

**Agency Biennium Comparison**

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Agency Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	68,962,185	78,243,889	9,281,704	13.46 %
Operating Expenses	16,774,193	16,149,107	(625,086)	(3.73)%
Equipment & Intangible Assets	280,379	346,232	65,853	23.49 %
Grants	1,229,849	1,153,497	(76,352)	(6.21)%
Benefits & Claims	6,402,569	10,281,379	3,878,810	60.58 %
Transfers	3,829,428	0	(3,829,428)	(100.00)%
Debt Service	9,335	17,750	8,415	90.14 %
<b>Total Expenditures</b>	<b>\$97,487,938</b>	<b>\$106,191,854</b>	<b>\$8,703,916</b>	<b>8.93 %</b>
General Fund	92,836,932	101,215,818	8,378,886	9.03 %
State/Other Special Rev. Funds	4,450,558	4,773,068	322,510	7.25 %
Federal Spec. Rev. Funds	200,448	202,968	2,520	1.26 %
<b>Total Funds</b>	<b>\$97,487,938</b>	<b>\$106,191,854</b>	<b>\$8,703,916</b>	<b>8.93 %</b>
<b>Total Ongoing</b>	<b>\$95,606,213</b>	<b>\$104,639,672</b>	<b>\$9,033,459</b>	<b>9.45 %</b>
<b>Total OTO</b>	<b>\$1,881,725</b>	<b>\$1,552,182</b>	<b>(\$329,543)</b>	<b>(17.51)%</b>

**Agency Biennium Comparison -**

The biennium comparison table show a total growth of 8.9%, which for the Judicial Branch is significantly influenced by the FY 2018 appropriation reductions. Compared to the FY 2019 base appropriation, the growth is 6.9%.

**Mission Statement**

The Judicial Branch's (branch) mission is to provide an independent, accessible, responsive, impartial, and timely forum to resolve disputes, to preserve the rule of law, and to protect the rights and liberties guaranteed by the Constitutions of the United States and Montana.

For additional information, please refer to the Agency Profile. The profile may be viewed at: <https://leg.mt.gov/content/Publications/fiscal/BA-2021/Section-D/Agency-Profiles/2110-JUD.pdf>

Agency Highlights

<b>Judicial Branch Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The proposed Judicial Branch 2021 biennium budget is \$8.7 million or 8.9% higher than the 2019 biennium. Significant changes include:                             <ul style="list-style-type: none"> <li>◦ Personal services increases of \$6.4 million in general fund included in statewide present law adjustments</li> <li>◦ Continuation of the Pretrial Diversion Program proposed at \$1.6 million general fund</li> <li>◦ \$1.2 million in state special revenue support for court appointed special advocates (CASA) and guardian ad litem (GAL) in child abuse and neglect cases requested</li> </ul> </li> </ul>
<b>LFD Issues</b>
<ul style="list-style-type: none"> <li>• Transferring personal services appropriations increases the 2021 biennium appropriation by \$884,000</li> <li>• The legislature may wish to modify the appropriations for juvenile placements</li> </ul>

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	447.08	447.08	454.44	455.94
Personal Services	33,212,899	33,503,308	35,458,877	39,082,874	39,161,015
Operating Expenses	7,942,729	8,497,287	8,276,906	8,102,119	8,046,988
Equipment & Intangible Assets	107,215	107,263	173,116	173,116	173,116
Grants	30,657	585,867	643,982	576,510	576,987
Benefits & Claims	1,214,607	1,301,146	5,101,423	5,124,173	5,157,206
Transfers	3,829,428	3,829,428	0	0	0
Debt Service	460	460	8,875	8,875	8,875
<b>Total Expenditures</b>	<b>\$46,337,995</b>	<b>\$47,824,759</b>	<b>\$49,663,179</b>	<b>\$53,067,667</b>	<b>\$53,124,187</b>
General Fund	43,885,826	45,153,996	47,682,936	50,562,076	50,653,742
State/Other Special Rev. Funds	2,391,030	2,571,473	1,879,085	2,404,079	2,368,989
Federal Spec. Rev. Funds	61,139	99,290	101,158	101,512	101,456
<b>Total Funds</b>	<b>\$46,337,995</b>	<b>\$47,824,759</b>	<b>\$49,663,179</b>	<b>\$53,067,667</b>	<b>\$53,124,187</b>
<b>Total Ongoing</b>	<b>\$46,015,297</b>	<b>\$46,883,995</b>	<b>\$48,722,218</b>	<b>\$52,291,576</b>	<b>\$52,348,096</b>
<b>Total OTO</b>	<b>\$322,698</b>	<b>\$940,764</b>	<b>\$940,961</b>	<b>\$776,091</b>	<b>\$776,091</b>

Agency Discussion

FY 2018 Appropriations Compared to FY 2018 Actual Expenditures

The Judicial Branch expended 97.0% of its HB 2 appropriation. Savings generated from vacant positions was used to:

- Implement the 1.0% pay raise as required in SB 294
- Provide for operating expenses in District Court Operations

As required by statute, the Judicial Branch transferred \$3.8 million in general fund from the Youth Court Program to a state special revenue account to support prevention and intervention services for at-risk juveniles or justice involved juveniles.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

FY 2019 total appropriations are \$1.8 million or 3.8% higher than FY 2018 total appropriations. Personal services appropriations in FY 2019 are \$2.0 million higher than FY 2018 due to:

- Reductions of \$0.9 million in contributions to the employee state share of benefits enacted by the November 2017 Special Session
- Addition of 11.00 FTE and \$0.7 million in personal services authority for three new district court judges and support staff

As discussed, in FY 2018 \$3.8 million was moved from benefits and claims to transfers to support prevention and intervention services.

*Comparison of FY 2019 Legislative Budget to FY 2019 Base*

Figure 1 illustrates the beginning FY 2019 budget as adopted by the 2017 Legislature compared to the finalized 2019 Base Budget, which includes modifications done by the executive (as authorized in statute) during the interim. The 2019 Base Budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2021 biennium budgeting process.

Figure 1

FY 2019 Legislative Appropriations				
	Legislative Action	Executive Modifications per Statutory Authority	Executive Base	% Change from Legislative Action
01 Supreme Court Operations				
61000 Personal Services	6,594,798	67,653	6,662,451	1.0%
62000 Operating Expenses	4,878,121	217,347	5,095,468	4.5%
63000 Equipment & Intangible Assets	8,885	-	8,885	0.0%
67000 Benefits & Claims	5,351,423	(285,000)	5,066,423	-5.3%
Program Total	16,833,227	-	16,833,227	0.0%
03 Law Library				
61000 Personal Services	402,025	-	402,025	0.0%
62000 Operating Expenses	373,914	-	373,914	0.0%
63000 Equipment & Intangible Assets	88,221	-	88,221	0.0%
66000 Grants	120,000	-	120,000	0.0%
69000 Debt Service	8,875	-	8,875	0.0%
Program Total	993,035	-	993,035	0.0%
04 District Court Operations				
61000 Personal Services	25,906,379	(442,281)	25,464,098	-1.7%
62000 Operating Expenses	2,004,753	442,281	2,447,034	22.1%
63000 Equipment & Intangible Assets	67,723	-	67,723	0.0%
67000 Benefits & Claims	35,000	-	35,000	0.0%
Program Total	28,013,855	-	28,013,855	0.0%
05 Water Court				
61000 Personal Services	2,073,082	-	2,073,082	0.0%
62000 Operating Expenses	236,263	-	236,263	0.0%
63000 Equipment & Intangible Assets	8,287	-	8,287	0.0%
Program Total	2,317,632	-	2,317,632	0.0%
06 Clerk Of Court				
61000 Personal Services	520,914	-	520,914	0.0%
62000 Operating Expenses	43,555	-	43,555	0.0%
Program Total	564,469	-	564,469	0.0%
Grand Total	\$48,722,218	\$0	\$48,722,218	0.0%

There were a number of modifications to the legislative budget. As reflected in Figure 1, the Judicial Branch transferred appropriation authority for operating expenses into personal services within the Supreme Court Operations. Supreme Court Operations moved expenditures from other areas of the budget into personal services due to the SB 261 elimination of the general fund appropriation for a 1.0% pay raise required in SB 294. The District Court Operations transferred \$442,281 in appropriation authority from personal services to operating expenses to align authority with anticipated expenditures after changes enacted by the November 2017 Special Session.

