GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0912.04 (002): Generally revise behavioral health laws to create a secure forensic facility**

Primary Sponsor: Steven Kelly Status: As Amended in House

☐ 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 SUMMARY

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Expenditures				
Other	$0	$0	$0	$0
Capital Development (05)	$30,000,000	$30,000,000	$0	$0
Revenues				
Other	$0	$0	$0	$0
Net Impact	$0	$0	$0	$0
General Fund Balance				

Description of fiscal impact

House Bill 912 establishes a secure forensic facility designed to accommodate at least 70 patients. This facility will provide care, treatment, and security for individuals who have been adjudicated as guilty but mentally ill (GBMI), found not guilty due to mental illness, or require forensic evaluations or competency restoration before legal proceedings. The bill specifies that the facility must be located in eastern Montana. This bill voids the two capital projects appropriations totaling $75 million in the HB 872 Behavioral Health System for the Future Generations Commission bill. Additionally, it allocates $60 million from the capital development fund to support the project.

FISCAL ANALYSIS

Assumptions

Department of Administration

1. New section 1, page 1, line 16 will require the Department of Administration (DOA) for both construction and operation of a new secure forensic facility. DOA does not operate such facilities as this responsibility is with the Department of Public Health and Human Services (DPHHS).
2. New Section 1, page 1, line 20 will require the facility to house a minimum of 70 patients.
3. New section 3, page 3, lines 4 and 5 repeals sections 9, 10, 11, and 13 of HB 872, 68th. This will void the $55 million appropriation for any capital projects as proposed by the HB 872 behavioral health system for future generations commission.
4. Section 4, page 3, lines 8 through 10 repeals the $20 million appropriation for acquisition and/or renovation of existing facilities as proposed by the HB 872 behavioral health system for future generations commission.

5. New section 6, page 3, line 28 carries forward the same facility operations and maintenance appropriation that was intended for a different size and type of facility being considered under HB 872, 68th. The amount of $1,661,426 is likely adequate for a minimum 70-patient secure forensic facility.
6. To be licensed as a forensic mental health facility (FMHF), each room must be single occupancy. The space requirement for the entirety of all facility components is multiplied by the 70-beds to ascertain a total new facility square footage estimate. The total of all components (patient rooms, treatment, administration, food/kitchen, nursing, nursing stations, storage, restrooms, common space, mechanical rooms, electrical rooms, admissions, etc.) can range from 700 to 1,100 square feet per bed to provide all services and support needed. As a result, the building needed to would range in size from 49,000 to 77,000 square feet.
7. Construction costs vary based on the type of building. FMHF buildings would likely combine features of both a hospital and a jail. AE estimates that the construction-only cost for jail-like facilities would be approximately $548 per square foot, while hospital-like facilities could cost around $600 per square foot.
8. In addition to construction costs, capital projects also require design fees, materials testing, permitting, furnishings, and other costs in the total project budget.
9. The location of the proposed project is unknown and it is assumed the state acquire sufficient land to build the facility that will also be close to municipal utility systems. AE estimates a minimum of 15 acres is required for a structure of this size that will accommodate access drives, parking for staff and visitors, secure perimeter, utilities, and other appurtenances.
10. It is assumed that the total completion of the new facility will take approximately 4 years from the date of an appropriation.
11. For the purpose of this fiscal note, the expenditures are split between both years of the 2027 biennium. The actual schedule of expenditures may differ.
12. Section 10 indicates if HB 5 and this bill both pass, this bill is void if HB 5 contains funding for a facility that performs the same function as the one in this bill.

