

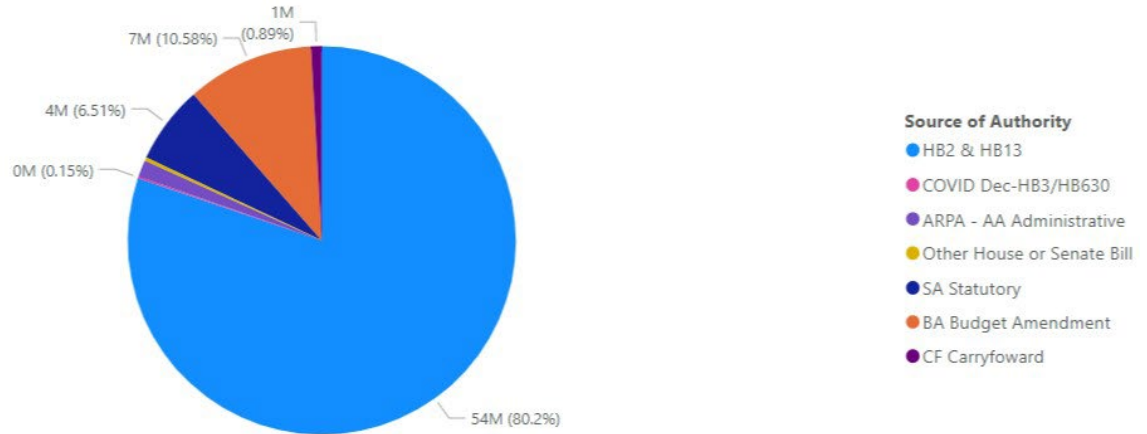
JUDICIAL BRANCH

(Spending report July 1, 2021 through February 28, 2022)

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 80.2% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	54,101,944	28,395,786	52.5%
BA Budget Amendment	7,139,762	1,032,842	14.5%
CF Carryforward	597,355	23,730	4.0%
Other House or Senate Bill	185,212	9,225	5.0%
SA Statutory	4,389,895	1,328,522	30.3%
CARES II	100,469		
ARPA	944,721	19,759	2.1%
Total	67,459,358	30,809,863	45.7%

- Report Period**
- Jul
 - Aug
 - Sep
 - Oct
 - Nov
 - Dec
 - Jan
 - Feb
 - Mar
 - Apr
 - May
 - Jun

Budget Amendments

The Judicial Branch (Branch) budget amendments increased federal authority by \$7.1 million in FY 2022 and through February expended \$1.0 million, or 14.5%, of the authority. Most of the budget amendment authority, 94.9%, was allocated to the District Court Operations Division and the remainder to the Supreme Court Operations Division. The following summarizes 84.8% of the federal authority and associated spending of Judiciary budget amendments:

- \$1.5 million of authority to support substance abuse and mental health services within drug courts (expenditures of \$438,838)
- \$1.6 million of authority to support activities related to adult treatment courts (expenditures of \$153,873)

- \$1.3 million of continued authority to fund three treatment courts, a Montana drug court conference, and a financial specialist, including 4.00 modified FTE (expenditures of \$160,948)
- \$1.2 million of authority to support veteran’s treatment courts including activities that will increase the number of participants and enhance services (expenditures of \$74,050)
- \$361,629 of authority to facilitate state court data collection and analysis, to promote data sharing between state courts and child welfare agencies, and to provide training within various disciplines related to children at risk. Expenditures of \$69,469 support the requirements of HB 39 (2021 Legislature)

Carryforward

The Branch has \$597,355 of carryforward authority in FY 2022, which is derived from 30.0% of the qualifying unexpended balance of FY 2020 appropriations. The Branch has expended \$23,730, or 4.0% of the authority through February.