*Executive Request*

The executive requests an 8.9% increase or \$8.7 million in total funding when compared the 2019 biennium. Increases include:

- \$6.4 million in general fund for personal services increases included as part of the statewide present law adjustment
- Proposal to continue the Pretrial Diversion Program established by the 2017 Legislature as part of the justice reinvestment legislation. Appropriations of \$1.6 million in general fund would support the determination of the appropriate use of detention or release for defendants prior to a trial
- \$1.2 million in state special revenue support for the CASA and GAL Programs

*Elected Official Request*

As elected officials, the Judicial Branch may present to the legislature for consideration items not included in the executive budget. The Judicial Branch is not requesting consideration of the any additional proposals.

*5.0% Plan*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. A summary of the entire 2019 biennium 5.0% plan submitted for this agency is in the Budget Analysis Appendix. The Judicial Branch includes reductions of \$2.2 million in general fund and \$0.1 million in state special revenue. The proposal to reduce expenditures in the Judicial Branch includes reductions to the drug courts, reductions in operating expenses related to trials, and elimination of the Working Interdisciplinary Network of Guardianship Stakeholders (WINGS) Program.

**Agency Personal Services**

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into four categories, as follows:

*1. Formula Based*

Formula based changes are calculated independent of agency choices, such as: annualize personal services costs including FY 2019 statewide pay plan adjustments, changes to benefit rates, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot, plus rate changes for workers' compensation and unemployment insurance.

A detailed illustration of this methodology is included in the Budget Analysis Appendix.

*2. Personal Services Management Decisions*

Any agency management decisions that adjusted employee pay or transferred personal services authority between programs. This includes raises or position changes that may increase or reduce a budget, such as hiring FTE at a lower rate to replace retired senior staff or moving FTE and funding between programs.

*3. Proposed Reinstatement of Personal Services Base Budget Reductions*

Most agencies requested reinstatement of personal services budget reductions taken last session. The single largest reinstatement is due to the lower vacancy savings rate requested by the executive. The FY 2019 personal services base included approximately 6.0% vacancy savings reduction as part of the funding adopted in HB 2. Generally, the executive requested a 2.0% vacancy savings reduction for 2021 biennium.

Agencies funded with general fund may have additional personal services reductions such as those reduced from the triggers in SB 261 from last session.

In some instances, the lower personal services budgets caused agencies to make management decisions that lowered the ongoing cost of personal services. When this occurred, the LFD reflected the lower reinstatement requested rather than the total of all personal services reductions made by the previous legislature.

4. Budget Modifications

This category includes modifications to the FY 2019 personal services budget such as transfer of personal services authority to operating expenses that occurred during the interim. These transfers may impact the overall size of the personal services present law adjustment (DP 1).

The Figure shows the analysis of the proposed changes.

Figure 2

Personal Services Present Law DP 1 - FY 2020					
Program	Formula Based	Management Decisions	Proposed Reinstatement of PS	Budget Modifications	DP1 SWPL
01 SUPREME COURT OPERATIONS	\$391,194	\$11,222	\$22,638	\$0	\$425,054
03 LAW LIBRARY	6,719	0	18,122	-	24,841
04 DISTRICT COURT OPERATIONS	2,210,856	74,318	20,752	442,281	2,748,207
05 WATER COURTS SUPERVISION	97,836	(85,540)	-	-	12,296
06 CLERK OF COURT	4,862	(0)	5,699	-	10,561
Agency Total	\$2,711,467	(\$0)	\$67,211	\$442,281	\$3,220,959

Personal services were \$35.5 million or 71.4% of total FY 2019 appropriations. The executive proposes an increase of \$3.6 million in FY 2020 and \$3.7 million in FY 2021. Figure 2 shows the adjustments to personal services included in the statewide present law adjustment. In addition to the formula based changes, a budget modification that transferred authority from personal services to operating expenses makes up the majority of the remaining adjustment.

<b>LFD ISSUE</b>	<p><u>Transferring Authority from Personal Services to Operating Expenses Increases the 2021 Biennium Budget</u></p> <p>In FY 2019 the Judicial Branch transferred \$442,000 in personal services in the District Court Operations through modifications that transferred the authority from personal services to operating expenses. Personal services appropriations for the 2021 biennium use the salary and related benefits associated with FTE to establish the level of appropriation required for personal services. Since the Judicial Branch did not reduce FTE when it eliminated personal services funding in FY 2019, the personal services reduction automatically returns when the personal services snapshot is used to establish the level of funding required in the 2021 biennium. As a result, the Judicial Branch budget for the District Court Operations is \$442,000 higher than it would have been had the appropriation remained in personal services instead of operating expenses, or as an alternative if FTE had been reduced for the transfer of authority from personal services to operating expenses.</p> <p>Legislative Options</p> <ul style="list-style-type: none"> <li>• Reduce personal services funding supporting FTE in the District Court Operations to offset the reduction of personal services funding in FY 2019</li> <li>• Reduce operating expenses in the District Court Operations by the amount transferred</li> <li>• Adopt the executive proposal for increased personal services in the various divisions</li> </ul>
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**Funding**

The following table shows proposed agency funding by source of authority.

Total Judicial Branch Funding by Source of Authority 2021 Biennium Budget Request - Judicial Branch						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	99,663,636	1,552,182	0	0	101,215,818	94.99 %
State Special Total	4,773,068	0	0	0	4,773,068	4.48 %
Federal Special Total	202,968	0	0	0	202,968	0.19 %
Proprietary Total	0	0	366,656	0	366,656	0.34 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$104,639,672</b>	<b>\$1,552,182</b>	<b>\$366,656</b>	<b>\$0</b>	<b>\$106,558,510</b>	
<b>Percent - Total All Sources</b>	<b>98.20 %</b>	<b>1.46 %</b>	<b>0.34 %</b>	<b>0.00 %</b>		

The Judicial Branch is primarily supported by general fund with state special revenue supporting specific functions, the largest of which is the Water Court. The water adjudication fund supports a little over half of the funding for the Water Court. Other sources of state special revenue include fines, fees, assessments for training events, and youth court intervention and prevention account that derives revenue from the transfer of unexpended general fund juvenile placement funds. See the funding narrative for Supreme Court Operations for LFD Issue on the youth court intervention and prevention account. The branch receives a small amount of federal special revenues for grants supporting specific projects such as the Court Assessment Program.

**Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	46,741,975	46,741,975	93,483,950	92.36 %	48,722,218	48,722,218	97,444,436	91.76 %
SWPL Adjustments	3,000,003	2,952,942	5,952,945	5.88 %	2,900,949	2,853,167	5,754,116	5.42 %
PL Adjustments	0	0	0	0.00 %	624,402	589,977	1,214,379	1.14 %
New Proposals	820,098	958,825	1,778,923	1.76 %	820,098	958,825	1,778,923	1.68 %
<b>Total Budget</b>	<b>\$50,562,076</b>	<b>\$50,653,742</b>	<b>\$101,215,818</b>		<b>\$53,067,667</b>	<b>\$53,124,187</b>	<b>\$106,191,854</b>	

### Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	13,554,887	15,406,241	1,851,354	13.66 %
Operating Expenses	10,193,865	9,114,565	(1,079,300)	(10.59)%
Equipment & Intangible Assets	8,885	17,770	8,885	100.00 %
Grants	1,109,849	913,497	(196,352)	(17.69)%
Benefits & Claims	6,332,569	10,211,379	3,878,810	61.25 %
Transfers	3,829,428	0	(3,829,428)	(100.00)%
<b>Total Expenditures</b>	<b>\$35,029,483</b>	<b>\$35,663,452</b>	<b>\$633,969</b>	<b>1.81 %</b>
General Fund	34,198,119	34,780,118	581,999	1.70 %
State/Other Special Rev. Funds	630,916	680,366	49,450	7.84 %
Federal Spec. Rev. Funds	200,448	202,968	2,520	1.26 %
<b>Total Funds</b>	<b>\$35,029,483</b>	<b>\$35,663,452</b>	<b>\$633,969</b>	<b>1.81 %</b>
<b>Total Ongoing</b>	<b>\$33,147,758</b>	<b>\$34,111,270</b>	<b>\$963,512</b>	<b>2.91 %</b>
<b>Total OTO</b>	<b>\$1,881,725</b>	<b>\$1,552,182</b>	<b>(\$329,543)</b>	<b>(17.51)%</b>

### Program Biennium Comparison -

The Program Budget Comparison table shows a total growth of 1.8%, which for the Supreme Court Operations is significantly influenced by the FY 2018 reductions. Compared to the FY 2019 base appropriations, the growth is 0.3%.

