

Fund 02014 - Highway Patrol Pay and Retention

Statutory Reference

44-1-504, MCA; 61-3-321 (20), MCA

Account Purpose

The account is dedicated to funding the base salaries, operating costs, and biennial salary increases for Montana Highway Patrol officers (MPH).

Revenues

Revenue from licenses and permits accounted for 99.9% of the total revenue. 0.1% of revenue comes from other sources. Licenses and permits revenue is generated through an additional fee of \$10 on each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle, quadricycle, and travel trailer that are subject to registration fees specifically for the purpose of funding the MPH. The fee was increased from \$5 to \$10 beginning on May 22, 2017 (effective on passage and approval of SB 57-2017 Legislature).

Use of Fund

Historically, account expenditures are made up of 87.4% personal services based on the account's purpose above. Additionally, beginning in FY 2022, the account is also used to address the imbalance in the Highway Patrol pension trust.

Ending Fund Balance

Highway Patrol Pay and Retention - (02014) Ending Fund Balance						
	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY2023
Beginning Fund Balance	\$3,118,959	\$4,608,200	\$7,686,447	\$10,175,935	\$10,069,442	\$7,964,285
Nominal Revenues						
Patrol Pay Registration Fees	10,201,831	10,158,721	10,061,206	10,642,805	10,808,892	10,909,473
Other Revenues	1,136	3,792	3	4,573	23	4,152
Total Revenues	\$10,202,967	\$10,162,513	\$10,061,209	\$10,647,378	\$10,808,915	\$10,913,625
Nominal Disbursements						
Personal Services	(\$6,908,092)	(\$6,634,193)	(\$7,152,446)	(\$7,850,287)	(\$8,570,023)	(\$8,813,212)
Operating Expenses	\$0	(\$214,564)	(\$136,259)	(\$363,298)	(\$290,987)	(\$300,146)
Equipment & Intangible Assets	(\$1,844,240)	(\$235,509)	(\$99,737)	(\$98,686)	\$0	\$0
Transfers-out	-	-	(183,279)	(2,441,600)	(4,053,062)	(\$2,001,000)
Total Disbursements	(\$8,752,332)	(\$7,084,266)	(\$7,571,721)	(\$10,753,871)	(\$12,914,072)	(\$11,114,358)
Prior Period Adjustments	\$38,606	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance						
Assets						
Cash	\$6,610,293	\$8,302,195	\$10,650,448	\$10,485,462	\$8,360,836	\$8,189,969
Other Assets	\$132	\$132	\$132	\$659	\$132	(\$139,793)
Liabilities						
Accounts Payable	(\$563,202)	(\$357,046)	(\$465,458)	(\$405,069)	(\$396,683)	(\$286,514)
Accruals	(\$1,438,881)	(\$258,834)	(\$9,187)	(\$8,280)	\$0	\$0
Accrued Liabilities	(\$142)	\$0	\$0	(\$3,330)	\$0	(\$110)
Ending Fund Balance	\$4,608,200	\$7,686,447	\$10,175,935	\$10,069,442	\$7,964,285	\$7,763,552

Appropriations and Expenditures History

Appropriations and Expenditures with Percent Expended							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budget	\$9,030,727	\$7,379,365	\$10,314,140	\$10,958,900	\$9,096,684	\$9,335,904	\$10,361,262
Expenditures	8,774,485	7,084,267	7,574,243	10,719,516	8,914,071	9,156,357	
% Expended	97.2%	96.0%	73.4%	97.8%	98.0%	98.1%	

The FY 2023 ending fund balance of \$7.7 million does not consider outstanding appropriation authority. Appropriations in FY 2024 are \$10.4 million. Over time, expenditures have averaged 93.4% of the total budget authority in the account. In addition to HB 2 appropriations, in FY 2020 MHP allocated \$2.8 million in authority for the construction of a new highway patrol office in Glendive. That authority was expended.

Fund 02074 – Gambling License Fee Account

Statutory Reference

23-5-306, MCA; 23-5-612, MCA

Account Purpose

The account is dedicated to collecting fees from the issuance of gaming permits. The fees are used for administrative purposes by the department, and the remaining balance is transferred to the treasurer of the county or the clerk, finance officer, or treasurer of the city or town in which the live card game table is located. The local government portion of this fee is statutorily appropriated to the department, as provided in 17-7-502, for deposit to the county or municipal treasury.

Revenues

For the fiscal years 2018 through 2023, revenue from video machine permits account for 89.0% of total revenue for the account. Additionally, 11.0% stems from gaming and manufacturing licenses, card table permits, record checks, and a few other sources.

