

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2473-01  
Bill No.: HB 1255  
Subject: Homeland Security; Law Enforcement Officers and Agencies; Terrorism; Boards, Commissions, Committees, and Councils  
Type: Original  
Date: April 23, 2019

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Bill Summary: This proposal creates the Law Enforcement Terrorism Prevention Activity Commission.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$5,000)	(\$5,000)	(\$5,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$5,000)</b>	<b>(\$5,000)</b>	<b>(\$5,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
DPS - FED Homeland Security (0193)*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* appropriation authority of 25% of federal grant monies now with the new commission - Oversight shows a netting to zero

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §650.580 - Law Enforcement Terrorism Prevention Activity Commission

**Oversight** notes that the **Department of Public Safety (DPS) - (Office of the Director, Missouri State Highway Patrol and State Emergency Management System), Joplin Police Department, Springfield Police Department, St. Louis County Department of Justice Services and St. Louis County Police Department** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

The DPS - Office of the Director states this legislation, if passed, could take Missouri out of compliance with federal requirements to receive homeland security grants. DPS's Office of Homeland Security (OHS) currently receives funds through the federal Homeland Security Grant Program (HSGP). Pursuant to federal law, 25 percent of HSGP funds must be passed through to law enforcement for terrorism prevention activities. Since 2005, DPS has had an advisory committee that reviews applications and makes recommendations for this funding. Prior administrations did not have a formal structure in place for this group. In the fall of 2018, DPS began formalizing this process, including written bylaws and stronger conflict of interest groups.

This legislation gives the Law Enforcement Terrorism Prevention Activity Commission (LETPAC) "the authority to appropriate" funding. This power to appropriate funding is reserved for the General Assembly. This bill does not require the LETPAC comply with federal standards for expenditures of U. S. Department of Homeland Security grant funding. DPS is the federally-designated state administrative agency to receive and award HSGP funding. Giving control of 25 percent of grant funds awarded to the State to an entity that is not required to follow federal grant guidelines would likely result in a federal audit finding. This could jeopardize all future HSGP funding awarded to Missouri.

DPS-OHS annually identifies capability gaps in its Statewide Preparedness Report. HSGP funding must be spent or awarded in alignment with those capability gaps. HB 1255 does not require that the LETPAC award funds to address these capability gaps.

The language in subsection 5 seems to give authority to the LETPAC to spend 25 percent of all federal homeland security grants received by the State, and not just HSGP funds. Programs within DPS that might be impacted include the Emergency Management Performance Grant and the Urban Area Security Initiative. If any departments other than DPS receive federal homeland security grants, those funds could also be subject to appropriation by the new LETPAC.

ASSUMPTION (continued)

**Oversight** notes the bill provides for reimbursement for members of the commission for actual and necessary expenses. Oversight will assume the 36 members will incur costs of approximately \$5,000 annually meeting at least twice per year. Oversight will assume this cost will be paid from General Revenue .

Officials from the **Department of Public Safety (DPS)** stated over the past three years, they have been awarded the following grant amounts from the federal Department of Homeland Security:

\$6.68 million in FY 2018;  
\$6.799 million in FY 2017; and  
\$6.94 million in FY 2016

The proposal allows the commission to appropriate 25% of these funds. **Oversight** assumes 25% of these funds would average \$1.7 million ( $(\$6.68 \text{ million} + \$6.799 \text{ million} + \$6.94 \text{ million}) \times 25\%$ ). Oversight assumes the commission could appropriate the grant funds differently than DPS currently does; therefore, Oversight will reflect an offsetting appropriation difference for the \$1.7 million each year out of the DPS - Federal Homeland Security Fund (0193).

Oversight notes the following activity in the DPS - Federal Homeland Security Fund (0193) for FY18, FY17, and FY16:

	Beginning Balance	Receipts	Disbursements/ JVs	Transfer In	Transfer Out	IAB Receipts	IAB Disbursements	Current Balance
FY 18	\$8,200.98	\$6,646,655.00	\$5,620,335.16	\$0	\$221,388.42	\$27.84	\$812,125.43	\$1,034.81
FY 17	\$484.64	\$14,403,968.79	\$6,639,397.98	\$5,198.31	\$290,098.53	\$0	\$7,471,954.25	\$8,200.98
FY 16	\$11,431.21	\$13,775,583.54	\$7,237,304.71	\$0	\$303,206.56	\$0	\$6,246,018.84	\$484.64

Source: State Treasurer's Office

**Oversight** inquired how DPS currently spends the grant money received from the United States Department of Homeland Security and if 25 percent of these grants would be appropriated to the Law Enforcement Terrorism Prevention Activity Commission, which areas would be effected.

**Oversight** notes if 25 percent of the grant funds currently received by DPS would be appropriated to the Law Enforcement Terrorism Prevention Activity Commission, either additional state funds would need to be appropriated to cover these areas or these areas would not have funding to continue at the current level.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE</b>			
<u>Costs</u> - DPS - actual and necessary expenses of the 36 members of the Law Enforcement Terrorism Prevention Activity Commission	<u>(\$5,000)</u>	<u>(\$5,000)</u>	<u>(\$5,000)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$5,000)</u></b>	<b><u>(\$5,000)</u></b>	<b><u>(\$5,000)</u></b>
<b>DPS - FEDERAL - HOMELAND SECURITY FUND</b>			
<u>Savings</u> - appropriation of 25% of Federal Homeland Security grants now appropriated by the Law Enforcement Terrorism Prevention Activity Commission	\$1,700,000	\$1,700,000	\$1,700,000
<u>Costs</u> - appropriation of 25% of Federal Homeland Security grants now appropriated by the Law Enforcement Terrorism Prevention Activity Commission	<u>(\$1,700,000)</u>	<u>(\$1,700,000)</u>	<u>(\$1,700,000)</u>
<b>ESTIMATED NET EFFECT TO THE DPS - FEDERAL - HOMELAND SECURITY FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill establishes within the Department of Public Safety a "Law Enforcement Terrorism Prevention Activity Commission," consisting of 18 sheriffs and 18 chiefs of police representing the nine regions of the state. The commission shall have the authority to appropriate 25% of any grant the state receives from the United States Department of Homeland Security.

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 State Highway Patrol  
    State Emergency Management System  
Joplin Police Department  
Springfield Police Department  
St. Louis County Department of Justice Services  
St. Louis County Police Department



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