



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0025	Title:	Clarify funding for education of children in residential treatment
Primary Sponsor:	Funk, Moffie	Status:	As Introduced

Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$787,000	\$787,000	\$787,000	\$787,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$787,000)</u>	<u>(\$787,000)</u>	<u>(\$787,000)</u>	<u>(\$787,000)</u>

Description of fiscal impact: HB 25 amends 20-7-403(13), MCA, to eliminate a clause that excludes students covered by Medicaid from the directive to the Superintendent of Public Instruction to contract to provide education services to students in an in-state residential treatment facility or children's psychiatric hospital. The general fund cost of this bill is \$787,000 per year ongoing.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services

1. HB 25 removes language in 20-7-403 (13), MCA, to clarify that Medicaid does not cover educational expenses for children in an in-state residential treatment facility or children's psychiatric hospital.

Office of Public Instruction (OPI)

2. Currently, statute exempts public schools and treatment facilities from receiving contracted state funding through OPI for students who qualify for residential services under the Montana public mental health program pursuant to Title 53, chapter 6.
3. The OPI had not contracted for these students since this law was implemented in the mid-1990s. In July 2020, OPI made the decision that the educational component should be paid and contracted with three in-state

Fiscal Note Request – As Introduced

(continued)

treatment facilities to pay for these students on a prorated basis given their \$787,801 per year appropriation for FY 2020 and FY 2021.

4. The state currently pays \$72 per day for education services provided to Montana children at an in-state residential treatment facility or children’s psychiatric hospital.
5. Approximately, half-day education services provided to these children by the facilities are provided to children whose treatment is covered by Medicaid. Medicaid does not pay for education services, only the cost of treatment.
6. The OPI has determined through their prorated contracting in the 2021 biennium, that the additional cost for these students, if this statute is amended, would be an additional \$787,000 per year ongoing.
7. The effective date of this bill is July 1, 2021.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$787,000	\$787,000	\$787,000	\$787,000
TOTAL Expenditures	<u>\$787,000</u>	<u>\$787,000</u>	<u>\$787,000</u>	<u>\$787,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$787,000	\$787,000	\$787,000	\$787,000
TOTAL Funding of Exp.	<u>\$787,000</u>	<u>\$787,000</u>	<u>\$787,000</u>	<u>\$787,000</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$787,000)	(\$787,000)	(\$787,000)	(\$787,000)

NOT SIGNED BY SPONSOR

Sponsor's Initials

Date

1/13/21

Budget Director's Initials

Date

KA

1/11/21