



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0718.02 (001): Generally revise laws relating to incarceration

Primary Sponsor: Kerri Seekins-Crowe Status: As Amended in Senate

☐ 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

	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures					
State Special Revenue (02)	\$22,380	\$507,973	\$502,373	\$509,860	\$507,049
Revenues					
State Special Revenue (02)	\$0	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact

HB 718, as amended, adds an immediate effective date and creates the Office of Reentry Services at the Department of Labor and Industries (DLI). The bill is aimed at creating a collaborative effort among state agencies to coordinate supportive services in Montana for individuals who are exiting or preparing to exit incarceration and reenter communities in Montana. HB 718 tasks DLI with coordinating the existing reentry programs and services in collaboration with companies, stakeholder organizations, and multiple state agencies, including the Department of Corrections (DoC) and the Department of Commerce for housing assistance. Fiscal impact includes the cost to start up and implement the activities specified in the bill.

FISCAL ANALYSIS

Assumptions

Department of Labor and Industry

1. DLI assumes 3.00 FTE will be needed to administer HB 718. The staff needed include 1.00 FTE administrative specialist which will conduct all administrative work for the office, supporting DLI's development and implementation of the office, and coordinating efforts to plan and execute stakeholder and partner engagement. The 1.00 FTE program manager will serve as the main point of contact for the Office of Reentry, leading efforts, serving as the conduit between stakeholders, and assuring the requirements of the office are fully implemented and all key partners are engaged. The 1.00 FTE business analyst will conduct all required reporting and will lead data efforts across agencies and partners, conducting needs analyses, and preparing reporting and outcomes frameworks.
2. It is assumed that associated personal services cost for 3.00 FTE would be \$291,407 in FY 2026 and FY 2027 and a 1.5% increase over the 2029 Biennium.
3. The department estimates operating costs such as telephone, copiers, scanners, utilities, minor equipment, supplies, technology costs, rent, and indirect costs will total \$85,966 in FY 2026 - FY 2027, \$87,998 in FY

2028 and \$87,355 in FY 2029. One-time-only operating expenditures for the FTE include \$4,800 for office supplies and equipment and \$3,600 for a computer are included in FY 2026.

4. Grants would be provided for \$125,000 in each year for FY 2026 through 2029 to support training for clients transitioning back to Montana communities after incarceration. Payment for trainings would be paid directly to training providers, and training selection will be informed by client's skills and goals, ability to receive an industry recognized credential upon completion, and labor force demand in the community each client will return to.
5. DLI assumes if the bill is effective immediately upon passage, the 1.00 FTE program manager will be hired in FY 2025 for 1.5 months. The personal service cost associated with the 1.5 months would be \$15,119. The estimated operating costs would be \$4,461. One-time-only operating expenditures for the FTE include \$1,600 for office supplies and equipment and \$1,200 for a computer are included in FY 2025.

Department of Commerce

6. The department would anticipate regular collaboration meetings with DLI's Office of Reentry Services, and the state agencies included in Section 3(a) – 3(f), and would designate a staff member to participate in such convenings.
7. Housing MT division would assist the Office of Reentry Services with transition planning and housing assistance in accordance with Section 2(g).
8. Staff would be required to establish and maintain a report to support DLI with the reporting requirements contained in Section 5, including "description of services provided...costs of services rendered, and the number of individuals served."
9. Program and communications staff time would be necessary to produce housing assistance materials containing information about the department's housing programs for the Office of Reentry Services.
10. The department's communications team would additionally be required to support website content development and page creation for transition and housing assistance information.
11. The department will perform these functions with existing resources.

Department of Corrections (DoC)

12. The Department of Corrections (DoC) currently coordinates and collaborates with several state agencies to provide supportive services to offenders.
13. DoC currently provides programs and services to assist individuals with a host of concerns, including, but not limited to, education, job placement, housing, healthcare, and transition assistance.
14. DoC assumes that current services and programs will continue to be the responsibility of DoC and that additional collaborative efforts can be conducted by current staff.

Department of Public Health and Human Services

15. HB 718 establishes an Office of Re-Entry and will be established under the Department of Labor and Industry. The bill will only require departmental coordination and information transfer with this newly created office, which can be handled by the existing staff within the facilities. There is no fiscal impact to the department.

Commissioner of Higher Education (OCHE)

16. The proposed legislation does not create a fiscal impact for OCHE as coordination is already occurring with existing staff.

Office of Public Instruction (OPI)

17. HB 718 requires the new re-entry office to collaborate with the OPI for existing reentry programs and services. There is no fiscal impact.

Legislative Branch

18. Section 1 (5) of HB 718 requires that by July 1 prior to each legislative session, the department shall submit a report to the Legislative Finance Committee and the Law and Justice Interim Committee in accordance with 5-11-210, MCA. This section of law is existing and was not amended by HB 718. As such, this is part of normal duties of the Legislative Finance Committee and the Law and Justice Interim Committee.
19. HB 718 does not affect existing statute for the Legislative Branch. There is no fiscal impact.

20. It is unknown how many bills are seeking to add to the duties of the Legislative Branch. The fiscal note of each bill is prepared based on the effect of each individual bill. However, when viewed as a package, the cumulative effect of passage of more than one bill would require additional analysis and may require additional resources for staffing and information technology support.


Fiscal Analysis Table

Department of Labor and Industry					
	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<u>Fiscal Impact</u>					
FTE	0.13	3.00	3.00	3.00	3.00
TOTAL Fiscal Impact	0.13	3.00	3.00	3.00	3.00
<u>Expenditures</u>					
Personal Services	\$15,119	\$291,407	\$291,407	\$296,862	\$294,694
Operating Expenses	\$7,261	\$91,566	\$85,966	\$87,998	\$87,355
Grants	\$0	\$125,000	\$125,000	\$125,000	\$125,000
TOTAL Expenditures	\$22,380	\$507,973	\$502,373	\$509,860	\$507,049
<u>Funding of Expenditures</u>					
State Special Revenue (02)	\$22,380	\$507,973	\$502,373	\$509,860	\$507,049
TOTAL Funding of Expenditures	\$22,380	\$507,973	\$502,373	\$509,860	\$507,049
<u>Revenues</u>					
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>					
State Special Revenue (02)	(\$22,380)	(\$507,973)	(\$502,373)	(\$509,860)	(\$507,049)


 Sponsor's Initials

Date

4-22-2025


 Budget Director's Initials

Date

4/22/2025