

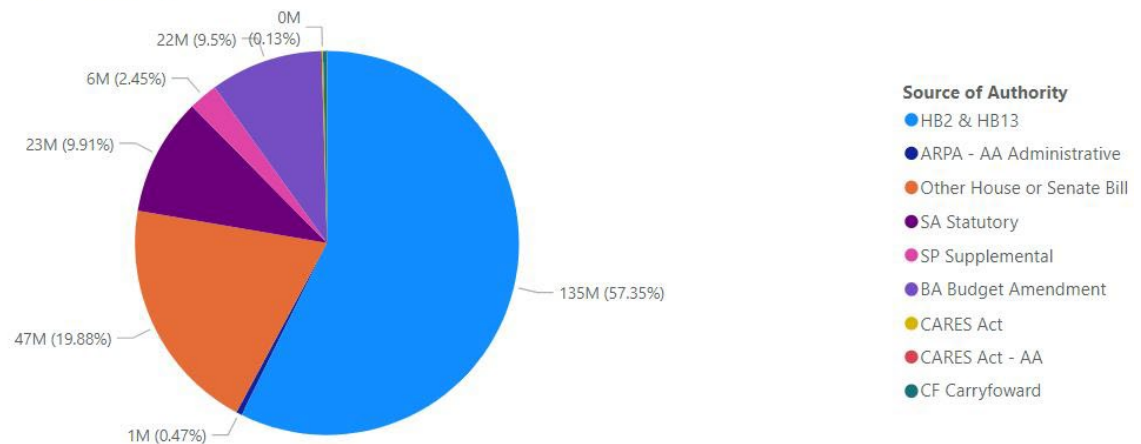
# DEPARTMENT OF JUSTICE

(Spending report July 1, 2022 through June 30, 2023 – FYE 2023)

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Justice is shown in the pie chart below. HB 2 and HB 13 provide 57.4% 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	FYE23 Modified Budget	FYE23 Expended Budget	Percent Expended
HB2 & HB13	134,528,520	126,492,787	94.0%
BA Budget Amendment	22,290,300	14,141,469	63.4%
CF Carryforward	745,212	95,974	12.9%
Other House or Senate Bill	46,625,160	6,865,462	14.7%
SA Statutory	23,246,444	21,416,298	92.1%
SP Supplemental	5,740,779	5,740,743	100.0%
CARES	302,819	263,978	87.2%
ARPA	1,097,654	455,900	41.5%
<b>Total</b>	<b>234,576,888</b>	<b>175,472,611</b>	<b>74.8%</b>

Report Period

- ☒ Jul
- ☒ Aug
- ☒ Sep
- ☒ Oct
- ☒ Nov
- ☒ Dec
- ☒ Jan
- ☒ Feb
- ☒ Mar
- ☒ Apr
- ☒ May
- ☒ Jun

## Budget Amendments

At fiscal year-end (FYE), the Department of Justice (DOJ) expended \$14.1 million, or 63.4%, of the \$22.3 million in budget amendment (BA) authority. State special revenues comprise 51.0% of BA authority while federal special revenues support the remaining 49.0% of authority. BA funding principally supports the following activities in the DOJ budget:

- State special revenue authority:
  - Work on/improvements to the criminal records and identification services (CRIS) system
  - Reimburse the state for opioid-related investigation and litigation costs
  - Implement the replacement of the old MERLIN system
- Federal special revenue authority
  - Providing responses to crimes against women, children, and the elderly

- Providing grants to victims of crime
- Addressing criminal activities related to the manufacture and distribution of methamphetamine, opioids, and prescription drugs
- Addressing internet crimes against children
- Increasing DNA analysis capacity enhancement and backlog reduction

At FYE 2023, the DOJ had a balance of \$8.1 million in BA authority. The majority of authority continues into the 2025 biennium.

## **Supplemental**

The department received \$5.7 million in supplemental general fund authority through HB 3 of the 2023 session. Authority was provided to cover costs related to the Boulder campus and litigation funding for constitutional challenges. All authority was expended in FY 2023.