### Program Description

The Supreme Court has appellate jurisdiction for the State of Montana. The court has original jurisdiction to issue, hear, and determine writs of habeas corpus and other writs provided by law. It also has general supervisory control over all other courts in the state. The Supreme Court is charged with establishing rules governing appellate procedure, the practice and procedure for all other courts, and admission to the bar and conduct of its members. Within the Supreme Court Operations program, the Office of Court Administrator provides centralized services to the Judicial Branch including information technology, budget and finance, payroll and human resource management, policy and technical support for the Youth Courts, judicial education, and services provided through the federal Court Assessment Program related to child abuse and neglect cases. The Boards and Commissions Program provides staff and other support to constitutionally and statutorily required commissions attached to the Montana Supreme Court, specifically the Judicial Standards Commission, the Sentence Review Board, and the Commission on Courts of Limited Jurisdiction. The Boards and Commissions Program also supports activities of the Commission on Practice. Other specialized commissions and task forces, not required by the Constitution and statute but created by the Supreme Court to address specific issues, receive minimal financial assistance with travel expenses and supplies.

Program Highlights

<b>Supreme Court Operations Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The proposed Supreme Court Operations Program 2021 biennium budget is 1.8% or \$634,000 higher than the 2019 biennium budget. Significant changes include:                             <ul style="list-style-type: none"> <li>◦ Continuation of the Pretrial Diversion Program with \$1.6 million in general fund</li> <li>◦ Additional funding for drug courts, mainly due to federal grants expiring, at \$139,000</li> <li>◦ Ongoing funding for the child abuse diversion project with \$88,000</li> <li>◦ Addition of 2.50 FTE for drug courts</li> </ul> </li> </ul>
<b>LFD Issues</b>
<ul style="list-style-type: none"> <li>• The legislature may wish to modify the appropriations for juvenile placements</li> </ul>

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	82.75	82.75	89.00	90.50
Personal Services	6,502,669	6,556,129	6,998,758	7,662,108	7,744,133
Operating Expenses	4,914,767	5,017,725	5,176,140	4,568,051	4,546,514
Equipment & Intangible Assets	0	0	8,885	8,885	8,885
Grants	30,657	585,867	523,982	456,510	456,987
Benefits & Claims	1,194,430	1,266,146	5,066,423	5,089,173	5,122,206
Transfers	3,829,428	3,829,428	0	0	0
<b>Total Expenditures</b>	<b>\$16,471,951</b>	<b>\$17,255,295</b>	<b>\$17,774,188</b>	<b>\$17,784,727</b>	<b>\$17,878,725</b>
General Fund	16,179,306	16,840,547	17,357,572	17,343,032	17,437,086
State/Other Special Rev. Funds	231,506	315,458	315,458	340,183	340,183
Federal Spec. Rev. Funds	61,139	99,290	101,158	101,512	101,456
<b>Total Funds</b>	<b>\$16,471,951</b>	<b>\$17,255,295</b>	<b>\$17,774,188</b>	<b>\$17,784,727</b>	<b>\$17,878,725</b>
<b>Total Ongoing</b>	<b>\$16,149,253</b>	<b>\$16,314,531</b>	<b>\$16,833,227</b>	<b>\$17,008,636</b>	<b>\$17,102,634</b>
<b>Total OTO</b>	<b>\$322,698</b>	<b>\$940,764</b>	<b>\$940,961</b>	<b>\$776,091</b>	<b>\$776,091</b>

Program Discussion -

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The Supreme Court Operations transferred \$80,000 of general fund HB 2 operating expenses authority from FY 2019 to FY 2018 to address issues related to budget reductions made in the November 2017 Special Session. When compiling the budget, fiscal year supplemental transfers of appropriation authority between fiscal years are eliminated. Thus, the Program Actuals and Budget Comparison table does not reflect the additional \$80,000 in appropriations and expenditures in operating expenses in FY 2018.

**LFD  
COMMENT**

As mentioned, the Program Actuals and Budget Comparison table does not include the transfer of \$80,000 in operating expenses. Without the transfer, the Supreme Court Operations had \$102,958 in total operating expense authority remaining at the end of the fiscal year funded with general fund, and state and federal special revenue. While it appears Supreme Court Operations had sufficient authority for operating expenses without the transfer, remaining appropriations were spread throughout each funding source. In FY 2018 operating expenses were funded and expended in the following manner:

- General fund \$4.8 million in appropriations with \$4.7 million expended leaving \$52,568 in remaining authority
- State special revenue \$189,990 in appropriations with \$177,752 expended leaving \$12,238 in remaining authority
- Federal special revenue \$61,408 in appropriations with \$23,256 expended leaving \$38,152 in remaining authority

*Justice Reinvestment Programs*

As part of justice reinvestment enacted by the 2017 Legislature, restricted, biennial, one-time-only funding of \$1.4 million in general fund was provided for a Pretrial Diversion Program as outlined in SB 59 enacted by the 2017 Legislature. Statutory requirements include:

- Establishment of an evidence based detention risk assessment
- Recommendation for managing defendants who are released and awaiting trial
- Allocation of funding to counties or nonprofit organizations contracting with a county to provide pretrial services

One of the anticipated outcomes of the bill was lower numbers of individuals in jail awaiting trial. However, the bill also outlined a methodology to protect public safety. The Judicial Branch partnered with the Arnold Foundation for an evidence based public safety assessment (PSA) tool that uses criminal history combined with previous failures to appear in court to determine which arrested individuals should be released from jail prior to a court hearing to determine if they are guilty of the crime of which they are accused. Five counties including Yellowstone, Butte-Silverbow, Lewis and Clark, Missoula, and Lake agreed to participate in a pilot project for the disposition of cases using the PSA. The pretrial project required training on the assessment tool and revisions to information technology. Counties began working with the new tool in March, gradually gearing up through the end of June. The Judicial Branch anticipates using the majority of the grant appropriation in FY 2019. Two Judicial Branch employees conduct the assessment, and the results are available to the relevant court within 24 hours of the defendant's arrest. As this was a new program, the implementation of the PSA was not fully achieved until the end of FY 2018 with expenditures of \$171,200 including \$30,700 in grants to counties. For further information on justice reinvestment refer to the Appendix.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

The FY 2019 total appropriation is \$519,000 or 3.0% higher than the FY 2018 appropriation mainly due to:

- November 2017 Special Session reductions in both fiscal years that were subsequently restored by SB 9 for FY 2019 in the amount of \$365,000
- Temporary suspension of \$171,000 in employer contributions to employee health benefits in FY 2018 made by the November 2017 Special Session

Shifts between benefits and claims and transfers are due to the statutory requirement that the Judicial Branch appropriation authority that was not required for juvenile placements be transferred to the youth court intervention and prevention account in the state special revenue fund. In FY 2018, \$3.8 million was moved from benefits and claims to transfers. The amount of the transfer for FY 2019 will be determined in June 2019 and is not reflected in the preceding table.

*Executive Request*

The executive is proposing:

- Continuation of the Pretrial Diversion Program

- Increased personal services of \$845,000 over the biennium, mostly funded with general fund, for changes included in the statewide present law adjustments. See Figure 2 in the Agency Discussion for further information on the changes
- Reduction in operating expenses of \$687,000, mostly in general fund, for changes included in fixed costs. The reduction is due to lower costs for information technology services provided by the Department of Administration
- Additional funding for the drug courts, mostly due to expiration of federal grants
- Continuation of the child abuse diversion project

Juvenile Delinquency Intervention Act

The Juvenile Delinquency Intervention Act, enacted in 2001, requires each judicial district to:

- Establish alternatives for youth placement
- Provide early intervention strategies
- Use a validated risk assessment to measure risk and effectiveness of treatment and intervention services

Juvenile placements refers to out of home placements such as foster homes, out of state placements, group homes, residential treatment facilities, chemical dependency facilities, shelter care facilities, or therapeutic group homes. According to the Judicial Branch, the Juvenile Delinquency Act was established to provide incentives for Youth Courts and communities to reduce out of home placements. Since the enactment of the Juvenile Delinquency Act in 2001, the legislature has appropriated juvenile placement funds from the general fund. The appropriated level of juvenile placement funding has been around \$5.0 million annually since FY 2014, down from \$10.4 million in general fund provided in FY 2000.

To establish a funding source for the Judicial Branch to provide alternatives to youth placement and early intervention strategies, any unexpended juvenile placement funds remaining at the end of each fiscal year are transferred to the youth court intervention and prevention account in the state special revenue fund as required by 41-5-2011, MCA.

