



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0500 - Eliminating youth court fees, costs, and certain fines and financial obligations (Seekins-Crowe, Kerri)

Status: As Amended in Conference Committee - Revised

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" 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 2024</u> <u>Difference</u> | <u>FY 2025</u> <u>Difference</u> | <u>FY 2026</u> <u>Difference</u> | <u>FY 2027</u> <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Expenditures: | | | | |
| General Fund | \$219,085 | \$219,085 | \$219,085 | \$219,085 |
| State Special Revenue | (\$256,761) | (\$256,761) | (\$256,761) | (\$100,151) |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | (\$281,903) | (\$281,903) | (\$281,903) | (\$281,903) |
| Net Impact-General Fund Balance: | (\$219,085) | (\$219,085) | (\$219,085) | (\$219,085) |

Description of fiscal impact: HB 500 prohibits a court from ordering “a youth, the youth’s parents, or the youth’s guardian to pay” any contribution for any part of the costs of adjudication, disposition, attorney fees for costs of prosecuting or defending the youth, costs of detention, supervision, care, custody, or necessary medical, dental, or health treatment; or fines” if the violation would constitute a criminal offense if committed by an adult. The bill further orders that, as of the bill’s effective date, all outstanding fees or costs owed by a youth, the youth’s parents or guardian are void and uncollectable and any order requiring payment of fees or costs is unenforceable. The amendment language does not prohibit billing public and private insurance for coverage to provide services under the Montana Youth Court Act, but this does not create a fiscal impact to the Department of Corrections.

FISCAL ANALYSIS

Assumptions:**Department of Corrections (DoC)**

1. The Department of Corrections (DoC) received \$71,796 in juvenile cost of care placement revenue in FY 2022. This revenue is currently used to offset DoC expenses associated with the cost of youth care. HB 500 eliminates the revenue that DoC collects for youth cost of care. The expenses currently covered by this revenue would shift to the general fund.
2. The department currently has 0.50 FTE dedicated to collecting this revenue. This expense would be eliminated should this bill pass.
3. The department makes the following assumptions:
 - a. Yearly reduction of both revenue and expenses in the state special revenue fund due to elimination of revenue for youth cost of care in the amount of (\$71,796).
 - b. Yearly increase in general fund expenditures due to the elimination of juvenile cost of care revenue in the amount of \$71,796.
 - c. Yearly reduction in general fund personal services expenditures in the amount of (\$37,676) due to a reduction of 0.50 FTE.
4. Language in the amended bill does not prohibit billing public and private insurance for coverage to provide services under the Montana Youth Court Act, but this does not create a fiscal impact to the Department of Corrections.

Judicial Branch

5. Sections 8 and 9 remove language currently in 41-5-1304, MCA, and 41-5-1415, MCA, that allows Youth Courts to require a youth to pay a contribution to cover all or a portion of costs of services provided to the youth and parents through Youth Courts.
6. Based on actual revenue collections between FY 2017 and FY 2022, annual fees collected average \$55,497. This bill would eliminate this state special revenue funding source.
7. Youth courts receive HB 2 appropriation authority related to fees to help cover general operating costs incurred, including office supplies and materials, travel for training, and repair and maintenance costs on the youth court fleet. Based on actual expenditures incurred between FY 2017 and FY 2022, the annual average cost of operating expenditures paid for from youth court fees is \$30,355. These costs would no longer be able to be paid for from the state special revenue fund and would have to be paid for with general fund. It is assumed that general fund authority in the amount of \$30,355, will be needed to cover operating expenditures each fiscal year.
8. Section 16 of the bill repeals 41-5-112, MCA and 41-5-1525, MCA. These sections establish the parental contributions account and allow for financially able parents or guardians to be assessed a contribution covering all or part of the costs for youth placed in out-of-home care.
9. Based on actual revenue collections between FY 2017 and FY 2022, annual parental contributions collected average \$154,610. This revenue source would no longer be available as an option to cover expenditures for youth in out-of-home placements and would need to be funded through the general fund.
10. Total lost revenue to the state special revenue fund each fiscal year is estimated to be \$210,107 (\$55,497 from youth court fees + \$154,610 from parental contributions).

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|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <u>Fiscal Impact:</u> | | | | |
| FTE | (0.50) | (0.50) | (0.50) | (0.50) |
| <u>Expenditures:</u> | | | | |
| Personal Services - DoC | ☑ (\$37,676) | ☑ (\$37,676) | ☑ (\$37,676) | ☑ (\$37,676) |
| TOTAL Expenditures | <u>☑ (\$37,676)</u> | <u>☑ (\$37,676)</u> | <u>☑ (\$37,676)</u> | <u>☑ (\$37,676)</u> |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | ☑ \$219,085 | ☑ \$219,085 | ☑ \$219,085 | ☑ \$219,085 |
| State Special Revenue (02) | ☑ (\$256,761) | ☑ (\$256,761) | ☑ (\$256,761) | ☑ (\$256,761) |
| TOTAL Funding of Exp. | <u>☑ (\$37,676)</u> | <u>☑ (\$37,676)</u> | <u>☑ (\$37,676)</u> | <u>☑ (\$37,676)</u> |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | ☑ (\$281,903) | ☑ (\$281,903) | ☑ (\$281,903) | ☑ (\$281,903) |
| TOTAL Revenues | <u>☑ (\$281,903)</u> | <u>☑ (\$281,903)</u> | <u>☑ (\$281,903)</u> | <u>☑ (\$281,903)</u> |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | ☑ (\$219,085) | ☑ (\$219,085) | ☑ (\$219,085) | ☑ (\$219,085) |
| State Special Revenue (02) | ☑ (\$25,142) | ☑ (\$25,142) | ☑ (\$25,142) | ☑ (\$25,142) |

NOT SIGNED BY SPONSOR

 Sponsor's Initials Date



 Budget Director's Initials

4-11-23

 Date