Use of Fund

The fund is used exclusively by the Department of Justice (DOJ) to fund the activities listed under account purpose above. Over the previous six years, approximately 58.3% of disbursements included regular disbursements in personal services and operating expenses, another 30.1% of disbursements were made to cities, 9.4% were disbursements to counties, and 2.2% correspond to other expenditures.

Ending Fund Balance

Gambling License Fee Account (02074)						
Ending Fund Balance						
	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023
Beginning Fund Balance	\$1,160,921	\$1,271,153	\$1,211,137	\$1,500,578	\$1,679,910	\$2,232,900
Nominal Revenues						
Video Machine Permit	\$4,244,647	\$4,139,805	\$4,113,085	\$4,253,070	\$4,118,715	\$4,166,220
Lab Testing Fee	153,022	134,837	235,408	122,598	151,819	146,329
Operator's License	93,186	114,372	87,648	161,590	168,908	152,380
Manufacturer/Distributor License	84,208	76,277	68,860	75,173	70,653	73,241
Card Table Permit	59,250	56,000	48,000	43,325	50,500	48,500
State Record Checks	46,760	41,865	33,033	34,725	45,773	43,051
Other Revenue	\$59,076	\$63,874	\$79,701	\$54,650	\$422,959	\$72,635
Total Revenues	\$4,740,149	\$4,627,030	\$4,665,735	\$4,745,131	\$5,029,327	\$4,702,356
Nominal Disbursements						
Personal Services	(\$2,305,879)	(\$2,442,034)	(\$2,249,419)	(\$2,530,599)	(\$2,102,988)	(\$2,167,373)
Operating Expenses	(463,080)	(442,349)	(338,327)	(210,388)	(212,332)	(212,570)
Local Assistance to Cities	(1,387,659)	(1,330,067)	(1,338,190)	(1,386,483)	(1,310,338)	(1,343,383)
Local Assistance to Counties	(417,541)	(433,937)	(429,673)	(405,417)	(422,637)	(426,492)
Other Disbursements	(55,758)	(42,468)	(22,651)	(32,912)	(430,008)	(3,550)
Total Disbursements	(\$4,629,917)	(\$4,690,855)	(\$4,378,260)	(\$4,565,799)	(\$4,478,303)	(\$4,153,368)
Prior Period Adjustments	\$0	\$3,809	\$1,966	\$0	\$1,966	\$178
Ending Fund Balance						
Assets						
Cash	\$4,988,221	\$4,510,836	\$3,860,893	\$4,288,922	\$5,206,225	\$5,795,195
Other Assets	6,151	5,387	17,432	6,497	11,306	8,100
Liabilities						
Unearned Revenues	(3,519,179)	(3,080,825)	(2,176,307)	(2,518,953)	(2,835,805)	(2,930,740)
Other Liabilities	(204,040)	(224,261)	(201,440)	(96,556)	(148,826)	(90,489)
Ending Fund Balance	\$1,271,153	\$1,211,137	\$1,500,578	\$1,679,910	\$2,232,900	\$2,782,066

Appropriations and Expenditures History

Appropriations and Expenditures with Percent Expended							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budget	\$5,133,008	\$5,229,252	\$5,141,026	\$4,671,265	\$4,537,913	\$4,297,958	\$4,955,453
Expenditures	4,633,784	4,687,110	4,390,156	4,595,244	4,126,003	4,210,094	
% Expended	90.3%	89.6%	85.4%	98.4%	90.9%	98.0%	

The Gambling License Fee Account was appropriated approximately \$5.0 million in FY 2024. Each fiscal year, the account contains an amount of \$1.9 million in the form of statutory appropriations for distributions of gambling taxes to cities and counties which has historically comprised roughly 38.0% of authority. For the previous six fiscal years, the Department has expended an average of 92.1% of authority and the account's fund balance has grown in recent years.

Fund 02140 – Consumer Education and Settlement Account

Statutory Reference

30-14-143, MCA; 30-14-226, MCA

Account Purpose

This account is in place to receive fines, penalties, fees, and settlement proceeds imposed for unlawful trade practices. The funds support the costs of the Consumer Protection Bureau in the Legal Services Division (LSD) of the Department of Justice (DOJ).

Revenues

Revenues in the account consist of all civil fines, settlement proceeds, amounts awarded in judgments, costs and fees received, or recovered through the offenses of unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce that are unlawful, as provided in Title 30, MCA. Fines, judgements, and fees received for penalties against older or developmentally disabled persons are deposited into the general fund.

The highest source of income in the account comes through consumer settlements. Between FY 2013 and FY 2023, the average revenue received from consumer settlements was \$3.9 million, with the highest amount of revenue, \$13.5 million, occurring in FY 2017 and the lowest amount, \$398,150, occurring in FY 2022. Due to uncertainty related to settlement collections, it is difficult to project revenues in this account.