As proposed, the 2021 biennium request includes general fund for Youth Court juvenile placement. The appropriations would support:

- Personal services of \$471,900 for 4.00 FTE regional youth court financial specialists
- Operating expenses of \$101,200 for supplies and materials and communications
- Benefits and claims of \$9.2 million for placement of juveniles in residential facilities, both in and out of state, and community services for youth as required by the Youth Court

Figure 3 shows the appropriated general fund budget for juvenile placement funds for FY 2016 to FY 2021.

Figure 3

Judicial Branch Juvenile Placement Funds						
	Appropriated FY 2016	Appropriated FY 2017	Appropriated FY 2018	Appropriated FY 2019	Proposed FY 2020	Proposed FY 2021
<b>Expenditures</b>						
Personal Services	\$254,602	\$246,909	\$209,272	\$240,035	\$236,232	\$235,682
Operating Expenses	60,592	54,092	3,385	100,592	50,592	50,592
Benefits and Claims	1,753,902	1,331,640	782,149	4,611,613	4,611,613	4,611,613
Transfers	<u>3,181,841</u>	<u>3,604,103</u>	<u>3,829,428</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>\$5,250,937</b>	<b>\$5,236,744</b>	<b>\$4,824,234</b>	<b>\$4,952,240</b>	<b>\$4,898,437</b>	<b>\$4,897,887</b>
<b>Funding</b>						
General Fund	5,078,979	5,064,786	4,752,276	4,880,282	4,826,479	4,825,928
State Special Revenue	171,718	171,718	71,718	71,718	71,718	71,718
Federal Special Revenue	240	240	240	240	240	240
<b>Total Funding</b>	<b>\$5,250,937</b>	<b>\$5,236,744</b>	<b>\$4,824,234</b>	<b>\$4,952,240</b>	<b>\$4,898,437</b>	<b>\$4,897,886</b>

As reflected in Figure 3, while general fund appropriations declined between FY 2016 and FY 2018 by 8.1%, the amount transferred to the youth court intervention and prevention account increased during the same period by 20.4%. As previously discussed, funds that are unexpended at the end of the fiscal year are transferred to the youth court intervention and prevention account in the state special revenue fund.

*Youth Court Intervention and Prevention Account*

The youth court intervention and prevention account is established and statutorily appropriated in 41-5-2011, MCA. This 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 for:

- Establishment or expansion of community prevention and intervention programs and services for youth
- To provide alternative funding methods for out-of-home placements
- To 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 Judicial Branch, it is used by the District Courts for the following two years. Any funding remaining after two years is transferred to the general fund.

Figure 4 shows the fund balance for the account during the same period as Figure 3. The appropriations for the benefits and claims associated with youth services are statutorily appropriated.

Figure 4

Judicial Branch Youth Court Intervention and Prevention						
	Actual FY 2016	Actual FY 2017	Actual FY 2018	Estimated FY 2019	Estimated FY 2020	Estimated FY 2021
Beginning Fund Balance	\$5,991,429	\$6,429,532	\$6,912,576	\$7,458,899	\$7,662,744	\$7,640,662
Revenues	3,326,647	3,790,713	3,944,155	3,687,172	3,807,347	3,812,891
Expenditures						
Benefits & Claims	2,888,543	3,307,233	3,097,832	3,483,327	3,829,428	3,687,172
Transfers Out	0	435	300,000	0	0	0
Total Expenditures	2,888,543	3,307,668	3,397,832	3,483,327	3,829,428	3,687,172
Adjustments	(1)	(1)	0	0	0	0
Ending Fund Balance	\$6,429,532	\$6,912,576	\$7,458,899	\$7,662,744	\$7,640,662	\$7,766,381
Estimated revenues are calculated as the average of the previous 3 years						

As shown in Figure 4, the actual expenditures out of the fund have not exceeded the transfers into the account resulting in a growing fund balance.

<b>LFD COMMENT</b>	Between FY 2016 and FY 2018, the amount of unexpended juvenile placement appropriations transferred from the general fund has increased by 20.4%, increasing the revenues for the youth court intervention and prevention account. This is a result of a decline in the number of youth placed each year. The decline is, in
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part, because of the intervention and prevention services provided through the youth court intervention and prevention account.

At the same time, the fund balance within the youth court intervention and prevention (YCIP) account has grown 16.0%. The fund balance is growing for two reasons:

- Timing of the transfer of the general fund to the state special revenue account done in the last month of the fiscal year
- Decreased spending on juvenile placements has increased the amount transferred into the account

Currently, at June 30 the account has about two years of funding available in the fund balance. By statute, YCIP funds that are unexpended at the end of two years are deposited back in the general fund.

**LFD  
ISSUE**

The Legislature May Wish To Modify Appropriations For Juvenile Placement

Figure 3 summarizes the appropriations and funding for juvenile placement appropriations. Since FY 2016 the Judicial Branch has not utilized any of the appropriations for state or federal special revenue. The state special revenue authority was provided to the Judicial Branch for parental contributions that are paid by a parent or guardian of a youth under the jurisdiction of the Youth Court. HB 650, enacted by the 2017 Legislature transferred \$300,000 of the parental contributions to the general fund. The legislature may wish to amend statute to direct the deposit of parental contributions directly to the general fund. As of June 30, 2018, the Judicial Branch had \$146,000 in parental contributions deposited into the youth court intervention and prevention account.

To align appropriations with expenditures for juvenile placement the legislature could eliminate state and federal special revenue as the appropriations have not been used in the last three fiscal years.

Legislative options:

- Eliminate state and federal special revenue appropriations for juvenile placement
- Adopt legislation to direct parental contributions to the general fund
- Adopt the executive proposal for the appropriations supporting juvenile placement

*Program Personal Services*

Personal services were \$7.0 million or 39.4% of total FY 2019 appropriations. The executive proposes an increase of \$633,000 in FY 2020 and \$745,000 in FY 2021. Increases for new proposals, funding for treatment courts, child abuse diversion and the Pretrial Diversion Program comprise about 42.0% of the increase. The remainder is mainly related to formula based changes included in the statewide present law adjustment.

**Funding**

The following table shows proposed program funding by source of authority.

Judicial Branch, 01-Supreme Court Operations Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	33,227,936	1,552,182	0	0	34,780,118	97.52 %	
02151 YthCrnt Intervention?evention	143,436	0	0	0	143,436	21.08 %	
02342 Law Library Digital Project	0	0	0	0	0	0.00 %	
02399 Judicial Education Conferences	122,368	0	0	0	122,368	17.99 %	
02536 Legal Asistance	241,710	0	0	0	241,710	35.53 %	
02961 State Grants to Drug Courts	172,852	0	0	0	172,852	25.41 %	
<b>State Special Total</b>	<b>\$680,366</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$680,366</b>	<b>1.91 %</b>	
03041 Probation Training Fund	480	0	0	0	480	0.24 %	
03153 Court Improvement Prg Grants	0	0	0	0	0	0.00 %	
03240 COURT ASSESSMENT PROGRAM	202,488	0	0	0	202,488	99.76 %	
03352 NCHIP-MBCC Grant	0	0	0	0	0	0.00 %	
03162 MBCC Grant	0	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$202,968</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$202,968</b>	<b>0.57 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$34,111,270</b>	<b>\$1,552,182</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,663,452</b>		

General fund supports most costs of the program.

State special revenue supports administration of juvenile delinquency intervention prevention (JDIP) funds, training for judges from conference fees, legal assistance for indigent victims of domestic violence from court filing fees primarily from dissolution of marriage filings, and grants to drug courts from drug court fees charged to participants.

Statutory appropriations for the youth court intervention and prevention account are not presented in the above table.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	16,416,611	16,416,611	32,833,222	94.40 %	16,833,227	16,833,227	33,666,454	94.40 %
SWPL Adjustments	106,323	61,650	167,973	0.48 %	106,402	61,673	168,075	0.47 %
PL Adjustments	0	0	0	0.00 %	25,000	25,000	50,000	0.14 %
New Proposals	820,098	958,825	1,778,923	5.11 %	820,098	958,825	1,778,923	4.99 %
<b>Total Budget</b>	<b>\$17,343,032</b>	<b>\$17,437,086</b>	<b>\$34,780,118</b>		<b>\$17,784,727</b>	<b>\$17,878,725</b>	<b>\$35,663,452</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	424,700	0	354	425,054	0.00	419,693	0	298	419,991
DP 2 - Fixed Costs	0.00	(322,733)	(275)	0	(323,008)	0.00	(363,447)	(275)	0	(363,722)
DP 3 - Inflation Deflation	0.00	4,356	0	0	4,356	0.00	5,404	0	0	5,404
DP 103 - Drug Court General Fund FTE and Additional Fees Authority	2.50	0	25,000	0	25,000	2.50	0	25,000	0	25,000
DP 402 - Retired Judges	0.00	0	0	0	0	0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>2.50</b>	<b>\$106,323</b>	<b>\$24,725</b>	<b>\$354</b>	<b>\$131,402</b>	<b>2.50</b>	<b>\$61,650</b>	<b>\$24,725</b>	<b>\$298</b>	<b>\$86,673</b>

\*\*\*Total Funds\*\* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 103 - Drug Court General Fund FTE and Additional Fees Authority -

The executive requests 2.50 permanent FTE be approved for the drug courts. One 0.50 FTE is being requested for the Juvenile Drug Court, 1.00 FTE is being requested for the Adult Drug Court, and 1.00 FTE for Veterans Treatment Court. The positions have been filled with HB 2 modified FTE since FY 2016.

