



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0616 - Generally revise public-private contracting of services (Caferro, Mary)

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	Unknown	Unknown	Unknown	Unknown
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

Description of fiscal impact: This bill has no fiscal impact to the Department of Labor and Industry (DLI) and the fiscal impact to the Department of Health and Human Services (DPHHS) cannot be reasonably determined.

FISCAL ANALYSIS

Assumptions:**Department of Labor and Industries (DLI)**

1. The Employment Standards Division within the Department of Labor & Industry (DLI) has oversight of Prevailing Wage human services through investigation and audit functions. While there could be a potential increase in investigation complaints and audit referrals due to the changes made to the definition of "Public works contract" in HB 616, there is not enough information available to analyze any workload increase. Therefore, there is no fiscal impact to DLI.

Department of Health and Human Services (DPHHS)

2. Currently, public work contracts are subject to prevailing wage laws.
3. If human services contracts are included in the definition of public works contracts and are subject to prevailing wage laws, the department's contract costs may significantly increase as contractors are required to meet or exceed the prevailing wage rate schedules as published by the Montana Department of Labor and Industry (DLI).

4. The department is unable to determine the fiscal impact of adding human services to public works contracts.

Technical Notes:

1. Striking subsection (11)(b) would include in the definition of public works contract contracts for human services entered into by the Department of Public Health and Human Services, to include the threshold that the contract value must exceed \$25,000. Adding the disjunctive language to subsection (a) would mean that any human services contract entered into by DPHHS, no matter the dollar value, would be a public works contract subject to prevailing wage law. This would expand Department of Labor & Industry authority into contracts of a smaller dollar value than previously under DLI jurisdiction.

NOT SIGNED BY SPONSOR

Sponsor's Initials

Date

Budget Director's Initials

Date



2-24-23