

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4105-01
Bill No.: SB 572
Subject: State Treasurer; Law Enforcement Officials and Agencies; Department of Public Safety
Type: Original
Date: January 15, 2020

Bill Summary: This proposal establishes the “Community Crime Reduction Grant Program” which shall provide money to qualifying municipal police departments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(Could exceed \$2,197,597)	(Could exceed \$2,634,587)	(Could exceed \$2,635,230)
Total Estimated Net Effect on General Revenue	(Could exceed \$2,197,597)	(Could exceed \$2,634,587)	(Could exceed \$2,635,230)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Community Crime Reduction Program*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Transfer-in and Grant distributions net to zero

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☒ 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 2021	FY 2022	FY 2023
Local Government	(Could exceed \$2,133,397)	(Could exceed \$2,560,076)	(Could exceed \$2,560,076)

FISCAL ANALYSIS

ASSUMPTION

§589.805 - Community Crime Reduction Grant Program

Officials from the **Department of Public Safety (DPS)** state §589.805 requires the DPS to establish a pilot program known as the “Community Crime Reduction Grant Program” to qualifying municipal police departments as provided under subsection 2.

DPS is also required to administer the grants issued and promulgate all necessary rules and regulations for the administration of this section.

Due to the effort required to establish the grant program and to then administer the grants, DPS will require one (1) FTE Program Specialist (at \$46,171). This would be a new grant program to the department. Costs relative to this new grant program would be as follows:

Program Specialist	\$46,171
Fringe Benefits	\$26,853
Chair	\$574
File Cabinet	\$599
Calculator	\$40
ITSD One-Time Costs (PC/Monitor/Software)	\$1,425
On-Going Office Supplies	\$372
On-Going ITSD Expenses	<u>\$478</u>
Total	\$76,512

The grant program covered by this legislation is subject to appropriation by the general assembly. There is also a dedicated fund created to support this section. DPS will need administrative support funding to adequately achieve the intent of this legislation.

The appropriation/gifts will set the size or level of the grant program overseen by DPS. Depending on how this grant program is established and managed, there could be an increase in maintenance costs to our grant management system that cannot be calculated at this point.

Oversight does not have any information contrary to that provided by DPS. Therefore, Oversight will reflect DPS’s estimated impact for fiscal note purposes.

ASSUMPTION (continued)

Officials from the **Columbia Police Department (CPD)** state the City of Columbia would qualify for funding. Since it is not possible to estimate how much would actually be available to the City of Columbia, we assume a positive fiscal impact since new funds would be available on a matching basis for officers and for the full cost of training specified in the bill.

Oversight contacted the CPD to determine the number of sworn and civilian employees, starting salary for an officer, fringe benefit rate, and an estimate of the City of Columbia's population. According to CPD, the City's approved budget document estimates a 2020 population of 124,537 and states the CPD has 184 sworn and 41 civilian employees. Therefore, using a future estimated population of 125,000, meeting the "two officers per one thousand people" threshold as stated in the bill would require 250 police officers. Oversight assumes this refers to sworn officers and does not include civilian employees. Therefore, CPD would need to add approximately 66 (250-184) police officers to meet the threshold.

CPD states the starting salary for a police officer is \$46,354 and fringe benefits are calculated at a rate of 67.36 percent. Therefore, an additional 66 police officers would equate to \$5,120,152 ($66 \times (\$46,354 \times 1.6736)$) in costs. Under §589.805.3(1), the state would provide fifty percent (\$2,560,076) of this funding. Additional costs may be incurred under subdivision (2), where the state pays for the new officers to attend at least one seminar relating to fair and impartial policing and one seminar related to racial sensitivity.

Oversight does not have any information contrary to that provided by CPD. Therefore, Oversight will reflect CPD's impact for fiscal note purposes.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Oversight notes the **State Treasurer's Office** and the **St. Joseph Police Department** have each 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.