## **Carryforward**

The DOJ expended \$95,974, or 12.9%, of the total \$745,212 of carryforward (CF) authority in FY 2023 which is derived from 30.0% of the qualifying unexpended balances from FY 2020 and FY 2021 appropriations. In FY 2023, the DOJ had carryforward authority of \$112,138 from FY 2021 and \$633,075 from FY 2022. The authority is funded with 6.8% general fund, 61.6% state special revenue, 30.6% federal special revenue, and 1.0% enterprise fund.

By FYE, DOJ had expended all FY 2021 carryforward authority with the exception of federal special authority. This federal authority was reverted to the associated federal special accounts at FYE. Regarding FY 2022 carryforward authority, the DOJ expended \$685 in general fund leaving an unexpended balance of \$632,390 in authority. This remaining balance from FY 2022 authority continues into FY 2024.

## **Other Bills**

In FY 2023, DOJ had \$278,259 in remaining authority from four non-HB 2 house or senate bills that resulted from the 2021 session. The total authority is funded with 32.6% general fund and 67.4% state special revenue. At FYE 2023, expenditures related to this authority totaled \$167,863. The detail of the authority in these bills and related expenditures include:

- \$150,000 in authority to the board of crime control from HB 701 which generally revised marijuana laws and established training for a crisis intervention team (CIT) program. FY 2023 expenditures totaled \$142,290
- \$37,500 in authority from HB 98, extending the termination date of the missing indigenous persons task force. FY 2023 expenditures totaled \$18,750
- \$75,000 in authority from HB 696 which generally revises crisis intervention training laws, to provide specialized training to help law enforcement officers to recognize and respond to individuals with mental illness or behavioral health problems. FY 2023 expenditures totaled \$74,323
- \$15,759 in authority from HB 35 which established a missing persons review commission. This authority was unexpended in FY 2023

Additionally, HB 13 (2023 Legislature) included a one-time, lump-sum payment to state employees. Full-time employees received a payment of \$1,040, which was prorated for employees that work less than full-time. This

payment was effective in the first full pay period following HB 13 being enacted. The DOJ expended \$958,991 in FY 2023 for these lump-sum payouts.

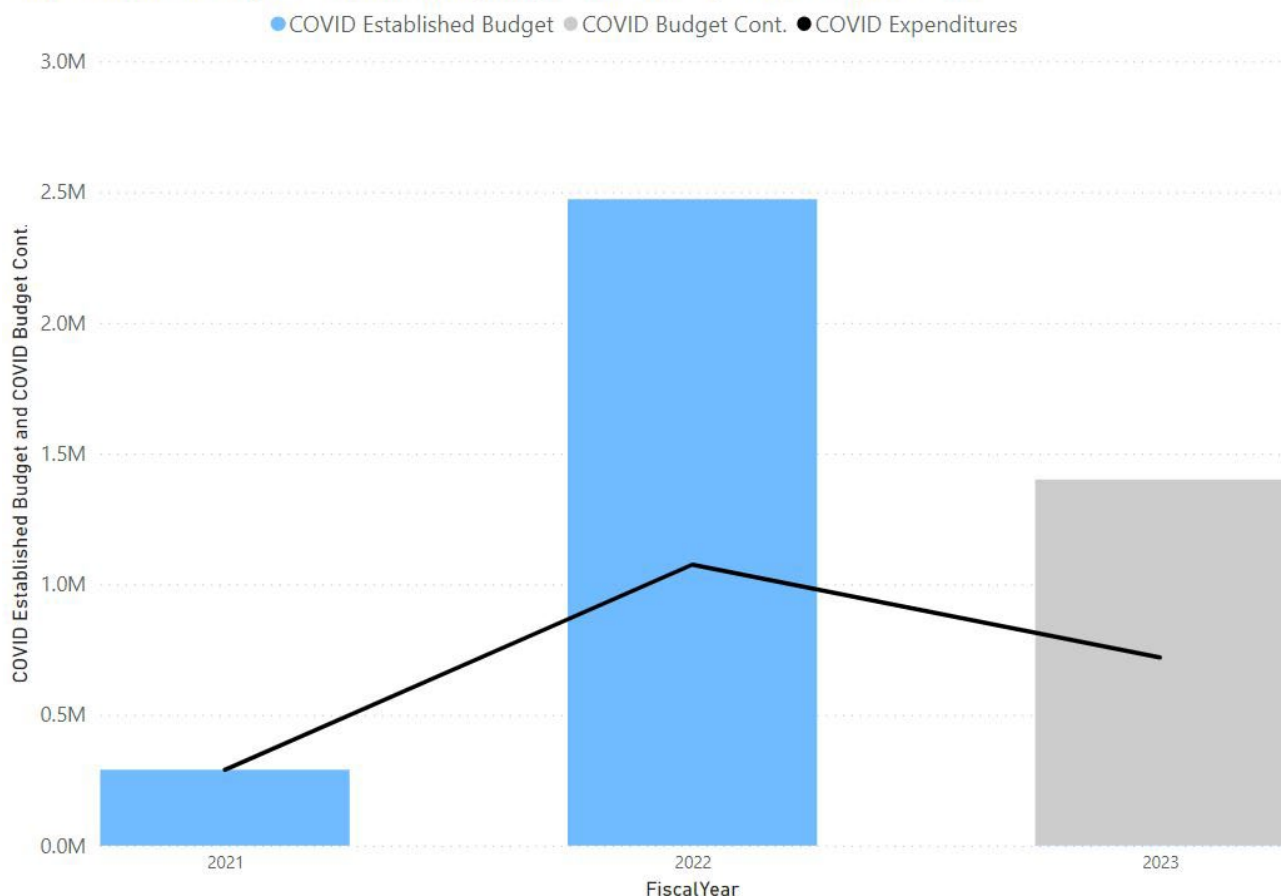
Lastly, HB 10 (2023 Legislature) included an appropriation of \$45.2 million from the Long-Range IT Program (LRITP) to the DOJ for the replacement to the MERLIN system. As HB 10 became effective in FY 2023 upon its passage and approval in May, 2023, the department began expending authority. FY 2023 expenditures total \$5.7 million and relate to the following:

