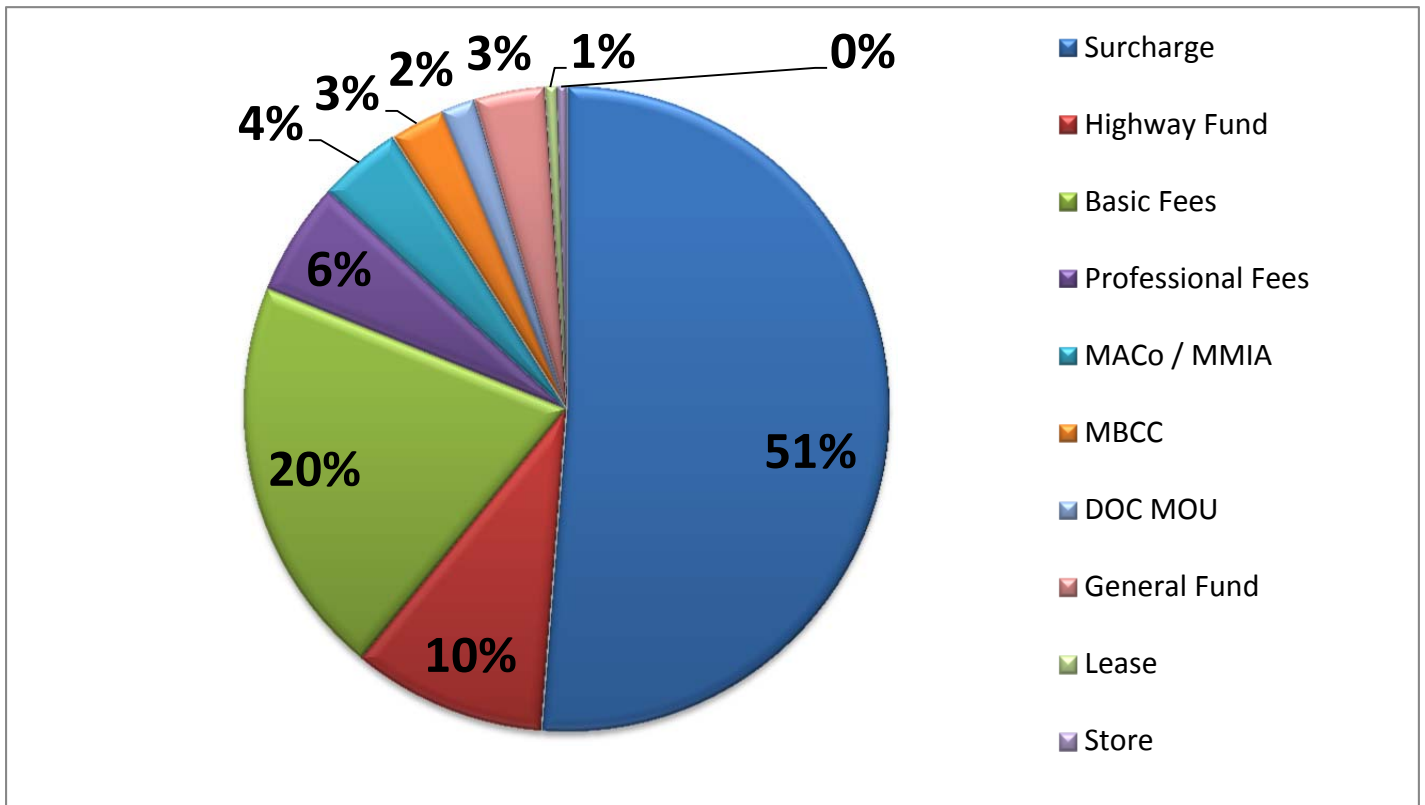


## Revenue Analysis



The Academy operates on a spending authority budget adjusted annually based on surcharge estimates. For FY16 spending authority is \$1,513,530.00.

