

Budget Director's Proposed Reductions

The following table shows the adopted budget for the 2019 biennium, including SB 261 effects, with the Governor's proposed reductions per 17-7-140, by type of expenditure and source of funding.

Proposed Reductions								
Budget Item	Approp. Fiscal 2017	Approp. Fiscal 2018	Executive Reductions Fiscal 2018	Budget With Reductions Fiscal 2018	Approp. Fiscal 2019	Executive Reductions Fiscal 2019	Budget With Difference Fiscal 2019	Biennium Reductions Fiscal 18-19
FTE	17.50	17.50	0.00	0.00	17.50	0.00	0.00	0.00
Personal Services	1,422,689	1,411,580	(22,588)	1,388,992	1,430,168	(16,000)	1,414,168	(38,588)
Operating Expenses	1,007,853	935,013	(26,500)	908,513	958,235	(36,828)	921,407	(63,328)
Equipment & Intangible Assets	12,909	12,909	0	12,909	12,909	0	12,909	0
Grants	4,982,452	9,833,395	(180,000)	9,653,395	9,833,395	(180,000)	9,653,395	(360,000)
Transfers	760,817	2,660,817	0	2,660,817	2,660,817	0	2,660,817	0
Total Costs	\$8,186,720	\$14,853,714	(\$229,088)	\$14,624,626	\$14,895,524	(\$232,828)	\$14,662,696	(\$461,916)
General Fund	2,513,078	2,291,058	(229,088)	2,061,970	2,328,275	(232,828)	2,095,447	(461,916)
State/other Special Rev. Funds	122,176	122,187	0	122,187	122,215	0	122,215	0
Federal Spec. Rev. Funds	5,551,466	12,440,469	0	12,440,469	12,445,034	0	12,445,034	0
Total Funds	\$8,186,720	\$14,853,714	(\$229,088)	\$14,624,626	\$14,895,524	(\$232,828)	\$14,662,696	(\$461,916)
Total Ongoing	\$8,186,720	\$14,653,714	(\$229,088)	\$14,424,626	\$14,695,524	(\$232,828)	\$14,462,696	(\$461,916)
Total OTO	\$0	\$200,000	\$0	\$200,000	\$200,000	\$0	\$200,000	\$0

Summary of Proposed Spending Reductions

OBPP recommends the Montana Board of Crime Control reduces their budget by \$461,916 general fund for the 2019 biennium. These savings come from not filling two positions in FY 2018. Operating expense reductions in FY 2018 and FY 2019 will be related to ITSD costs savings; the sum of these reductions is \$61,916 for the biennium. Additionally, the recommendation would remove \$200,000 each year from funding appropriated in HB 2 for SB 65, which provides housing options for offenders.

Legal Issues

None identified at this time.

Cost Shifts

None identified at this time.

Federal Special Revenue Funds

None identified at this time.

New Proposals

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

New Proposals	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - 17-7-140 Reduction 41070	0.00	(29,088)	0	0	(29,088)	0.00	(32,828)	0	0	(32,828)
DP 2 - 17-7-140 Reduction 41070 SB065	0.00	(200,000)	0	0	(200,000)	0.00	(200,000)	0	0	(200,000)
Total	0.00	(\$229,088)	\$0	\$0	(\$229,088)	0.00	(\$232,828)	\$0	\$0	(\$232,828)

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

DP 1 - 17-7-140 Reduction 41070 -

The reductions for the Montana Board of Crime Control (MBCC) include reductions in FY 2018 funding for \$6,588 in account 61000 (Personal Services) and \$22,500 in account 62000 (operating expenses). Currently MBCC has two vacant positions that have not been filled. The vacancy savings already realized from these two positions will cover the reduction of \$6,588 in FY 2018 to personal services account without creating any undo impact on the agency. The operating expenditure reductions will be covered under contracted services, software maintenance agreements and expected ITSD cost savings related to the MBCC transition to the Department of Corrections (DOC). In FY 2019 MBCC anticipates the two vacant positions to be filled and as such, \$32,828 will be reduced from operating expenses. These reductions will also be covered under contracted services, software maintenance agreements and expected ITSD cost savings related to the MBCC transition to DOC. The agency predicts minimal impacts to their offered programs with these reductions.

