372	4,920,650	640,278	14.96%
Grants	0	0	0	0	0	0	0	n/a
Benefits & Claims	824,712	1,011,704	824,712	824,712	1,836,416	1,649,424	(186,992)	(10.18%)
Transfers	11,295	11,295	11,295	11,295	22,590	22,590	0	0.00%
Debt Service	331,089	4,021,659	726,796	726,796	4,352,748	1,453,592	(2,899,156)	(66.61%)
Total Costs	\$76,271,034	\$82,022,967	\$85,623,170	\$86,125,043	\$158,294,001	\$171,748,213	\$13,454,212	8.50%
General Fund	26,416,233	26,315,728	29,810,309	29,822,290	52,731,961	59,632,599	6,900,638	13.09%
State Special	46,978,839	52,273,582	52,934,978	53,423,364	99,252,421	106,358,342	7,105,921	7.16%
Federal Special	1,119,209	1,493,495	1,102,415	1,102,408	2,612,704	2,204,823	(407,881)	(15.61%)
Other	1,756,753	1,940,162	1,775,468	1,776,981	3,696,915	3,552,449	(144,466)	(3.91%)
Total Funds	\$76,271,034	\$82,022,967	\$85,623,170	\$86,125,043	\$158,294,001	\$171,748,213	\$13,454,212	8.50%

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.

For additional information, please refer to the agency profile.

Agency Highlights

Department of Justice Major Budget Highlights
<ul style="list-style-type: none"> ◆ Major factors contributing to the proposed funding increase are: <ul style="list-style-type: none"> • Annualization of funding due to FY 2013 implementation of the Child Sexual Predator and Drug Diversion Program • Annualization of the contract costs of the insurance verification system after the 2011 Legislature delayed implementation • Requests to add 9.00 FTE for various functions identified below • Salary increases for highway patrol officers • Requests for general fund to fund items currently funded with federal or state special revenue ◆ The Governor also proposes: <ul style="list-style-type: none"> • 2.00 FTE be added for the Child Sexual Predator and Drug Diversion Program • 2.00 FTE support compliance of the Sexual and Violent Offender Registry Program • 4.00 FTE be added to address workload issues associated with a growth in commercial driver license applications • 1.00 FTE be added to provide training at the Montana Law Enforcement Academy

Legislative Action Issues
<ul style="list-style-type: none"> ◆ Major LFD Issue <ul style="list-style-type: none"> • The executive proposes several funding switches from federal funds to general fund • Costs of the Montana Law Enforcement Academy are proposed to be shifted from state special revenue to the general fund

Agency Discussion

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 13.00 FTE, \$1.9 million
- Vacancy savings in the base of 8.5% compared to the budgeted 4%, \$2.6 million
- Pay increases given part way through the year that are annualized to full year funding in the 2015 biennium, \$1.3 million
- Removal of certain expenses from the base that must be presented in a decision package if they are to continue, including retirement payouts, overtime, and per diem, \$1.4 million negative impact and net of items being requested for the 2015 biennium

Although this agency did not give agency-wide pay increases it did give pay adjustments to 67 employees for various reasons other than longevity and highway patrol adjustments funded by the 2011 Legislature. These 67 adjustments were given primarily for recruitment and retention purposes. The agency experiences high turnover in license and permit technicians of the Motor Vehicle Division, criminal investigators in the Division of Criminal Investigation, and attorneys agency-wide. Based on comparison to the 2012 market survey conducted by the Department of Administration the positions experiencing the highest turnover are also the positions furthest from market. The overall agency comparison to market midpoint is 84.5% and the high turnover positions are more than 10 percentage points below the agency average market midpoint.

In addition, about 48% of this agency's FTE is eligible for full or early retirement in the 2015 biennium. The agency expects that as much as 25% of its workforce will retire in the 2015 biennium. The agency did not request funds for this purpose.

Agency-wide Decision Packages

The following decision packages in this agency request changes in funding:

- DP 1208 - MVD CDL Medical Certification Program (Motor Vehicle Division), \$178,666 funding switch from federal funds to general fund and state special revenue
- DP 1209 - MVD National Motor Vehicle Title Info System (Motor Vehicle Division), \$66,590 funding switch from federal funds to general fund and state special revenue
- DP 1807 - DCI MLEA Maintenance (Division of Criminal Investigation), \$350,000 funding switch from state special revenue to general fund

Combined, the funding switches would increase general fund by \$497,154 and highways state special revenue by \$98,102 for the biennium.

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 2015 biennium 5% plan submitted for this agency is in the appendix. For this agency the 5% plan includes reductions totaling \$1.3 million general fund and \$775,000 state special revenue.

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:

- Current plans to address obsolescence
- Costs to replace the system
- Costs of maintaining the current system
- 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.

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 1.5% 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.

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 ask the agency how it intends to address the potential loss of funding in the coming biennium.

Interim Monitoring

The following functions of the agency were monitored by the Legislative Finance Committee during the interim as a result of recommendations of SJR 26, a resolution recommending interim monitoring:

- Insurance Verification System
- Motor Vehicle Division

The Legislative Finance Committee made no recommendations for either of the functions as a result of this performance monitoring.

Funding

The following table summarizes funding for the agency, by program and source. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Department Of Justice Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$59,632,599	\$0	\$9,136,482	\$68,769,081	36.3%
State Special Total	106,358,342	-	5,092,280	111,450,622	58.8%
Federal Special Total	2,204,823	-	328,400	2,533,223	1.3%
Proprietary Total	3,552,449	3,139,608	-	6,692,057	3.5%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
Total All Funds	\$171,748,213	\$3,139,608	\$14,557,162	\$189,444,983	
Percent - Total All Sources	90.7%	1.7%	7.7%		

Funding for the department varies by division and function. General fund supports the Legal Services Division, 91%; Motor Vehicle Division, 49%; Division of Criminal Investigation, 59%; Central Services Division, 33%; Information Technology Division, 96%; and Forensic Science Division, 91%. 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 the Office of Consumer Protection, 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.

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	26,416,233	26,416,233	52,832,466	88.60%	76,271,034	76,271,034	152,542,068	88.82%
Statewide PL Adjustments	1,895,897	1,910,904	3,806,801	6.38%	4,080,248	4,163,235	8,243,483	4.80%
Other PL Adjustments	646,371	663,208	1,309,579	2.20%	4,446,075	4,890,138	9,336,213	5.44%
New Proposals	851,808	831,945	1,683,753	2.82%	825,813	800,636	1,626,449	0.95%
Total Budget	\$29,810,309	\$29,822,290	\$59,632,599		\$85,623,170	\$86,125,043	\$171,748,213	