- ❑ Criminal Conviction Surcharge - \$864,268.00 ( FY 2015)
- ❑ Highway Non Restricted Fund - \$175,000.00 (authorized in 2013)
- ❑ Basic Programs Tuition - \$362,849.00 (FY 2015)
- ❑ Professional Programs Tuition - \$102,432.00 (FY 2015)
- ❑ MACo/MMIA MOU - \$75,000.00 per year, funds 1 FTE
- ❑ MBCC VAWA Grant - \$49,000.00 per year, funds .75 FTE
- ❑ DOC MOU – \$31,000.00 (\$18,000.00 net)
- ❑ General Fund - \$63,547.00 ( Corrections/Detention Program)
- ❑ Agricultural Lease – \$10,600.00 per year (180 acres, expires 2025)
- ❑ Retail (MLEA Store) - \$8,876.00 in FY 2015

**Legend:** **MACo** – MT. Assn. of Counties, **MMIA** – MT. Municipal Inter Local Authority  
**MBCC** – MT. Board of Crime Control, **VAWA** – Violence Against Women’s Act

## Surcharge

**3-1-318. Surcharges upon certain criminal convictions -- exception.** (1) Except as provided in subsection (2), all courts of limited jurisdiction, except small claims courts, shall impose a \$10 surcharge on a defendant who is convicted of criminal conduct under state statute or who forfeits bond.

(2) A court may not waive payment of the surcharge unless the court determines that the defendant is unable to pay the surcharge. Inability to pay must be supported by a sworn statement from the defendant demonstrating financial inability to pay without substantial hardship in providing for personal or family necessities. The statement is not admissible in the proceeding unless offered for impeachment purposes and is not admissible in a subsequent prosecution for perjury or false swearing.

(3) The surcharge imposed by this section is not a fee or a fine and must be imposed in addition to other taxable court costs, fees, or fines. The surcharge may not be used in determining the jurisdiction of any court.

(4) The amounts collected under this section must be forwarded to the department of revenue for deposit in the account created in 44-10-204.

The surcharge applies to Courts of Limited Jurisdiction. The Courts of Limited Jurisdiction in Montana are Justice Courts, City Courts and Municipal Courts.

There are 61 Justice Courts, 84 City Courts and 6 Municipal Courts.'

*Source: Supreme Court web page.*

### Surcharge History

- 2009 \$993,408.00 Difference \$ - 284,714.00
- 2010 \$999,565.00 Difference \$ - 278,557.00
- 2011 \$962,376.00 Difference \$ - 315,746.00
- 2012 \$946,947.00 Difference \$ - 331,175.00
- 2013 \$945,718.00 Difference \$ - 332,404.00
- 2014 \$897,170.00 Difference \$ - 380,952.00
- 2015 \$890,825.00 Difference \$ - 387,297.00

*2003 Fiscal Note Assumptions – "...a total of \$1,278,122.00 will be collected annually..."*

