

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5816-04
Bill No.: HCS for SCS for SB 852
Subject: Law Enforcement Officers and Agencies; Public Safety Department; St. Louis City
Type: Original
Date: May 2, 2014

Bill Summary: This proposal changes the laws regarding public safety.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue*	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue Fund*	\$0	\$0	\$0

* Oversight assumes the Department of Public Safety will charge fees to cover the anticipated annual expenditures of approximately \$55,000

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 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
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1	1	1

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*	\$0	\$0	\$0

* Losses and Savings that should net to zero.

FISCAL ANALYSIS

ASSUMPTION

Section 44.095 - Law enforcement mutual aid region:

In response to a similar proposal from this year (HB 2041), officials at **Ray County** assumed an unknown cost from this proposal.

Oversight assumes that since all members responding are deemed employees of their respective local political subdivisions, liability and workers' compensation are provided to the employees of the respective local political subdivision. Therefore, Oversight will show a \$0 fiscal impact to local political subdivisions.

Officials from the **Office of Administration - General Services Division** state this part of the proposal would have the potential exposure to the legal expense fund for actions of the Missouri State Highway Patrol while responding to potential critical incidents in bordering counties in Kansas.

In response to a similar proposal from this year (HB 2041), officials at the **Department of Public Safety's Missouri Highway Patrol** assumed no fiscal impact from this proposal.

In response to a similar proposal from this year (HB 2041), officials at the **Jackson County Sheriff's Department** and the **City of Kansas City** each assumed no fiscal impact to their respective organizations from this proposal.

Sections 84.340, 571.030, and 590.750 - Corporate Security Officers:

Officials from the **Department of Public Safety - Office of the Director (DPS)** state this bill requires DPS to regulate and license all corporate Security Advisors. DPS will have to promulgate rules to implement the provisions of the law and shall oversee the licensing of Security Advisors. The addition of the program will necessitate the hiring of a Program Representative II. DPS assumes the total cost for this additional FTE to be approximately \$55,000 per year.

Officials from the **Office of the State Courts Administrator** assume the proposal would not fiscally impact their agency.

ASSUMPTION (continued)

Officials from the **Office of Prosecution Services (OPS)** assume the proposal would not have a fiscal impact on their agency. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs which are difficult to determine.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of acting as a corporate security advisor without a license from the Department of Public Safety; a new class A misdemeanor.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal

Officials from the **Department of Corrections (DOC)** state penalty provisions for violations, a component of the bill to also have potential fiscal impact for DOC, is for a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY13 average of \$5.07 per offender, per day or an annual cost of \$1,851 per offender).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the St. Louis Metropolitan Police Department, and the Kansas City Police Department did not respond to our request for fiscal impact.

Oversight assumes DPS will be able to charge fees for the licensing and renewal of licenses for corporate security advisors. Oversight does not know the number of corporate security advisors

ASSUMPTION (continued)

that are licensed each year by the St. Louis Metropolitan Police Department and the Kansas City Police Department. In the Code of State Regulations (17 CSR 10-2.040), the Board of Police

Commissioners of Kansas City, Missouri has established the following fee schedule:

Annual Company License	\$300
Class A - Armed License	\$145
Class A - Armed License Renewal	\$ 90
Replacement of Lost/Stolen License	\$ 65
Rescheduling Fee	\$ 85

Oversight doesn't know how many licenses DPS will need to issue, or what fees DPS will charge; therefore, we will reflect an unknown amount of revenue into the General Revenue Fund for these fees. However, Oversight assumes DPS will charge fees sufficient to cover their costs of administering this license.

Oversight will also reflect a loss of fees to the local political subdivisions as well as a savings for not having to administer the licensing. Oversight will assume the two will offset.

Section 105.935 - Department of Corrections compensatory time:

Officials from the **Office of Administration - Division of Personnel** state there may be significant fiscal impact to the Department of Corrections in regard to overtime pay-off; however, it would be difficult to predict with any certainty or accuracy how many hours of overtime would be accrued and the pay rates of the staff involved. Therefore, the fiscal impact is unknown.

Officials from **DOC** state the proposed language, "Compensatory time shall be considered accrued upon completion of time worked in excess of such employee's normal assigned shift,..." reflects the recent ruling by the Western District in Missouri Corrections Officers Association v. Missouri Department of Corrections, WD 75418, which held, in essence, that a corrections officer's compensatory time accrues at the end of the shift in which he has worked excess time, and not at the end of the workweek. DOC is already aware of the need to modify the procedure affected by the court case. DOC has changed the way it manages compensatory time in a manner that is compatible with the court case and has not seen any appreciable increase in the accrual of compensatory time. Therefore, it is believed that passage of this legislation would not lead to any significant accrual of additional compensatory time, therefore having \$0 to minimal impact on the Department.

RAS:LR:OD

ASSUMPTION (continued)

The only concern is whether the proposed language requires that the compensatory time considered accrued upon completion of time worked in excess of an employee's normal assigned shift should be paid out at the rate of time and one-half or at the employee's straight rate of pay. It is assumed that this legislation is proposed in order to implement the court case and not alter the way the FLSA calculates compensatory time.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 months)	FY 2016	FY 2017
-----------------------------------------	------------------------	---------	---------

GENERAL REVENUE FUND

<u>Income</u> - DPS - licensing fees, renewal fees, and other fees for corporate security officers (§590.750)	At least \$52,384	At least \$55,316	At least \$55,878
---------------------------------------------------------------------------------------------------------------	-------------------	-------------------	-------------------

Cost - DPS

Personal Service (1 FTE)	(\$29,870)	(\$36,202)	(\$36,564)
Fringe Benefits	(\$15,235)	(\$18,465)	(\$18,649)
Expense and Equipment	<u>(\$7,279)</u>	<u>(\$649)</u>	<u>(\$665)</u>
<u>Total Costs</u> - DPS (§590.750)	<u>(\$52,384)</u>	<u>(\$55,316)</u>	<u>(\$55,878)</u>

ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change for General Revenue Fund	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 months)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> - Kansas City and St. Louis Police Departments - no longer regulating corporate security advisors (§590.750)	Unknown	Unknown	Unknown
<u>Loss</u> - Kansas City and St. Louis Police Departments - no longer collecting fees for regulating corporate security advisors (§590.750)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<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 proposal moves the authority to regulate corporate security advisors from the Board of Police Commissioners to the Department of Public Safety.

This proposal allows certain Missouri counties to enter into a mutual-aid agreement with certain Kansas counties for reciprocal emergency aid.

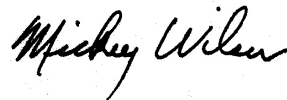
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Office of Administration
Department of Corrections
Office of the State Courts Administrator
Office of the State Public Defender
Office of Prosecution Services
Jackson County Sheriff's Department
City of Kansas City
Ray County

NOT RESPONDING:

St. Louis Metropolitan Police Department
Kansas City Police Department



Mickey Wilson, CPA
Director
May 2, 2014

Ross Strobe
Assistant Director
May 2, 2014