



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	SB0186	Title:	Revising definition of services related to public procurement contracts
Primary Sponsor:	Friedel, Chris	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 186 revises the definition of “services” with respect to public procurement contracts to include the provision of human services administered by a contractor. The fiscal impact to the state cannot be reasonably determined.

FISCAL ANALYSIS

Assumptions:

Department of Administration

- Currently, these type of contracts are exempt under the Montana Procurement Act, and the contracts are not processed through the Department of Administration. Therefore, the department cannot determine the fiscal impact without knowing the number of contracts, and contract values of each impacted contract, from the Department of Public Health and Human Services.

Department of Public Health and Human Services

2. The provision of human services administered by a contractor do not currently fall under the definition of “services” in 18-4-123, MCA.
3. The Department of Public Health and Human Services (DPHHS) is unable to determine the fiscal impact of requiring human services administered by a contractor to be procured through a competitive process. As a best practice, DPHHS does engage in the formal procurement process required by the Montana Procurement Act, though the act specifically excludes the provision of human services administered by a contractor.
4. All contracts, including the provision of human services administered by a contractor, would require additional staff time to prepare the Request for Proposal - from the beginning of the process until awarding the contract. Delays resulting from the procurement process may impact the ability of DPHHS to successfully implement provider-based services.
5. Examples of the provision of human services administered by a contractor that may be impacted by SB 186 include foster care placements; support services, including one-on-one supervision of youth; chemical dependency evaluations; childcare services; placements of individuals with developmental disabilities; and placements of children with mental health issues.
6. Title 18, Chapter 4 does not apply to the health care services including physicians, dentists, pharmacists, or other medical, dental or health care provider.

Technical Notes:

Department of Administration

1. There is no clear definition of contracts for the provision of “human services.”

Department of Public Health and Human Services

2. There are certain circumstances where court orders require the use of a specific service provider. The exemption of human services currently allows DPHHS to comply with court orders without breaking state law.

NO SPONSOR SIGNATURE

Sponsor's Initials

2/16
Date

KA

Budget Director's Initials

2/13/21
Date