DP 2 - 17-7-140 Reduction 41070 SB065 -

This appropriation is one time only to start up a new initiative. The bill has an effective date of 10/1/2017 so has not yet begun. No local programs will be harmed or lose funding. SB 65 states “within available funds” so is not mandatory to be implemented. Further, SB 65 allows for the board to utilize state, federal or private funds. If determined a priority, MBCC staff can pursue federal grant funds and launch the program in future years. The funding reduction is broken down below:

61000 (Personal Services) - (\$16,000)

62000 (Operating Expenses) - (\$4,000)

66000 (Grants) - (\$180,000)

Total reduction in both FY 2018 and FY 2019 will be \$200,000 each year or \$400,000 for the 2019 Biennium.

LFD COMMENT	SB 65 was part of series of bills passed by the 2017 Legislature with the intent of reducing overall costs.
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Budget Director's Proposed Reductions

The following table shows the adopted budget for the 2019 biennium, including SB 261 effects, with the Governor's proposed reductions per 17-7-140, by type of expenditure and source of funding.

Proposed Reductions								
Budget Item	Approp. Fiscal 2017	Approp. Fiscal 2018	Executive Reductions Fiscal 2018	Budget With Reductions Fiscal 2018	Approp. Fiscal 2019	Executive Reductions Fiscal 2019	Budget With Difference Fiscal 2019	Biennium Reductions Fiscal 18-19
FTE	759.42	770.42	0.00	0.00	770.42	0.00	0.00	0.00
Personal Services	60,843,867	60,330,732	(3,251,833)	57,078,899	60,283,953	(3,227,829)	57,056,124	(6,479,662)
Operating Expenses	36,178,496	36,082,244	(39,935)	36,042,309	36,525,239	(40,689)	36,484,550	(80,624)
Equipment & Intangible Assets	2,355,325	3,195,422	0	3,195,422	2,355,325	0	2,355,325	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	90,000	90,000	0	90,000	90,000	0	90,000	0
Benefits & Claims	1,121,191	1,121,191	0	1,121,191	1,121,191	0	1,121,191	0
Transfers	11,295	11,295	0	11,295	11,295	0	11,295	0
Debt Service	726,796	951,497	0	951,497	951,497	0	951,497	0
Total Costs	\$101,326,970	\$101,782,381	(\$3,291,768)	\$98,490,613	\$101,338,500	(\$3,268,518)	\$98,069,982	(\$6,560,286)
General Fund	35,768,606	34,411,231	(3,291,768)	31,119,463	34,149,606	(3,268,518)	30,881,088	(6,560,286)
State/other Special Rev. Funds	62,279,197	64,135,769	0	64,135,769	63,948,853	0	63,948,853	0
Federal Spec. Rev. Funds	1,364,087	1,353,014	0	1,353,014	1,351,886	0	1,351,886	0
Other	1,915,080	1,882,367	0	1,882,367	1,888,155	0	1,888,155	0
Total Funds	\$101,326,970	\$101,782,381	(\$3,291,768)	\$98,490,613	\$101,338,500	(\$3,268,518)	\$98,069,982	(\$6,560,286)
Total Ongoing	\$101,227,059	\$100,482,381	(\$3,291,768)	\$97,190,613	\$100,838,500	(\$3,268,518)	\$97,569,982	(\$6,560,286)
Total OTO	\$99,911	\$1,300,000	\$0	\$1,300,000	\$500,000	\$0	\$500,000	\$0

Summary of Proposed Spending Reductions

OBPP recommends reducing the Department of Justice expenditures by \$6.6 million general fund for the biennium. Two programs are not impacted by agency reductions and include the Gambling Control Division and Agency Legal Services, due to the fact that they are not funded by general fund. All program reductions in the department are absorbed by personal services as recommended by OBPP, however, the department recognizes that other expenditure areas, such as equipment and operations, will likely be reduced during implementation of 17-7-140, MCA.

Legal Issues

The department has indicted closure of the satellite chemistry lab in Billings. This would be in violation of a statute indicating Yellowstone County is required to have such a facility. For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, dated September 29, 2017, and attached as Appendix B.

Cost Shifts

The department has indicated that elimination of child hair testing in the Forensic Science Division would occur with the reductions. This would shift costs back to the Department of Public Health and Human Services.

