



## NP 33104 Facility Wage and Operational Standardization

This new proposal adjusts wages for targeted clinical positions to better reflect the existing operating environment of DPHHS’s 24/7 state-run health care facilities serving vulnerable populations. In part fueled by their rural locations and the continued nationwide health care workforce shortages, these facilities continue to experience significant authorized FTE vacancy rates, requiring the contracting of certain clinical positions to ensure patient and staff safety, mandatory admission of patients, and maintenance of facility licensure. Vacancy savings are used to partially offset the costs of contracted services.

The governor’s request consists of four parts:

1. ***Increase personnel funding to standardize current wages for state clinical staff.***  
In early 2024, the Director’s Office proactively raised the wages of certain clinical staff at the Montana State Hospital (MSH) in Warm Springs and the Intensive Behavior Center (IBC) in Boulder, intending to retain and attract state staff and reduce reliance on contracted staff. These raises have reduced state vacancies at MSH and IBC, particularly for the CNA/Psych Tech position type. Between these two facilities, there was a net increase in 22 CNA/psych tech-filled state FTE positions since the wage increase. DPHHS considers this to be a great success and wants to keep the momentum. In recognition of the success and to maintain parity amongst the facilities, the Department requests funds to standardize wages for clinical staff types across all of its non-contracted facilities.

Wage Standardization Funding Request			
Facility	SFY 2026	SFY 2027	Total
69010-33-33-08 (MSH)	\$0	\$0	\$0
69010-33-33-13 (IBC)	\$0	\$0	\$0
69010-33-33-11 (MVH)	\$326,011	\$326,011	\$652,023
69010-33-33-09 (MMHNCC)	\$211,314	\$211,314	\$422,628
69010-33-33-05 (MCDC)	\$183,718	\$183,718	\$367,437
<b>Total</b>	<b>\$721,044</b>	<b>\$721,044</b>	<b>\$1,442,088</b>

2. ***Increase personnel funding to raise clinical staff wages across all non-contracted state-run facilities to recruit and retain state FTE.*** Wages would be increased to approximately 20% above the Montana market rate. This is anticipated to reduce state FTE vacancies further, particularly for registered nurses. The proposed rate aims to attract additional clinical staff and reduce dependence on contracted staff. The proposed rates remain significantly below the current rates for



contracted staffing. Half of these rate increases would occur in FY26 and the remainder in FY27. This staggered implementation approach is deliberate and intended to drive retention of staff. Funding assumes the following base rates for the below positions at all non-contracted state-run facilities:

	<b>Proposed FY26</b>	<b>Proposed FY27</b>
CNA (Psych Tech)	\$24.13	\$24.41
LPN	\$31.50	\$34.20
RN	\$47.99	\$50.52

As a comparison, the average current base rate for contracted services are as follows:

	<b>Avg. Contract Base Rates</b>
CNA (Psych Tech)	\$56.33
LPN	\$77.02
RN	\$106.50

<b>Additional Wage Increases to Recruit and Retain State FTE</b>			
<b>Facility</b>	<b>SFY 2026</b>	<b>SFY 2027</b>	<b>Total</b>
69010-33-33-08 (MSH)	\$ 430,360	\$ 834,691	\$1,265,051
69010-33-33-13 (IBC)	\$ 64,273	\$ 114,068	\$178,342
69010-33-33-11 (MVH)	\$ 230,734	\$ 398,661	\$629,395
69010-33-33-09 (MMHNCC)	\$ 212,762	\$ 337,264	\$550,026
69010-33-33-05 (MCDC)	\$ 105,323	\$ 196,165	\$301,488
<b>Total</b>	<b>\$1,043,451</b>	<b>\$1,880,850</b>	<b>\$2,924,301</b>

3. ***Increase in operations funding in recognition of the current staffing environment.***

Despite DPHHS's many efforts to recruit and retain state clinical staff FTE, it is expected that vacancies for these positions will remain elevated over the next biennium. This request will support expenditures for contract staff due to ongoing state FTE vacancies during the upcoming biennium. This request anticipates a reduction in operations spending compared to recent years, including the current fiscal year. The Department received OTO contingency funding in SFY 2024 and SFY 2025.



**Operations Funding Request**

Facility	SFY 2026	SFY 2027	Total
69010-33-33-08 (MSH)	\$30,929,162	\$30,567,823	\$61,496,985
69010-33-33-13 (IBC)	\$2,939,926	\$2,904,932	\$5,844,858
69010-33-33-11 (MVH)	\$1,763,953	\$1,631,971	\$3,395,924
69010-33-33-09 (MMHNCC)	\$4,401,619	\$4,320,110	\$8,721,729
69010-33-33-05 (MCDC)	\$0	\$0	\$0
<b>Total</b>	<b>\$40,034,660</b>	<b>\$39,424,836</b>	<b>\$79,459,496</b>

4. **Reduce state personnel funding and positions in alignment with projected state FTE vacancies over the upcoming biennium. This request does not eliminate any filled positions; it eliminates long-standing vacant positions, allowing the Department to reduce its personnel budget request to offset, to some extent, its request for additional operations funding.** This reduction ensures the budget request accurately represents the true operational environment of DPHHS’s facilities, which must safely operate 24/7 in accordance with state law.

**Personnel Staff Reduction to Reflect Vacant State FTE**

Facility	Count of FTE	SFY 2026	SFY 2027	Total
69010-33-33-08 (MSH)	(36.1)	(\$2,841,034)	(\$2,841,034)	(\$5,682,068)
69010-33-33-13 (IBC)	(16.0)	(\$1,011,211)	(\$1,011,211)	(\$2,022,422)
69010-33-33-11 (MVH)	(8.8)	(\$596,403)	(\$596,403)	(\$1,192,805)
69010-33-33-09 (MMHNCC)	(34.4)	(\$2,170,749)	(\$2,170,749)	(\$4,341,498)
69010-33-33-05 (MCDC)	(2.0)	(\$129,522)	(\$129,522)	(\$259,044)
<b>Total</b>	<b>(97.3)</b>	<b>(\$6,748,919)</b>	<b>(\$6,748,919)</b>	<b>(\$13,497,838)</b>

The second two portions of this change package are true OTO requests. The Department continues to aggressively pursue avenues to reduce dependence on contracted staffing. It assumes another budget request for the 2027 legislative session that requests back some FTE and reduces contracted services authority to the extent Department strategies continue to be successful.