Oversight assumes, for fiscal note purposes, that appropriations to the Community Crime Reduction Program Fund will be distributed as grants in the same fiscal year for which moneys are appropriated.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Costs</u> - DPS (§589.805) to establish and administer the grant program			
Personal service (1 FTE)	(\$38,476)	(\$46,633)	(\$47,099)
Fringe benefit	(\$22,378)	(\$27,007)	(\$27,162)
Expense and Equipment	(\$3,346)	(\$871)	(\$893)
<u>Total Costs - DPS</u>	<u>(\$64,200)</u>	<u>(\$74,511)</u>	<u>(\$75,154)</u>
FTE Change - DPS	1 FTE	1 FTE	1 FTE
<u>Costs</u> - DPS (§589.805) Appropriation to Community Crime Reduction Program Fund (Subject to appropriation)			
	<u>(Could exceed \$2,133,397)</u>	<u>(Could exceed \$2,560,076)</u>	<u>(Could exceed \$2,560,076)</u>
ESTIMATED NET FISCAL IMPACT TO THE GENERAL REVENUE FUND	<u>(Could exceed \$2,197,597)</u>	<u>(Could exceed \$2,634,587)</u>	<u>(Could exceed \$2,635,230)</u>
Estimated Net FTE change for the General Revenue Fund	1 FTE	1 FTE	1 FTE

FISCAL IMPACT - State Government
 (continued)

FY 2021
 (10 Mo.)

FY 2022

FY 2023

**COMMUNITY CRIME REDUCTION
 PROGRAM FUND**

Transfer-in - from General Revenue Fund

Could exceed
 \$2,133,397

Could exceed
 \$2,560,076

Could exceed
 \$2,560,076

Costs - DPS (\$589.805) Grants (Subject
 to appropriation)

(Could exceed
\$2,133,397)

(Could exceed
\$2,560,076)

(Could exceed
\$2,560,076)

**ESTIMATED NET FISCAL IMPACT
 TO THE COMMUNITY CRIME
 REDUCTION PROGRAM FUND**

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2021
 (10 Mo.)

FY 2022

FY 2023

LOCAL POLICE DEPARTMENTS

Income - Columbia Police Department
 (\$589.805) - Community Crime
 Reduction grants from DPS

Could exceed
 \$2,133,397

Could exceed
 \$2,560,076

Could exceed
 \$2,560,076

Costs - Columbia Police Department
 (\$589.805) - Adding additional officers to
 meet 2 per 1,000 population threshold

(Could exceed
\$4,266,794)

(Could exceed
\$5,120,152)

(Could exceed
\$5,120,152)

**ESTIMATED NET FISCAL IMPACT
 TO LOCAL POLICE
 DEPARTMENTS**

(Could exceed
\$2,133,397)

(Could exceed
\$2,560,076)

(Could exceed
\$2,560,076)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act establishes a pilot program known as the "Community Crime Reduction Grant Program" which shall provide money to qualifying municipal police departments.

The grants provided under this act shall be subject to appropriation by the General Assembly and shall be equally dispersed among qualifying municipal police departments. To qualify, a municipal police department must:

- Employ less than two officers per one thousand people; and
- Serve a city with a population of 75,000 inhabitants to 125,000 inhabitants that is located in a first class county.

Grants received from the program shall be used as payment for the following:

- Up to 50% of the cost of employing new law enforcement officers needed to raise the department's officer to population ratio to two officers per one thousand people; and
- Up to 100% of the cost for law enforcement officers hired with grant money by the municipal police department to attend not less than one seminar relating to fair and impartial policing and one seminar relating to racial sensitivity at the University of Missouri Law Enforcement Training Institute.

Municipal police departments receiving grants under the program shall submit an annual report with information as provided in the act to the Department of Public Safety on or before December 31 of each year in which the Department received the grant money.

This act also creates the "Community Crime Reduction Program Fund" which shall consist of all gifts, bequests, transfers, and money appropriated by the General Assembly for the program. The state treasurer shall be the custodian of the Fund and may approve disbursements. Money from the Fund shall be used solely by the Department of Public Safety to issue grants to qualifying municipal police departments through the program.

The Department of Public Safety shall administer the grants issued under the program and promulgate all rules and regulations for the administration of the program.

The provisions in this act shall sunset after four years unless reauthorized by the General Assembly.

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
Joint Committee on Administrative Rules
Office of Secretary of State
State Treasurer's Office
Columbia Police Department
St. Joseph Police Department



Julie Morff
Director
January 15, 2020



Ross Strobe
Assistant Director
January 15, 2020