The request also includes an additional \$25,000 of state special revenue fund authority in each year of the biennium to increase spending authority related to fees collected from drug court participants.

<b>LFD COMMENT</b>	As proposed, only the FTE are requested, personal services funding in this biennium is not impacted.
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DP 402 - Retired Judges -

Courts across the state bring in retired judges to preside in cases where a judge may need to recuse him/herself from a case or to cover other absences. To fund the costs in the 2021 biennium the proposal moves funding from operating expenses to personal services.

**New Proposals**

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Funding for Expiring Grant Funded Drug Courts	0.00	0	0	0	0	1.50	138,815	0	0	138,815
DP 102 - Child Abuse Diversion Project	0.50	44,007	0	0	44,007	0.50	43,919	0	0	43,919
DP 403 - Pretrial Program OTO	3.25	776,091	0	0	776,091	3.25	776,091	0	0	776,091
<b>Total</b>	<b>3.75</b>	<b>\$820,098</b>	<b>\$0</b>	<b>\$0</b>	<b>\$820,098</b>	<b>5.25</b>	<b>\$958,825</b>	<b>\$0</b>	<b>\$0</b>	<b>\$958,825</b>

\*\*\*Total Funds\* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 101 - Funding for Expiring Grant Funded Drug Courts -

The executive requests 1.50 FTE in FY 2021. The 1st Judicial District Family Treatment Court (Lewis & Clark County) and the 20th Judicial District Adult Drug Court (Lake County) were initiated with federal Department of Justice drug court implementation grants that will expire on 9/30/2020. Without the funding, the courts will be unable to continue to provide services necessitating closure of the court dockets.

<b>LFD COMMENT</b>	The treatment court is a specialized diversionary program designed to impact offenders who are addicted to alcohol or other drugs and may also have a mental illness. Nationally, and in Montana, treatment courts have resulted in lower recidivism rates for offender and reduced drug or alcohol use. In FY 2019, general fund in the Supreme Court Operations supported fifteen treatment courts. Federal grants used to start new treatment courts are allocated according to federal priorities. In addition to the 1st and 20th Judicial Districts, the 5th Judicial District in Beaverhead county currently operates under a federal grant.
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DP 102 - Child Abuse Diversion Project -

The executive requests 0.50 FTE and related funding for the Court Diversion Project. This program that was originally provided for in HB 612 passed by the 2015 Legislature and had one-time-only appropriations in the 2019 biennium. The program is designed to remove child abuse and neglect cases from the normal court track and place them into a diversion model. In the model, parents and the social worker develop a mediated treatment plan to transition children home. The case is not filed in court, parties are not assigned attorneys, and it remains an informal matter. Child abuse and neglect cases are very time-consuming for the court, defense attorneys, and county attorneys.

DP 403 - Pretrial Program OTO -

This proposal is a one-time-only request for 3.25 FTE and related funding to continue the Pretrial Diversion Program. The 3.25 FTE includes a 0.75 FTE pretrial program supervisor, 1.00 FTE and three 0.50 FTE public safety assessment coordinators.

This new program, required by the 2017 Montana Legislature, assists the criminal justice system with the handling of persons arrested and held in jail in five pilot counties (Butte-Silver Bow, Lake, Lewis & Clark, Missoula, and Yellowstone).

The goals are to maximize public safety by reserving detention for those offenders who pose the greatest risk to reoffend or fail to appear in court, maximize court appearance, and maximize the appropriate use of release and detention by use of service designed to fulfill the two goals.

**Program Biennium Comparison**

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	761,000	854,063	93,063	12.23 %
Operating Expenses	724,625	747,911	23,286	3.21 %
Equipment & Intangible Assets	195,484	176,442	(19,042)	(9.74)%
Grants	120,000	240,000	120,000	100.00 %
Debt Service	9,335	17,750	8,415	90.14 %
<b>Total Expenditures</b>	<b>\$1,810,444</b>	<b>\$2,036,166</b>	<b>\$225,722</b>	<b>12.47 %</b>
General Fund	1,810,444	2,036,166	225,722	12.47 %
<b>Total Funds</b>	<b>\$1,810,444</b>	<b>\$2,036,166</b>	<b>\$225,722</b>	<b>12.47 %</b>
<b>Total Ongoing</b>	<b>\$1,810,444</b>	<b>\$2,036,166</b>	<b>\$225,722</b>	<b>12.47 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Biennium Comparison -**

The Program Budget Comparison table shows a total growth of 12.5%, which for the Law Library is significantly influenced by the FY 2018 reductions. Compared to the FY 2019 base appropriations, the growth is 2.5%.

**Program Description**

The State Law Library of Montana (22-1-501 ,MCA) provides access to legal information consistent with the present and anticipated needs, responsibilities, and concerns of Montana's courts, legislature, state officers and employees, members of the bar of the Supreme Court of Montana, and members of the general public. The library selects, acquires, and maintains resources consistent with this mission. More electronic licenses are acquired each year, which frequently replace hard copies. This allows the library to get the information more quickly to the customer and to conserve its available shelf space for books and other printed material. The library's space, equipment, and technology are maintained in a manner that will ensure operational efficiency, improve collection preservation, and respond to requirements for accessibility of users and staff.

Library staff provide extensive training in legal research methods and access to the Montana court system. The library's web site ([www.lawlibrary.mt.gov](http://www.lawlibrary.mt.gov)) has been designed to help Montana's citizens find the statutes, court cases and rules, legal forms, and explanation of the laws they need. Non-lawyers who cannot afford attorneys make up 75% of the people the Law Library assists. The library also operates a Court-Help Center.

Program Highlights

<b>Law Library Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>The proposed Law Library 2021 biennium budget request is \$226,000 or 12.5% higher than the 2019 biennium. Significant changes include additional appropriations of \$50,000 in general fund as part of statewide present law adjustments</li> </ul>
<b>LFD Issues</b>
<ul style="list-style-type: none"> <li>Eliminating debt service appropriation that is not required could save \$18,000 in general fund</li> </ul>

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	6.75	6.75	6.75	6.75
Personal Services	328,974	358,975	402,025	426,866	427,197
Operating Expenses	340,309	350,711	373,914	373,951	373,960
Equipment & Intangible Assets	107,215	107,263	88,221	88,221	88,221
Grants	0	0	120,000	120,000	120,000
Debt Service	460	460	8,875	8,875	8,875
<b>Total Expenditures</b>	<b>\$776,958</b>	<b>\$817,409</b>	<b>\$993,035</b>	<b>\$1,017,913</b>	<b>\$1,018,253</b>
General Fund	776,958	817,409	993,035	1,017,913	1,018,253
<b>Total Funds</b>	<b>\$776,958</b>	<b>\$817,409</b>	<b>\$993,035</b>	<b>\$1,017,913</b>	<b>\$1,018,253</b>
<b>Total Ongoing</b>	<b>\$776,958</b>	<b>\$817,409</b>	<b>\$993,035</b>	<b>\$1,017,913</b>	<b>\$1,018,253</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Program Discussion -

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The Law Library transferred \$40,000 of general fund HB 2 authority from FY 2019 to FY 2018 to address issues related to budget reductions made in the November 2017 Special Session. The Law Library transferred \$30,000 to personal services and \$10,000 to operating expenses. When compiling the budget, fiscal year supplemental transfers of appropriation authority between fiscal years are eliminated. Thus, the Program Actuals and Budget Comparison table does not reflect the additional \$40,000 in appropriations and expenditures in operating expenses in FY 2018.

