

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5888-01  
Bill No.: HB 1767  
Subject: Boards, Commissions, Committees, Councils; Telecommunications; Crimes and Punishment  
Type: Original  
Date: March 6, 2012

Bill Summary: This proposal changes the sunset provision for the cyber crime investigation fund, the cyber crime grant program and the panel to award such grants to a ten-year expiration date of August 28, 2022.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$3,000,000)</b>	<b>(\$3,000,000)</b>	<b>(\$3,000,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Cyber Crime Investigation	\$0	\$0	\$0
<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 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>Up to \$3,000,000</b>	<b>Up to \$3,000,000</b>	<b>Up to \$3,000,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services (DOS)** state passing of the bill would enact RSMo. 650.120, which would allow the State Technical Assistance Team (STAT) to apply for additional grant funding. If the bill does not pass, additional grant funding will be discontinued.

STAT is a recipient of the Cyber Crime Investigative Fund Grant Program, for which in FY 2012, we received \$84,516, which is used to train employees in advanced high technology forensic investigative techniques, as well as purchase software, equipment and supplies for conducting high tech children's events investigations. Loss of this grant funding would have a negative impact in the above listed areas, which could also be reflected in the ability to protect Missouri children from high tech predators. As the grant funds are above and beyond STAT's budget, there is no fiscal impact.

In response to a similar proposal from this year (HB 1750), officials from the **Department of Public Safety - Missouri Highway Patrol** and the **Springfield Police Department** each assumed the proposal would not fiscally impact their respective agencies.

In response to a similar proposal from this year (HB 1750), officials from the **Boone County Sheriff's Office** stated they currently receive funding for two detectives, equipment, training and overtime for their Cyber Crimes Unit. Last year's grant provided \$173,300. This year's grant totals \$153,305 in funding. With these grants, the Sheriff's Office do not then have to come from the department's general budget. It is not known whether Boone County would be able to cover the loss of these funds to continue to employ two of the Cyber Crimes Unit detectives and/or keep the unit operational.

Officials from the **Department of Public Safety - Director's Office** did not respond to our request for fiscal impact; however, **Oversight** completed a sunset review of the program last summer. Below is information Oversight compiled during that sunset review:

Beginning with fiscal year 2010 and each subsequent year, the General Assembly was to appropriate three million dollars to the Cyber Crime Investigation Fund to fund the program. The Department of Public Safety administers the fund.

State funding of the Internet Cyber Crime Grant (ICCG) program began in Fiscal Year 2007 and lasted for three years. The program was funded through the state's General Revenue Fund and

ASSUMPTION (continued)

expenditures in the program for those three years were:

1. \$ 184,558 in FY 2007 (2007 ICCG);
2. \$1,025,285 in FY 2008 (2008 ICCG); and
3. \$1,357,748 in FY 2009 (2009 ICCG).

In 2009, the American Recovery and Reinvestment Act (ARRA), commonly known as the federal stimulus program, was signed into law which provided additional funding to the Edward Byrne Memorial Justice Assistance Grant (JAG) for state and local law enforcement agencies. In 2010, DPS stopped funding the ICCG program and started a very similar program funded with stimulus funds and named the new program the Multi-Jurisdictional Cyber Crime Grant Program (MJCCG) to distinguish it from the ICCG. For the past three years, all Missouri cyber crime grants have been awarded under MJCCG program. Federal funding of the MJCCG began in State Fiscal Year 2010 and will last through FY 2012 (at which time the federal stimulus funding is believed to expire). Expenditures/awards in the program for those three years are:

4. \$1,407,009 of expenditures in FY 2010 (2009 MJCCG);
5. \$1,419,768 of awards in FY 2011 (2010 MJCCG); and
6. \$1,516,699 of awards in FY 2012 (2011 MJCCG).

Therefore, for the past three fiscal years, funding for the program has been with federal stimulus funding and has not met the stated \$3 million annual threshold.

Program Year	Program	Contract Period	Grantees	Award	Expenditure	Funding Source
2007	ICCG	7/1/06 - 6/30/07	11	\$242,388	\$184,558*	General Revenue
2008	ICCG	7/1/07 - 5/31/08	15	\$1,208,527	\$1,025,285*	General Revenue
2009	ICCG	6/1/08 - 5/31/09	15	\$1,455,398	\$1,357,748*	General Revenue
2009**	MJCCG	6/1/09 - 6/30/10	13	\$1,499,597	\$1,407,009	ARRA
2010	MJCCG	7/1/10 - 6/30/11	14	\$1,419,768	Not Available	ARRA
2011	MJCCG	7/1/11 - 6/30/12	14	\$1,516,699	Not Complete	ARRA

ASSUMPTION (continued)

This table shows the various task forces throughout the state that are receiving funding in the current fiscal year through the federal program (MJCCG).