Consumer settlement funds may be thought of as unrestricted and restricted. Many of the state settlements come through the courts without conditions for the use of the funds, while others are designated for a specific use pursuant to court orders. With the accounting information available to the Legislative Fiscal Division, there is no way to distinguish between those revenues that are and are not restricted. On occasion, DOJ will designate the specific settlement revenues in the accounting records, but generally they do not. Consequently, when looking at the fund balance, it is impossible to know without the assistance of DOJ how much of the balance is restricted.

Use of Fund

This account principally funds the activities of the Consumer Protection Bureau and the associated administrative costs in DOJ. Since 2013, 64.7% of the account expenditures were for personal services and 35.3% were for operating expenses when not accounting for transfers from the account described below. Expenditure authority is either derived through HB 2 or budget amendments (BA). The table below provides historic expenditures in the account by source of appropriation authority.

Account Expenditures by Source of Authority			
Fiscal Year	Budget		
	Amendment Expenditures	HB 2 & HB 13 Expenditures	Total Expenditures
2013	5,279,937	774,650	\$6,054,587
2014	1,484,779	897,688	\$2,382,467
2015	1,451,403	1,015,462	\$2,466,865
2016	1,721,663	1,157,472	\$2,879,135
2017	834,388	1,136,333	\$1,970,722
2018	62,759	1,433,094	\$1,495,853
2019	18,485	1,272,426	\$1,290,911
2020	2,700	1,231,204	\$1,233,904
2021	3,100	1,146,535	\$1,149,635
2022	2,700	1,232,724	\$1,235,424
2023	112,000	1,296,283	\$1,408,284

Funding in the account that is not otherwise designated for a specific use pursuant to court order is expended to defray the expenses of the department in discharging its administrative and regulatory powers and duties. These costs, accounting for 53.4% of the historic expenditures, are appropriated in HB 2. The highest HB 2 expenditures occurred in the 2019 biennium when annual HB 2 costs averaged nearly \$1.4 million.

BA authority is provided to make use of the proceeds of restricted settlements, and use is based on the terms of settlement agreements. BA authority historically accounts for 46.6% of total expenditures. The proceeds from these cases are often designated for a specific use pursuant to court orders. The BAs are appropriated per the provisions of 17-7-402 (5), MCA which states:

“Money from nonstate or nonfederal sources that would be deposited in the state special revenue fund and that is restricted by law or by the terms of a written agreement, such as a contract, trust agreement, or donation, is exempt from the requirements of this part.” (sections 2-4, 6, and 7)

The largest spending of BA authority occurred in FY 2013 and serves to provide examples of the use of BA authority. In FY 2013:

1. DOJ entered a memorandum of understanding with the Montana Health Research & Education Foundation to implement and administer the Prescription Drug Financial Assistance Program (RxFAP). Funding of \$1.9 million was supplied through a block grant program for purposes of assisting uninsured and underinsured Montana’s with paying for necessary prescription medications. Funding for this use was through the McKesson settlement.
2. DOJ used BA authority related to a foreclosure and bankruptcy (or mortgage) settlement. In the fiscal year, DOJ charged \$1.6 million to “prevent foreclosures and ameliorate the effects of the foreclosure crisis by hiring housing counselors, state and local foreclosure assistance services, state and local foreclosure mediation programs, and legal assistance.” These costs extended to FY 2014 at \$1.2 million and FY 2015 at \$1.1 million. Funding for this use was through the Bank of America settlement.
3. DOJ made a transfer of \$1.7 million to the Montana Mental Health Settlement Trust to provide grants for mental health services, education, training and/or crisis intervention in the state. Funding for this use was through the AstraZeneca/NAAG settlement.