<b>LFD COMMENT</b>	As reflected in the table above, the Law Library had \$30,001 in personal services and \$10,402 in operating expenses authority remaining at the end of the fiscal year without the supplemental transfer of \$40,000. HB 70, an act strengthening guardianship services in Montana, provided \$40,000 in appropriations authority to the Judicial Branch, \$30,000 in personal services and \$10,000 in operating expenses. In FY 2018 none of the appropriation authority for the program was expended as part of the Judicial Branch’s efforts to save general fund. In FY 2019, the Judicial Branch was provided \$160,000 in appropriation authority for HB 70 and has begun to establish the program as
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required by statute. As the bill specified that the appropriation included in HB 70 was to be considered part of the base budget in the 2021 biennium, the appropriations are included in the previous table for comparative purposes.

The Law Library expended 95.0% of its HB 2 appropriation. Personal services were 91.6% expended, operating expenses were 99.9% expended, and equipment and intangible assets were 100.0% expended. While the Judicial Branch was not required to generate vacancy savings, general fund supporting 1.0% pay raises as required in SB 294 was eliminated through SB 261. The actual vacancy rate within the Law Library of 2.9% was used to offset the increased salaries and benefits due to the pay raise.

#### *FY 2018 Appropriations Compared to FY 2019 Appropriations*

The FY 2019 total appropriation is \$175,000 or 21.5% higher than the FY 2018 appropriation mainly due to:

- 2017 November Special Session reductions in both fiscal years that were subsequently restored by SB 9 for FY 2019 in the amount of \$40,000
- Temporary suspension of \$12,600 in employer contributions to employee health benefits in FY 2018 made by the November 2017 Special Session
- Grant authority related to HB 70 included as an appropriation in FY 2019 but not in FY 2018

#### *Executive Request*

The executive is proposing to increase personal services by \$50,000 in general fund for statewide present law adjustments.

#### **LFD ISSUE**

#### Eliminating Debt Services Appropriation That Is Not Required Will Save \$18,000 In General Fund

As reflected in the Agency Actuals and Budget Comparison table on the previous page, funding of \$8,875 is requested in each year of the 2021 biennium. According to the Judicial Branch, the debt service was for a leased copier and the lease has expired. The Judicial Branch will not have debt service payments in FY 2019, FY 2020, or FY 2021.

Eliminating appropriations for debt service payments in the 2021 biennium would reduce overall appropriations for the Judicial Branch, thereby saving general fund.

#### Legislative Option

- Eliminate funding for debt service payments that are not required in the 2021 biennium, reducing the funding required to support the activities of the Judicial Branch by \$17,750
- Adopt the executive request as presented

#### *Program Personal Services*

Personal services were \$402,000 or 40.5% of total FY 2019 appropriations. The executive proposes an increase of \$25,000 in FY 2020 and FY 2021. The majority of the increase is due to proposed reinstatement of 2017 Legislative reductions and SB 261 reductions.

Funding

The following table shows proposed program funding by source of authority.

Judicial Branch, 03-Law Library Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,036,166	0	0	0	2,036,166	84.74 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
06019 Lexis Proprietary Account	0	0	366,656	0	366,656	100.00 %
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$366,656</b>	<b>\$0</b>	<b>\$366,656</b>	<b>15.26 %</b>
<b>Total All Funds</b>	<b>\$2,036,166</b>	<b>\$0</b>	<b>\$366,656</b>	<b>\$0</b>	<b>\$2,402,822</b>	

HB 2 funding for the Law Library is entirely general fund. The Law Library also operates an enterprise type proprietary funded program for which the legislature does not approve rates. For further information refer to the Proprietary Rate narrative for the Law Library.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	993,035	993,035	1,986,070	97.54 %	993,035	993,035	1,986,070	97.54 %
SWPL Adjustments	24,878	25,218	50,096	2.46 %	24,878	25,218	50,096	2.46 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$1,017,913</b>	<b>\$1,018,253</b>	<b>\$2,036,166</b>		<b>\$1,017,913</b>	<b>\$1,018,253</b>	<b>\$2,036,166</b>	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	24,841	0	0	24,841	0.00	25,172	0	0	25,172
DP 3 - Inflation Deflation	0.00	37	0	0	37	0.00	46	0	0	46
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$24,878</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,878</b>	<b>0.00</b>	<b>\$25,218</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,218</b>

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

**DP 1 - Personal Services -**

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

**DP 3 - Inflation Deflation -**

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

**Other Issues -****Proprietary Rates****Lexis Proprietary Account 06019***Proprietary Program Description*

The Law Library contracts with an online provider for access to a legal database.

*Revenues and Expenditures*

The following 2021 Biennium Report on Internal Service and Enterprise Funds shows the actual and projected costs and related revenues associated with the fund.

2021 Biennium Report on Internal Service and Enterprise Funds

Fund	Fund Name	Agency #	Agency Name	Program Name
06019	Law Lib Lexis Proprietary Acct	21100	Judicial Branch	Law Library

	Actual FY 16	Actual FY 17	Actual FY 18	Estimated FY 19	Proposed FY 20	Proposed FY 21
<b>Operating Revenues</b>						
<b>Fees and Charges</b>						
Fee Revenue A	\$210,792	\$220,122	\$218,926	\$218,770	\$245,000	\$245,652
<b>Total Operating Revenues</b>	210,792	220,122	218,926	218,770	245,000	245,652
<b>Expenses</b>						
Personal Services	201,251	207,863	213,939	222,496	231,396	240,652
Other Operating Expense	1,739	926	989	990	990	990
<b>Total Operating Expense</b>	202,991	208,789	214,927	223,486	232,386	241,642
<b>Operating Income (Loss)</b>	7,801	11,333	3,999	(4,716)	12,614	4,010
<b>Change in Net Position</b>	7,801	11,333	3,999	(4,716)	12,614	4,010
<b>Beginning Net Position - July 1</b>	9,199	17,000	28,334	32,332	27,616	40,230
Prior Period Adjustments						
Change in Net Position	7,801	11,333	3,999	(4,716)	12,614	4,010
<b>Ending Net Position - June 30</b>	\$17,000	\$28,334	\$32,332	\$27,616	\$40,230	\$44,240

*Expenses*

There are two expenditures for the Lexis proprietary account: 1) an allocation for statewide indirect cost pool; and 2) charges for searches and research of the online database.

*Revenues*

Revenues for the services are payments made by various state, county, and city entities that use the services and are based on the cost of the search performed.

*Rate(s) and Rate Explanation*

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

<b>Requested Rates for Internal Service or Enterprise Funds Fee/Rate Information</b>				
	<b>Estimated FY 18</b>	<b>Estimated FY 19</b>	<b>Proposed FY 20</b>	<b>Proposed FY 21</b>
Fee Description:	Actual Cost	Actual Cost	Actual Cost	Actual Cost

**Program Biennium Comparison**

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	49,850,464	56,750,801	6,900,337	13.84 %
Operating Expenses	5,267,200	5,735,777	468,577	8.90 %
Equipment & Intangible Assets	67,723	135,446	67,723	100.00 %
Benefits & Claims	70,000	70,000	0	0.00 %
<b>Total Expenditures</b>	<b>\$55,255,387</b>	<b>\$62,692,024</b>	<b>\$7,436,637</b>	<b>13.46 %</b>
General Fund	54,154,986	61,154,945	6,999,959	12.93 %
State/Other Special Rev. Funds	1,100,401	1,537,079	436,678	39.68 %
<b>Total Funds</b>	<b>\$55,255,387</b>	<b>\$62,692,024</b>	<b>\$7,436,637</b>	<b>13.46 %</b>
<b>Total Ongoing</b>	<b>\$55,255,387</b>	<b>\$62,692,024</b>	<b>\$7,436,637</b>	<b>13.46 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Biennium Comparison -**

The Program Budget Comparison table shows a total growth of 13.5%, which for the Supreme Court Operations is significantly influenced by the FY 2018 reductions. Compared to the FY 2019 base appropriations, the growth is 11.9%.

**Program Description**

The District Courts have original jurisdiction in all felony criminal cases, most civil matters and other cases in law, and in equity. These courts may issue all writs appropriate to their jurisdiction and hear appeals from Courts of Limited Jurisdiction pursuant to statutory parameters. The District Courts are also the state's Youth Courts, responsible for managing juvenile probation functions. There are 46 District Court judges in 22 judicial districts serving all 56 counties. The 2001 Legislature mandated state funding of District Court expenses, including salaries and operating expenses for judges and their employees. District Court costs are the largest segment of the Judicial Branch budget.

