

Fiscal Note 2027 Biennium

Bill#/Title: HB0572.01 :	Revise MCE prison ind	ustries training	program laws	
Primary Sponsor: John Fitzpat	or: John Fitzpatrick		As Introduced	
☐ Included in the Executive Budget	☐ Needs to be included	l in HB 2	☐ Significant Local Gov Impact	
☐ Significant Long-Term Impacts	☐ Technical Concerns		☐ Dedicated Revenue Form Attached	
	FISCAL SU	JMMARY		
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Expenditures General Fund (01)	\$0	\$0	\$0	\$0
Revenues General Fund (01)	\$0	\$0	\$0	\$0
Net Impact General Fund Balance	\$0	\$0	\$0	\$0

Description of fiscal impact

HB 572 would increase the construction projects threshold for inmate workers and removes language regarding dealer networks and language limiting sales to "furniture" goods. It would also authorize allow the Department of Corrections (DoC) and Montana Correctional Enterprises (MCE) to "provide vocational programs that support private market demand," allowing the DoC to more effectively tailor educational and vocational programs.

FISCAL ANALYSIS

Assumptions

Department of Administration

- 1. The change in section 1, page 2, line 9, for the increase from \$200,000 to \$1 million will permit larger construction efforts to be performed by inmate labor.
- 2. 53-30-131(3)(c)(ii) MCA exempts inmates who provide labor for those projects from the prevailing wage requirements of Title 18, chapter 2, part 4.
- 3. The Architecture & Engineering Division (A&E) assumes that when aggregating costs for construction projects to determine the value, A&E will use the inmate labor rates as determined in 53-30-132 MCA, which are expected to be substantially lower than prevailing wage requirements.

Department of Corrections

- 1. Montana Correctional Enterprises (MCE) operates via self-funded proprietary funds. Revenue generated by the program supports future expenses of the program.
- 2. Fiscal impact cannot be quantified at this time, however, the changes in this bill will likely increase revenue-generating opportunities for the program, which in turn increases the amount of funding available to reinvest in training opportunities for offenders.

Fiscal Note Request - As Introduced

(continued)

Department of Labor and Industry

1. HB 572 amends MCA Title 53 for Department of Corrections (DoC) and does not impact Department of Labor and Industry (DLI).

Department of Justice

1. HB 572 does not apply to the Civil Services, Appellate Services, Prosecution Services, and Office of Consumer Protection; no fiscal impact anticipated for Department of Justice.

Sponsor's Initials

Date /

Budget Director's Initials

2/24/2025

Date