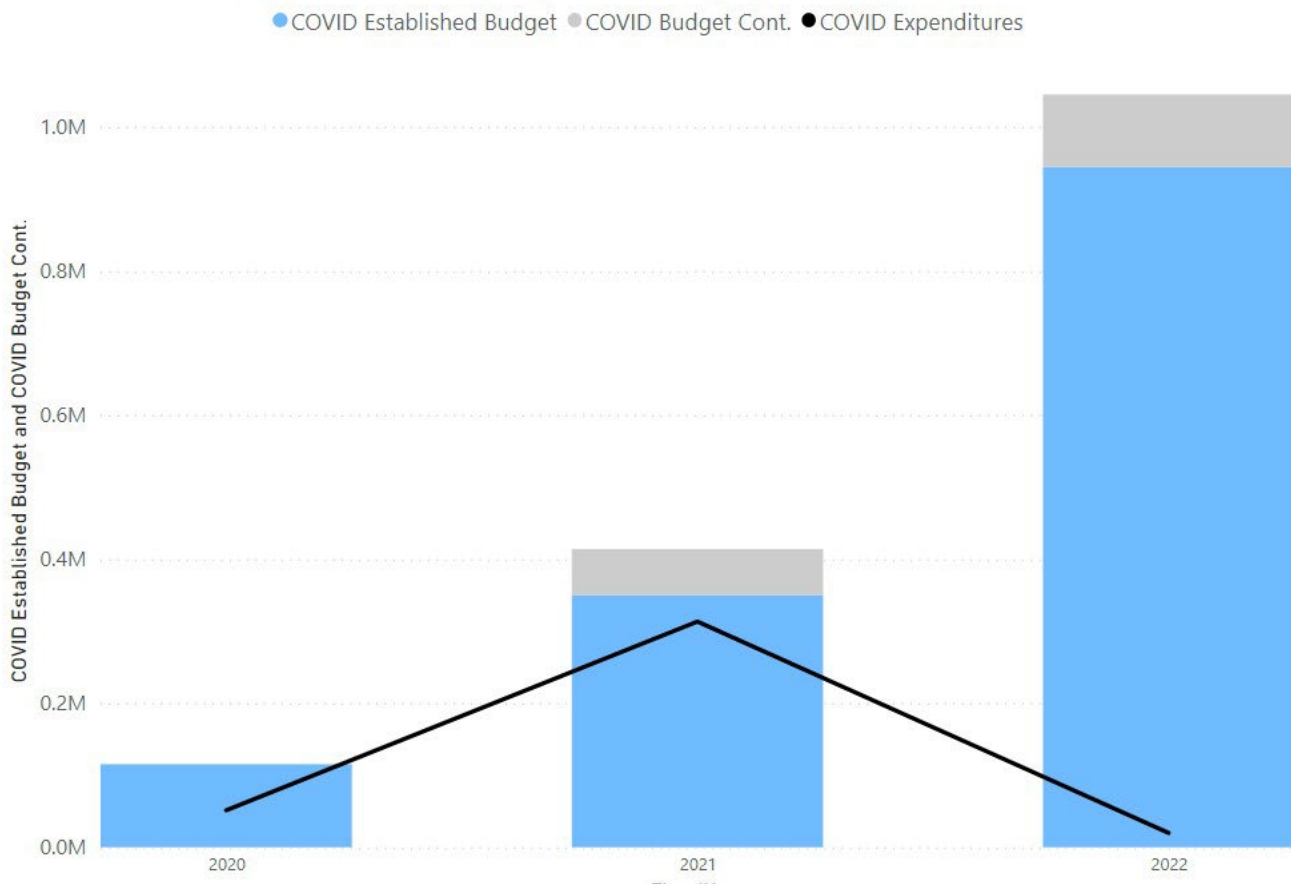
Other Bills

In FY 2022 the Judicial Branch has \$185,212 of capital project appropriation authority through the Long-Range Information Technology (IT) Program for the courtroom improvements project. The authority was provided in the 2007 Session (\$1,018 remaining) and was increased in the 2015 Session (\$184,193 remaining). The Branch expended \$9,225 of the authority through February, primarily on IT improvements in new courtrooms in Yellowstone county.

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



The Branch has a total of \$1.0 million in COVID-19 authority in FY 2022. From the total authority, \$100,469 was continued from the 2021 biennium CARES I funding and the remaining authority, \$944,721, was provided in HB 632 (2021 Legislature). Through February, the Branch had not expended any of the remaining CARES I authority and expended \$19,759 of the HB 632 authority.

