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FISCAL IMPACT REPORT

SPONSOR Brandt/Moores **ORIGINAL DATE** 2/05/2020
LAST UPDATED 2/13/2020 **HB** _____

SHORT TITLE Law Enforcement Tech & Evidence Keeping **SB** 231

ANALYST Rabin

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$100,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		At least \$2,809.0	At least \$2,809.0	At least \$5,618.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Public Safety (DPS)

Department of Information Technology (DoIT)

SUMMARY

Synopsis of Bill

Senate Bill 231 appropriates \$100 million from the general fund to the Department of Public Safety for the purpose of providing grants to county and municipal law enforcement entities to fund system upgrades to improve interoperability between state, county, and municipal entities, real-time crime reporting among county and municipal law enforcement entities, and modernization of evidence storage and handling in accordance with best practices. SB231 specifies that DPS will consult with the Department of Information Technology (DoIT) to determine the “appropriateness of providing grants to county and municipal law enforcement entities,” and that grants shall not exceed fifty percent of the costs of the projects they are awarded for.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$100 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY21 shall revert to the general fund. Although SB231 does not specify future appropriations, establishing a new grant program could create an expectation that the program will continue in future fiscal years, and this cost is therefore scored as recurring.

DPS notes that it currently administers \$20 million of federal pass-through grant funding for 35-40 recipients throughout the state. Administering those grants requires eight staff, so the department estimates a \$100 million pass-through grant program will require significantly more resources. DPS estimates that fulfilling the requirements of SB231 would require the following additional personnel and related expenses (including salary and benefits):

**Personnel Cost DPS to Administer
SB231 Grant Program**

Position	Number of Staff	Cost
Bureau Chief	4	\$460.0
Staff Manager	4	\$360.0
Contract Writer	3	\$225.0
Management Analyst	16	\$1,088.0
Financial Analyst	6	\$476.0
Administrative Staff	4	\$200.0
Total Est. Impact:	37	\$2,809.0

Source: DPS

Currently, DPS limits the number of grants administered by each grant manager (classified as management analyst positions) to 10. Under the scenario outlined above, the department could administer a maximum of 160 grants, averaging \$625 thousand.

DoIT notes it is unclear what its involvement in the grant program would be, and it is therefore difficult to determine the extent of the operating impact on that department, as the requirement that DPS consult with DoIT on the “appropriateness” of providing grants is vague. DoIT notes that if it is required to consult on the technological capacity of local law enforcement entities, the agency would need to devote considerable resources toward gathering that information, a potentially significant impact to its operating budget.

SIGNIFICANT ISSUES

The funds appropriated in SB231 revert at the end of FY21, creating a short window for their expenditure. DPS provides grants through reimbursements to grantees, so grantees would need to submit invoices or other proof of expenditures before receiving funds from DPS; DPS also typically cuts off grant spending 30 days before the close of a grant agreement. As a result, projects awarded funding under this program would be required to complete all grant-eligible

spending by the end of May 2021, resulting in a maximum period of expenditure of 11 months (assuming DPS is able to determine grant recipients during FY20 and disburse funds to recipients on July 1, 2020, a very aggressive schedule). This would likely make it impossible to fund significant, time-consuming IT projects through this program.

DPS notes that SB231 does not specify criteria for grant eligibility or compliance. As the fiscal agent, DPS would have to develop a process for awarding grants and determining recipients as well as specific and measurable deliverables to ensure grantee accountability. Based on the language of the bill, it appears DPS would also need to consult with DoIT to establish criteria for award eligibility. If more specific direction is added to the bill, DPS would better be able to ensure the structure of the grant program aligns with legislative intent.

DPS also notes that, as the administrative supervising authority for the U.S. Department of Justice, the department “understands and recognizes the importance of funding smaller and less fiscally fortunate state-wide law enforcement agencies. However, the cost and the manpower associated with the administration of this type of funding is exorbitant. It is important, that the ability to responsibly manage this funding both fiscally and programmatically be taken into serious consideration as both the fiscal agent and sub-recipients must have the resources necessary in order to act as good stewards of legislative funding. Absent these resources, many awarded entities will not be in a position to successfully manage their awards, much less spend the money awarded to them.”

PERFORMANCE IMPLICATIONS

DPS notes that performance measures would need to be established to track grant activity of each grant recipient and measure outcomes. These performance measures should be tied to grant deliverables. DPS notes that if more specific guidelines for the program were established in this bill, the performance measure it would develop would align with those guidelines.

ADMINISTRATIVE IMPLICATIONS

As noted in Significant Issues, above, administering this grant program would require significant resources from DPS.

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