- FAST Contract Vehicle and Driver Services system license installation
- The scheduling system acceptance testing and rollout to production
- Driver Services module base configuration
- Driver services testing and project preparation
- Annual system software and maintenance fees
- Payment for hosting of managed services related to contract

### ***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



In FY 2023, the DOJ had appropriations and allocations of COVID-19 funding amounting to \$1.4 million and expended approximately \$720,000 of this authority. COVID authority and expenditures at FYE 2023 were as follows:

- \$300,000 in authority to the Board of Crime Control for preventing the spread of the Coronavirus. FY 2023 expenditures total \$261,471
- \$797,206 in authority to the Division of Criminal Investigation to address the increase in violent crime in the Yellowstone County area. FY 2023 expenditures total \$246,644
- \$300,448 in authority to the Division of Criminal Investigation primarily used for an elder justice prosecutor to focus on the exploitation of vulnerable adults. FY 2023 expenditures total \$209,255
- \$2,507 in authority to the Central Services Division which was entirely expended

At the end of FY 2023, DOJ had a remaining balance of \$680,595 in COVID authority. From this balance, \$550,561 has not expired and will continue to FY 2024. The remaining funding has expired.

## **Statutory Appropriations**

DOJ expended statutory appropriation (SA) authority of \$21.4 million, or 92.1%, of the total \$23.2 million in authority in FY 2022. The primary budget and spending in FY 2023 within the department's many statutory accounts includes the following:

- \$14.9 million for two statutory appropriations, distributions, and grants from 9-1-1 fees and \$13.5 million in total expenditures
- \$3.9 million for the state's share of the costs of county attorneys, as required in 7-4-2502, MCA. This appropriation was 97.7% expended at \$3.8 million
- \$1.9 million for a transfer to the Highway Patrol retirement account, as required by 19-6-404, MCA. This appropriation is funded with general fund and was 99.0% expended

In FY 2023, DOJ had a SA balance of approximately \$1.8 million. The largest remaining balance of \$1.3 million relates to the grants from 9-1-1 fees account.