Federal Special Revenue

None identified at this time.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 41101 - Reduction Program 01	0.00	(638,010)	0	0	(638,010)	0.00	(670,283)	0	0	(670,283)
Total	0.00	(\$638,010)	\$0	\$0	(\$638,010)	0.00	(\$670,283)	\$0	\$0	(\$670,283)

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

DP 41101 - Reduction Program 01 -

In accordance with 17-7-140, MCA, this agency may only be reduced by the average of the reduction of other executive branch agencies. Therefore, the general fund expenditures in the Legal Services Division will be reduced by 9.571% equal to \$638,010 in FY 2018 and \$670,283 in FY 2019. Although OBPP has proposed all reductions in personal services, other areas such as limiting travel and other operational expenditures may be used to support the reduction.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 41104 - Reduction Program 04	0.00	(424,649)	0	0	(424,649)	0.00	(432,595)	0	0	(432,595)
Total	0.00	(\$424,649)	\$0	\$0	(\$424,649)	0.00	(\$432,595)	\$0	\$0	(\$432,595)

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

DP 41104 - Reduction Program 04 -

In accordance with 17-7-140, MCA, this agency may only be reduced by the average of the reduction of other executive branch agencies. Therefore, the general fund expenditures in Program 04 - Justice Information Technology Services will be reduced by 9.571% equal to \$424,649 in FY 2018 and \$432,595 in FY 2019. Although OBPP has proposed all reductions in personal services, other areas such as reducing maintenance contracts and equipment purchases and other operational expenditures may be used to support the reduction.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 41105 - Reduction Program 05	0.00	(711,707)	0	0	(711,707)	0.00	(721,805)	0	0	(721,805)
Total	0.00	(\$711,707)	\$0	\$0	(\$711,707)	0.00	(\$721,805)	\$0	\$0	(\$721,805)

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

DP 41105 - Reduction Program 05 -

In accordance with 17-7-140, MCA, this agency may only be reduced by the average of the reduction of other executive branch agencies. Therefore, the general fund expenditures in Program 05 - Division of Criminal Investigations will be reduced by 9.571% equal to \$711,707 in FY 2018 and \$721,805 in FY 2019. Although OBPP has proposed all reductions in personal services, other areas such as reducing grants or other operational expenditures may be used to support the reduction.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 41108 - Reduction Program 08	0.00	(536,775)	0	0	(536,775)	0.00	(373,643)	0	0	(373,643)
Total	0.00	(\$536,775)	\$0	\$0	(\$536,775)	0.00	(\$373,643)	\$0	\$0	(\$373,643)

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

DP 41108 - Reduction Program 08 -

In accordance with 17-7-140, MCA, this agency may only be reduced by the average of the reduction of other executive branch agencies. Therefore, the general fund expenditures in Program 08 - Forensic Services Division will be reduced by 9.571% equal to \$536,775 in FY 2018 and \$373,643 in FY 2019. Although OBPP has proposed all reductions in personal services, other areas such as eliminating hair testing, closure of the satellite chemistry lab in Billings and reducing other operational expenditures may be used to support the reduction.

LFD COMMENT	Closure of the chemistry lab in Billings may be in violation of statute. For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, dated September 29, 2017, and attached as Appendix B.
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LFD COMMENT	A cost shift to DPHHS will occur with the elimination of child hair testing, which was part of the agencies original submission for budget reductions.
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New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 41109 - Reduction Program 09	0.00	(832,927)	0	0	(832,927)	0.00	(924,405)	0	0	(924,405)
Total	0.00	(\$832,927)	\$0	\$0	(\$832,927)	0.00	(\$924,405)	\$0	\$0	(\$924,405)

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

DP 41109 - Reduction Program 09 -

In accordance with 17-7-140, MCA, this agency may only be reduced by the average of the reduction of other executive branch agencies. Therefore, the general fund expenditures in Program 09 - Motor Vehicle Division will be reduced by 9.571% equal to \$832,927 in FY 2018 and \$924,405 in FY 2019. Although OBPP has proposed a full reduction in personal services, other areas such as reduction of proposed contract for 24/7 testing and other operational expenditures may be used to support the reduction.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 41110 - Reduction Program 10	0.00	(107,765)	0	0	(107,765)	0.00	(105,098)	0	0	(105,098)
Total	0.00	(\$107,765)	\$0	\$0	(\$107,765)	0.00	(\$105,098)	\$0	\$0	(\$105,098)