**\* 6 counties generate approximately 55% of the surcharge revenue annually.**

## Surcharge revenue by county for FY15

Categories	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	Grand Total
BEAVERHEAD		832	905	805	865	895	668	831	737	710	926	1,468	9,641
BIG HORN	845	758	1,139	1,358	1,186	1,047	679	1,222	900	753	905	872	11,664
BLAINE		474	216	285	232	350	352	271	235	220	474	908	4,017
BROADWATER		680	905	650		1,230		1,049	415	376	629	999	6,933
CARBON	40	620	742	1,158	910	520	690	667	628	375	690	1,454	8,494
CARTER			680				210					840	1,730
CASCADE		3,984	4,426	3,850	4,592	5,636	3,757	4,133	1,918	2,788	11,301	9,128	55,511
CHOUTEAU		290	535	95	430	400	30	710		140	590	370	3,590
CUSTER			5,768	1,010	2,673	1,145	940	2,988	1,085	1,875	2,996	1,091	21,571
DANIELS	140	90	90	50	20	50	70	45	165	40	60	110	930
DAWSON	1,250	1,770	1,796	1,260	1,305	1,405	1,255	1,619	1,526	1,800	1,845	1,590	18,421
DEER LODGE	634	568		902	425	300	510	467	473	561	520	495	5,853
FALLON	175	130	240	120	180	230	210	150	105	207	148	250	2,145
FERGUS		610		1,257	562	513	385	470	523	670	685	1,587	7,262
FLATHEAD	1,970	8,276	4,994	5,967	5,997	6,784		8,313	6,553	4,864	5,111	14,163	72,994
GALLATIN	671	7,950	15,841	(1,427)		6,911	15,433	7,025	6,080	6,407	7,949	24,214	97,053
GARFIELD	90	200	80	90		100	160	20	200			110	1,050
GLACIER		400		940	460	370		230	220		220	600	3,440
GOLDEN VALLE	40	60	50		160	70	150	40		40	20	130	760
GRANITE		466	505	355	335	190	280	265	375	235	240	800	4,046
HILL	1,276	1,140	1,722	1,542	1,277	1,624	1,408		1,962	1,638	2,153	1,890	17,629
JEFFERSON	870	860	730	675	705	470	690	530		1,090	860	755	8,235
JUDITH BASIN	0	400	290	190	320	270	200	120	340		310	500	2,940
LAKE	130	1,046	1,946	1,203	1,125	1,239	1,014	1,029	933	1,107	1,400	3,041	15,212
LEWIS & CLAR	4,570	3,838	3,907	4,259	3,398	3,565	3,655	3,937	4,705	4,705	2,260	8,633	51,432
LIBERTY	130	120	135	235	51	60	34	70	60	70	120	110	1,195
LINCOLN		506	2,201	255	1,295	634	495	1,260	80	1,253	955	1,670	10,604
MADISON	1,050	1,135	1,325	950	915	200	1,770	600	720	910	690	800	11,065
MCCONE	120		100	70	70	40	230		80	80	50	280	1,120
MEAGHER	110	75	50	100	130	10	20	30	100		150	200	975
MINERAL		1,015	1,140	915	1,170	1,153	598	997	540	780	1,578	1,807	11,693
MISSOULA	4,819	4,465	21,325	4,842	3,982	3,499	19,626	19,817	3,580	4,166	20,744	3,794	114,658
MUSSELSHELL	295		335	478	207	145	265	235	679	414	420	398	3,871
PARK	675	975		1,625	750	1,245	1,550	610	1,201		685	2,494	11,810
PETROLEUM		50	30			200	80	10			50	70	490
PHILLIPS	206	311	270	310	510	354	341	300	200	190	303	290	3,585
PONDERA		615	610	346	320	300	190		640	290	390	570	4,271
POWDER RIVEF	(10)	510	410	630	340	350	530	640	440	200	280	570	4,890
POWELL		667	585	380	693	380	413		935	505		1,303	5,859
PRAIRIE		90	30	80	170	130	60	150	150	50	250	350	1,510
RAVALLI	28	2,515	3,178	2,548	2,488	2,142	1,955	2,148	2,345	2,756		8,227	30,330
RICHLAND	1,860	1,140	2,460	1,550			5,010	1,648	1,335	1,295	1,505	2,960	20,763
ROOSEVELT		525	393	320	620	490	450	620	600	650	710	950	6,328
ROSEBUD	125	460	285	505	770	725	850	180	85	513	468	1,090	6,055
SANDERS		939	770	941	805	731	507	361	244	1,095	150	1,334	7,877
SHERIDAN	340	540	260	420	320		350	220	110	453	347	290	3,650
SILVER BOW	1,851	2,039	2,098	2,298	2,214	1,498	1,785	1,860	1,954	2,457	1,944	1,945	23,944
STILLWATER	585		1,595		535	955	275	580	495	420	546	1,493	7,479
SWEET GRASS	349	235	280	415	396		490	90	370	270		315	3,210
TETON	130	130	20	50	90	110	60	110	120	70	120	190	1,200
TOOLE		472	709	649	531	785	317	610	494	988		1,236	6,790
TREASURE		120	100	20		110	40		90	30		100	610
VALLEY	150	255	820	490	730	185	455		975	725	335	945	6,065
WHEATLAND	135	225	170	250	140	120	150	270	90	180	190	150	2,070
WIBAUX	310	20	130	390		490	180	570		270	250	640	3,250
YELLOWSTONE	8,619	10,045	10,384	10,100	11,767	16,612	370	12,571	10,591	4,078	9,985	19,853	124,975
<b>Grand Total</b>	<b>34,578</b>	<b>65,635</b>	<b>99,705</b>	<b>58,755</b>	<b>59,166</b>	<b>68,965</b>	<b>72,191</b>	<b>82,688</b>	<b>59,179</b>	<b>55,956</b>	<b>85,505</b>	<b>132,421</b>	<b>874,743</b>

