

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4166-06
Bill No.: HCS for SS for SB 575
Subject: Boards, Commissions, Committees, Councils; General Assembly; Licenses - Motor Vehicles; Mental Health Department
Type: Original
Date: May 7, 2014

Bill Summary: This proposal repeals a number of expired or obsolete committees and creates the Joint Committee on Judiciary and Justice and the Joint Committee on MO HealthNet. It also extends the Internet cyber crime law enforcement task forces.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Could exceed \$1,765,000)	(Could exceed \$1,765,000)	(Could exceed \$1,765,000)
Total Estimated Net Effect on General Revenue Fund	(Could exceed \$1,765,000)	(Could exceed \$1,765,000)	(Could exceed \$1,765,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Joint Contingency Fund	\$0*	\$0*	\$0*
Cyber Crime Investigation	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* **Costs to fund to be reimbursed by General Revenue, netting to zero.**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	Up to \$1,400,000	Up to \$1,400,000	Up to \$1,400,000

FISCAL ANALYSIS

ASSUMPTIONS

In response to a previous version of this proposal, officials from the, the **Missouri House of Representatives**, the **Department of Mental Health**, and the **University of Missouri**, the **Oversight Division** each assumed the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Economic Development**, the **Department of Social Services**, the **Office of the Governor**, the **Department of Public Safety - Director's Office**, the **Department of Natural Resources** and the **Office of Administration** each assume the current proposal will not fiscally impact their respective agencies.

Officials from the **Department of Revenue** assume time and resources will be used to prepare handouts and provide testimony for the new committee outlined in this proposal, but can be absorbed and will result in no fiscal impact.

In response to a similar proposal, SB 739, officials from the **Missouri Senate** stated that the proposal will have no fiscal impact to the Missouri Senate. However, the language of the proposal establishing a joint committee to study Medicaid issues will likely have a fiscal impact ranging from \$75,000 to \$165,000. This estimate is based on current appropriations (rounded) for the Joint Committees of: Education, \$75,000; Administrative Rules, \$124,000; and Retirement Systems, \$165,000. Costs of employment or consulting contracts to investigate MO HealthNet will depend on the area of specialization needed to complete the project. Actuarial services and/or economic forecasting for recipient demographics can range greatly; however, contract costs are likely to be less than \$100,000 annually.

Oversight assumes funds will be transferred from the General Revenue Fund to the Joint Contingency Fund in an amount of "less than \$265,000" annually to cover the expenses of the Joint Committee on MO HealthNet and the contract/consulting costs to investigate MO HealthNet. Oversight assumes expenditures will equal funds transferred-in and will net to \$0.

In response to a similar proposal, SB 739, officials from **Department of Elementary and Secondary Education (DESE)** stated that depending on the actions of the committee, there could be a cost to the department.

DESE will have access to some state information through the MO Health Information Network exchange. However, DESE does not collect the data required through this proposal, especially at the district level. DESE can capture districts' Medicaid revenue at the end of the year through the Annual Secretary of the Board Report (ASBR), but it has no way to project future costs and growth for each school. Costs are unknown.

ASSUMPTIONS (continued)

Oversight assumes MO HealthNet growth projections, including enrollment growth categorized by population and geographic area will be primarily the responsibility of the DSS and the DESE will have minimal costs associated with this provision of the proposal.

Officials from the **Department of Social Services** state their State Technical Assistance Team (STAT) is a recipient of a grant under the Cyber Crime Investigative Fund Grant Program, for which in FY 2014, we received \$76,420.28, which is used to train employees in advanced high technology forensic investigative techniques, as well as purchase software, equipment and supplies for conducting high tech children's events investigations. Loss of this grant funding would have a negative impact in the above listed areas, which could also be reflected in the ability to protect Missouri children from high tech predators. As the grant funds are above and beyond STAT's budget, there is no fiscal impact.

In response to a similar bill from this session (HB 1906), officials from the **Columbia Police Department** assume the proposal would not fiscally impact their agency.

In response to a similar bill from 2013 (HB 299), officials from the **Springfield Police Department** stated the proposal would result in savings of roughly \$39,000 to their agency for proceeds spent on overtime, training, license renewals, covert internet service and internet aircard.

In response to a similar proposal from 2012 (HB 1750), officials from the **Boone County Sheriff's Office** stated they currently receive funding for two detectives, equipment, training and overtime for their Cyber Crimes Unit. 2011's grant provided \$173,300. 2012's grant totals \$153,305 in funding. With these grants, the Sheriff's Office does not then have to come from the department's general budget. It is not known whether Boone County would be able to cover the loss of these funds to continue to employ two of the Cyber Crimes Unit detectives and/or keep the unit operational.

Oversight completed a sunset review of the program in 2011. Below is information Oversight compiled during that sunset review:

Beginning with fiscal year 2010 and each subsequent year, the General Assembly was to appropriate three million dollars to the Cyber Crime Investigation Fund to fund the program; however, this appropriation is removed in this bill. The Department of Public Safety administers the fund.