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

DP 41110 - Reduction Program 10 -

In accordance with 17-7-140, MCA, this agency may only be reduced by the average of the reduction of other executive branch agencies. Therefore, the general fund expenditures in Program 10 - Central Services Division will be reduced by 9.571% equal to \$107,765 in FY 2018 and \$105,098 in FY 2019. The determination regarding specific reductions will be made at the discretion of the agency.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 41119 - Reduction Program 19	0.00	(39,935)	0	0	(39,935)	0.00	(40,689)	0	0	(40,689)
Total	0.00	(\$39,935)	\$0	\$0	(\$39,935)	0.00	(\$40,689)	\$0	\$0	(\$40,689)

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

DP 41119 - Reduction Program 19 -

In accordance with 17-7-140, MCA, this agency may only be reduced by the average of the reduction of other executive branch agencies. Therefore, the general fund expenditures in Program 19 - Post Council will be reduced by 9.571% equal to \$39,935 in FY 2018 and \$40,689 in FY 2019. The determination regarding specific reductions will be made at the discretion of the agency.

Budget Director's Proposed Reductions

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Proposed Reductions								
Budget Item	Approp. Fiscal 2017	Approp. Fiscal 2018	Executive Reductions Fiscal 2018	Budget With Reductions Fiscal 2018	Approp. Fiscal 2019	Executive Reductions Fiscal 2019	Budget With Difference Fiscal 2019	Biennium Reductions Fiscal 18-19
FTE	0.00	271.94	0.00	0.00	271.94	0.00	0.00	0.00
Personal Services	22,333,094	22,584,837	0	22,584,837	22,702,502	0	22,702,502	0
Operating Expenses	12,605,179	10,026,699	(3,263,009)	6,763,690	9,364,753	(3,208,581)	6,156,172	(6,471,590)
Equipment & Intangible Assets	18,554	18,554	0	18,554	18,554	0	18,554	0
Total Costs	\$34,956,827	\$32,630,090	(\$3,263,009)	\$29,367,081	\$32,085,809	(\$3,208,581)	\$28,877,228	(\$6,471,590)
General Fund	34,682,901	32,630,090	(3,263,009)	29,367,081	32,085,809	(3,208,581)	28,877,228	(6,471,590)
State/other Special Rev. Funds	273,926	0	0	0	0	0	0	0
Total Funds	\$34,956,827	\$32,630,090	(\$3,263,009)	\$29,367,081	\$32,085,809	(\$3,208,581)	\$28,877,228	(\$6,471,590)
Total Ongoing	\$2,813,640	\$32,105,090	(\$3,263,009)	\$28,842,081	\$31,585,809	(\$3,208,581)	\$28,377,228	(\$6,471,590)
Total OTO	\$32,143,187	\$525,000	\$0	\$525,000	\$500,000	\$0	\$500,000	\$0

Summary of Proposed Spending Reductions

OBPP recommends a reduction of \$6.5 million general fund expenditures for the biennium. These reductions are related to reducing OPD contract attorneys. This change will force caseloads to be shifted to existing attorneys and likely create wait times in the judicial system.

Legal Issues

none identified at this time

Cost Shifts

none identified at this time

Federal Special Revenue Funds

none identified at this time

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 20 - 17-7-140 MCA Reduction Prog 01	0.00	(2,138,592)	0	0	(2,138,592)	0.00	(2,090,523)	0	0	(2,090,523)
Total	0.00	(\$2,138,592)	\$0	\$0	(\$2,138,592)	0.00	(\$2,090,523)	\$0	\$0	(\$2,090,523)

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

DP 20 - 17-7-140 MCA Reduction Prog 01 -

To make this reduction, the agency will discontinue the use of contract attorneys to cut these costs. Cases would be handled by existing attorneys within OPD.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 21 - 17-7-140 MCA Reduction Prog 02	0.00	(190,292)	0	0	(190,292)	0.00	(191,077)	0	0	(191,077)
Total	0.00	(\$190,292)	\$0	\$0	(\$190,292)	0.00	(\$191,077)	\$0	\$0	(\$191,077)

