

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1891-01
Bill No.: SB 414
Subject: Crimes and Punishment; Law Enforcement Officers and Agencies
Type: Original
Date: March 6, 2017

Bill Summary: This proposal modifies several provisions relating to the administration of public safety.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$3,051,343)	(\$3,056,229)	(\$3,056,819)
Total Estimated Net Effect on General Revenue	(\$3,051,343)	(\$3,056,229)	(\$3,056,819)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Criminal Record System Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

*Additional appropriations into and grants out of the fund of approximately \$3 million annually.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$3,000,000	\$3,000,000	\$3,000,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Office of the Director (DPS)** state the following sections would impact their agency:

- Section 43.505 - Removes the ability for DPS to withhold funds for failure to submit UCRs. There is no fiscal impact, just a change in practice going forward;
- Section 43.530 - DPS could be tasked with administering the proposed grant program. It is not known how the grant program would be allocated at this point in time. We think it could possibly require hiring two 1,000 hour individuals to administer the program; and
- Section 513.653 - Removes DPS from receiving forfeiture reports, allows the law enforcement agencies more flexibility/ease with their reporting, and takes away the requirement for DPS to withhold funds for failure to submit the annual report. No fiscal impact, just a change in practice going forward.

DPS has ascertained the possible costs for this legislation to be as follows:

Two 1,000 Hour Employees (\$25.00/Hour)	\$41,667
Fringe Benefits (FICA/Medicare Only)	\$3,188
Expense and Equipment	<u>\$6,488</u>
 Total Estimated Costs (FY2018)	 \$51,343

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state Section 43.530 will have an estimated negative fiscal impact to the Criminal Records System Fund (CRS) ranging from \$0 up to approximately \$15,000,000. The estimate based on a zero impact represents the legislation not being implemented, while the higher range represents the total amount of the fund that could fall under the spending authority of the Department of Public Safety (DPS). If the latter occurs, and all the money is disbursed through grants, then the Highway Patrol would have to request additional appropriations to cover expenses originally budgeted through this fund.

The average yearly income into the CRS Fund, solely by the background check fees established in 43.530, RSMo is \$12 million. This year, the spending authority for the CRS Fund is roughly \$14.58 million with \$312,000 allocated to the Office of Administration for benefits, \$450,000 for unemployment benefits, \$4,100,000 for Personal Services (PS), \$3,600,000 for Fringe Benefits,

ASSUMPTION (continued)

and \$6,500,000 for Expenses and Equipment (E&E). The Personal Services Fund currently pays for 108 Highway Patrol employees spanning eight Patrol divisions including 81 Criminal Justice Information Services (CJIS) staff and ten CJIS-IT staff. E&E funds currently span nine Patrol organizations for various programs with roughly 98% allocated to CJIS. Some previous E&E purchases have included AFIS equipment, palm print database, Livescan updates, Sex Offender Website, Sex Offender Registry, sex offender notification system upgrades, and MULES training.

The proposed legislation states that a portion of these funds shall be made available to local and county law enforcement agencies by way of a grant. Without increasing revenue to this fund, this will have a direct impact to both the cash flow and existing programs and associated spending authority. Some examples would be the future replacement or upgrade to the State Automated Fingerprint Identification System (\$3 to \$4 million), Statewide Criminal History System (\$2 to \$3 million) as well as numerous other systems that make up the Central Repository.

Seeking approval for any spending through DPS is similar to how the existing MOSWIN funds are operated. This frequently causes delays in approvals and fund payments. Any additional dollars allocated out by DPS would cause additional direct impact to the fund and associated programs.

Officials from the **Office of the State Auditor** and the **Springfield Police Department** each assume the proposal would not fiscally impact their respective agencies.

Oversight notes that according to reports from the Office of the State Treasurer, receipts into the Criminal Record System Fund (0671) over the past three fiscal years and the ending balances have been:

	<u>Receipts</u>	<u>Ending balance</u>
FY 2016	\$12,167,424	\$3,586,465
FY 2015	\$11,037,645	\$2,350,377
FY 2014	\$10,022,160	\$1,831,297

The balance of the Fund as of February 28, 2017 was \$4,696,491

ASSUMPTION (continued)

Utilizing \$12 million as the amount of funds available to the Department of Public Safety to distribute as grants to local law enforcement agencies, **Oversight** will reflect below examples of how much “a portion of these funds” could represent.

Proceeds in Criminal Records Fund	portion to be distributed as grants	Highway Patrol portion	Local Law Enforcement portion
\$12,000,000	0%	\$12,000,000	\$0
\$12,000,000	10%	\$10,800,000	\$1,200,000
\$12,000,000	25%	\$9,000,000	\$3,000,000
\$12,000,000	50%	\$6,000,000	\$6,000,000
\$12,000,000	100%	\$0	\$12,000,000

For purposes of the fiscal note, Oversight will assume Department of Public Safety will distribute 25 percent of the proceeds as grants to local and county law enforcement agencies by way of a grant. Oversight will also reflect a transfer from the General Revenue Fund to the MHP to “cover expenses originally budgeted through this fund” as assumed by the MHP.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Costs - DPS</u>			
Personal Service (2 Temporary)	(\$41,667)	(\$50,500)	(\$51,005)
Fringe Benefits	(\$3,188)	(\$3,863)	(\$3,902)
Expense and Equipment	(\$6,489)	(\$1,866)	(\$1,912)
<u>Total Costs - DPS</u>	(\$51,343)	(\$56,229)	(\$56,819)
<u>Transfer Out - to Criminal Records System Fund - to cover expenses incurred by the MHP</u>			
	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	(\$3,051,343)	(\$3,056,229)	(\$3,056,819)

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2018 (10 Mo.)	FY 2019	FY 2020
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**CRIMINAL RECORDS SYSTEM
 FUND**

<u>Transfer In</u> - from General Revenue - to cover lost funding to the MHP that is now distributed as grants to local law enforcement agencies	\$3,000,000	\$3,000,000	\$3,000,000
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<u>Costs</u> - DPS - grants awarded to local and county law enforcement agencies	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>
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ESTIMATED NET EFFECT TO THE CRIMINAL RECORDS SYSTEM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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**LOCAL LAW ENFORCEMENT
 AGENCIES**

<u>Income</u> - grants through the Department of Public Safety from the Criminal Records System Fund	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$30,000,000</u>
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ESTIMATED NET EFFECT TO LOCAL LAW ENFORCEMENT AGENCIES	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Under current law, law enforcement agencies which violate certain requirements for the submission of crime incident reports and information may be ineligible to receive state or federal funds which would otherwise be paid to them. This act removes such ineligibility as a potential consequence for such violations.

Also under current law, law enforcement agencies involved in federal forfeiture programs are required to report certain information to the Department of Public Safety and the State Auditor by January 31st of each year. This act removes the requirement to report this information to the Department of Public Safety and moves the reporting deadline from January 31st to February 15th.

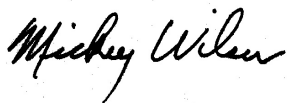
This act also removes language relating to the information that must be included in the report, and requires the report to consist of a copy of a certain form which must be submitted to the federal government.

This act also requires the approval of the director of the Department of Public Safety for the expenditure of funds raised by the collection of fees for the usage of criminal history record information, and specifies that a portion of those funds to be determined by the director will be made available to local and county law enforcement agencies by way of a grant.'

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
Office of the Director
Missouri Highway Patrol
Office of the State Auditor



Mickey Wilson, CPA
Director

Ross Strobe
Assistant Director

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