**Program Highlights**

<b>District Court Operations Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The proposed District Court Operations 2021 biennium budget request is \$7.4 million or 13.5% higher than the 2019 biennium. Significant changes include:                             <ul style="list-style-type: none"> <li>◦ Proposing an additional \$5.5 million in general fund for personal services statewide present law adjustments</li> <li>◦ Requesting \$1.2 million in state special revenue appropriations for court appointed special advocates and guardian ad litem to assist in child abuse and neglect cases</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	327.58	327.58	328.69	328.69
Personal Services	24,179,416	24,386,366	25,464,098	28,377,047	28,373,754
Operating Expenses	2,378,971	2,820,166	2,447,034	2,884,693	2,851,084
Equipment & Intangible Assets	0	0	67,723	67,723	67,723
Benefits & Claims	20,177	35,000	35,000	35,000	35,000
<b>Total Expenditures</b>	<b>\$26,578,564</b>	<b>\$27,241,532</b>	<b>\$28,013,855</b>	<b>\$31,364,463</b>	<b>\$31,327,561</b>
General Fund	25,761,388	26,327,868	27,827,118	30,578,711	30,576,234
State/Other Special Rev. Funds	817,176	913,664	186,737	785,752	751,327
<b>Total Funds</b>	<b>\$26,578,564</b>	<b>\$27,241,532</b>	<b>\$28,013,855</b>	<b>\$31,364,463</b>	<b>\$31,327,561</b>
<b>Total Ongoing</b>	<b>\$26,578,564</b>	<b>\$27,241,532</b>	<b>\$28,013,855</b>	<b>\$31,364,463</b>	<b>\$31,327,561</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The District Court Operations expended 97.6% of its HB 2 appropriation, 99.2% of the personal services budget, 84.4% of operating expenses, and 57.6% of benefits and claims. Both the personal services and operating expenses HB 2 budgets are designated as biennial due to the variability of costs associated with jury trials such as witness fees, jury fees and related travel.

In FY 2018 the cost of jury fees and travel supported in HB 2 increased while the cost of witness fees and travel declined. Overall HB 2 operating expenses declined by almost \$0.2 million when compared to FY 2017 with a large portion of the decline in witness fees and travel as a result of a change in policy. These expenditures were offset using \$0.2 million in carry forward appropriations resulting in lower HB 2 expenditures.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

FY 2019 total appropriations are \$772,300, or 2.8% higher than the FY 2018 total appropriations due to 2017 November Special Session reductions in both fiscal years that were subsequently restored by SB 9, in the amount of \$800,000. In addition, the 2017 Legislature approved 11.00 additional FTE for three new district court judges and associated staff beginning January 2019.

*Executive Request*

The Judicial Branch requests \$1.2 million in state special revenue for court appointed special advocates and guardian ad litem that assist with child abuse and neglect cases. The 2017 Legislature enacted HB 650 which created a court-appointed special advocate account and required that the \$10 surcharge on defendants convicted of criminal conduct in courts of limited jurisdiction, except small claims court be deposited into the account. Figure 5 presents the revenue, expenditures and fund balance for the court-appointed special advocate account between FY 2018 when it was established and FY 2021.

Figure 5

Judicial Branch Court Appointed Special Advocate				
	Actual FY 2018	Estimated FY 2019	Proposed FY 2020	Proposed FY 2021
Beginning Fund Balance	\$0	\$0	\$0	\$15,465
Revenues	768,252	741,079	714,867	689,582
Expenditures				
Operating Expenses	<u>768,252</u>	<u>741,079</u>	<u>699,402</u>	<u>664,977</u>
Total Expenditures	768,252	741,079	699,402	664,977
Ending Fund Balance	\$0	\$0	\$15,465	\$40,070

Revenues for the account, surcharges on defendants convicted in courts of limited jurisdiction, have been declining, 35.4% between FY 2013 and FY 2018. In the 2021 biennium, the revenues appear to be sufficient for the appropriation request.

*Program Personal Services*

The Judicial Branch is proposing to increase personal services by \$5.5 million in the 2021 biennium for statewide present law adjustments. Additional district court judges and related staff were added in January 2019, half way through the fiscal year. A portion of the adjustment is the increased personal service costs to annualize the cost of the 11.00 FTE. As discussed in the Agency Discussion narrative, the District Court Operations transferred \$442,281 in personal services appropriations to operating expenses, thereby increasing the base budget for operating expenses. Personal services appropriations established for the 2021 biennium use the salary and related benefits associated with FTE to establish the level of appropriation required for personal services. Since the District Court Operations did not reduce FTE when it transferred personal services funding in FY 2019, the personal services reduction automatically returns when the personal services snapshot is used.

<b>LFD COMMENT</b>	See the LFD Issue in the Agency Discussion for legislative options related to this issue.
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**Funding**

The following table shows proposed program funding by source of authority.

Judicial Branch, 04-District Court Operations Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	61,154,945	0	0	0	61,154,945	97.55 %	
02141 Fines & Fees Fund	172,700	0	0	0	172,700	11.24 %	
02961 State Grants to Drug Courts	0	0	0	0	0	0.00 %	
02562 Crt Appointed Special Advocate	1,364,379	0	0	0	1,364,379	88.76 %	
<b>State Special Total</b>	<b>\$1,537,079</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,537,079</b>	<b>2.45 %</b>	
03077 Drug Trmt Court Fed Res 13VTC	0	0	0	0	0	0.00 %	
03078 Drug Trmt Court Fed Res 13Adlt	0	0	0	0	0	0.00 %	
03114 Drug Trmt Crt Fed Res JD1/SW	0	0	0	0	0	0.00 %	
03115 Drug Trmt Court Fed Res OJJDP	0	0	0	0	0	0.00 %	
03373 Drug Trmt Court Fed Res JD7	0	0	0	0	0	0.00 %	
03154 Drug Trmt Crt Fed Res JD8	0	0	0	0	0	0.00 %	
03040 Drug Trmt Crt Fed Res JD5	0	0	0	0	0	0.00 %	
03455 Drug Trmt Court Fed Res JD20	0	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$62,692,024</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$62,692,024</b>		

Most of the funding for District Court Operations comes from the general fund. State special revenues supporting the program comes from court imposed fines and fees.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	27,827,118	27,827,118	55,654,236	91.01 %	28,013,855	28,013,855	56,027,710	89.37 %
SWPL Adjustments	2,751,593	2,749,116	5,500,709	8.99 %	2,751,206	2,748,729	5,499,935	8.77 %
PL Adjustments	0	0	0	0.00 %	599,402	564,977	1,164,379	1.86 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$30,578,711</b>	<b>\$30,576,234</b>	<b>\$61,154,945</b>		<b>\$31,364,463</b>	<b>\$31,327,561</b>	<b>\$62,692,024</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	2,748,207	0	0	2,748,207	0.00	2,744,914	0	0	2,744,914
DP 2 - Fixed Costs			(387)	0	(387)	0.00	0	(387)	0	(387)
DP 3 - Inflation Deflation	0.00	3,386	0	0	3,386	0.00	4,202	0	0	4,202
DP 401 - Funding for CASA/GAL	0.00	0	599,402	0	599,402	0.00	0	564,977	0	564,977
DP 402 - Retired Judges	1.11	0	0	0	0	1.11	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>1.11</b>	<b>\$2,751,593</b>	<b>\$599,015</b>	<b>\$0</b>	<b>\$3,350,608</b>	<b>1.11</b>	<b>\$2,749,116</b>	<b>\$564,590</b>	<b>\$0</b>	<b>\$3,313,706</b>

\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 401 - Funding for CASA/GAL -

District Court Operations requests funding for statutorily required costs for the appointment of court appointed special advocates and guardians ad litem in child abuse and neglect cases. Authority is required to spend anticipated revenues.

DP 402 - Retired Judges -

District courts across the state bring in retired judges to preside in cases where a judge may need to recuse him/herself from a case or to cover other absences. The request is for 1.11 FTE for the judges. To fund the costs in the 2021 biennium the proposal moves funding from operating expenses to personal services.

**Program Biennium Comparison**

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	3,777,831	4,170,237	392,406	10.39 %
Operating Expenses	500,998	463,688	(37,310)	(7.45)%
Equipment & Intangible Assets	8,287	16,574	8,287	100.00 %
<b>Total Expenditures</b>	<b>\$4,287,116</b>	<b>\$4,650,499</b>	<b>\$363,383</b>	<b>8.48 %</b>
General Fund	1,567,875	2,094,876	527,001	33.61 %
State/Other Special Rev. Funds	2,719,241	2,555,623	(163,618)	(6.02)%
<b>Total Funds</b>	<b>\$4,287,116</b>	<b>\$4,650,499</b>	<b>\$363,383</b>	<b>8.48 %</b>
<b>Total Ongoing</b>	<b>\$4,287,116</b>	<b>\$4,650,499</b>	<b>\$363,383</b>	<b>8.48 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Water Courts Supervision Program, located in Bozeman, adjudicates claims of existing water rights in Montana pursuant to Title 3, Chapter 7 and Title 85, Chapter 2, MCA .