ASSUMPTIONS (continued)

State funding of the Internet Cyber Crime Grant (ICCG) program began in Fiscal Year 2007 and lasted for three years. The program was funded through the state’s General Revenue Fund and expenditures in the program for those three years were:

1. \$ 184,558 in FY 2007 (2007 ICCG);
2. \$1,025,285 in FY 2008 (2008 ICCG); and
3. \$1,357,748 in FY 2009 (2009 ICCG).

In 2009, the American Recovery and Reinvestment Act (ARRA), commonly known as the federal stimulus program, was signed into law which provided additional funding to the Edward Byrne Memorial Justice Assistance Grant (JAG) for state and local law enforcement agencies. In 2010, DPS stopped funding the ICCG program and started a very similar program funded with federal stimulus funds and named the new program the Multi-Jurisdictional Cyber Crime Grant Program (MJCCG) to distinguish it from the ICCG. For the past five years, all Missouri cyber crime grants have been awarded under the MJCCG program. Federal funding of the MJCCG began in State Fiscal Year 2010 and lasted into FY 2014. Expenditures/awards in the program for those years are:

4. \$1,407,009 of expenditures in FY 2010 (2009 MJCCG);
5. \$1,419,768 of awards in FY 2011 (2010 MJCCG); and
6. \$1,516,699 of awards in FY 2012 (2011 MJCCG).

Program Year	Program	Contract Period	Grantees	Award	Funding Source
2007	ICCG	7/1/06 - 6/30/07	11	\$242,388	General Revenue
2008	ICCG	7/1/07 - 5/31/08	15	\$1,208,527	General Revenue
2009	ICCG	6/1/08 - 5/31/09	15	\$1,455,398	General Revenue
2009	MJCCG	6/1/09 - 6/30/10	13	\$1,499,597	ARRA
2010	MJCCG	7/1/10 - 6/30/11	14	\$1,419,768	ARRA
2011	MJCCG	7/1/11 - 6/30/12	14	\$1,516,699	ARRA

This table shows the various task forces throughout the state that received funding in a recent fiscal year (FY 2011) through the federal program (MJCCG).

ASSUMPTIONS (continued)

	Task Force	Project Title	Requested Funding	Award
1	Boone County, Cyber Task Force	Boone County Sheriff's Department Cyber Crimes Task Force	\$204,378	\$152,305
2	Clayton, RCCEEG	Regional Computer Crime Education & Enforcement Group	\$139,655	\$138,802
3	Dent County, Cyber Task Force	South Central Missouri Computer Crime Task Force	\$44,186	\$44,186
4	Independence, Cyber Unit	Northeastern Jackson County Cyber Crimes Working Group Against Internet Crime	\$138,851	\$121,092
5	Joplin, Cyber Task Force	Southwestern Missouri Cyber Crime Task Force	\$177,586	\$177,182
6	Kirksville, Cyber Task Force	Kirksville Regional Computer Crimes Unit	\$59,742	\$59,742
7	Missouri Department of Social Services, STAT	Operation Cyber-Safe	\$97,362	\$84,512
8	Missouri State Highway Patrol, Cyber Crime Unit	Computer Forensic Unit	\$42,057	\$31,989
9	Platte County, PCMEG	Western Missouri Cyber Crimes Task Force	\$423,006	\$202,677
10	Poplar Bluff, SEMO Cyber Unit	SEMO Cyber Crimes Task Force	\$129,215	\$105,206
11	Springfield, Cyber Crime Task Force	2012 Internet Cyber Crime Initiative	\$237,582	\$73,748
12	St Charles County, Cyber Task Force	St. Charles County Internet Crimes Against Children	\$191,584	\$190,864
13	St. Louis County, Cyber Task Force	2011 MJCCG - Special Investigations Personnel Upgrade	\$181,622	\$63,746
14	Stone County, Tri-Lakes Cyber Task Force	Tri-Lakes Regional Internet Crimes Task Force	\$93,490	\$70,646
	Total Funding		\$2,160,318	\$1,516,698

Oversight assumes the federal stimulus funding for this program is exhausted. Therefore, Oversight will assume an annual cost to the General Revenue Fund to continue this program in FY 2015 and beyond. The Department of Public Safety is allowed to retain up to three percent of the funding for administrative expenses.

ASSUMPTIONS (continued)

This proposal removes the sunset provision and extends the expiration date to 2024. It also removes the \$3 million appropriation from the section. Therefore, Oversight will assume an annual appropriation of roughly \$1.4 million (average of Fiscal Years 2008 - 2011) will be used to fund this program.

Two state agencies (Missouri Highway Patrol and the Department of Social Services) have previously received funding through this program. Therefore, Oversight will show potentially not all of the appropriation being distributed to local political subdivisions (some of the money could be granted to state agencies that work in this field and Department of Public Safety - Director's Office could retain a percentage for administrative expenses).

