

DISCLAIMER: This document is an example from a past legislative campaign that has ended and therefore may not reflect current conditions.

HB 500 Fiscal Note Review

Summary & Questions

- Total cost of HB 500 = \$219,085 annually
- The fiscal note seems unreliable and directly contradicts the requests fulfilled under the Montana Public Records law by the Montana Department of Corrections and the Montana State Court Administrator.
 1. The fiscal note calculates that HB 500 would lose DOC money which directly contradicts DOC's response to our PRR. The cost of collections listed in the fiscal note is half of their previous estimate and revenue reported in the fiscal note is higher.
 - a. Fiscal note lists FY22 DOC revenue as \$71,796.
 - i. Revenue numbers we received from DOC¹ (note that revenue has been declining every year):
 1. 2021: \$49,371
 2. 2020: \$60,803.86
 3. 2019: \$64,153.63
 4. 2018: \$64,392.05
 - b. Fiscal note lists cost of collections (half of one FTE) at \$36,676.
 - i. Based on the data provided by DOC², this salary was \$76,343 in 2021. The total cost of collections for 2021 the DOC reported to us was \$77,237 (reason for the discrepancy in DOC's fiscal note is unclear).
 2. The judicial branch fiscal note also does not match the data they provided in response to a public records request, in which the courts may not have included youth placement fees.
 - a. The cost of collections is entirely missing from the judicial branch analysis. Considering the relatively small amount of total revenue, a few hours of probation officer time in each county or a single 15-minute court hearing where a judge, bailiff, clerk, and attorneys must be present to discuss a young person's failure to pay a fee quickly limits any net revenue loss from HB 500.
 - b. While some judicial districts may make a small amount of money from fees, the amounts collected vary widely by county and court, which the fiscal note does not reflect.³
 - c. From 2014-2021, revenue from youth court fees declined by almost 50%.⁴ Backfilling their revenue for an average of the last five years would be a windfall to the courts.
 - d. The DOC revenue is only based on FY22, however the judicial branch data is averaged from 2017-2022.
 3. We think there is an error/typo in the state special revenue fund loss listed for 2027 in the "Fiscal Summary."

¹ Data provided by MDOC i via public records request filed by UC Berkeley Policy Advocacy Clinic in February 2022.

² *Id.*

³ Data provided by Office of the Court Administrator in response to public records request filed by Montana Budget and Policy Center in February 2022. For example, according to the same dataset, the average fees ordered per youth in 2021 ranged from \$285/youth (District 1) to \$7.23/youth (District 12).

⁴ *Id.*

Calculation Breakdown:

Total cost of HB 500 according to fiscal note = \$219,085

- The total cost of HB 500 was calculated by combining the estimated loss to DOC with the estimated loss in court revenue. The below numbers are taken directly from the fiscal note.
 - o **\$34,120 (total loss to DOC)** = \$71,796 (DOC fee revenue) – \$37,676 (DOC expenses)
 - o **\$184,964 (total loss to courts)** = \$30,355 (judicial branch operating costs) + 154,610 (parental contributions to placements)
 - o **\$219,085 (total deficit to be made up for by general fund)** = **\$34,120** (total loss to DOC) + **184,964** (total loss to courts)
 - o *Note:* the average court fees collected annually was \$55,497 between 2017-2022 (this number from the fiscal note does match data we received from the courts). However, the average court operating expenses were \$30,355. This indicates that courts, on average, have a surplus of fee revenue beyond operating expenses. Only \$30,355 was used in the calculations for the fiscal note.

Total State Special Revenue Loss

- **\$71,796** (DOC fee revenue 2022) + **\$154,610** (parental contributions to placements average) + **\$55,497** (annual judicial branch fees collected average) = **\$281,903**