Ending Fund Balance

Consumer Education and Settlement Fund (02140)						
Ending Fund Balance						
	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023
Beginning Fund Balance	\$16,808,604	\$6,333,883	\$6,431,936	\$7,814,163	\$10,110,143	\$7,144,129
Nominal Revenues						
Consumer Settlements	\$1,596,243	\$5,714,335	\$2,584,379	\$5,609,033	\$398,150	\$4,058,251
Misc. Settlements	\$0	\$0	\$0	\$0	\$0	\$228,540
Other Revenues	26,690	27,518	25,485	27,480	187,097	24,579
Total Revenues	<u>\$1,622,933</u>	<u>\$5,741,853</u>	<u>\$2,609,864</u>	<u>\$5,636,513</u>	<u>\$585,247</u>	<u>\$4,311,370</u>
Nominal Disbursements						
Personal Services	(\$820,767)	(\$854,468)	(\$839,999)	(\$823,611)	(\$776,529)	(\$714,552)
Operating Expenses	(614,128)	(436,332)	(382,892)	(378,922)	(284,699)	(539,725)
Transfers-out	(10,600,000)	(4,353,000)	(4,746)	(2,138,000)	(2,209,358)	(3,073)
Other	(62,759)	-	-	-	(280,675)	(144,611)
Total Disbursements	<u>(\$12,097,654)</u>	<u>(\$5,643,800)</u>	<u>(\$1,227,637)</u>	<u>(\$3,340,533)</u>	<u>(\$3,551,261)</u>	<u>(\$1,401,961)</u>
Prior Period Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance						
Assets						
Cash	\$6,480,438	\$6,484,346	\$7,869,582	\$10,181,019	\$7,190,496	\$10,110,402
Other Assets	80	1,091	-	-	-	-
Liabilities						
Accounts Payable	(144,534)	(53,261)	(55,419)	(17,491)	(30,221)	(56,864)
Other Liabilities	(2,101)	(240)	-	(53,385)	(16,146)	-
Ending Fund Balance	<u>\$6,333,883</u>	<u>\$6,431,936</u>	<u>\$7,814,163</u>	<u>\$10,110,143</u>	<u>\$7,144,129</u>	<u>\$10,053,538</u>

This account has been subject to several non-budgeted transfers to the general fund and other accounts that include:

- \$9.6 million in FY 2018 as required by the 2017 version of HB 650
 - \$3.0 million to the general fund based on fund balance from settlements
 - \$6.6 million for a new building at the Montana Law Enforcement Academy
- \$1.0 million in FY 2018 as required by the 2017 special session version of HB 6
- \$4.4 million in FY 2019 as required by the 2019 version of HB 684 (Sec. D companion bill)
- \$2.1 million in FY 2021 as required in 30-14-143, MCA (civil fines recovered by DOJ)¹
- \$2.2 million in FY 2022 that include:
 - \$354,901 transferred to the Judicial Branch drug court account to support drug courts
 - \$1.9 million transferred to the Department of Administration (Long-Range Building major maintenance account) to fund a new building on the Montana Law Enforcement Academy

As of October 1, 2021 (HB 589), 30-14-143 was amended to provide specific provisions related to the fund balance of this account. The account cannot have a balance exceeding three times the biennial budget² (not including settlement proceeds designated for a specific use pursuant to court order). When balances exceed this amount at the end of the biennium, any excess must be transferred to the general fund by January 1 of the following year.

¹ Legislative Audit. Financial-Compliance Audit, Department of Justice. March 2021

² Assumes HB 2 modified budget within the account, since it is not specified.

Fund 02456 – Insurance Verification and License Plates Account

Statutory Reference

61-6-158, MCA

Account Purpose

The account is dedicated to paying costs incurred in or associated with the operation, maintenance, and enhancement of the online motor vehicle liability insurance verification system and the contract for manufacturing and distributing license plates.

Revenues

Over the past six fiscal years, licenses and permits for motor vehicles accounted for 99.8% of total revenue for the account. Charges for services accounted for 0.2% of total revenue. Licenses and permits include fees from newly issued plates, replacement plates, and a few other sources.

Use of Fund

The fund is used exclusively by the Department of Justice (DOJ) to fund the activities listed under account purpose above. Over the previous six years, operating expenses have accounted for 76.1% of total disbursements within the account. Personal services made up 18.6% of total spending over the same timeframe. Costs associated with equipment have made up 5.3% of disbursements over the previous six years.

Ending Fund Balance

61-6-158 MTIVS & MCE Account - (02456)						
Ending Fund Balance						
	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023
Beginning Fund Balance	\$6,093,293	\$4,792,125	\$3,832,230	\$2,324,139	\$2,385,725	\$4,347,942
Nominal Revenues						
New License Plate Issuance	\$2,751,223	\$3,425,916	\$3,480,861	\$4,476,921	\$4,050,340	\$3,987,364
Replacement License Plate Fee	\$290,644	\$286,120	\$274,471	\$299,697	\$310,546	\$300,581
Other Licenses and Permits	\$719,885	\$155,507	\$146,085	\$145,118	\$148,251	\$159,602
Charges for Services	6,267	7,255	24,105	20,215	(449)	12
Total Revenues	<u>\$3,768,019</u>	<u>\$3,874,798</u>	<u>\$3,925,522</u>	<u>\$4,941,951</u>	<u>\$4,508,688</u>	<u>\$4,447,559</u>
Nominal Disbursements						
Personal Services	(\$1,942,298)	(\$1,595,895)	(\$7,649)	(\$69,108)	\$0	(\$1,127,813)
Operating Expenses	(3,078,205)	(3,238,798)	(4,129,465)	(4,811,257)	(2,546,471)	(1,594,578)
Equipment and Intangible Assets	(48,684)	-	(1,296,499)	-	-	-
Transfers Out	-	-	-	-	-	(3,691)
Total Disbursements	<u>(\$5,069,187)</u>	<u>(\$4,834,693)</u>	<u>(\$5,433,613)</u>	<u>(\$4,880,365)</u>	<u>(\$2,546,471)</u>	<u>(\$2,726,082)</u>
Prior Period Adjustments	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Fund Balance						
Assets						
Cash	\$5,072,703	\$3,950,018	\$2,348,964	\$2,368,153	\$4,347,340	\$6,351,622
Other Assets	6,267	4,603	38,950	17,874	-	(62,062)
Liabilities						
Accounts Payable	(208,465)	(102,180)	(58,460)	(130)	705	(220,141)
Other Liabilities	(78,380)	(20,211)	(5,315)	(172)	(103)	-
Ending Fund Balance	<u>\$4,792,125</u>	<u>\$3,832,230</u>	<u>\$2,324,139</u>	<u>\$2,385,725</u>	<u>\$4,347,942</u>	<u>\$6,069,419</u>