## **Non-Budgeted Proprietary Funding**

Not shown in the total authority figure on Page 1, the department has \$1.7 million of non-budgeted proprietary funding in FY 2023 for a single proprietary program, Agency Legal Services (ALS). At FYE, ALS had expended \$1.6 million or approximately 94.9% of authority. Personal services accounted for nearly \$1.4 million, or 85.5%, of total expenditures and were associated with providing legal, hearing examiner, and investigative services to state agency clients on a contract basis. ALS attorneys and investigators bill clients for their services, case-related costs, and incidental costs

## **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 FYE 2023. 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	HB 2 Budget	FYE23 Modified Budget	Net Modifications	
<input type="checkbox"/> <b>Department of Justice</b>	<b>130,698,433</b>	<b>134,528,520</b>	<b>3,830,087</b>	
BOARD OF CRIME CONTROL	15,592,563	19,137,969	3,545,406	
CENTRAL SERVICES DIVISION	2,357,132	2,833,350	476,218	
DIV OF CRIMINAL INVESTIGATION	15,723,692	18,147,286	2,423,594	
FORENSIC SERVICES DIVISION	7,634,445	7,472,622	-161,823	
GAMBLING CONTROL DIVISION	4,696,492	3,837,301	-859,191	
INFORMATION TECHNOLOGY SYSTEM	5,854,050	5,714,601	-139,449	
LEGAL SERVICES DIVISION	10,143,061	8,361,106	-1,781,955	
MONTANA HIGHWAY PATROL	45,884,984	45,853,416	-31,568	
MOTOR VEHICLE DIVISION	22,812,014	23,170,869	358,855	
<b>Total</b>	<b>130,698,433</b>	<b>134,528,520</b>	<b>3,830,087</b>	

Acct & Lvl 1 DESC	HB 2 Budget	FYE23 Modified Budget	Net Modifications	
<input type="checkbox"/> 61000 Personal Services	72,477,749	74,396,173	1,918,424	
<input type="checkbox"/> 62000 Operating Expenses	38,982,441	34,084,971	-4,897,470	
<input type="checkbox"/> 63000 Equipment & Intangible Assets	4,588,234	4,214,444	-373,790	
<input type="checkbox"/> 64000 Capital Outlay		49,165	49,165	
<input type="checkbox"/> 65000 Local Assistance	25,000	25,000	0	
<input type="checkbox"/> 66000 Grants	10,105,395	11,379,957	1,274,562	
<input type="checkbox"/> 67000 Benefits & Claims	996,191	589,930	-406,261	
<input type="checkbox"/> 68000 Transfers-out	3,207,136	5,319,205	2,112,069	
<input type="checkbox"/> 69000 Debt Service	316,287	4,469,675	4,153,388	

Fund Type	HB 2 Budget	FYE23 Modified Budget	Net Modifications	
<input type="checkbox"/> 01 General	38,927,572	39,226,432	298,860	
<input type="checkbox"/> 02 State/Other Spec Rev	74,972,612	74,982,608	9,996	
<input type="checkbox"/> 03 Fed/Other Spec Rev	14,847,258	18,368,489	3,521,231	
<input type="checkbox"/> 06 Enterprise	1,944,026	1,944,026	0	
<input type="checkbox"/> 06 Internal Service	6,965	6,965	0	

The figures above highlight modifications to the HB 2 budget that occurred in FY 2023. The following modifications were made and had an effect on the overall magnitude of the department's HB 2 budget:

- \$3.6 million in continued authority from unexpended FY 2022 appropriations. This authority contains the following:
- \$3.5 million in federal pass-through grant authority within the Board of Crime Control
- \$84,671 in appropriations for legislative audit that were unexpended in FY 2022
- \$190,974 in general fund for the transfer of the E-911 program from the Department of Administration to the DOJ
- \$30,696 in general fund authority transferred to the Board of Crime Control from the Department of Corrections to correct an accounting omission that occurred when moving the board to the DOJ

Additionally, the DOJ made a number of additional modifications which moved authority between programs or expenditure categories. The most notable of these changes include:

- A series of changes which moved nearly \$3.2 million from operating expenses to debt service related to accounting requirements regarding leases