## Highway Non-Restricted Fund

- The majority of the funding is related to MCS revenues collected for permits and fees.
- The three largest revenue sources are Overweight Trip Permits (501066), Fees in Lieu of Taxes (501078) and Oversize Trip/Term Permits (501067) in order of greatest to least.
- In general, there are over 25 different revenue accounts that contribute to fund 02349.

## **Basic and Professional Programs Tuitions**

- Basic course program tuitions come from 3 basic courses;
  - 1 – Law Enforcement Officer Basic Course – scheduled 3 times per year, tuition is \$1500.00 per student. Course attendance is approximately 160 students annually.
  - 2 – Corrections/Detention Officer Basic Course – scheduled 5-6 times per year, tuition is \$625.00 per students. Course attendance is approximately 170 students per year.
  - 3 – Public Service Communicator (Dispatch) Course – scheduled 3 times per year, tuition is \$250.00 per student. Course attendance is approximately 100 students per year.
- Professional program tuitions come from advanced programs. 20-25 courses are conducted annually of various lengths and class sizes. In CY2015 27 courses were conducted, attendance totaled 587 students and gross tuition dollars generated was \$137,947.00.
- Both programs account for 27% of annual revenue and are fairly stable.
- No profit in basic programs, statutorily limited to charging only administrative costs. Some in professional programs.

## **MACo / MMIA MOU**

The Montana Association of Counties (MACo) and Montana Municipal Inter Local Authority (MMIA) are the 2 insurers for county and city law enforcement agencies. MACo and MMIA fund a Risk Management Program Manager position at \$75,000.00 per year, the goal of which is to reduce claims by identifying and conducting training for areas where claims occur.

## **MBCC VAWA Grant**

The Academy applies for and receives annual grant funding from the Montana Board of Crime Control to fund a Domestic Violence Program Manager position.

## **DOC MOU**

The Department of Corrections provides \$31,000.00 annually to the Academy in exchange for reduced tuition costs for DOC students who attend the Corrections/Detention Officer Basic Course.

## **General Fund**

The Academy currently receives \$63,547.00 in general funds money to fund the Corrections/Detention Officer Basic Program.