Appropriations and Expenditures History

Appropriations and Expenditures with Percent Expended							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budget	\$6,180,791	\$5,423,357	\$5,433,734	\$4,883,200	\$2,592,977	\$2,791,537	\$3,038,906
Expenditures	5,070,916	4,883,656	5,433,732	4,881,754	2,546,471	2,730,302	
% Expended	82.0%	90.0%	100.0%	100.0%	98.2%	97.8%	

The MTIVS & MCE Account was appropriated \$3.0 million in FY 2024. This account receives appropriations through House Bill 2. From FY 2018 until FY 2023, the department spent, on average, 94.7% of appropriated balances. As seen in both tables above, expenditures from the account in recent years have decreased while revenue collection related to licenses and permits for motor vehicles has increased.

Fund 02464 – MHP Highway State Special Account

Statutory Reference

44-1-110, MCA; 60-3-201, MCA; 15-70-126, MCA, 15-70-403, MCA; Montana State Constitution, Article VIII, Section 6

Account Purpose

The account is dedicated to funding the enforcement of highway safety and the Montana Highway Patrol (MHP) administration costs.

Revenues

Historically, revenue from fuel taxes has accounted for 94.3% of total revenue for the fund. Taxes include gasoline and diesel taxes, fees for special fuel permits, and gross vehicle weight license fees.

Use of Fund

This account is the largest state special revenue account in the Department of Justice (DOJ). This account is primarily appropriated through HB 2. Over the past six years, personal services were 62.2% and operating expenses were 26.6% of total expenditures in the account.

Ending Fund Balance

MPH Highway State Special Revenue Account (02464)						
Ending Fund Balance						
	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023
Beginning Fund Balance	\$875,965	\$8,489,351	\$9,030,546	\$6,892,068	\$6,600,374	\$6,239,114
Nominal Revenues						
Gasoline Tax	\$20,267,635	\$20,459,314	\$19,743,202	\$20,586,149	\$21,096,862	\$20,956,808
Diesel Fuel Tax	10,604,871	10,884,732	11,050,591	11,668,620	12,084,337	11,334,245
Grants/Transfers/Misc	5,761,180	163,413	154,242	351,226	4,841,802	230,653
Other Revenue	430	789	4,560	7,001	9,435	60,147
Total Revenues	\$36,634,116	\$31,508,248	\$30,952,595	\$32,612,996	\$38,032,436	\$32,581,853
Nominal Disbursements						
Personal Services	(\$19,141,416)	(\$20,238,646)	(\$20,326,080)	(\$20,642,755)	(\$21,913,420)	(\$21,053,876)
Operating Expenses	(8,182,257)	(8,839,444)	(8,918,916)	(9,188,963)	(8,873,410)	(8,682,533)
Equipment & Intangible Assets	(1,609,247)	(1,873,110)	(2,667,603)	(2,405,773)	(6,700,999)	(3,418,805)
Benefits and Claims	-	-	-	-	-	(5,000)
Transfers-out	-	-	-	(600,300)	-	-
Debt Service	-	-	(1,287,981)	(66,888)	(905,879)	(756,391)
Total Disbursements	(\$28,932,920)	(\$30,951,200)	(\$33,200,580)	(\$32,904,679)	(\$38,393,708)	(\$33,916,605)
Prior Period Adjustments	(\$87,810)	(\$15,853)	\$109,507	(\$11)	\$12	(\$549,590)
Ending Fund Balance						
Assets						
Cash	\$4,295,273	\$5,573,533	\$5,115,692	\$2,727,075	\$1,380,242	\$3,317,875
Inventory, Property held in Trust	5,558,598	5,435,176	5,053,469	5,666,828	5,514,864	5,918,511
Receivables	875,628	787,817	771,856	880,680	880,680	319,699
Other Assets	38,360	23,608	14,494	111,114	8,412	20,997
Liabilities						
Accounts Payable	(1,807,045)	(2,117,545)	(2,450,326)	(1,794,185)	(1,454,881)	(2,463,781)
Accruals	(358,810)	(562,572)	(1,490,729)	(877,279)	(61,296)	(2,742,074)
Accrued Liabilities	(112,653)	(109,471)	(122,400)	(113,847)	(28,907)	(16,455)
Other Liabilities	-	-	12	(12)	-	-
Ending Fund Balance	\$8,489,351	\$9,030,546	\$6,892,068	\$6,600,374	\$6,239,114	\$4,354,772

