JUDICIAL BRANCH

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 consists of 73.4% of the total authority, but this agency has other types of authority which are described below.

Budget Amendments

The Judicial Branch (Judiciary) budget amendments increased federal authority by $8.9 million in FY 2021 and the Judiciary expended $1.6 million of the authority. Of this authority, 93.3% was in the District Court Operations Division and the remainder was through the Supreme Court Operations Division. The following is a summary of 79.9% of the spending of Judiciary budget amendments:

- $770,929 – in support of activities related to drug treatment courts, including adult, veterans, and family treatment courts
- $264,383 – to fund 3 new treatment courts, a Montana drug court conference, and a financial specialist, including 4.00 FTE in FY 2021
- $152,141 – in support of activities related to adult, family, and veterans drug courts
- $108,768 – to facilitate state court data collection and analysis, to promote data sharing between state courts and child welfare agencies, and to provide training within various disciplines related to children at risk. These expenditures support the requirements of HB 39 (2021 Legislature)
- The remaining $7.3 million in budget amendment authority will be available for spending in FY 2022

**Carryforward and/or Continuing Authority**

The Judiciary had $1.6 million of carryforward authority in FY 2021. The branch had $991,395 of carryforward authority remaining in the budget from FY 2019 and expended all of it. The branch expended 62.4% of the total expenditures on operating expenses across the divisions. The branch also had $597,355 of carryforward authority from FY 2020 that was unspent. The carryforward balance will be continued for use in FY 2022. From the total expenditures, 94% was funded with general fund and the remainder from state special revenues.

**Non-Budgeted Proprietary Funding**

The Judiciary has one proprietary program within the Law Library Division that supports the costs of on-line search functions in the Lexis system. The program was provided $256,441 in authority and expended all of it.

**Other Bills**

The Judiciary had $250,000 of state special revenue authority in FY 2021 that was provided in HB 654, “Generally revise laws for funding of treatment courts”, passed and approved by the 2019 Legislature. The appropriation was funded by a new license fee on non-retail pharmacy opioid sellers. In FY 2021 the branch expended $8,900, or 3.6%, of the appropriation from which $5,000 was expended on grants for the support of treatment courts.

The branch also continued budget authority of $208,212 in capital project appropriation authority through the Long-Range Information Technology (IT) Program. The authority was provided in prior biennia legislation. In FY 2021 the branch expended $23,000 on courtroom technology projects. For more information on IT projects, see Page 7 of this report.

**COVID-19 Authority**

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. Administrative authority for CARES I and ARPA appropriations was allocated to the agency by the Governor’s Office. Administration authority is not an appropriation and thus is not included in the total appropriation authority shown in the figure below. The appropriation authority for CARES I and ARPA shown below remains with the Governor’s Office.
The branch expended CARES I funds principally on operating expenditures and grants through the Supreme Court Operations program. The primary spending of COVID-19 funding over the biennium consists of the following:

- $101,595  COVID-19 Personal Services Costs
- $99,211  Remote work equipment
- $54,801  Social distancing
- $12,000  Personal protective Equipment

**Statutory Appropriations**

The statutory appropriation from the youth court intervention and prevention account is established and statutorily appropriated in 41-5-2011, MCA. The 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. In FY 2021 the authority supported $3.3 million in expenditures across the youth courts. Any funding remaining after two years is transferred to the general fund.

**Unclassified**

The branch had $108,617 of unclassified budget authority in FY 2021. The authority can be tracked to two items, COVID II authority (92.5%) and workers compensation reductions. Neither of these budget items had spending associated with them in FY 2021. The authority provided for COVID II funding is seen in the coronavirus appropriation figure at the top of this page.
HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the ending FYE modified budget. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The positive modifications and negative modifications are shown by program, expenditure account, and fund type.