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

DP 21 - 17-7-140 MCA Reduction Prog 02 -

To make this reduction, the agency will discontinue the use of contract attorneys to cut these costs. Cases would be handled by existing attorneys within OPD.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 22 - 17-7-140 MCA Reduction Prog 03	0.00	(668,733)	0	0	(668,733)	0.00	(669,255)	0	0	(669,255)
Total	0.00	(\$668,733)	\$0	\$0	(\$668,733)	0.00	(\$669,255)	\$0	\$0	(\$669,255)

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

DP 22 - 17-7-140 MCA Reduction Prog 03 -

To make this reduction, the agency will discontinue the use of contract attorneys to cut these costs. Cases would be handled by existing attorneys within OPD.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 23 - 17-7-140 MCA Reduction Prog 04	0.00	(265,392)	0	0	(265,392)	0.00	(257,726)	0	0	(257,726)
Total	0.00	(\$265,392)	\$0	\$0	(\$265,392)	0.00	(\$257,726)	\$0	\$0	(\$257,726)

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

DP 23 - 17-7-140 MCA Reduction Prog 04 -

To make this reduction, the agency will discontinue the use of contract attorneys to cut these costs. Cases would be handled by existing attorneys within OPD.

Budget Director's Proposed Reductions

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FTE	1,269.02	1,274.52	0.00	0.00	1,274.02	0.00	0.00	0.00
Personal Services	90,658,621	86,601,338	(2,250,375)	84,350,963	87,162,369	(2,715,175)	84,447,194	(4,965,550)
Operating Expenses	114,081,515	118,123,447	(17,175,046)	100,948,401	118,231,011	(18,089,248)	100,141,763	(35,264,294)
Equipment & Intangible Assets	177,852	152,852	0	152,852	152,852	0	152,852	0
Capital Outlay	20,773	20,773	0	20,773	20,773	0	20,773	0
Grants	0	0	0	0	0	0	0	0
Benefits & Claims	540,598	540,598	0	540,598	540,598	0	540,598	0
Transfers	194,467	209,467	0	209,467	195,467	0	195,467	0
Debt Service	308,938	443,932	0	443,932	443,932	0	443,932	0
Total Costs	\$205,982,764	\$206,092,407	(\$19,425,421)	\$186,666,986	\$206,747,002	(\$20,804,423)	\$185,942,579	(\$40,229,844)
General Fund	201,044,505	200,790,445	(19,425,421)	181,365,024	201,407,714	(20,804,423)	180,603,291	(40,229,844)
State/other Special Rev. Funds	4,831,030	5,181,549	0	5,181,549	5,183,473	0	5,183,473	0
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0
Other	107,229	120,413	0	120,413	155,815	0	155,815	0
Total Funds	\$205,982,764	\$206,092,407	(\$19,425,421)	\$186,666,986	\$206,747,002	(\$20,804,423)	\$185,942,579	(\$40,229,844)
Total Ongoing	\$205,410,409	\$205,602,529	(\$19,425,421)	\$186,177,108	\$206,210,747	(\$20,804,423)	\$185,406,324	(\$40,229,844)
Total OTO	\$572,355	\$489,878	\$0	\$489,878	\$536,255	\$0	\$536,255	\$0

Summary of Proposed Spending Reductions

OBPP recommends reducing the Department of Corrections (DOC) expenditures by \$40.2 million general fund for the biennium. The more substantial cuts for the biennium include:

- \$2.0 million for contingency funding related to county jail hold being below 250
- \$1.5 million for savings related to DOC contracts with Missoula County and rates of \$69.00 per day
- \$5.5 million slated for assistance in removing offenders from county jails – alternative placements and services for offenders would not be available as options
- \$1.4 million for counseling and mental health services
- \$2.3 million for reduction of pre-release contracts by 5.0%
- \$1.9 million for reduction of treatment contracts by 5.0%
- \$1.4 million from the cancellation of 60 bed chemical treatment center at Montana State Prison
- \$3.2 million from the closure of Lewistown Infirmary – a 25 bed facility
- \$6.5 million from applying laws related to SB 63 – SB 63 reduces supervision for low risk offenders doing well in community programs
- \$3.3 million for Shelby prison reductions in funding related to suspension of \$9.14 per day payment on beds
- \$1.2 million for closure of the Youth Transition Center in Great Falls
- \$4.4 million for reduction in outside medical costs through pharmacy savings and medical evaluations

Legal Issues

It has been recommended that the Department of Corrections retroactively apply SB 63. For this to occur, the Legislature would have to amend session law to expressly declare it retroactive.