From the total COVID expenditures, the Branch used 86.9% on personal services and the remaining for operating expenses. The funding will provide a three-year pilot project, Simplify Family Law Resolution, to implement remote mediation services and streamline family law cases. The funding is expected to help clear the backlog in family law cases in district courts where criminal cases have been prioritized during the pandemic. The funding will be used to establish the program, monitor the implementation, and pay mediators in family law cases involving pro se litigants.

Statutory Appropriations

The statutory appropriation from the youth court intervention and prevention account is established and statutorily appropriated in 41-5-2011, MCA. The account receives:

- Unexpended funds from the judicial districts' annual allocations of juvenile placement funds
- Unexpended funds from the cost containment pool created from juvenile placement funds

By statute, the account may be used to:

- Establish or expand community prevention and intervention programs and services for youth
- Provide alternative funding methods for out-of-home placements
- Provide matching funds for federal money for intervention and prevention programs that provide services to youth

After funding is transferred to the account in the Branch, it is used by the District Courts in 22 judicial districts for the following two years. Each district receives an allocation equal to the amount of unexpended placement funds from the prior year allocation to each district. The allocation to each district is based on a formula, which includes factors such as the number of youth in a district and the number of offenses. Through February, the Branch expended \$1.3 million, or 30.3% of the total authority. Any funding remaining after two years will be transferred to the general fund.

Non-Budgeted Proprietary Funding

Not included in the figure above, the Judiciary has \$254,897 in off-budget proprietary authority within the Law Library Program. The authority supports online search functions in the Lexis system. Through February, the program expended \$153,454, or 60.2%, of the authority.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through February 28, 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	December Modified Budget	March Modified Budget	Net Modifications
<input type="checkbox"/> Judiciary	54,101,944	54,101,944	
CLERK OF COURT	570,421	570,421	
DISTRICT COURT OPERATIONS	29,978,417	29,978,417	
LAW LIBRARY	876,038	876,038	
SUPREME COURT OPERATIONS	20,293,381	20,293,381	
WATER COURT	2,383,687	2,383,687	
Total	54,101,944	54,101,944	

Acct & Lvl 1 DESC	December Modified Budget	March Modified Budget	Net Modifications
<input type="checkbox"/> 61000 Personal Services	38,009,698	38,009,698	
<input type="checkbox"/> 62000 Operating Expenses	9,190,154	9,190,154	
<input type="checkbox"/> 63000 Equipment & Intangible Assets	183,116	183,116	
<input type="checkbox"/> 66000 Grants	690,000	690,000	
<input type="checkbox"/> 67000 Benefits & Claims	6,013,625	6,013,625	
<input type="checkbox"/> 69000 Debt Service	15,351	15,351	

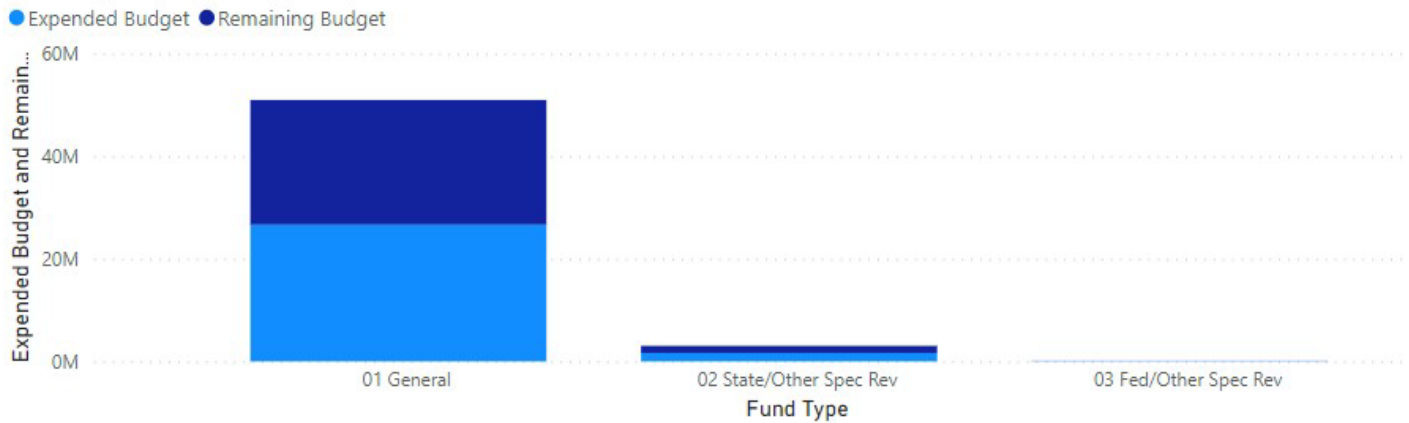
Fund Type	December Modified Budget	March Modified Budget	Net Modifications
<input type="checkbox"/> 01 General	50,969,027	50,969,027	
<input type="checkbox"/> 02 State/Other Spec Rev	3,030,966	3,030,966	
<input type="checkbox"/> 03 Fed/Other Spec Rev	101,951	101,951	