**Program Highlights**

<b>Water Court Supervision Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• Water Courts Supervision proposed 2021 biennium budget request is \$363,400 or 8.5% higher than the 2019 biennium budget. Changes to the budget are all included as statewide present law adjustments</li> </ul>
<b>LFD Issues</b>
<ul style="list-style-type: none"> <li>• Personal services statewide present law adjustment includes a funding shift, reducing state special revenue and increasing general fund</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	24.50	24.50	24.50	24.50
Personal Services	1,704,750	1,704,749	2,073,082	2,085,378	2,084,859
Operating Expenses	264,731	264,735	236,263	231,844	231,844
Equipment & Intangible Assets	0	0	8,287	8,287	8,287
<b>Total Expenditures</b>	<b>\$1,969,481</b>	<b>\$1,969,484</b>	<b>\$2,317,632</b>	<b>\$2,325,509</b>	<b>\$2,324,990</b>
General Fund	627,133	627,133	940,742	1,047,365	1,047,511
State/Other Special Rev. Funds	1,342,348	1,342,351	1,376,890	1,278,144	1,277,479
<b>Total Funds</b>	<b>\$1,969,481</b>	<b>\$1,969,484</b>	<b>\$2,317,632</b>	<b>\$2,325,509</b>	<b>\$2,324,990</b>
<b>Total Ongoing</b>	<b>\$1,969,481</b>	<b>\$1,969,484</b>	<b>\$2,317,632</b>	<b>\$2,325,509</b>	<b>\$2,324,990</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion -**

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The Water Court expended 100.0% of its HB 2 appropriation with both personal services and operating expenses fully expended. Excess personal service authority of \$294,000 was transferred to the District Court Operations for operating expenses.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

FY 2019 appropriations are \$348,000, or 17.7% higher than the FY 2018 appropriation due to:

- A program transfer of \$294,000 in personal services authority out of Water Courts Supervision and into the District Court Operations operating expenses in FY 2018
- SB 294 pay plan increase in FY 2019 of \$10,200
- November 2017 Special Session reductions in FY 2018 that were \$31,000 more than in FY 2019. SB 9 did not impact this program

*Executive Request*

*Program Personal Services*

The executive proposes a funding shift from state special revenue to general fund within the statewide present law adjustment for personal services.

<b>LFD ISSUE</b>	<p><u>Statewide Present Law Adjustment Contains a Fund Shift From State Special Revenue To General Fund</u></p> <p>Included in the statutory definition of a new proposal is requests to change sources of funding. As shown in the Present Law Adjustment table, the executive proposes to decrease state special revenue by \$94,327 in FY 2020 and \$94,992 in FY 2021 shifting the costs to the general fund. The legislature may wish to reduce general fund and increase state special revenue funding for the statewide present law adjustment for personal services.</p> <p>Legislative Option</p> <ul style="list-style-type: none"> <li>• Reduce state special revenue and increase general fund by \$94,327 in FY 2020 and \$94,992 in FY 2021</li> <li>• Adopt the executive proposal for personal services</li> </ul>
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Funding

The following table shows proposed program funding by source of authority.

Judicial Branch, 05-Water Courts Supervision Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	2,094,876	0	0	0	2,094,876	45.05 %
02431 Water Adjudication	2,555,623	0	0	0	2,555,623	100.00 %
<b>State Special Total</b>	<b>\$2,555,623</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,555,623</b>	<b>54.95 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$4,650,499</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,650,499</b>	

General fund provides a little less than half of the funding for Water Court Supervision. The remaining funding is from the water adjudication state special revenue account.

Program Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	940,742	940,742	1,881,484	89.81 %	2,317,632	2,317,632	4,635,264	99.67 %
SWPL Adjustments	106,623	106,769	213,392	10.19 %	7,877	7,358	15,235	0.33 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$1,047,365</b>	<b>\$1,047,511</b>	<b>\$2,094,876</b>		<b>\$2,325,509</b>	<b>\$2,324,990</b>	<b>\$4,650,499</b>	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	106,623	(94,327)	0	12,296	0.00	106,769	(94,992)	0	11,777
DP 2 - Fixed Costs	0.00	0	(4,419)	0	(4,419)	0.00	0	(4,419)	0	(4,419)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$106,623</b>	<b>(\$98,746)</b>	<b>\$0</b>	<b>\$7,877</b>	<b>0.00</b>	<b>\$106,769</b>	<b>(\$99,411)</b>	<b>\$0</b>	<b>\$7,358</b>

\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

**Program Biennium Comparison**

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,018,003	1,062,547	44,544	4.38 %
Operating Expenses	87,505	87,166	(339)	(0.39)%
<b>Total Expenditures</b>	<b>\$1,105,508</b>	<b>\$1,149,713</b>	<b>\$44,205</b>	<b>4.00 %</b>
General Fund	1,105,508	1,149,713	44,205	4.00 %
<b>Total Funds</b>	<b>\$1,105,508</b>	<b>\$1,149,713</b>	<b>\$44,205</b>	<b>4.00 %</b>
<b>Total Ongoing</b>	<b>\$1,105,508</b>	<b>\$1,149,713</b>	<b>\$44,205</b>	<b>4.00 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Office of Clerk of the Supreme Court Program, pursuant to Title 3, Chapter 2, part 4, conducts the business of the court, and serves as the liaison between the public, attorneys and the Supreme Court. By statutory authority, the clerk controls the docket and filings, manages the appellate process, and is the custodian of all legal records for the public and the court. Additionally, the clerk administers appellate mediation, maintains the official roll of Montana attorneys, and is responsible for licensing Montana’s attorneys.

**Program Highlights**

<b>Clerk of Court Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• Clerk of the Court proposed 2021 biennium budget request is \$44,200 or 4.0% higher than the 2019 biennium budget but only 1.8% compared to the FY 2019 base.</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021	
FTE	0.00	5.50	5.50	5.50	5.50	5.50
Personal Services	497,090	497,089	520,914	531,475	531,072	
Operating Expenses	43,951	43,950	43,555	43,580	43,586	
<b>Total Expenditures</b>	<b>\$541,041</b>	<b>\$541,039</b>	<b>\$564,469</b>	<b>\$575,055</b>	<b>\$574,658</b>	
General Fund	541,041	541,039	564,469	575,055	574,658	
<b>Total Funds</b>	<b>\$541,041</b>	<b>\$541,039</b>	<b>\$564,469</b>	<b>\$575,055</b>	<b>\$574,658</b>	
<b>Total Ongoing</b>	<b>\$541,041</b>	<b>\$541,039</b>	<b>\$564,469</b>	<b>\$575,055</b>	<b>\$574,658</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**Program Discussion -**

*FY 2018 Appropriations Compared to FY 2018 Actual Expenditures*

The Clerk of Court expended 100.0% of its HB 2 appropriation with both personal services and operating expenses fully expended.

*FY 2018 Appropriations Compared to FY 2019 Appropriations*

FY 2019 appropriations are \$23,400, or 4.3% higher than the FY 2018 total appropriations due to November 2017 Special Session reductions made in FY 2018 personal services appropriations. The legislature did not reduce personal services in the Clerk of Court in FY 2019.

*Executive Request*

*Program Personal Services*

The executive proposes \$20,700 in increased personal services as part of the statewide present law adjustments. SB 261 reinstatements make up about half of the increase with the remainder mainly due to formula based changes.

**Funding**

The following table shows proposed program funding by source of authority.

Funds	Judicial Branch, 06-Clerk of Court Funding by Source of Authority					
	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,149,713	0	0	0	1,149,713	100.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$1,149,713</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,149,713</b>	

The Clerk of Court Program is funded entirely from general fund.

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	564,469	564,469	1,128,938	98.19 %	564,469	564,469	1,128,938	98.19 %
SWPL Adjustments	10,586	10,189	20,775	1.81 %	10,586	10,189	20,775	1.81 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$575,055</b>	<b>\$574,658</b>	<b>\$1,149,713</b>		<b>\$575,055</b>	<b>\$574,658</b>	<b>\$1,149,713</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	10,561	0	0	10,561	0.00	10,158	0	0	10,158
DP 3 - Inflation Deflation	0.00	25	0	0	25	0.00	31	0	0	31
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$10,586</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,586</b>	<b>0.00</b>	<b>\$10,189</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,189</b>

\*\*Total Funds” amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.