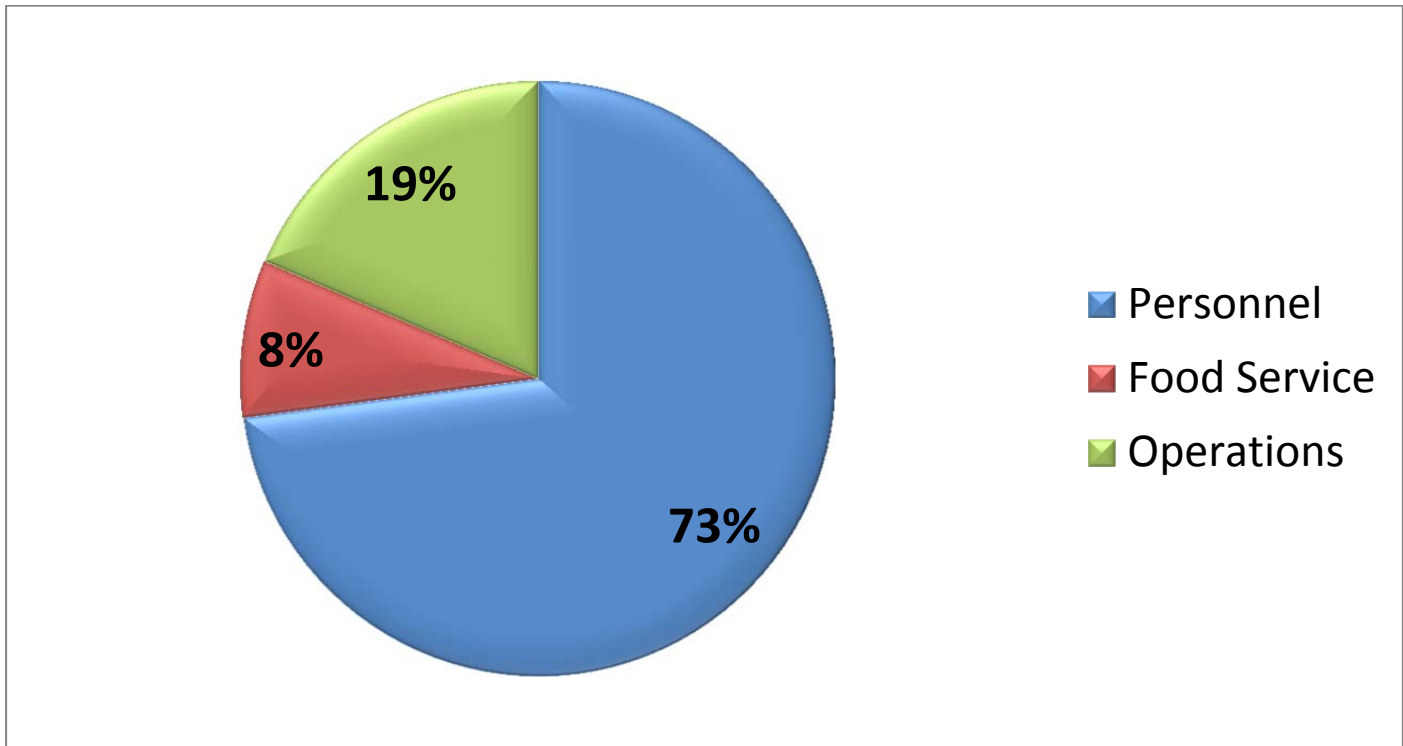
## **Agricultural Lease**

The Academy leases 184 acres of agricultural land. The 10 year lease expires in 2025 and generates \$10,600.00 per year.

## **Retail (MLEA Store)**

The Academy has a small retail store located in the Ohs Building. Hats, t-shirts and other items are sold primarily to students over the course of the year. Standard mark up for these items is 50 %. The majority of the merchandise is purchased through local vendors.

## Expense Analysis



### Personnel

- 16 FTE's, all are non-union, non-exempt employees (with exception of Administrator and Attorney who are exempt). Training staff are within 99% of median wage for other state training professionals. Total personnel costs for FY16 are projected to be \$1,190,966.00
- Current funding sources do not compensate for personnel cost increases. Insurance and wage increases in 2016 and 2017 total \$65,344.00 (included in chart).
- 1 FTE position was eliminated in 2015 per legislative guidance (reduce government staffing).
- Retaining qualified personnel is a priority.

### Food Service Contracts

- The Academy has contracted with CBM Inc. to provide food service. CBM was the low bidder. The current contract was implemented in January 2015 and expires June 30, 2016. The contract amount is for \$207,900.00 and provides 14,000 breakfast meals, 17,000 lunch meals and 11,000 dinner meals for the contract period. Cost per meal is \$4.95. Works out to 28,000 meals annually ( \$138,600.00)
- This contract is \$71,000.00 less than the previous.

### Operations

The 2 main drivers of operational spending are facility costs and training costs.

## Facility Costs

For FY15, operational costs totaled from SABHRS account codes 62100 – 62900 totaled \$300,830.09. Cost per square foot is approx. \$3.02 (food service contract excluded).