It has been recommended that the Department of Corrections eliminate pre-sentence positions utilized to support SB 60 which requires a less than 30 day pre-sentence investigation period. DOC is advising they will not be able to meet the 30

day time interval with this change. SB 60 would have to be amended to allow a greater than 30 day time period for pre-sentance investigations.

For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, date September 29, 2017, and attached as Appendix B.

Cost Shifts

none identified at this time

Federal Special Funds

none identified at this time

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1001 - Director's Office Contingent Funding	0.00	(1,000,000)	0	0	(1,000,000)	0.00	(1,000,000)	0	0	(1,000,000)
DP 1002 - Radio Battery Replacement Delay	0.00	(25,000)	0	0	(25,000)	0.00	(25,000)	0	0	(25,000)
DP 1003 - Computer Replacement Delay	0.00	(126,719)	0	0	(126,719)	0.00	(123,342)	0	0	(123,342)
DP 1004 - Cut Fixed Cost ITSD Enterprise Reduction	0.00	(168,294)	0	0	(168,294)	0.00	(168,294)	0	0	(168,294)
Total	0.00	(\$1,320,013)	\$0	\$0	(\$1,320,013)	0.00	(\$1,316,636)	\$0	\$0	(\$1,316,636)

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

DP 1001 - Director's Office Contingent Funding -

This funding was separated out of the base budget during the 2017 Legislative Session. OBPP has recommended the reduction of this expenditure. The overall 10% reduction to the department may limit the department's ability to reduce county jail holds.

DP 1002 - Radio Battery Replacement Delay -

The Department has 927 handheld P25 radios used for communication within the secure facilities and by Probation and Parole staff in the field. The radios are on a replacement schedule every three years and funding is also used to purchase replacement accessories such as antennas and to repair broken radios. The reduction will delay the replacement schedule.

DP 1003 - Computer Replacement Delay -

MOM POL-PC Replacement Cycle Policy requires that all computers attached to the state network be replaced with a new computer a minimum of once every 5 years. This budget reduction eliminates the funds utilized for computer and technology replacement.

DP 1004 - Cut Fixed Cost ITSD Enterprise Reduction -

This funding was to install new network-based Internet Protocol security cameras at Montana State Prison.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2001 - MASC Per Diem Reduction	0.00	(731,832)	0	0	(731,832)	0.00	(731,832)	0	0	(731,832)
DP 2002 - Reduce all new funding for new PPD beds	0.00	(2,734,579)	0	0	(2,734,579)	0.00	(2,736,381)	0	0	(2,736,381)
DP 2003 - Reduce ancillary services from PRC ontracts	0.00	(686,697)	0	0	(686,697)	0.00	(686,697)	0	0	(686,697)
DP 2004 - SB60 - 6.00 PSI FTE	0.00	(360,000)	0	0	(360,000)	0.00	(360,000)	0	0	(360,000)
DP 2005 - SB65 - Reduce transitional assistance funding	0.00	(282,000)	0	0	(282,000)	0.00	(282,000)	0	0	(282,000)
DP 2006 - Reduce Contracted Services by 5%	0.00	(174,386)	0	0	(174,386)	0.00	(174,386)	0	0	(174,386)
DP 2007 - Reduce PRC contracts by 5%	0.00	(1,165,663)	0	0	(1,165,663)	0.00	(1,165,663)	0	0	(1,165,663)
DP 2008 - Reduce Treatment contracts by 5%	0.00	(936,172)	0	0	(936,172)	0.00	(936,172)	0	0	(936,172)
Total	0.00	(\$7,071,329)	\$0	\$0	(\$7,071,329)	0.00	(\$7,073,131)	\$0	\$0	(\$7,073,131)

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

DP 2001 - MASC Per Diem Reduction -

DOC contracts with Missoula County for the Missoula Assessment and Sanctions Center (MASC); reducing the bed rate to \$69.00 per day could cause Missoula County to cancel the contract: "In the event that this Contract is terminated by the COUNTY, or as a result of the COUNTY'S noncompliance with the provisions of this Contract, then the COUNTY shall pay back the Department for its share of the capital construction costs of the Facility, plus inflation and less depreciation." Limited records indicate that the capital construction costs provided by DOC in 1998 were approximately \$3.5 million. However, cancellation of the contract will displace 141 offenders who will need to be housed elsewhere in the correctional system.