	Task Force	Project Title	Requested Funding	Award
1	Boone County, Cyber Task Force	Boone County Sheriff's Department Cyber Crimes Task Force	\$204,378	\$152,305
2	Clayton, RCCEEG	Regional Computer Crime Education & Enforcement Group	\$139,655	\$138,802
3	Dent County, Cyber Task Force	South Central Missouri Computer Crime Task Force	\$44,186	\$44,186
4	Independence, Cyber Unit	Northeastern Jackson County Cyber Crimes Working Group Against Internet Crime	\$138,851	\$121,092
5	Joplin, Cyber Task Force	Southwestern Missouri Cyber Crime Task Force	\$177,586	\$177,182
6	Kirkville, Cyber Task Force	Kirkville Regional Computer Crimes Unit	\$59,742	\$59,742
7	Missouri Department of Social Services, STAT	Operation Cyber-Safe	\$97,362	\$84,512
8	Missouri State Highway Patrol, Cyber Crime Unit	Computer Forensic Unit	\$42,057	\$31,989
9	Platte County, PCMEG	Western Missouri Cyber Crimes Task Force	\$423,006	\$202,677
10	Poplar Bluff, SEMO Cyber Unit	SEMO Cyber Crimes Task Force	\$129,215	\$105,206
11	Springfield, Cyber Crime Task Force	2012 Internet Cyber Crime Initiative	\$237,582	\$73,748
12	St Charles County, Cyber Task Force	St. Charles County Internet Crimes Against Children	\$191,584	\$190,864
13	St. Louis County, Cyber Task Force	2011 MJCCG - Special Investigations Personnel Upgrade	\$181,622	\$63,746
14	Stone County, Tri-Lakes Cyber Task Force	Tri-Lakes Regional Internet Crimes Task Force	\$93,490	\$70,646
	<b>Total Funding</b>		<b>\$2,160,318</b>	<b>\$1,516,698</b>

**Oversight** assumes the federal stimulus funding for this program will be exhausted by the end of FY 2012. Therefore, Oversight will assume an annual cost of \$3 million to the General Revenue Fund to continue this program in FY 2013 and beyond. The Department of Public Safety is

ASSUMPTION (continued)

allowed to retain up to three percent of the funding for administrative expenses.

Two state agencies (Missouri Highway Patrol and the Department of Social Services) have received funding through this program for the last five years. Therefore, Oversight will show potentially not all of the \$3 million being distributed to local political subdivisions (some of the money could be granted to state agencies that work in this field and Department of Public Safety - Director's Office could retain a percentage of the \$3 million for administrative expenses).

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - to the Cyber Crime Investigation Fund - to continue the Internet Cyber Crime Grant Program	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$3,000,000)</u></b>	<b><u>(\$3,000,000)</u></b>	<b><u>(\$3,000,000)</u></b>
 <b>CYBER CRIME INVESTIGATION FUND</b>			
<u>Transfer In</u> - from the General Revenue Fund	\$3,000,000	\$3,000,000	\$3,000,000
<u>Costs</u> - Department of Public Safety is allowed to retain up to 3% of funding for administrative expenses	(Up to \$90,000)	(Up to \$90,000)	(Up to \$90,000)
<u>Costs</u> - grants to multijurisdictional internet cyber crime law enforcement task forces	(At least <u>\$2,910,000</u> )	(At least <u>\$2,910,000</u> )	(At least <u>\$2,910,000</u> )
<b>ESTIMATED NET EFFECT TO THE CYBER CRIME INVESTIGATION FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>LOCAL POLICE DEPARTMENTS AND SHERIFF'S OFFICES</b>			
<u>Income</u> - grants from the Missouri Department of Public Safety for the Internet Cyber Crime Grant program	Up to <u>\$3,000,000</u>	Up to <u>\$3,000,000</u>	Up to <u>\$3,000,000</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLICE DEPARTMENTS AND SHERIFF'S OFFICES</b>	<b>Up to <u>\$3,000,000</u></b>	<b>Up to <u>\$3,000,000</u></b>	<b>Up to <u>\$3,000,000</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, the provisions regarding Internet cyber crime law enforcement task forces and the Cyber Crime Investigation Fund expire on June 5, 2012. This proposal extends these provisions to August 28, 2022.

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

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SOURCES OF INFORMATION

Department of Public Safety  
Department of Social Services  
Boone County Sheriff's Department  
Springfield Police Department

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial 'M' and 'W'.

Mickey Wilson, CPA  
Director  
March 6, 2012