### Building Areas

BUILDING NAME	ADMIN	ASPEN	CAFETERIA	CLINIC	OTTONWOOD	GYM	OHS	SHOP	MAPLE	SPRUCE	TOTAL
Basement Sq. Ft.	4,452	2,981	0	0	0	6,612	0	0	7,750	4,606	26,401
First Floor Sq. Ft.	4,105	2,682	3,485	2,016	7,320	6,415	8,452	2,050	6,880	4,576	47,981
Second Floor Sq. Ft.	4,182	2,339	0	0	0	0	8,050	0	6,354	4,510	25,435
<b>TOTAL SQ. FT.</b>	<b>12,739</b>	<b>8,002</b>	<b>3,485</b>	<b>2,016</b>	<b>7,320</b>	<b>13,027</b>	<b>16,502</b>	<b>2,050</b>	<b>20,984</b>	<b>13,692</b>	<b>99,817</b>

### Building Rooms

BUILDING NAME	ADMIN	ASPEN	CAFETERIA	CLINIC	OTTONWOOD	GYM	OHS	SHOP	MAPLE	SPRUCE	TOTAL
Dorm Beds	0	14			28	0	0	0	30	24	96
Other Bedrooms	0	2			0	0	0	0	0	0	2
Toilets	10	4			7	5	10		11	6	53
Showers	0	4			7	2	0		8	8	29
Lavatories	8	5			9	4	7		12	7	52
Private Bath	0	1			1	0	0		0	1	3
Lounge	0	1			1	0			1	1	4
Computer	0	0			0	0			1	1	2
Conference Room	0	1			0	0	1			0	2
Office	11	0			3	1	4		12	2	33
Kitchen	0	2			0	0			0	1	3
Laundry	0	0			0	1			0	1	2
Classroom	5	0			1	0	6		0	0	12

The total footprint for the 10 buildings is 99,817 square feet. 5 were built in the 1920's, 4 in the 1960's and 1 in 2010. Aging infrastructure and insufficient bed space remain the Academies two greatest challenge.

		Operations Costs Per Fiscal Year					
		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
62100	Other Services	\$ 342,312.52	\$ 287,095.04	\$ 335,651.65	\$ 287,590.81	\$ 204,189.77	\$ 184,069.94
62200	Supplies & Materials	\$ 165,598.19	\$ 162,398.72	\$ 134,415.38	\$ 80,585.92	\$ 84,056.45	\$ 103,782.91
62300	Communications	\$ 26,704.69	\$ 28,383.44	\$ 25,634.07	\$ 22,780.74	\$ 22,596.11	\$ 17,605.64
62400	Travel	\$ 12,515.12	\$ 13,240.38	\$ 11,169.52	\$ 14,117.43	\$ 10,574.34	\$ 12,219.01
62500	Rent	\$ 23,820.41	\$ 4,513.67	\$ 3,073.05	\$ 845.49	\$ 1,501.95	\$ 932.68
62600	Utilities	\$ 240,084.67	\$ 97,268.89	\$ 88,176.53	\$ 5,167.23	\$ 102,426.80	\$ 96,325.52
62700	Repair & Maintenance	\$ 50,643.49	\$ 52,157.95	\$ 48,813.67	\$ 3,060.04	\$ 49,341.69	\$ 73,487.19
62800	Other Expenses	\$ 14,827.36	\$ 17,297.04	\$ 15,535.26	\$ 1,132.25	\$ 21,592.25	\$ 28,549.29
62900	Goods Purchased for Resale	\$ 331.25		\$ 8,499.23			\$ 10,807.10
	<b>TOTAL</b>	<b>\$ 876,837.70</b>	<b>\$ 662,355.13</b>	<b>\$ 670,968.36</b>	<b>\$ 415,279.91</b>	<b>\$ 496,279.36</b>	<b>\$ 527,779.28</b>

**Average costs per month in FY2015**

- Utilities (represented 32% of operational expenses) - \$8,055.00
- Buildings & grounds maintenance (plumbing, heating, cafeteria equipment etc. and represented 23% of operational expenses) - \$5,309.00
- Garbage collection - \$430.00
- Telephones, postage, ITSD services etc. – \$1440.00
- Supplies & materials (janitorial, kitchen, linen, office, tools, student manuals etc.) - \$5,832.00
- Staff travel - \$415.00
- Food service contract - \$11,550.00 monthly / \$138,600.00 annually.