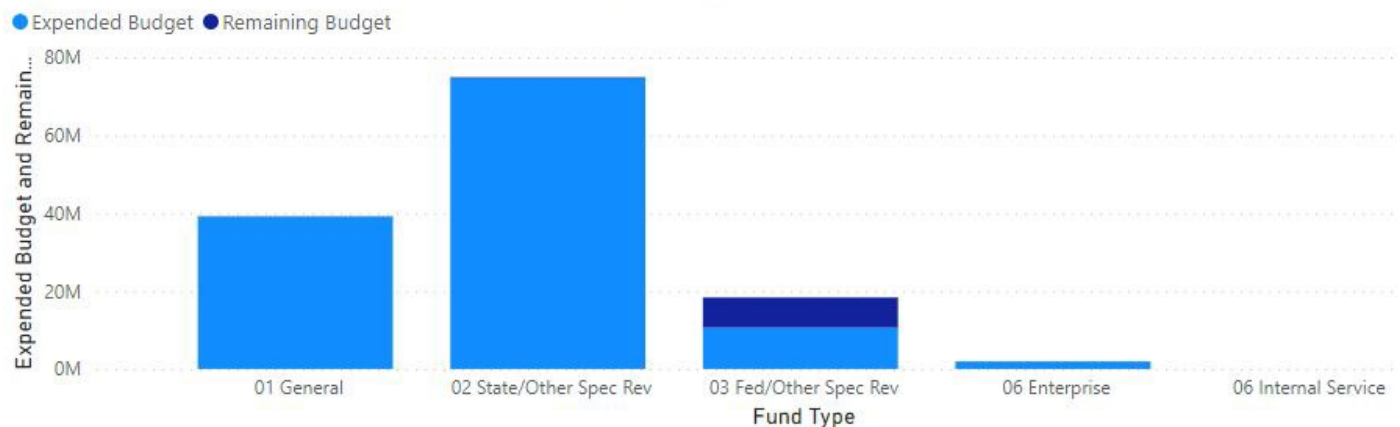


- A change which moved \$1.8 million in authority from personal services and transfers to operating expenses and debt services to align FY 2023 expenditures
- A change which moved \$3.0 million in authority to personal services from other expenditure accounts for 7.71 modified FTE to address reported hours exceeding budgeted FTE in a number of areas
- A change which moved \$380,835 from operating expenses to personal services for modified FTE within the Motor Vehicle Division. A total of seven license permit technicians were required to support the maintenance of MERLIN as existing staff were moved to assist in the beginning implementation of MERLIN's replacement, CARS

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget, as modified, for the agency compared to expenditures through FYE 2023.

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



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	74,396,173	74,079,036	99.6%
Operating Expenses	34,084,971	33,591,275	98.6%
Equipment & Intangible Assets	4,214,444	3,868,272	91.8%
Capital Outlay	49,165	49,165	100.0%
Local Assistance	25,000	25,663	102.7%
Grants	11,379,957	8,633,597	75.9%
Benefits & Claims	589,930	616,331	104.5%
Transfers-out	5,319,205	1,073,457	20.2%
Debt Service	4,469,675	4,555,992	101.9%

Program Name	Modified Budget	Expended Budget	Percent Expended
BOARD OF CRIME CONTROL	19,137,969	11,494,495	60.1%
CENTRAL SERVICES DIVISION	2,833,350	2,830,706	99.9%
DIV OF CRIMINAL INVESTIGATION	18,147,286	17,983,720	99.1%
FORENSIC SERVICES DIVISION	7,472,622	7,405,518	99.1%
GAMBLING CONTROL DIVISION	3,837,301	3,829,875	99.8%
INFORMATION TECHNOLOGY SYSTEM	5,714,601	5,677,282	99.3%
LEGAL SERVICES DIVISION	8,361,106	8,341,717	99.8%
MONTANA HIGHWAY PATROL	45,853,416	45,830,699	100.0%
MOTOR VEHICLE DIVISION	23,170,869	23,098,775	99.7%
<b>Total</b>	<b>134,528,520</b>	<b>126,492,787</b>	<b>94.0%</b>

Through FYE 2023, DOJ expended \$126.5 million, or 94.0%, of the modified HB 2 budget. The figure at the top of this page explains the HB 2 funding. Primary funding in the DOJ HB 2 budget is 29.2% general fund, 55.7% state special revenue, and 13.7% federal special revenue. Expenditures followed a similar pattern.

