



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: HB0572.02 (001): Revise MCE prison industries training program laws

Primary Sponsor: John Fitzpatrick

Status: As Amended in House Committee

☐ Included in the Executive Budget

☐ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☐ Technical Concerns

☐ Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Net Impact</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact

HB 572 would increase the construction projects threshold for inmate workers and removes language regarding dealer networks and language limiting sales to "furniture" goods. It would also authorize the Department of Corrections (DoC) and Montana Correctional Enterprises (MCE) to "provide vocational programs that support private market demand," allowing the DoC to more effectively tailor educational and vocational programs.

### FISCAL ANALYSIS

#### Assumptions

#### Department of Administration

1. The change in section 1, page 2, line 9, for the increase from \$200,000 to \$1 million will permit larger construction efforts to be performed by inmate labor.
2. 53-30-131(3)(c)(ii) MCA exempts inmates who provide labor for those projects from the prevailing wage requirements of Title 18, chapter 2, part 4.
3. The Architecture & Engineering Division (A&E) assumes that when aggregating costs for construction projects to determine the value, A&E will use the inmate labor rates as determined in 53-30-132 MCA, which are expected to be substantially lower than prevailing wage requirements.

#### Department of Corrections

4. Montana Correctional Enterprises (MCE) operates via self-funded proprietary funds. Revenue generated by the program supports future expenses of the program.
5. Fiscal impact cannot be quantified at this time, however, the changes in this bill will likely increase revenue-generating opportunities for the program, which in turn increases the amount of funding available to reinvest in training opportunities for offenders.
6. The amendments to this bill do not change DoC assumptions.

**Department of Labor and Industry**

7. HB 572 amends Title 53, MCA, for Department of Corrections (DoC) and does not impact Department of Labor and Industry (DLI).

**Department of Justice**

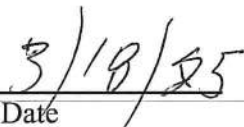
8. HB 572 does not apply to the Civil Services, Appellate Services, Prosecution Services, and Office of Consumer Protection; no fiscal impact anticipated for Department of Justice.

**Technical Concerns**

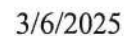
**Department of Corrections**

HB 572 specifies Montana State Prison as the subject of the bill. Using "DoC owned or operated secure facilities" would allow for expansion to or inclusion of other facilities.

  
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Sponsor's Initials

  
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Date

  
\_\_\_\_\_  
Budget Director's Initials

  
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Date