**Montana Law Enforcement Academy  
Campus / Infrastructure Improvements  
July 2004 - June 2014**

Electrical Distribution System Renovation	\$23,000.00
Gymnasium Foundation Rebuild	\$84,600.00
Sierra Cottage Roof and Building Repair	\$24,525.00
Cottonwood Boiler Replacement	\$7,750.00
Spruce Building - 1st Floor West Wing Renovation	\$65,000.00
Spruce / Aspen / Administration Buildings Boiler Upgrades	\$324,000.00
Spruce / Aspen / Administration / Maple Window Replacement	\$339,600.00
Waste Water Treatment System	\$1,300,000.00
Campus Fire Alarm System Upgrade	\$257,450.00
<b>MLEA - Ohs Education Center</b>	<b>\$3,750,000.00</b>
East Side Campus Roadway, Sidewalk, and West Side Parking Lot	\$237,600.00
Spruce / Aspen / Administration / Maple Building Exterior Repairs	\$450,000.00
Gymnasium Seismic Stabilization and Exterior	\$275,000.00
Campus Fire Suppression System	\$450,000.00
Water Supply System Upgrade	\$450,000.00
FEMA Seismic Hazard Mitigation Project	\$125,613.00
<b>TOTAL</b>	<b>\$8,164,138.00</b>

Excluding the Ohs Building project, \$4,414,138.00 has been spent on major infrastructure repairs.

## Training Costs

- Ammunition – aprox. \$45,000.00 annually
- Fuel (driving track/ firearms travel vehicles) – approx. 6,000 gallons annually. At \$2.30 per gallon annual cost is \$13,800.00. Vehicle repairs not included.
- Driving track fees - \$10,000.00 per year.

## Savings Measures

In recent years, the Academy has taken measures to reduce costs;

- To reduce operational costs, the Academy discontinued the use of Direct TV in the 4 dorm buildings and the Ohs building in August of 2015. A digital antenna and television were installed in the cafeteria to meet this student quality of life issue. This will save the Academy \$992.00 per year.
- The Academy spends between \$45,000.00 and \$60,000.00 per training year in ammunition costs for student qualification activities. In July 2015, the Academy contacted a new vendor that credits brass turn in against new orders at \$2.00 per pound. The net result for the Academy was a \$5000.00 savings in one ammunition order.
- The Academy has a fleet of former MHP vehicles and conducts 120 hours of Police Vehicle Operations Course (PVOC) drivers training in each of the 3 law enforcement officer basic courses. Used tires for these cars are donated from law enforcement agencies and have a relatively short life span. In January 2015 the Academy purchased a tire changing machine for \$1200.00 to change worn tires that occur frequently as a result of the training. Prior to that purchase, staff would take the tires to a local tire company, who charged between \$8.00 and \$10.00 each. Between January and June of this year, Academy staff changed 150 tires through 2 basic courses, an average of 75 tires per course. Moving forward, having the tire machine will save approximately \$750.00 per course.
- The staff also looks for grant opportunities to enhance training. The Academy now has an interactive firearms use force options simulator. Funded through a \$96,235.00 Homeland Security grant administered by Montana Disaster and Emergency Services, the simulator will allow staff to provide safe, realistic terrorist response, active shooter and other critical incident training to basic programs students. The simulator will also be available for law enforcement agencies to use.

## Summary

Surcharge revenues continue to decline as Academy costs increase. The Academy currently has 10 different funding sources, none of which compensate for increased personnel or operational costs or provide sufficient revenue for the major infrastructure improvements needed to bring the campus into the 21<sup>st</sup> century. Between FY2004 and FY2015, there were 5 fiscal years in which the Academy experienced a deficit in spending. The highway tax was implemented in 2013 after 2 consecutive deficit years; as a result the Academy has posted surpluses in FY2014 and FY2015. Revenue, however, is expected to run negative again in FY18.