HB0912: Building Construction Cost Update - A/E Division 03/31/2025				
Assumptions	Jail-like Facility		Hospital-like Facility	
Space requirement for one bed typically ranges from around 700 to 1,100 square feet.	Square Footage		Square Footage	
700 or 1,100 sf (low/high) multiplied by 70 beds	Low	High	Low	High
Estimated 70-Bed Facility Square Footage	49,700 sf	77,000 sf	49,700 sf	77,000 sf
Estimated Construction Cost per Square Foot	**$548.22**		**$600.00**	
Estimated 70-Bed Facility Construction Cost	$25,010,034	$38,747,940	$29,820,000	$46,200,000
Arch/Eng Design Cost (Est @ 15% Const Cost)	$3,751,505.10	$5,812,191.00	$4,473,000.00	$6,930,000.00
Furniture, Fixtures, and Equipment/Startup cost (est @ 30% Const Cost)	$7,503,010.20	$11,624,382.00	$8,946,000.00	$13,860,000.00
Land Acquisition Cost @ $30 per sf. Per acre (43,560 sf/acre = $1,306,800 acre)15 acres min. required. Assume utilities provided to land. (Land cost averaged/square foot cost between Billings/Butte/Missoula/Bozeman)	$19,602,000	$19,602,000	$19,602,000	$19,602,000
Construction Contingency @ 10% of Construction Cost	$2,501,003	$3,874,794	$2,982,000	$4,620,000
Escalation to midpoint of Construction @ 10% of all other capital costs.	$5,586,655	$7,578,651	$6,284,100	$8,659,200
TOTAL 70-BED FACILITY ESTIMATE	**$63,954,208**	**$87,239,958**	**$72,107,100**	**$99,871,200**

Fiscal Analysis Table

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
Fiscal Impact				
Expenditures				
Capital Outlay	$30,000,000	$30,000,000	$0	$0
TOTAL Expenditures	**$30,000,000**	**$30,000,000**	**$0**	**$0**
Funding of Expenditures				
Other	$0	$0	$0	$0
Capital Development (05)	$30,000,000	$30,000,000	$0	$0
TOTAL Funding of Expenditures	**$30,000,000**	**$30,000,000**	**$0**	**$0**
Revenues				
Net Impact to Fund Balance (Revenue minus Funding of Expenditures)				
Other	$0	$0	$0	$0
Capital Development (05)	($30,000,000)	($30,000,000)	$0	$0

Significant Long-Term Impacts

Department of Public Health and Human Services

1. Based on the 4-year completion timeline of the structure, operations of the new facility will begin on July 1, 2029.
2. Using the SFY 2024 actual daily cost of $708.84 at the Montana State Hospital Galen Facility, adjusted for inflation of 1.5% each year, would equal $775.08 per patient per day in the state fiscal year 2030.

State Fiscal Year	Daily Rate	Inflationary Adjustment Factor	New Rate
2024	$ 708.84	1.015	$ 719.47
2025	$ 719.47	1.015	$ 730.26
2026	$ 730.26	1.015	$ 741.22
2027	$ 741.22	1.015	$ 752.34
2028	$ 752.34	1.015	$ 763.62
2029	$ 763.62	1.015	$ 775.08
2030	**$ 775.08**		

Technical Concerns

Department of Public Health and Human Services

1. It is unclear how this proposal may intersect with other potentially duplicative introduced and non-introduced legislation to fund new Department of Public Health and Human Services (DPHHS) Healthcare Facilities Practice facilities.
2. Section 1(1) of the bill designates the Department of Administration (DOA) to oversee the construction and operation of a secure forensic facility. However, the operation of the facility falls under the jurisdiction of the DPHHS.

3. Section 2(2) requires clarification to specify that "the department" refers to the Department of Public Health and Human Services.

Department of Administration

4. New section 1, page 1, line 16 will require the Department of Administration (DOA) for both construction and operation of a new secure forensic facility. DOA does not operate such facilities as this responsibility is with the Department of Public Health and Human Services (DPHHS).
5. New section 3, page 3, lines 4 and 5 repeals sections 9, 10, 11, and 13 of HB 872, 68th. This will void the $55 million appropriation for any capital projects as proposed by the HB 872 behavioral health system for future generations commission.
6. Section 4, page 3, lines 8 through 10 repeals the $20 million appropriation for acquisition and/or renovation of existing facilities as proposed by the HB 872 behavioral health system for future generations commission.
7. New section 6, page 3, line 28 carries forward the same facility operations and maintenance appropriation that was intended for a non-secure, behavioral facility being considered under HB 872, 68th. DOA estimates the amount is likely adequate for a 70-bed secure forensic facility but the operations and maintenance costs should be revisited if the facility increases above the 70-bed level.

Sponsor's Initials	Date	Budget Director's Initials	Date
	4-9-25		4/9/2025