

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4251-01  
Bill No.: HB 1741  
Subject: Terrorism; Homeland Security; Law Enforcement Officers and Agencies  
Type: Original  
Date: January 21, 2020

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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>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
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>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

Officials from the **Department of Public Safety - Office of the Director (DPS)** state this proposal creates a 36-member Law Enforcement Terrorism Prevention Activity Commission (LETPAC) and authorizes the LETPAC to appropriate 25 percent of “any” grant money the state receives from the U. S. Department of Homeland Security (DHS).

The Department of Public Safety, Office of Homeland Security (DPS-OHS) currently receives funding through the federal Homeland Security Grant Program (HSGP). Pursuant to Section 2002 of the Homeland Security Act of 2002 (Pub. L. No. 107-296, as amended) (6 U.S.C. §603) and Department of Homeland Security Appropriations Act, 2019 (Pub. L. No. 116-6), 25 percent of HSGP funds must be passed through to law enforcement for terrorism prevention activities. The HSGP Notice of Funding Opportunity states the State Administrative Agency (SAA) is the only entity eligible to submit HSGP applications to DHS/FEMA, including those applications submitted on behalf of Urban Area Security Initiative (UASI). The Governor designates the Homeland Security Advisor as the SAA. DPS, in turn notifies FEMA who the HSA is for SAA identification. FEMA identifies on their SAA listing, the Missouri DPS Director as the SAA and the Missouri Homeland Security Director as the SAA Secondary. Here is a link to their listing: <https://www.fema.gov/media-library/assets/documents/28689>

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, the DPS began formalizing this process, including written bylaws and stronger conflict of interest protections.

This legislation gives the LETPAC “the authority to appropriate” funding. The power to appropriate funding is reserved for the General Assembly.

This bill does not require the LETPAC to comply with federal standards for expenditures of U. S. Department of Homeland Security grant funding. DPS is the federally-designated SAA 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 federal audit findings. This could jeopardize all future HSGP funding awarded to Missouri.

DPS-OHS annually identifies capability gaps in its Stakeholder Preparedness Report. HSGP funding must be spent in alignment with those capability gaps. HB 1741 does not require the LETPAC award funds to address these capability gaps.

ASSUMPTION (continued)

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. Other programs that might be impacted would include the Emergency Management Performance Grant, Health and Human Services/Strategic National Stockpile grant, FEMA Assistance to Firefighters grant, FEMA EMPG, and potentially others could be impacted. These programs are located both inside and outside of DPS.

**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:

\$7.32 million in FY 2019;  
 \$6.98 million in FY 2018; and  
 \$6.799 million in FY 2017

The proposal allows the commission to make recommendations for 25% of these funds. **Oversight** assumes 25% of these funds would average \$1.75 million ((\$7.32 million + \$6.98 million + \$6.799 million) x 25%). Oversight assumes the commission could make recommendations to the grant funds differently than DPS currently does.

Oversight notes the following activity in the DPS - Federal Homeland Security Fund (0193) for FY19, FY18, and FY17:

	Beginning Balance	Receipts	Disbursements/ JVs	Transfer In	Transfer Out	IAB Receipts	IAB Disbursements	Ending Balance
FY 19	\$1,034.81	\$6,191,963.78	\$5,765,282.27	\$0	\$198,907.32	\$2,093.16	\$224,429.71	\$6,742.45
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

Source: State Treasurer's Office

ASSUMPTION (continued)

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

Officials from the **St. Louis County Police Department (SLCPD)** state the proposed legislation creates the "Law Enforcement Terrorism Prevention Activity Commission." If passed, the SLCPD and region could have a potential loss of \$400,000 in UASI grant funding annually. The SLCPD uses this money for anti-terrorism programs and equipment. The SLCPD would be required to either obtain an increased budget from the county or cut other programs as this expense is necessary and cannot be halted due to a lack of funding.

**Oversight** notes the proposal allows the new commission to make recommendations as to the appropriation of twenty-five percent of any grant the state receives. Oversight assumes the new commission does not have the direct authority to make an appropriation or to change how these funds are distributed. Therefore, Oversight will not reflect a direct fiscal impact regarding changing how these grant monies are distributed.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other police and sheriff's departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT - State Government</u>	FY 2021	FY 2022	FY 2023
	(10 Mo.)		
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DPS (\$650.580) Actual and necessary expenses of the 36 members of the Law Enforcement Terrorism Prevention Activity Commission</u>	<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>

FISCAL IMPACT - Local Government

FY 2021  
(10 Mo.)

FY 2022

FY 2023

\$0

\$0

\$0

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 make recommendations on spending the discretionary portion of grants the state receives from the United States Department of Homeland Security.

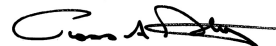
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety  
Springfield Police Department  
St. Louis County Police Department  
St. Louis County Department of Justice Services



Julie Morff  
Director  
January 21, 2020



Ross Strobe  
Assistant Director  
January 21, 2020