



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

<b>Bill information:</b>	
HB0697 - Generally revise laws related to the POST Council (Mercer, Bill )	
<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
<b>Expenditures:</b>				
General Fund	\$594,763	\$596,147	\$605,089	\$614,166
State Special Revenue	(\$459,497)	(\$460,881)	(\$467,794)	(\$474,811)
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$594,763)</u>	<u>(\$596,147)</u>	<u>(\$605,089)</u>	<u>(\$614,166)</u>

**Description of fiscal impact:** HB 697 transfers the Peace Officer Standards and Training Council (POST) from the Division of Criminal Investigation (DCI) to the Montana Board of Crime Control (MBCC) which is administratively attached to the Department of Justice. This would transfer funding of the council from the Montana Law Enforcement Academy (MLEA) state special revenue fund to general fund.

### FISCAL ANALYSIS

**Assumptions:**

1. It is assumed that administrative needs of POST outlined in the bill will need to be accomplished by DOJ. While the bill administratively attaches POST to MBCC, the MBCC is administratively attached to the DOJ. The DOJ currently performs administrative tasks for MBCC and will also do so for POST.
2. The transfer of POST in HB 697 moves 3.00 FTE and associated appropriations provided from MLEA state special revenue funding in the amount of \$459,497 in FY 2024 and \$460,881 in FY 2025.
3. It is assumed that POST will no longer be funded with the MLEA funding source dedicated in 44-10-204, MCA, to the MLEA academy. POST will no longer be in the same division as the MLEA and appears to be ineligible for this funding source. Therefore, it is assumed that funding for POST would be moved to the general fund.

4. POST require additional general fund appropriation to cover expected increases in legal fees, rent and training. The estimated amount of those costs, previously covered by MLEA, is \$55,000 per year.
5. POST currently employs 1.00 FTE administrative assistant needs in a modified position, paid for by the MLEA fund. This FTE will also be moved with POST. Since the funding source is lost for this position, the position would need to become permanent to maintain funding for the position in the base budget. The cost for the position is \$56,266 per year.
6. The associated administrative cost to accomplish accounting, budget, and human resource support for the program is estimated at \$4,000 per POST employee for a total of \$16,000. (4,000\*4=\$16,000) This amount will be paid by POST to DOJ.
7. MBCC will need funding to oversee the POST appeal process and facilitate further judicial review that may arise, this activity is estimated to cost \$8,000 per year.
8. A 1.5% inflationary adjustment has been included for FY 2026 and FY 2027.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	1.00	1.00	1.00	1.00
<b><u>Expenditures:</u></b>				
Personal Services	\$56,266	\$56,266	\$57,110	\$57,967
Operating Expenses	\$63,000	\$63,000	\$63,945	\$64,904
Transfers	\$16,000	\$16,000	\$16,240	\$16,484
<b>TOTAL Expenditures</b>	<u><u>\$135,266</u></u>	<u><u>\$135,266</u></u>	<u><u>\$137,295</u></u>	<u><u>\$139,354</u></u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$594,763	\$596,147	\$605,089	\$614,165
State Special Revenue (02)	<u>(\$459,497)</u>	<u>(\$460,881)</u>	<u>(\$467,794)</u>	<u>(\$474,811)</u>
<b>TOTAL Funding of Exp.</b>	<u><u>\$135,266</u></u>	<u><u>\$135,266</u></u>	<u><u>\$137,295</u></u>	<u><u>\$139,354</u></u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>TOTAL Revenues</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

General Fund (01)	(\$594,763)	(\$596,147)	(\$605,089)	(\$614,165)
State Special Revenue (02)	\$459,497	\$460,881	\$467,794	\$474,811

**Technical Notes:**

1. MBCC grant funding cannot support cost overruns that may occur in POST program operations.

**NOT SIGNED BY SPONSOR**

\_\_\_\_\_  
Sponsor's Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Budget Director's Initials

\_\_\_\_\_  
Date