LFD COMMENT	Contract changes may be subject to contract impairment. For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, dated September 29, 2017, and attached as Appendix B.
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DP 2002 - Reduce all new funding for new PPD beds -

This would eliminate the new funding provided by the 2017 Legislature to reduce the number of state DOC offenders being held in county jails.

DP 2003 - Reduce ancillary services from PRC ontracts -

Removes registered nurse, mental health, and licensed addiction counselor payments from PRC contracts. These services could be covered by Medicaid expansion for PRC inmates and are therefore no longer needed as a supplementary expenditure to PRC per diem rates.

DP 2004 - SB60 - 6.00 PSI FTE -

Eliminating the six new FTE approved by the 2017 Legislature to write presentence investigation (PSI) reports may create issues with the requirement created in SB 60 to complete PSIs in 30 days.

LFD COMMENT The department must comply with SB 60. For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, date September 29, 2017, and attached as Appendix B.

DP 2005 - SB65 - Reduce transitional assistance funding -

Eliminating this funding could increase lengths of stay in secure care facilities because assistance to offenders who are being paroled but who need help transitioning into a community, would be eliminated.

LFD COMMENT HB 2 provided an appropriation of \$200,000 each year of the biennium to support transitional housing mandated by SB 65. This expenditure reduction was included in the Montana Board of Crime Control proposals.

At the time of this writing it is unclear as to why the Department of Corrections would also be making reductions based on SB 65 and why the number is greater than the HB 2 appropriation of \$200,000 per year given to support this bill.

DP 2006 - Reduce Contracted Services by 5% -

Reduces offender services contracts in PPD by 5%.

LFD COMMENT Possible Contract Impairment - For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, date September 29, 2017, and attached as Appendix B.

DP 2007 - Reduce PRC contracts by 5% -

This would reduce the rate DOC pays under our contracts by 5% with pre-release centers.

LFD COMMENT Possible Contract Impairment - For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, date September 29, 2017, and attached as Appendix B.

DP 2008 - Reduce Treatment contracts by 5% -

This would reduce the rate DOC pays under our contracts by 5% with treatment providers.

**LFD
COMMENT**

Possible Contract Impairment - For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, date September 29, 2017, and attached as Appendix B.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3001 - Close TSCTC and cancel project	0.00	(933,142)	0	0	(933,142)	0.00	(481,751)	0	0	(481,751)
DP 3002 - Close Lewistown Infirmary	0.00	(1,433,385)	0	0	(1,433,385)	0.00	(1,720,062)	0	0	(1,720,062)
DP 3003 - Rate Reduction - Cascade & Dawson per diem	0.00	(455,987)	0	0	(455,987)	0.00	(455,987)	0	0	(455,987)
DP 3004 - Make SB63 retroactive	0.00	(2,752,862)	0	0	(2,752,862)	0.00	(3,777,622)	0	0	(3,777,622)
DP 3005 - Suspend \$9.14 payment on Shelby beds	0.00	(1,668,050)	0	0	(1,668,050)	0.00	(1,668,050)	0	0	(1,668,050)
DP 3006 - Reduce Shelby contract by 2%	0.00	(283,045)	0	0	(283,045)	0.00	(283,045)	0	0	(283,045)
Total	0.00	(\$7,526,471)	\$0	\$0	(\$7,526,471)	0.00	(\$8,386,517)	\$0	\$0	(\$8,386,517)

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

DP 3001 - Close TSCTC and cancel project -

The former "boot camp" on the prison campus in Deer Lodge is being converted to a 60-bed chemical treatment unit to help address the backlog of inmates awaiting chemical dependency treatment.

DP 3002 - Close Lewistown Infirmary -

OBPP recommends closure of the Lewistown Infirmary, which serves 25 inmates in need of nursing home care. This clientele would be potentially served elsewhere in DOC facilities.

DP 3003 - Rate Reduction - Cascade & Dawson per diem -

Reduce the daily bed rate to \$69.