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Transfer Out</u> - to Joint Contingency Fund (\$21.880) - for expenses associated with Joint Committee on Judiciary and Justice (Senate Amendment 1)	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
<u>Transfer Out</u> to Joint Contingency Fund (\$208.952) - Transfer for expenses associated with the Joint Committee on MO HealthNet (Senate Amendment 5)	(Less than \$265,000)	(Less than \$265,000)	(Less than \$265,000)
<u>Transfer Out</u> - to the Cyber Crime Investigation Fund - to continue the Internet Cyber Crime Grant Program	<u>(\$1,400,000)</u>	<u>(\$1,400,000)</u>	<u>(\$1,400,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Could exceed \$1,765,000)</u>	<u>(Could exceed \$1,765,000)</u>	<u>(Could exceed \$1,765,000)</u>

<u>FISCAL IMPACT - State Government</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
	<u>(10 Mo.)</u>		
JOINT CONTINGENCY FUND			
<u>Transfer-in</u> from General Revenue Fund			
Transfer-in to cover expenses of the Joint Committee on MO HealthNet (\$208.952) and Joint Committee on Judiciary and Justice	Could exceed \$365,000	Could exceed \$365,000	Could exceed \$365,000
<u>Costs</u> - Expenses of Joint Committee on MO HealthNet and Joint Committee on Judiciary and Justice	<u>(Could exceed \$365,000)</u>	<u>(Could exceed \$365,000)</u>	<u>(Could exceed \$365,000)</u>
ESTIMATED NET EFFECT ON THE JOINT CONTINGENCY FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CYBER CRIME INVESTIGATION			
<u>Transfer In</u> - from the General Revenue Fund	\$1,400,000	\$1,400,000	\$1,400,000
<u>Costs</u> - Department of Public Safety is allowed to retain up to 3% of funding for administrative expenses	<u>(Up to \$42,000)</u>	<u>(Up to \$42,000)</u>	<u>(Up to \$42,000)</u>
<u>Costs</u> - grants to multijurisdictional internet cyber crime law enforcement task forces	<u>(At least \$1,358,000)</u>	<u>(At least \$1,358,000)</u>	<u>(At least \$1,358,000)</u>
ESTIMATED NET EFFECT TO THE CYBER CRIME INVESTIGATION	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
	<u>(10 Mo.)</u>		
LOCAL POLICE DEPARTMENTS, ATTORNEYS, AND SHERIFF'S OFFICES			
<u>Income</u> - grants from the Missouri Department of Public Safety for the Internet Cyber Crime Grant program	<u>Up to</u> \$1,400,000	<u>Up to</u> \$1,400,000	<u>Up to</u> \$1,400,000
ESTIMATED NET EFFECT TO LOCAL POLICE DEPARTMENTS, ATTORNEYS AND SHERIFF'S OFFICES	<u>Up to</u> <u>\$1,400,000</u>	<u>Up to</u> <u>\$1,400,000</u>	<u>Up to</u> <u>\$1,400,000</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

JOINT COMMITTEE ON MO HEALTHNET (Section 208.952)

This proposal amends the Joint Committee on MO HealthNet to have as its purpose of study the efficacy of the program as well as the resources needed to continue and improve the MO HealthNet program over time. The committee shall receive and obtain information from the departments of Social Services, Mental Health, Health and Senior Services and Elementary and Secondary Education as applicable, regarding the projected budget of the entire MO HealthNet program including projected MO HealthNet enrollment growth, categorized by population and geographic area.

The committee shall meet at least twice a year. The committee is authorized to hire an employee or enter into employment contracts. The compensation of such personnel and the expenses of the committee shall be paid from the joint contingent fund or jointly from the senate and house contingent funds until an appropriation is made. The committee may also hire or contract for an executive director to conduct investigations to fulfill the duties of the committee.

FISCAL DESCRIPTION (continued)

JOINT COMMITTEE ON JUDICIARY AND JUSTICE (Section 21.880)

The proposal creates a permanent Joint Committee on Judiciary and Justice.

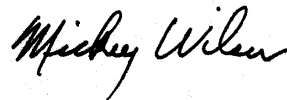
INTERNET CYBER CRIME LAW ENFORCEMENT TASK FORCE (Section 650.120)

The provisions regarding Internet cyber crime law enforcement task forces and the Cyber Crime Investigation Fund expired on June 5, 2012. This bill extends these provisions to August 28, 2024 and removes appropriations for the fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Department of Insurance, Financial Institutions and Professional Registration
Missouri House of Representatives
Department of Mental Health
Office of Administration
Department of Revenue
Missouri Senate
Office of the Governor
Department of Economic Development
University of Missouri
Oversight Division
Department of Natural Resources
Department of Elementary and Secondary Education
Department of Social Services
Columbia Police Department
Boone County Sheriff's Department
Springfield Police Department



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