



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0094 - Generally revise laws related to recovery residences (Usher, Barry)

Status: As Amended in Senate Committee

- | | | |
|---|--|--|
| <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 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$319,061	\$274,357	\$278,472	\$282,649
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	(\$319,061)	(\$274,357)	(\$278,472)	(\$282,649)

Description of fiscal impact: SB 94 proposes prosecution and penalties pursuant to the Montana Consumer Protection Act for which the Department of Justice Office of Consumer Protection is tasked with enforcing state-wide. SB 94 would require the Department of Corrections (DoC) to establish a “preference for certified recovery residences by encouraging and assisting appropriate individuals seeking placements in recovery residences.” This legislation would also restrict DoC housing vouchers to certified recovery residences. Because the certification process is new, there are very few certified recovery homes in Montana. Therefore, this could limit transition housing available to parolees if there is not an implementation period that allows for the certification of additional recovery residences around the state.

FISCAL ANALYSIS

Assumptions:

Department of Justice (DoJ) – Office of Consumer Protection (OCP)

- Section 8 of the bill, as amended, directs the department to implement the bill within existing resources. However, the bill does not indicate which other services the department should forego in order to conduct the work required by SB 94 within existing resources. Therefore, the department’s projected fiscal impact is still shown in this fiscal note.

2. There are an estimated 64 recovery residences in the state with 39 in the Billings area. The Office of Consumer Protection (OCP) requires a compliance investigator and staff attorney to effectively ensure violations listed in Section 3 are investigated and litigated. Without the additional FTE, the OCP unit would lack the necessary resources to meaningfully investigate and prosecute these violations.
3. One Compliance Investigator FTE would be needed. DOJ estimates the annual personal services cost for that FTE would be \$74,460.
4. One Prosecutor FTE would also be needed. DOJ estimates the annual personal services cost for that FTE would be \$120,818.
5. In FY 2024, \$87,783 in operating expenses and \$35,000 in equipment expenses would be needed to set up the new FTE. The operating costs for these positions would be reduced to \$78,079 in FY 2025.
6. There is a 1.5% inflation factor applied to FY 2026 and FY 2027.

Fiscal Impact:

FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$196,278	\$196,278	\$199,222	\$202,210
Operating Expenses	\$87,783	\$78,079	\$79,250	\$80,439
Equipment	\$35,000	\$0	\$0	\$0
TOTAL Expenditures	<u>\$319,061</u>	<u>\$274,357</u>	<u>\$278,472</u>	<u>\$282,649</u>

Funding of Expenditures:

General Fund (01)	\$319,061	\$274,357	\$278,472	\$282,649
TOTAL Funding of Exp.	<u>\$319,061</u>	<u>\$274,357</u>	<u>\$278,472</u>	<u>\$282,649</u>

Revenues:

General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$319,061)	(\$274,357)	(\$278,472)	(\$282,649)
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NO SPONSOR SIGNATURE

2/17/23



2-15-23

Sponsor's Initials

Date

Budget Director's Initials

Date