



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0643.02 (001): Revise reimbursement costs to detention centers holding inmates in state custody**

Primary Sponsor: Tracy Sharp 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</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
Expenditures				
General Fund (01)	\$0	\$5,281,628	\$7,994,376	\$10,159,074
State Special Revenue (02)	\$4,977,231	\$1,022,769	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>(\$5,281,628)</u>	<u>(\$7,994,376)</u>	<u>(\$10,159,074)</u>
General Fund Balance				

Description of fiscal impact

The amended version of HB 643 appropriates one-time-only funding for the Department of Public Health and Human Services (DPHHS) from the Behavioral Health System for Future Generations (BHSFG) fund to be used to reimburse counties for the costs of holding persons in confinement awaiting court-ordered evaluations or who have been committed to the custody of the DPHHS director and are awaiting placement in a suitable state facility.

FISCAL ANALYSIS

Assumptions

Department of Public Health and Human Services (DPHHS)

1. It is assumed that the average per person daily detention cost is \$109.09 for FY 2026, \$110.72 for FY 2027, \$112.32 for FY 2028, and \$114.07 for FY 2029.
2. The department's waitlist is currently averaging around 100 people held daily in county detention centers while awaiting placement into a DPHHS facility. Based on the past three-year average, the waitlist will increase by approximately 25% yearly. This amounts to approximately 125 people in FY 2026, 156 people in FY 2027, 195 people in FY 2028, and 244 people in FY 2029.
3. Using the information from assumptions #1 and #2, the estimated daily detention cost is \$4.977 million for FY 2026, \$6.304 million for FY 2027, \$7.994 million for FY 2028, and \$10.159 for FY 2029.

FY	Daily Detention Cost	Projected Waiting List	Days	Total Cost
2026	\$109.09	125	365	\$4,977,231
2027	\$110.72	156	365	\$6,304,397
2028	\$112.32	195	365	\$7,994,376
2029	\$114.07	244	365	\$10,159,074
Total				\$29,435,078

4. The \$6 million biennial appropriation in Section 2 will be exhausted in FY 2027. As the appropriation in the bill is not sufficient to cover the costs of placements, all costs above the \$6 million appropriation are shown as general fund expenditures in this analysis.

Department of Corrections (DoC)

5. As amended, there would be no change in the rate the department pays so no fiscal impact to the DoC.

Fiscal Analysis Table

Department of Public Health and Human Services

	FY 2026 <u>Difference</u>	FY 2027 <u>Difference</u>	FY 2028 <u>Difference</u>	FY 2029 <u>Difference</u>
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
Operating Expenses	\$4,977,231	\$6,304,397	\$7,994,376	\$10,159,074
TOTAL Expenditures	\$4,977,231	\$6,304,397	\$7,994,376	\$10,159,074
<u>Funding of Expenditures</u>				
General Fund (01)	\$0	\$5,281,628	\$7,994,376	\$10,159,074
State Special Revenue (02)	\$4,977,231	\$1,022,769	\$0	\$0
TOTAL Funding of Expenditures	\$4,977,231	\$6,304,397	\$7,994,376	\$10,159,074
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	\$0	(\$5,281,628)	(\$7,994,376)	(\$10,159,074)
State Special Revenue (02)	(\$4,977,231)	(\$1,022,769)	\$0	\$0

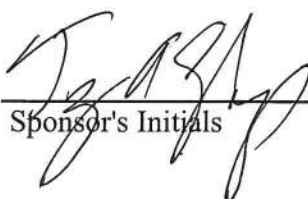
Technical Concerns

Department of Public Health and Human Service

1. The methodology to determine costs or a daily rate for DPHHS is unclear. As a result, this analysis uses the rate methodology described in Section 1(2).
2. Costs reflected in the fiscal analysis are greater than the \$6 million biennial appropriation. It is unclear if DPHHS should cease making payments at a \$6 million cap, or if the department would seek a supplemental appropriation from the 2027 Legislature.
3. The department currently has requests for HB 2 decision packages that may reduce the waiting lists at the detention center.
4. The BHSFG fund was established to expand intensive and community-based behavioral health and developmental services across Montana.

Department of Corrections

5. The department suggests removing the "a" before "crossroads" (page 2, line 15). "Crossroads Correctional Facility" is a proper noun.



Sponsor's Initials

20 Mar 25

Date



Budget Director's Initials

3/19/2025

Date