



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0237: Prohibit placement of sentenced defendants in the state forensic mental health facility**

Primary Sponsor: James Reavis Status: As Introduced

☐ 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 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$2,076,738	\$2,051,595	\$2,085,969	\$2,121,002
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$2,076,738)</u>	<u>(\$2,051,595)</u>	<u>(\$2,085,969)</u>	<u>(\$2,121,002)</u>
General Fund Balance				

Description of fiscal impact

HB 237 restricts defendants that, at the commission of an offense, suffered from a mental disease/disorder or developmental disability to be placed at the state forensic mental health facility (FMHF) at Galen.

FISCAL ANALYSIS

Assumptions

Department of Public Health and Human Services (DPHHS)

1. HB 237 provides that guilty but mentally ill (GBMI) defendants to be sentenced to the custody of DPHHS but prohibits placement at the Forensic Mental Health Facility (FMHF) in Galen.
2. DPHHS does not currently have other locations where GBMI defendants can be placed, so they would have to be relocated to facilities not operated by DPHHS.
3. GBMI defendants currently residing at the FMHF in Galen would have to be relocated outside a DPHHS facility, and those beds will be backfilled with other individuals currently on the waitlist.
4. HB 237 is anticipated to have a fiscal impact on DPHHS, although a specific amount can't be determined at this time.

Department of Corrections (DOC)

1. HB 237 amends section 46-14-312, MCA; prohibiting the placement of sentenced defendants in FMHF located at Galen. Quite a few of the individuals that DPHHS transfers, demonstrate violent or behavior issues that can no longer be managed at a DPHHS facility. In addition, there may be individuals at Galen whose needs and treatment can be managed at Galen indefinitely. HB 237 would increase the likelihood that these individuals needing the care and security that Galen provides will instead end up in the DOC secure care facilities.
2. DPHHS estimates that 27 offenders per year would be placed in the DOC as a result of HB 237.
3. The cost of a secure prison placement is estimated at \$92 per day.

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4. The housing cost per day is \$906,660 (\$92.00/bed day x 27 inmates x 365 days) in FY 2026 and FY 2027. A 1.5% cost of living increase is considered in FY 2028 for a total of \$920,260 and FY 2029 for a total of \$934,064.
5. The medical cost per day is \$364,832 (\$37.00/day x 27 inmates x 365 days) in FY 2026 and FY 2027. A 1.5% cost of living increase is applied in FY 2028 for a total of \$370,305 and FY 2029 for a total of \$375,859.
6. To ensure proper care, DOC assumes a 15% increase in costs related to mental teletherapy for these inmates. In FY 2026 and FY 2027, that cost would be \$144,004 (\$960,024 avg/inmate x 15% increase). A 4% cost of living increase is applied in FY 2028 for a total of \$149,764 and in FY 2029 for a total of \$155,755.
7. In addition, assuming the offenders would need a higher level of psychiatric care, DOC would need 5.50 new FTE. This includes care planner (1.00 FTE - Montana State Prison (MSP), clinical therapist (0.50 FTE - Montana Women's Prison (MWP), mental health registered nurse (1.00 FTE - MSP), mental health registered nurse (0.50 FTE - MWP), administrative assistant (1.00 FTE - MSP/MWP combined), license practical nurse (1.00 FTE - MSP) and a psychiatrist (0.50 FTE - MSP). Assuming a start date of July 1, 2025, the estimated cost of personal services for FY 2026 and FY 2027 is \$636,099. Assuming a 1.5% cost of living increase is applied in FY 2028 for a total of \$645,640 and FY 2029 for a total of \$655,325.
8. The operating budget needed to maintain these FTE would include one-time only costs for employees to attend the All New Staff Orientation (ANSO) training in FY 2026 of \$5,543 (\$792.00/staff x 7 staff) and \$19,600 (\$2,800/staff x 7 staff) for the new employee package for a total of \$25,143.

Judicial Branch

1. If a court finds that a defendant at the time of the commission of the offense suffered from a mental disease or disorder or developmental disability as described in 46-14-311, the court shall sentence the defendant to be committed to the custody DPHHS.
2. After consideration of the recommendations of the professionals providing treatment to the defendant and recommendations of the professionals who have evaluated the defendant, the defendant shall be placed in an appropriate facility.
3. HB 237 would not allow the defendant to be placed at FMHF at Galen.
4. HB 237 does not have a fiscal impact on the Judicial Branch.

The Department of Justice (DOJ)

1. DOJ does not anticipate a fiscal impact as the prosecution services, consumer protection, appellate services, civil services, and child protection unit divisions do not pay for inmates at the Montana State Hospital.

Fiscal Analysis Table

Department of Corrections				
	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
FTE	5.50	5.50	5.50	5.50
TOTAL Fiscal Impact	5.50	5.50	5.50	5.50
<u>Expenditures</u>				
Personal Services	\$636,099	\$636,099	\$645,640	\$655,325
Operating Expenses	\$1,440,639	\$1,415,496	\$1,440,329	\$1,465,677
TOTAL Expenditures	\$2,076,738	\$2,051,595	\$2,085,969	\$2,121,002
<u>Funding of Expenditures</u>				
General Fund (01)	\$2,076,738	\$2,051,595	\$2,085,969	\$2,121,002
TOTAL Funding of Expenditures	\$2,076,738	\$2,051,595	\$2,085,969	\$2,121,002

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

General Fund (01)	<u>(\$2,076,738)</u>	<u>(\$2,051,595)</u>	<u>(\$2,085,969)</u>	<u>(\$2,121,002)</u>
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Effect on County or Other Local Revenues or Expenditures

- Counties will be responsible for the expenses incurred by GBMI defendants who cannot be accommodated by the department and are placed in county detention centers/settings.

Technical Concerns

- Community-based costs could be incurred related to extended detentions in counties and possibly for the DOC. The referenced loss of use for the 53 beds at Galen would also create additional demands for space at the D wing on the Montana State Hospital (MSH) campus or the possible refitting or repurposing of other in-patient bed space. There are currently no concrete figures that DPHHS can provide to inform what the repurposing, refitting, or rebuilding cost for additional inpatient beds or possible contracted services with community providers would be. DPHHS cannot currently project the ultimate cost impacts for bed space, or lack thereof, at FMHF, MSH Warm Springs and MSH group homes.
- HB 237 will disrupt DPHHS's ability to utilize Galen as one of the resources to evaluate and stabilize, whether intermittently or otherwise, the GBMI being treated or those placed with DOC who decompensate and must, at times, return to the Galen facility.

NOT SIGNED BY SPONSOR

Sponsor's Initials

Date



Budget Director's Initials

1/30/2025

Date