The figure above highlights modifications to the HB 2 budget that have occurred between December 2021 and February 2022. These modifications are then added to the modified budget presented at the December Interim Budget Committee (IBC) meeting. Between December and February, the Branch did not make any modifications to the HB 2 budget.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through February 28, 2022.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	38,009,698	21,868,958	57.5%
Operating Expenses	9,190,154	5,475,137	59.6%
Equipment & Intangible Assets	183,116	72,320	39.5%
Grants	690,000	161,598	23.4%
Benefits & Claims	6,013,625	810,933	13.5%
Debt Service	15,351	6,840	44.6%

Program Name	Modified Budget	Expended Budget	Percent Expended
CLERK OF COURT	570,421	320,046	56.1%
DISTRICT COURT OPERATIONS	29,978,417	17,051,613	56.9%
LAW LIBRARY	876,038	514,102	58.7%
SUPREME COURT OPERATIONS	20,293,381	9,117,107	44.9%
WATER COURT	2,383,687	1,392,918	58.4%
Total	54,101,944	28,395,786	52.5%

Through February, the Branch expended \$28.4 million, or 52.5%, of the modified HB 2 budget. The figure at the top of this page explains the HB 2 funding. In FY 2022, the Branch budget is funded with 94.2% general fund and total expenditures through February were 93.9% general fund.

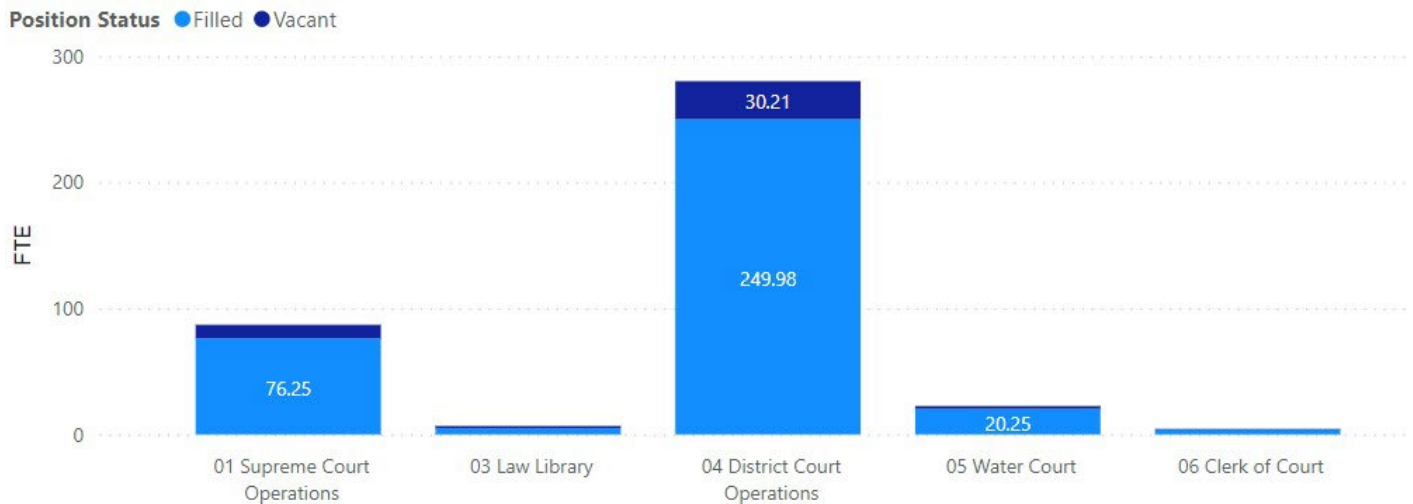
Total HB 2 spending in the Branch, at 52.5% of the modified budget, is slightly lower than the average of the previous five years (55.5%) and is approximately \$1.7 million, or 5.8%, lower than the same period in FY 2021 (through February). The decline from the historic average is explained by lower spending in personal services, 3.0% (of the personal services budget) when compared to the previous five years. Additionally, personal service costs are \$2.1 million below the same period in FY 2021. The differences from FY 2021 can be tracked to the retirement system “holidays” provided in SB 175 and HB 2 were approved by the 2021 Legislature. For more information on personal services in the Branch see the Personal Services section of this report.