DP 3004 - Make SB63 retroactive -

SB 63 revised the laws relating to the supervision of offenders on probation and of defendants serving a deferred or suspended sentence. It allows DOC to shorten the length of community supervision for low-risk offenders doing well in the community. By applying this law retroactively to low-risk offenders, DOC could potentially move additional offenders from prison to community supervision.

LFD COMMENT	Statute would have to be amended by the legislature to make law retroactive. For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, dated September 29, 2017, and attached as Appendix B.
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DP 3005 - Suspend \$9.14 payment on Shelby beds -

Reducing this expenditure could affect the purchase option for this facility available in the contract serving 600 inmates to the DOC.

**LFD
COMMENT**

Action may cause contract impairment. For additional details refer to the legal memorandum by Julie Johnson of the Legislative Services Division, dated September 29, 2017, and attached as Appendix B.

DP 3006 - Reduce Shelby contract by 2% -

OBPP recommends a reduction in Shelby contracts by 2%.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4001 - Personal Services Reduction	0.00	(47,400)	0	0	(47,400)	0.00	(47,400)	0	0	(47,400)
DP 4002 - Operating Expense Reduction	0.00	(46,330)	0	0	(46,330)	0.00	(46,480)	0	0	(46,480)
Total	0.00	(\$93,730)	\$0	\$0	(\$93,730)	0.00	(\$93,880)	\$0	\$0	(\$93,880)

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

DP 4001 - Personal Services Reduction -

OBPP recommends a reduction in personal services expenditures by leaving a vacant position open, not approving overtime in the Canteen, and additional inmate welding certification training (reducing inmate pay).

DP 4002 - Operating Expense Reduction -

OBPP recommends a reduction in operating expenditures for supplies, tools, and curriculum needed for the Department of Labor Certification program.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----				-----Fiscal 2019-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5001 - Pine Hills PS reduction	0.00	(337,829)	0	0	(337,829)	0.00	(524,059)	0	0	(524,059)
DP 5002 - Reduce Youth Placement Budget	0.00	(242,000)	0	0	(242,000)	0.00	(242,000)	0	0	(242,000)
DP 5003 - Close Youth Transition Center PS	0.00	(458,873)	0	0	(458,873)	0.00	(732,743)	0	0	(732,743)
DP 5004 - Close Youth Transition Center Operating	0.00	(67,439)	0	0	(67,439)	0.00	(109,356)	0	0	(109,356)
Total	0.00	(\$1,106,141)	\$0	\$0	(\$1,106,141)	0.00	(\$1,608,158)	\$0	\$0	(\$1,608,158)

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

DP 5001 - Pine Hills PS reduction -

OBPP recommends reducing the expenditures for 10.00 FTE at the Pine Hills facility supporting vocational programming.

DP 5002 - Reduce Youth Placement Budget -

OBPP recommends closure of the Youth Transition Center in Great Falls.

DP 5003 - Close Youth Transition Center PS -

OBPP recommends closure of the Youth Transition Center in Great Falls.

DP 5004 - Close Youth Transition Center Operating -

OBPP recommends closure of the Youth Transition Center in Great Falls.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6001 - Outside Medical Reduction	0.00	(2,211,631)	0	0	(2,211,631)	0.00	(2,225,295)	0	0	(2,225,295)
Total	0.00	(\$2,211,631)	\$0	\$0	(\$2,211,631)	0.00	(\$2,225,295)	\$0	\$0	(\$2,225,295)

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

DP 6001 - Outside Medical Reduction -

OBPP recommends reductions in psychological evaluations, implementing inmate co-pay, and reductions in pharmacy costs by evaluating over-the-counter medications and providing them through the canteen as opposed to outside pharmacies.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7001 - Board Member Per Diem Reduction	0.00	(49,833)	0	0	(49,833)	0.00	(49,833)	0	0	(49,833)
DP 7002 - Personal Services Reduction	0.00	(46,273)	0	0	(46,273)	0.00	(50,973)	0	0	(50,973)
Total	0.00	(\$96,106)	\$0	\$0	(\$96,106)	0.00	(\$100,806)	\$0	\$0	(\$100,806)

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

DP 7001 - Board Member Per Diem Reduction -

OBPP recommends eliminating per diem for the Board of Pardon and Parole members.

DP 7002 - Personal Services Reduction -

OBPP recommends not filling a vacant analyst position at the BOPP.