The Judiciary made modifications to the HB 2 budget that netted to $40,234. The addition of authority in the 2021 budget resulted from the continuation of $48,382 in authority for Legislative Audit, which was offset by a negative adjustment for workers’ compensation adjustments. As seen in the figures above, the adjustments moving authority from FY 2020 to FY 2021 increased the Supreme Court Operations division budget and general fund authority. Modifications that in total net to $0 include the move of 1.00 FTE (E-filing specialist) from the District Court Operations Division to the Supreme Court Operations Division. The largest modification moved $4.4 million of general fund authority from benefits and claims to transfers-out for the purposes of the Juvenile Delinquency Intervention Act.
In FY 2021, the Judiciary expended $51.1 million, or 94.1%, of the modified HB 2 budget. The figure at the top of this page explains the HB 2 funding. The figure below provides the amounts of the funding by source including how it was distributed and expended.

The branch’s budget is principally funded with general fund revenue (01 General), and the Judiciary expended 94.6% of the funds. The remaining funding, 7.1% of the budget, is funded with state and federal special revenue, and the branch expended 88.0% of those funds. For more information on branch funding, see Page 8 – Unspent Authority of this report.
Spending in the branch has increased by an annual average of approximately 1.0% in the last five years. Overall spending was 0.9% less in FY 2021 than FY 2020. The historic increase is explained by growth in personal services, 1.9% over the past five years and 1.4% since FY 2020. The 2019 Legislature authorized an increase of 10.88 FTE for FY 2021, which explains the increase in personal services.

The District Court Operations Division has historically accounted for 57.6% of the branch’s HB 2 costs, and in FY 2021 it accounted for 58.6% of the modified budget. In FY 2021, personal services account for 92.1% of the FY 2021 budget and supports 71.8% of the branch’s FTE. Some specific details of FY 2021 Judiciary spending, as designated in the 2019 version of HB 2, include:

- **Pretrial Program (OTO)** - $776,091 of state special revenue each year of the biennium in Supreme Court Operations Division, to assist the criminal justice system with handling persons arrested and held in jails in five pilot counties (Butte-Silver Bow, Lake, Lewis & Clark, Missoula, and Yellowstone). The pilot project included the addition of 3.25 FTE. The branch expended 87.1% of the authority in FY 2021. This appropriation had reporting requirements, and below is the link for the report the branch provided to the Law and Justice Interim Committee in September of 2020:
  

- **Youth Parole (HB 111)** - $572,879 in general fund and $21,224 in state special revenue funds in Supreme Court Operations Division in FY 2021. The appropriation supported 2.00 FTE in the division for two placement specialists to undertake the purposes of HB 111 - operations required in the revocation of a youth's conditional release when the terms and conditions of the youth's conditional release have been violated
OTHER ISSUES

Information Technology Project Expenditures

The Judiciary began the court technology improvements project in FY 2015. The project was increased by $532,652, or 63.9%, as a result of the addition of internal resource costs in the total project costs (not previously included). Capital budget authority was provided through the Long-Range Information Technology Program and the costs of internal resources are funded through the HB 2 budget. The project entails adding IT improvements to courtrooms and systems across the state. In the 2021 biennium, travel restrictions related to the COVID-19 pandemic have led to a delay in the project completion.

The branch had $208,212 of capital project authority continued in the FY 2021 budget and expended $23,000 of the authority. The remaining $185,212 of budget authority will be available for project completion in FY 2022.
Required Reports

In 2021, the Judiciary filed one “triggering” operational plan change that moved appropriation authority between first level account types, increasing operating expenses in the Water Court Operations division. The “triggering” change requires review and comment by the Legislative Finance Committee and was reviewed by staff of the Legislative Fiscal Division. This budget change document was submitted by the branch to be included on the time sensitive list provided to the LFC (060 OP189).

Unspent Authority

As seen in the figure on Page 5 of this report, the Judiciary expended 94.1% of the modified HB 2 budget. The remaining balance of $3.2 million will be retained in the various funds. The largest source of funding in the branch is general fund, where there was unused authority of $2.8 million. The balance will revert to the general fund and increase the projected general fund balance. The balances of state and federal special revenues, amounting to $422,871 will generally be retained in the funds that contained the appropriation.