Appropriations and Expenditures

Appropriations and Expenditures with Percent Expended							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budget	\$29,458,484	\$31,155,452	\$33,965,342	\$32,906,669	\$33,806,286	\$34,110,197	\$36,098,757
Expenditures	28,983,758	30,987,497	33,193,908	32,890,689	33,743,996	34,013,464	
% Expended	98.4%	99.5%	97.7%	100.0%	99.8%	99.7%	

The FY 2023 ending fund balance of \$4.4 million does not consider outstanding appropriation authority. Appropriations in FY 2024 are \$36.1 million. In addition to directly funding MHP activities, this account is used to support highway patrol related activities in the Forensic Services, Criminal Investigation, and Central Services divisions at DOJ. For the past six fiscal years, the department has expended, on average, 99.2% of authority.

Fund 02546 – Montana Law Enforcement Academy

Statutory Reference

44-10-204, MCA; Title 61, Chapter 3

Account Purpose

The account is dedicated to funding the Montana Law Enforcement Academy's expenses and the operations of the Montana POST council.

Revenues

For the fiscal years 2018 through 2023, revenue from licenses and permits account for 76.5% of total revenues for the account. Additionally, 13.9% is received from charges for services (tuition) and revenue generated by the MLEA, 8.9% from grants and transfers, and 0.6% from other revenue sources.

Use of Fund

The account is used by the Department of Justice to fund the activities listed under account purpose above. Over the past six years, personal services accounted for 48.3% of expenditures, operating expenses accounted for 36.2%, and other expenses accounted for 15.5% of disbursements.

Ending Fund Balance

Montana Law Enforcement Academy Account - Fund (02546)						
Ending Fund Balance						
	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY2023
Beginning Fund Balance	156,274	\$1,568,073	\$1,832,821	\$1,938,249	\$1,691,132	\$4,100,148
Nominal Revenues						
Temporary Registration Permits	\$2,651,707	\$2,724,437	\$2,619,551	\$3,197,098	\$2,908,522	\$2,772,747
MLEA Generated Revenue	335,759	323,979	133,332	333,331	256,522	320,582
Professional Prgm / Course Fees	195,495	230,519	297,748	175,438	191,632	268,612
Transfers	12,807	30,250	27,541	17,002	1,867,525	13,475
Other Revenues	23,596	23,847	21,194	23,870	23,638	22,167
Total Revenues	\$3,219,364	\$3,333,032	\$3,099,366	\$3,746,739	\$5,247,839	\$3,397,583
Nominal Disbursements						
Personal Services	(1,072,834)	(\$1,147,516)	(\$1,439,730)	(\$1,649,827)	(\$1,601,610)	(\$1,809,384)
Operating Expenses	(723,436)	(\$1,053,596)	(\$1,020,699)	(\$1,180,489)	(\$1,260,721)	(\$1,303,832)
Transfers Out	(11,295)	(\$867,949)	(\$502,472)	(\$1,055,455)	(\$11,295)	(\$182,536)
Other Disbursements	-	-	(53,107)	(108,085)	-	(\$5,939)
Total Disbursements	(\$1,807,565)	(\$3,069,061)	(\$3,016,008)	(\$3,993,856)	(\$2,873,626)	(\$3,301,691)
Prior Period Adjustments	-	777	22,070	-	34,803	-
Ending Fund Balance						
Assets						
Cash	\$1,620,753	\$1,936,740	\$2,041,681	\$1,693,051	\$4,191,614	\$4,117,199
Other Assets	38,094	42,552	99,043	172,462	96,714	149,329
Liabilities						
Accounts Payable	(90,774)	(\$146,450)	(\$201,715)	(\$80,426)	(\$96,213)	(\$55,087)
Accruals	-	-	-	(\$93,969)	(\$91,967)	(\$9,291)
Other Liabilities	-	(21)	(760)	14	-	(\$6,110)
Ending Fund Balance	\$1,568,073	\$1,832,821	\$1,938,249	\$1,691,132	\$4,100,148	\$4,196,040

