



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0916 - Authorize transfers and other necessary measures to implement HB2-Section D (Mercer, Bill)

Status: As Amended in House

- | | | |
|-----------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" 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	\$310,305	\$216,356	\$219,565	\$222,896
State Special Revenue	\$50,000	\$50,000	\$50,000	\$50,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$310,305)</u>	<u>(\$216,356)</u>	<u>(\$219,565)</u>	<u>(\$222,896)</u>

Description of fiscal impact: HB 916 creates numerous reporting requirements upon each of the departments funded in Section D. The Department of Corrections (DoC) will have an increased fiscal impact related to the need for additional FTE for tracking and reporting requirements, as well as the required third-party staffing analysis. The Office of Public Defender (OPD) will have an increased frequency of reporting and increased personal service costs. The bill extends the Public Safety Officer Standards and Training (POST) Program for two more years and provides reporting requirements for the Department of Justice (DOJ). The appropriation for POST needs to be increased to account for rising legal fees associated with POST reviews that require legal review and representation.

FISCAL ANALYSIS

Assumptions:

- Section 1 of the bill requires all agencies in Section D to provide a report inventorying equipment, computers, servers, vehicles, and other assets of the agencies and their projected useful life. HB 916 requires additional reports as outlined in the following assumptions.

Department of Corrections (DoC)

2. Section 2 of the bill requires the Department of Corrections to prepare and submit two one-time reports, three annual reports, and 14 quarterly reports totaling 105 reports for the 2025 biennium.
3. The reporting requirements of this bill involve collecting data that is not currently captured in the OMS system, and therefore will require manual file reviews across multiple criminal justice systems, including reviews of hard copies of court files. This requires a considerable amount of internal staffing to develop the processes necessary to create the reports, and then to collect and maintain the information.
4. Section 2 (8) requires the DoC to contract with a third party to study the adequacy of its staffing at the men's prison and the women's prison and provide a report to the interim committees. The estimated cost of the staffing analysis would be \$85,000 which is a one-time-only request for the first year of the biennium.
5. Section 2 (4) of HB 916 requires the DoC to report quarterly on the number of offenders for each county participating in the program, the identity of the entities providing housing to participants, and the physical addresses for the housing locations. The system used to track payments is separate from the system used to track offenders and the information required for this report would necessitate manual compilation of data. DoC does not currently have the staff to accomplish this requirement and one additional FTE would be necessary. While the DoC's publicly facing dashboard already provides updated information on utilization of the housing vouchers, this additional reporting requirement goes beyond this readily available public report.
6. Section 2 (12) of HB 916 requires the DoC to report quarterly on the number of individuals in its custody on waiting lists for chemical addiction, sex offender treatment, or anger management. The information must be provided for each facility treatment type and include community corrections providers. This information is not currently tracked in a central location as the programming exists in several areas of the department. To fulfill this requirement, the DoC would need 2.00 FTE dedicated to compiling and tracking this information. While the DoC currently publishes waiting lists by facility, this additional reporting requirement goes beyond this readily available public report.
7. Section 2 (17) of HB 916 relates to the Institutional Screening Committee bill (HB 426). The department has requested positions in relation to HB 426. If the department's request for additional FTE in HB 426 is not funded, then the fiscal note for HB 916 would need to include 1.00 FTE to comply with reporting requirements noted in HB 916.
8. The position budget for the additional FTE is based on an existing classification for a Correctional Case Specialist 2.
9. The department assumes a 1.5% inflationary multiplier in FY 2026 and FY 2027.
10. The \$2,800 new employee package, which covers items such as a computer and desk, is included in operating expenses for all FTE in the first year of the biennium.

Office of Public Defender (OPD)

11. Section 3 of the bill requires the Office of Public Defender to prepare and submit one one-time report and 7 quarterly reports totaling 51 reports for the 2025 biennium.
12. OPD currently reports much of this requested information once every two years. The bill's switch to quarterly reporting will change the required reporting from one report every two years to seven or eight reports every two years and increase of seven additional reports over the biennium.
13. Each new report will require five additional hours of director work to produce and review. Director hours cost 63.05 per hour.
14. The move to quarterly will, thus, cost \$2,206.75 over the biennium (7 new reports times 5 hours per report times \$63.05 per hour).
15. Additionally, the switch from producing one report every biennium to producing eight will warrant a one-time-only investment of 25 hours to improve OPD's current manual report compilation process for more frequent use.
16. These 25 system development hours will cost \$49.208847 per hour for a total one-time total of \$1,230.22.

Department of Justice (DOJ)

17. Section 4 of the bill requires the Department of Justice to prepare and submit four one-time reports, one annual report, and one quarterly report totaling 14 reports for the 2025 biennium.
18. The Division of Criminal Investigation (DCI) estimates an increased appropriation of \$50,000 is needed to cover POST legal fees that have increased 50% in the last two years.
19. It is assumed that minimal fiscal impact for both Montana Highway Patrol and the Motor Vehicle Division to prepare the reports and the cost can be covered with existing funding.

	<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>
<u>Fiscal Impact:</u>				
FTE - DoC	3.00	3.00	3.00	3.00
<u>Expenditures:</u>				
Personal Services - DoC	\$213,468	\$214,149	\$217,361	\$220,622
Personal Services - OPD	\$3,437	\$2,207	\$2,204	\$2,274
Operating Expenses - DoC	\$93,400	\$0	\$0	\$0
Operating Expenses - DOJ	\$50,000	\$50,000	\$50,000	\$50,000
Benefits	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$360,305</u>	<u>\$266,356</u>	<u>\$269,565</u>	<u>\$272,896</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$310,305	\$216,356	\$219,565	\$222,896
State Special Revenue (02)	\$50,000	\$50,000	\$50,000	\$50,000
TOTAL Funding of Exp.	<u>\$360,305</u>	<u>\$266,356</u>	<u>\$269,565</u>	<u>\$272,896</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$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)	\$ (310,305)	\$ (216,356)	\$ (219,565)	\$ (222,896)
State Special Revenue (02)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)


Technical Notes:

1. Section 2 (2C) of HB 916 requires the DoC to report on the programming to reduce recidivism offered in each of the facilities by the property owner accepting rental vouchers. The DoC does not currently capture this information and has no authority to require it from property owners, it would only be voluntary.
2. Section 2 (4) of HB 916 requires the DoC to capture and report the identity for the entities providing housing to participants and the physical addresses for the housing locations. This may result in privacy issues for housing providers participating in the program.

3. Section 2 (5) of HB 916 requires the DoC to report on the number of days that the supplemental placements in community corrections facilities were not fully utilized for each facility. The DoC billing processes are not able to be completed by the 15th of the month, so it is impossible for the department to comply with the time requirements in the bill.
4. Section 2 (14) of HB 916 requires the DoC to report on the names of offenders conditionally released during the prior quarter and the communities in which they are residing due to the conditional release. The current iteration of OMIS does not track the community in which the offender resides. However, the department would be able to report the information by supervising office.

Sponsor's Initials

Date



Budget Director's Initials



Date