



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2019 Biennium

<b>Bill #</b>		<b>Title:</b>	<b>MLEA Fund Switch</b>
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<b>Primary Sponsor:</b>	No Bill Selected	<b>Status:</b>	As Introduced
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- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>
<b>Expenditures:</b>				
General Fund	\$1,837,795	\$1,837,795	\$1,883,740	\$1,930,883
State Special Revenue	(\$1,723,546)	(\$1,723,546)	(\$1,766,635)	(\$1,810,801)
<b>Revenue:</b>				
General Fund	\$1,417,817	\$1,417,817	\$1,417,817	\$1,417,817
State Special Revenue	(\$1,417,817)	(\$1,417,817)	(\$1,417,817)	(\$1,417,817)
<b>Net Impact-General Fund Balance:</b>	<u>(\$419,978)</u>	<u>(\$419,978)</u>	<u>(\$465,923)</u>	<u>(\$513,066)</u>

### Description of fiscal impact:

The House Joint Resolution 8 called for a study of current and future state of the Montana Law Enforcement Academy (MLEA) including funding, operations, and campus needs. This fiscal note moves continued support for MLEA out of the state special revenue funds which long term sustainability is questionable and supports the operations with general fund dollars.

### FISCAL ANALYSIS

#### Assumptions:

- 44-10-204 MCA establishes the state special revenue account to be used by the Department of Justice on behalf of the Montana Law Enforcement Academy.
- House Bill 124 assumed that Criminal Surcharge revenue to be received in Fund 02546 would be approximately \$1,300,000 annually, historically since inception the surcharge has only collected a maximum of \$1,006,875 in Fiscal Year 2005 and has since been declining.

3. It was intended that criminal surcharge fees would fully support MLEA operations, this fee has not received revenue to fully support operations, thus the academy has relied upon MLEA course fee increases, MLEA professional program fees, store income, lease rentals, DOA loans, non-restricted gas tax and misc. general fund support.
4. State Special Revenue in FY 2018-2020 will be deposited into the general fund related to collections for criminal surcharge fees, MLEA course fees, MLEA professional program fees, store income
5. Fiscal Year 2017 appropriations will be the starting point for FY 2018 and FY 2019.
6. 3-1-318 MCA establishes surcharges to be placed on criminal convictions that are to be used by the Department of Justice. The appropriated funding in the State Special Revenue Account 02546 in FY 2017 is \$1,548,546.
7. Fiscal Year 2017 appropriations for MLEA operations using in Fund 02349 Non Restricted Highway account funding is \$175,000.
8. 16.0 FTE are associated with current operation of the Montana Law Enforcement Academy.
9. 1.0 FTE Training officer is added to MLEA to increase training opportunities offered and focus on learning management systems and implement specialty training in need such as defensive tactics at a cost of \$77,974
10. 1.0 FTE Custodian is added to MLEA to restore the position lost as part of the 4% FTE reduction during the 2015 legislative session.
11. Expenditures in FY 2020 and 2021 have been inflated by 2.5%.

	<b><u>FY 2018</u></b> <b><u>Difference</u></b>	<b><u>FY 2019</u></b> <b><u>Difference</u></b>	<b><u>FY 2020</u></b> <b><u>Difference</u></b>	<b><u>FY 2021</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
FTE	18.00	18.00	18.00	18.00
<b><u>Expenditures:</u></b>				
Personal Services	\$1,037,345	\$1,037,345	\$1,063,279	\$1,089,861
Operating Expenses	\$800,450	\$800,450	\$820,461	\$840,973
Equipment	\$0	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<b><u>\$1,837,795</u></b>	<b><u>\$1,837,795</u></b>	<b><u>\$1,883,740</u></b>	<b><u>\$1,930,833</u></b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$1,837,795	\$1,837,795	\$1,883,740	\$1,930,883
State Special Revenue (02)	(\$1,723,546)	(\$1,723,546)	(\$1,766,635)	(\$1,810,801)
<b>TOTAL Funding of Exp.</b>	<b><u>\$114,249</u></b>	<b><u>\$114,249</u></b>	<b><u>\$117,105</u></b>	<b><u>\$120,082</u></b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$1,837,795	\$1,837,795	\$1,883,740	\$1,930,883
State Special Revenue (02)	(\$1,723,546)	(\$1,723,546)	(\$1,766,635)	(\$1,810,801)
<b>TOTAL Revenues</b>	<b><u>\$114,249</u></b>	<b><u>\$114,249</u></b>	<b><u>\$117,105</u></b>	<b><u>\$120,082</u></b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	(\$0)	(\$0)

**Effect on County or Other Local Revenues or Expenditures:**

1.

**Long-Term Impacts:**

1. The reliance on criminal conviction surcharges is removed to provide stability within training for law enforcement.

**Technical Notes:**

1.

<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>
Fiscal note prepared by: _____			
Agency: _____			
Phone number: _____			