

Fiscal Note 2027 Biennium

Bill#/Title:	HB0643.02 (00 state custody	01): Revise reimburse	ment costs to de	etention centers hol	ding inmates in	
Primary Sponsor:	Tracy Sharp		Status:	As Amended in Ho	use Committee	
☐ Included in the Executive Budget		⊠ Needs to be included in HB 2		☐ Significant Local Gov Impact		
☐ Significant Long-Term Impacts		☑ Technical Concerns		☐ Dedicated Revenue Form Attached		
,		FISCAL SU	J MMARY			
		FY 2026 Difference	FY 2027 <u>Difference</u>	FY 2028 Difference	FY 2029 Difference	
Expenditures		<u>Difference</u>	2	~ ******	<u></u>	
General Fund (01	.)	\$0	\$5,281,628	\$7,994,376	\$10,159,074	
State Special Revenue (02)		\$4,977,231	\$1,022,769	\$0	\$0	
Revenues	,					
General Fund (01)	\$0	\$0	\$0	\$0	
State Special Rev	venue (02)	\$0	\$0	\$0	. \$0	
Net Impact			(\$5,281,628)	(\$7,994,376)	(\$10,159,074)	

Description of fiscal impact

General Fund Balance

The amended version of HB 643 appropriates one-time-only funding for the Department of Public Health and Human Services (DPHHS) from the Behavioral Health System for Future Generations (BHSFG) fund to be used to reimburse counties for the costs of holding persons in confinement awaiting court-ordered evaluations or who have been committed to the custody of the DPHHS director and are awaiting placement in a suitable state facility.

FISCAL ANALYSIS

Assumptions

Department of Public Health and Human Services (DPHHS)

- 1. It is assumed that the average per person daily detention cost is \$109.09 for FY 2026, \$110.72 for FY 2027, \$112.32 for FY 2028, and \$114.07 for FY 2029.
- 2. The department's waitlist is currently averaging around 100 people held daily in county detention centers while awaiting placement into a DPHHS facility. Based on the past three-year average, the waitlist will increase by approximately 25% yearly. This amounts to approximately 125 people in FY 2026, 156 people in FY 2027, 195 people in FY 2028, and 244 people in FY 2029.
- 3. Using the information from assumptions #1 and #2, the estimated daily detention cost is \$4.977 million for FY 2026, \$6.304 million for FY 2027, \$7.994 million for FY 2028, and \$10.159 for FY 2029.

	Daily Detention	Projected		
FY	Cost	Waiting List	Days	Total Cost
2026	\$109.09	125	365	\$4,977,231
2027	\$110.72	156	365	\$6,304,397
2028	\$112.32	195	365	\$7,994,376
2029	\$114.07	244	365	\$10,159,074
Total				\$29,435,078

4. The \$6 million biennial appropriation in Section 2 will be exhausted in FY 2027. As the appropriation in the bill is not sufficient to cover the costs of placements, all costs above the \$6 million appropriation are shown as general fund expenditures in this analysis.

Department of Corrections (DoC)

5. As amended, there would be no change in the rate the department pays so no fiscal impact to the DoC.

Fiscal Analysis Table

Department of Public Health and Human Services								
	FY 2026 <u>Difference</u>	FY 2027 <u>Difference</u>	FY 2028 <u>Difference</u>	FY 2029 <u>Difference</u>				
Fiscal Impact								
Expenditures								
Operating Expenses	\$4,977,231	\$6,304,397	\$7,994,376	\$10,159,074				
TOTAL Expenditures	\$4,977,231	\$6,304,397	\$7,994,376	\$10,159,074				
Funding of Expenditures General Fund (01) State Special Revenue (02)	\$0 \$4,977,231	\$5,281,628 \$1,022,769	\$7,994,376 \$0	\$10,159,074 \$0				
TOTAL Funding of Expenditures	\$4,977,231	\$6,304,397	\$7,994,376	\$10,159,074				
Revenues								
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)								
General Fund (01)	\$0	(\$5,281,628)	(\$7,994,376)	(\$10,159,074)				
State Special Revenue (02)	(\$4,977,231)	(\$1,022,769)	<u>\$0</u>	\$0				

Technical Concerns

Department of Public Health and Human Service

- 1. The methodology to determine costs or a daily rate for DPHHS is unclear. As a result, this analysis uses the rate methodology described in Section 1(2).
- 2. Costs reflected in the fiscal analysis are greater than the \$6 million biennial appropriation. It is unclear if DPHHS should cease making payments at a \$6 million cap, or if the department would seek a supplemental appropriation from the 2027 Legislature.
- 3. The department currently has requests for HB 2 decision packages that may reduce the waiting lists at the detention center.
- 4. The BHSFG fund was established to expand intensive and community-based behavioral health and developmental services across Montana.

Department of Corrections

5. The department suggests removing the "a" before "crossroads" (page 2, line 15). "Crossroads Correctional Facility" is a proper noun.

Sponsor's Initials

20 May 25 Date

Budget Director's Initials

3/19/2025

Date