Some specific details of FY 2022 Judicial Branch HB 2 budget include:

- Pretrial Program (OTO) – The FY 2022 budget for this program is \$829,402 of general fund authority in Supreme Court Operations Division.
 - This budget item is a continuation of the program that assists the criminal justice system with handling persons arrested and held in jails in five pilot counties (Butte-Silver Bow, Lake, Lewis & Clark, Missoula, and Yellowstone)
 - In FY 2022, the project includes the addition of 2.75 FTE. Through February, the Branch expended \$260,571, or 31.4%, of the authority
- In the 2019 version of HB 654, the Branch received an annual base appropriation of \$250,000 to expand the capacity and quality of existing treatment courts and extend treatment courts to areas of the state that are unserved
 - The appropriation is funded through a fee of \$500 assessed on persons or entities engaged in the initial sales of opioids, not to include retail pharmacies, and is intended to support the appropriation
 - Through February, spending from this appropriation was \$39,402, or 15.8% of the appropriation
 - The appropriation addresses the previously unmet needs of the \$1.9 million drug treatment court component of the base (with spending of \$984,954)

Personal Services

The following chart shows the filled and vacant FTE within the agency as of February 1, 2022.



In FY 2022, the Branch is budgeted for 463.19 FTE, an increase of 8.50 FTE over the budgeted FTE in FY 2021. According to data provided by the state human resources division, the Judicial Branch had 45.46 vacant FTE, or 9.8% of the budgeted FTE, as of February 1, 2022. Vacant FTE include 4.00 of the new FTE provided by the legislature.

As shown in the figure above, the District Court Operations Division has the highest number of vacancies at 30.21 FTE, which is almost two-thirds of the total vacant FTE in the Branch. The District Court Operations Division has 14.00 vacant deputy juvenile probation officer I and II positions, which makes up 46.3% of the program vacancies.

According to the Judicial Branch, vacancies are having a significant impact especially in the areas of juvenile probation, court reporting, and central services (including information technology and financial services). Salaries in the Branch are not competitive in either the government or private sector.