Appropriations and Expenditures History

Appropriations and Expenditures with Percent Expended							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budget	\$3,506,147	\$3,937,092	\$4,121,541	\$4,046,847	\$6,786,321	\$6,990,714	\$6,499,637
Expenditures	1,809,691	3,069,061	3,007,030	3,993,119	2,878,941	3,299,561	
% Expended	51.6%	78.0%	73.0%	98.7%	42.4%	47.2%	

Authority within the MLEA state special revenue account is historically appropriated through HB 2 and the LRBP fund in HB 5. Appropriations within the account total approximately \$6.5 million in FY 2024. For the last six fiscal years, the department has spent, on average, 65.1% of provided authority. Authority from the MLEA account increased in FY 2022 as a result of the 2021 Legislature providing \$3.8 million in HB 5 for the department to construct a new MLEA scenario training building. Much of this authority (\$3.7 million) is appropriated in FY 2024 as the project continues.

Fund 02978 – MVD MERLIN HB 261 Account

Statutory Reference

61-3-550, MCA

Account Purpose

The account is dedicated the repayment of indebtedness incurred for the creation of a new information technology system for motor vehicles and/or the payment of costs incurred in the creation and support of the new motor vehicle information technology system. The account is administered by the Motor Vehicle Division (MVD) in the Department of Justice (DOJ).

Revenues

Revenues in this account are derived from a \$10 fee paid by a vehicle owner if following a lean release on a motor vehicle, trailer, semitrailer, pole trailer, camper, motorboat, personal watercraft, sailboat, or snowmobile the owner requests issuance of a new title without the security interest or lien shown on the face of the title. The account also receives \$5 of each fee paid on new and replacement vehicle titles. Licenses & Permits basically account for all of the account revenues and are derived from the fees.

Use of Fund

This account has been used to fund in support of the DOJ MERLIN information technology system, including the maintenance contracts of the system. The account has historically been appropriated in HB 2.

Ending Fund Balance

61-3-550 MVD Merlin HB261 Account (02798)						
Ending Fund Balance						
	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023
Beginning Fund Balance	\$4,042,163	\$5,822,383	\$6,689,910	\$6,694,897	\$6,873,321	\$9,442,205
Nominal Revenues						
Title IT Account	\$2,177,947	\$2,235,390	\$2,155,303	\$2,500,988	\$2,533,648	\$2,492,754
Other Fees and Permits	614,313	589,521	9,952	212	569,874	895,309
Grants/Transfers/Misc.	12,608	-	-	-	-	-
Total Revenues	\$2,804,868	\$2,824,911	\$2,165,255	\$2,501,200	\$3,103,522	\$3,388,063
Nominal Disbursements						
Personal Services	(\$159,352)	\$173	(\$978,952)	(\$1,055,025)	(\$242,458)	(\$233,414)
Operating Expenses	3,251	567,823	(745,232)	(1,071,085)	(64,008)	(84,353)
Equipment & Intangible Assets	(853,747)	(2,211,375)	(234,302)	7,396	-	(10,347,500)
Local Assistance	(8,657)	-	-	-	(24,110)	-
Transfers-out	-	(314,005)	(201,782)	(204,062)	(204,062)	-
Debt Service	(6,143)	-	-	-	-	-
Total Disbursements	(\$1,024,648)	(\$1,957,384)	(\$2,160,268)	(\$2,322,776)	(\$534,638)	(\$10,665,267)
Prior Period Adjustments	-	-	-	-	-	-
Ending Fund Balance						
Assets						
Cash	\$6,000,120	\$6,805,515	\$7,160,274	\$6,910,344	\$9,453,730	\$2,203,595
Other Assets	-	-	-	-	-	(\$36,581)
Liabilities						
Accounts Payable	(\$177,737)	(\$115,605)	(\$408,274)	(\$36,223)	(\$11,525)	(\$2,013)
Other Liabilities	-	-	(57,103)	(800)	-	-
Ending Fund Balance	\$5,822,383	\$6,689,910	\$6,694,897	\$6,873,321	\$9,442,205	\$2,165,001

Appropriations and Expenditures

Appropriations and Expenditures with Percent Expended							
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Budget	2,108,637	2,311,692	2,276,711	2,597,017	2,390,228	698,627	9,224,319
Expenditures	754,855	1,065,407	1,922,239	2,152,871	2,330,365	534,639	
% Expended	35.8%	46.1%	84.4%	82.9%	97.5%	76.5%	

The FY 2023 ending fund balance of \$2.1 million does not consider outstanding appropriation authority. Appropriations in FY 2024 are \$1.4 million. Appropriations from the account are historically provided in HB 2 and have averaged \$2.0 million per fiscal year with the exception of FY 2023. In 2023, DOJ was provided with budget amendment authority of just over \$10.0 million to provide for the CARS system which is replacing the MERLIN system. For the last six fiscal years, the department has expended, on average, 81.0% of appropriations from this account.