FY 2023 expenditures (94.0% of the modified budget) were slightly lower than the five-year annual average of 96.2%. Lower expenditures in the Board of Crime Control, at 60.1%, is the main reason that total spending is lower than the historic average. For comparisons, the board was transferred back to the DOJ beginning in the 2023 biennium and expenditures in FY 2022 for the board totaled 72.2% of appropriations. Appropriations in all other divisions were at or near fully expended by the end of the FY 2023.

Additionally, the 2021 version of HB 2 contained a line item of \$62,500 each fiscal year in the 2023 biennium providing the Forensic Science Division with funding to outsource sexual assault kit testing. The division had expended the full appropriation at FYE 2023.

At FYE 2023, the DOJ had a HB 2 unexpended/unobligated balance of \$8.2 million. Federal authority for pass through grants and transfers in the board of crime control make up the majority of unexpended balances at \$7.6 million. Qualifying unexpended balances are available to establish carryforward, and the remainder of the balance was reverted to the appropriated fund/account.

## Personal Services

The following chart shows the filled and vacant FTE within the agency as of June 1, 2023. Personal service appropriations in HB 2 for FY 2023 totaled \$74.4 million and were 99.6% expended.



In FY 2023, the DOJ has 824.35 FTE that were budgeted for within HB 2. Of the total FTE, DOJ had 66.34 vacant FTE as of June of 2023 reflecting a vacancy rate of 8.0%.

The Montana Highway Patrol (MHP) continued to experience the highest number of vacancies in FY 2023 with 33.09 or 50.0% of total agency vacancies. Within the MHP vacancies, 12.00 FTE are positions in the dispatch center where recruitment and retention continued to be a problem. MHP also had 18.09 vacant highway patrol officers and patrol captains.

The department experienced turnover within 172 total positions in FY 2023. Of these positions, 145 left state employment or retired, and the remaining positions transferred to other agencies in state employment.

## **OTHER ISSUES**

### **Information Technology Project Expenditures**

DOJ is proceeding with a major information technology (IT) project related to the Credentialing and Registration System (CARS) which replaces the MERLIN IT system. In FY 2022, DOJ began negotiations on the MERLIN replacement project with Fast Hosting Services (FAST). The project began expending authority in FY 2023. The following information relates to the project:

- Current budget authority for the project totals \$55.5 million in authority which includes appropriations from HB 10 of the 2023 session totaling \$45.2 million.
- Expenditures through FY 2023 related to the project were \$15.2 million which includes \$11.1 million in state special revenue authority and just over \$5.0 million in HB 10 authority
- The annual maintenance costs included in HB 2 for the 2025 biennium are nearly \$2.6 million
- The project has an estimated completion date of March 2026

## **REQUIRED REPORTS**

### Triggering BCD's

A triggering budget change document is one that makes changes to level 1 account categories (personal services, operating expenses and so on) that exceed \$1.0 million or 25.0% of the account level. To trigger review, BCD amounts are cumulative across the fiscal year. Time-sensitive "triggering" budget change documents (BCD's) are reviewed by staff of the Legislative Fiscal Division (LFD). When a triggering BCD is non-time sensitive, the change requires review and comment by the Legislative Finance Committee. At the FYE closing, triggering BCD's are common and are time-sensitive due to the need to close the accounting records. DOJ requested a triggering BCD as follows:

- A time-sensitive change which moved a total of \$600,000 in personal service and operating authority from the Gambling Control Division to the Montana Law Enforcement Academy (MLEA) in the Division of Criminal Investigation to cover increased costs realized by inflation
  - LFD staff had no comments/concerns related to this change
- A time-sensitive change which moved \$221,000 from personal services to operating expenses within the Legal Services Division to balance FYE accounts and expenditures
  - LFD staff had no comments/concerns related to this change
- A time-sensitive change which moved \$1.8 million in authority from personal services and transfers to operating expenses and debt services to align FY 2023 expenditures
  - LFD staff had no comments/concerns related to this change
- A time-sensitive change which moved \$3.0 million in authority to personal services from other expenditure accounts for 7.71 modified FTE
  - It was determined that there were multiple areas in which positions were reporting more hours than expected causing the need for additional positions to be paid with existing resources
  - LFD staff had no comments/concerns related to this change