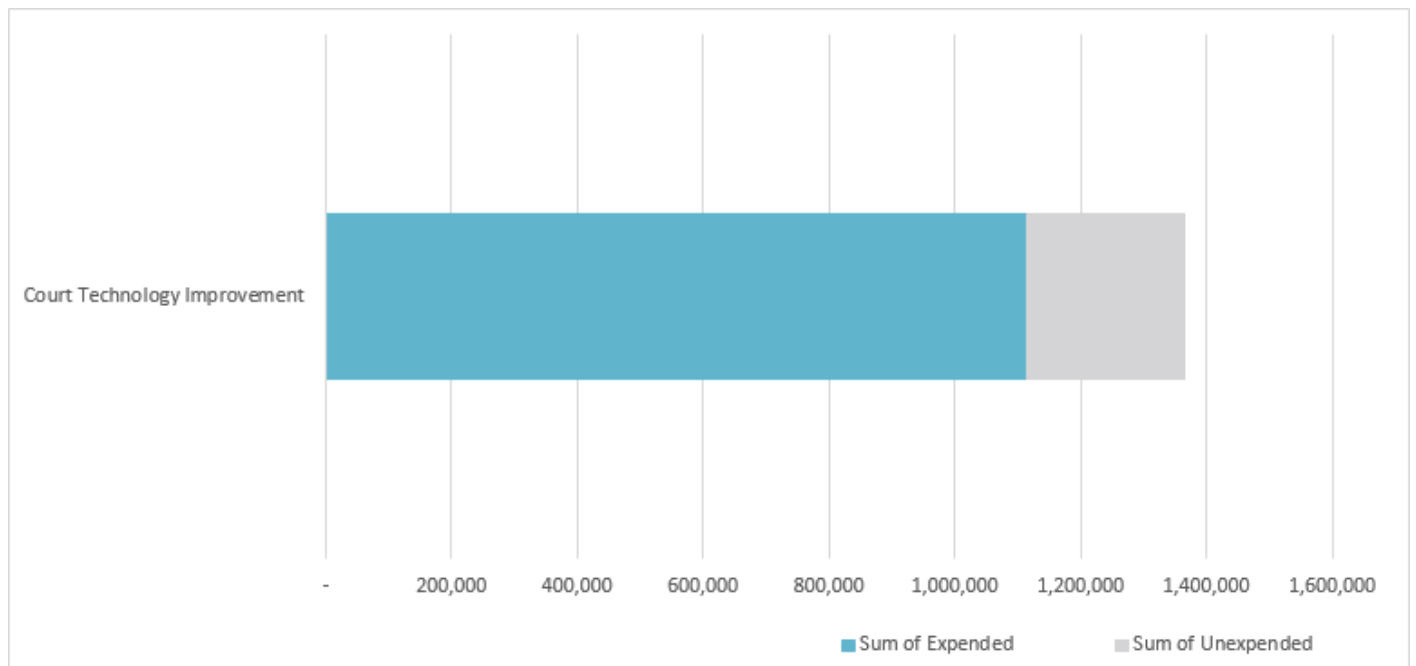
Next Steps for Personal Services Reporting

In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive “snapshots” -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive’s decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this [short brochure](#) from 2019.

OTHER ISSUES

Information Technology Project Expenditures



As viewed in the State Information Technology Services Division (SITSD) dashboard report, the Judicial Branch began the court technology improvements project in FY 2015 with an appropriation from HB 10, the Long-Range Information Technology bill (2015 Legislature). The project budget was increased by \$532,652, or 63.9% as a result of the addition of agency internal resources costs. These costs, over the history of the project (2015-2021), consist of personal services and operating costs dedicated to the project and were charged against and expended from the HB 2 budgets. The project entails adding information technology (IT) improvements to courtrooms and systems across the state. Through the history of the project, the Branch has expended approximately \$1.1 million and the project is still in the executing phase. In the 2021 biennium, travel

restrictions related to the COVID-19 pandemic led to a delay in project completion, which is now expected to be December 31,2022.

In the FY 2022 the Branch has \$185,212 of re-appropriated HB 10 capital project fund authority. As mentioned above in the Other Legislation section of this report, the Branch expended \$9,225 of this authority for IT improvements, primarily in new courtrooms in Yellowstone county.

In the FY 2022 budget, the Judicial Branch also has \$5.3 million of general fund HB 2 authority to provide information technology services in the Branch including technical support and training in the District Courts and Courts of Limited Jurisdiction. Through February, the Branch expended \$3.4 million or 64.5% of the budgeted authority.

Fee for Service Model in State Law Library

The 67th Legislature spelled out their intent for the Judicial Branch to evaluate whether a fee for service model would be an appropriate funding source for the state law library in HB 693. According to the Branch, they are currently working on a full update to policies, performance measures, and possible fee for service model.

REQUIRED REPORTS

HB 693 Reporting – This legislation requires reporting by the Judicial Branch on the following item:

Each quarter of the fiscal year, the office of court administrator shall report to the law and justice interim committee and the legislative finance committee on the number of civil cases that have been pending for more than 2 years by judicial district. The report must identify:

- 1) the judicial district;
- 2) the number of cases in that district that are pending for more than 2 years but less than 3 years;
- 3) the number of cases in that district that are pending for more than 3 years but less than 4 years;
- 4) the number of cases in that district that are pending for more than 4 years but less than 5 years; and
- 5) the number of cases in that district that are pending for more than 5 year

[HB 693 Required Report](#)

[HB 693 Pending Civil Cases A4 2021](#)