Fund 02799 – Motor Vehicle Administration Account

Statutory Reference

61-3-112, MCA; 61-3-111, MCA; 61-3-321, MCA; 23-2-617, MCA; 23-2-809, MCA

Account Purpose

The account is dedicated to funding the operational and administrative costs of the Motor Vehicle Division (MVD), in the Department of Justice (DOJ). The account was authorized in the 2017 session and was effective beginning in FY 2018.

Revenues

Revenues in this account are derived from a 3.0% fee, specifically for the MVD administrative costs, on the registration of light vehicles and motor homes. The account also receives the 3.0% fee on the duplicate registration and off-highway vehicle decals. Licenses and permits have historically averaged 50.6% and charges for services (administrative fees) have averaged 47.8% of the total revenues of the account.

Use of Fund

This account is one of the primary state special revenue accounts in the Department of Justice (DOJ), accounting for 13.7% of the state special revenue HB 2 budget. In FY 2022, this account funded 8.8% the DOJ expenditures and 55.1% of the MVD expenditures and is primarily appropriated through HB 2. Over the past five years, personal services were 36.1% of total expenditures in the account, but personal services were not fully allocated to the account until FY 2019. Operating expenses average 50.4% of expenditures in the account.

Ending Fund Balance

Motor Vehicle Administration Account - (02799)						
Ending Fund Balance						
	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023
Beginning Fund Balance	\$0	\$2,014,041	\$3,362,153	\$2,688,999	\$3,229,847	\$2,384,517
Nominal Revenues						
MVD Admin Fee	\$2,589,104	\$5,134,379	\$5,201,934	\$5,684,371	\$5,880,351	\$6,017,184
Motor Home Luxury Fee	1,097,600	2,000,531	2,078,533	2,458,267	2,845,133	3,098,800
Light Vehicle Luxury Fee	935,550	2,211,000	2,380,744	3,265,006	4,356,206	\$5,518,780
Grants/Transfers/Misc	-	-	-	-	999,750	-
Other Revenues	12	650	50	380	1,834	8,274
Total Revenues	\$4,622,266	\$9,346,560	\$9,661,261	\$11,408,024	\$14,083,274	\$14,643,038
Nominal Disbursements						
Personal Services	\$0	(\$686,408)	(\$4,672,711)	(\$5,232,442)	(\$6,250,452)	(\$6,120,733)
Operating Expenses	(2,276,596)	(7,234,308)	(3,225,978)	(4,257,922)	(6,531,241)	(\$6,325,669)
Equipment & Intangible Assets	(228,415)	-	(235,596)	(30,690)	(999,750)	\$0
Other Disbursements	-	(77,743)	(2,200,130)	(1,346,122)	(1,147,161)	(205,674)
Total Disbursements	(\$2,505,011)	(\$7,998,459)	(\$10,334,415)	(\$10,867,176)	(\$14,928,604)	(\$12,652,076)
Prior Period Adjustments	(103,214)	11	-	-	-	-
Ending Fund Balance						
Assets						
Cash	\$2,406,831	4,220,406	\$3,175,867	\$4,081,335	\$3,005,214	\$4,685,104
Other Assets	1,540	5,909	1,756	-	-	57,542
Liabilities						
Accounts Payable	(263,402)	(639,962)	(352,349)	(294,054)	(575,023)	(367,167)
Accruals	(130,928)	(119,562)	(77,470)	(326,732)	-	-
Other Liabilities	-	(104,639)	(58,806)	(230,702)	(45,674)	-
Ending Fund Balance	\$2,014,041	\$3,362,153	\$2,688,999	\$3,229,847	\$2,384,517	\$4,375,479

Appropriations and Expenditures

Appropriations and Expenditures with Percent Expended							
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Budget	\$4,293,863	\$8,290,409	\$8,409,738	\$9,850,071	\$13,340,266	\$12,749,477	\$14,728,258
Expenditures	2,505,011	8,000,345	8,254,898	9,794,328	13,019,652	12,649,435	
% Expended	58.3%	96.5%	98.2%	99.4%	97.6%	99.2%	

The FY 2023 ending fund balance of \$4.4 million does not consider outstanding appropriation authority. Appropriations in FY 2024 are \$14.7 million including nearly \$1.6 million for maintenance costs associated with the new CARS system. In addition to directly funding MVD activities, this account is used to support MVD administrative activities in the Central Services and Information Technology divisions at DOJ. Funds from this account are appropriated in HB 2. For the past six fiscal years, the department has spent, on average, 91.5% of authority.