

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 864

(Senator Lee, *et al.*)

Judicial Proceedings

Appropriations

**Public Safety - Internet Crimes Against Children Task Force Fund -
 Establishment (Alicia's Law)**

This bill establishes the Internet Crimes Against Children (ICAC) Task Force Fund administered by the Executive Director of the Governor’s Office of Crime Control and Prevention (GOCCP) to (1) provide grants to local law enforcement agencies for salaries, training, and equipment to be used for the investigation and prosecution of Internet crimes against children; (2) support the ongoing operations of the Maryland ICAC Task Force established by the Department of State Police (DSP); and (3) provide funding to specified child advocacy centers. The bill requires the Governor to include in the annual budget bill an appropriation of not less than \$2 million to the fund beginning in fiscal 2018.

The bill takes effect June 1, 2016.

Fiscal Summary

State Effect: General fund expenditures increase by \$7,117 in FY 2017 for GOCCP administrative costs. Future year expenditures reflect annualization and inflation of administrative expenditures as well as the mandated appropriation of at least \$2.0 million annually to capitalize the new fund. Special fund revenues and expenditures increase by at least \$2.0 million annually beginning in FY 2018. It is assumed that there is no impact in FY 2016. **This bill establishes a mandated appropriation beginning in FY 2018.**

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
SF Revenue	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000
GF Expenditure	\$0	\$7,100	\$2,034,700	\$2,036,100	\$2,037,500
SF Expenditure	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000
Net Effect	\$0	(\$7,100)	(\$2,034,700)	(\$2,036,100)	(\$2,037,500)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Grant revenues increase beginning in FY 2018 for salaries, training, and equipment to be used for the investigation and prosecution of Internet crimes against children.

Small Business Effect: Minimal or none.

Analysis

Bill Summary: The fund consists of money appropriated in the State budget, accrued interest, and any other money from another source accepted for the benefit of the fund. Any interest earnings of the fund must be credited to the fund, and expenditures from the fund may be made only in accordance with the State budget. The accounts and transactions of the fund are subject to audit by the legislative auditor.

Money from the fund must be distributed on the basis of need, as determined by the executive director, as follows:

- for grants to local law enforcement agencies for salaries, training, and equipment to be used for the investigation and prosecution off Internet crimes against children;
- to the ICAC Task Force in DSP to support ongoing operations; and
- in an amount not greater than 25% of the fund, to specified child advocacy centers.

Before the distribution of grant funds, grant recipients must execute a memorandum of understanding with the task force and agree to work with the task force, abiding by the task force guidelines and protocols related to the investigation and prosecution of Internet crimes against children. After receiving a grant award, the local law enforcement agency must submit a report detailing the use of grant expenditures to the executive director.

Current Law/Background:

Maryland ICAC Task Force

The Computer Crimes Unit within DSP operates and administers the Maryland ICAC Task Force, a federally funded project designed to respond to and investigate complaints of online sexual child exploitation. The ICAC Task Force consists of law enforcement agencies from around the State and, in 2015, was responsible for 200 arrests relating to child exploitation crimes. The task force has received more than 1,500 cyber tips from the National Center for Missing and Exploited Children.

Child Advocacy Centers

GOCCP is required to establish and sustain child advocacy centers in the State to address the special needs of sexual assault victims. The centers (1) may be based in private nonprofit organizations, local departments of social services, local law enforcement agencies, or a partnership among any of these entities; (2) must be developed and located to facilitate their use by alleged victims residing in the surrounding areas; (3) must investigate allegations of sexual crimes against children and sexual abuse of minors; (4) must provide or facilitate referrals to appropriate counseling, legal, medical, and advocacy services for victims; and (5) must be included in specified investigation procedures. GOCCP may contract with public or private nonprofit organizations to operate the centers.

State Fiscal Effect:

Funding Appropriated to the ICAC Task Force Fund

The bill specifies that the Governor must include in the annual budget bill an appropriation of not less than \$2 million to the fund beginning in fiscal 2018. Thus, beginning in fiscal 2018, general fund expenditures increase by at least \$2.0 million annually, and special fund revenues and expenditures increase correspondingly.

Although the distribution of grant funds is not specified in the bill (other than the limit of 25% of the fund to child advocacy centers), assuming the minimum of \$2.0 million annually is appropriated to the fund beginning in fiscal 2018, special fund revenues for DSP could increase by an estimated \$750,000 annually. This assumes that GOCCP provides 25%, or \$500,000 annually, to child advocacy centers and then distributes the remaining \$1.5 million equally between DSP and local law enforcement agencies.

DSP special fund expenditures increase correspondingly to support the ongoing work of the ICAC Task Force. DSP advises that, in fiscal 2016, it received \$338,648 in federal grant funding for the task force. DSP currently has three full-time investigators, one sergeant, and a detective sergeant for ICAC cases. In addition, DSP has a digital forensics laboratory with three digital forensic examiners and a laboratory manager. DSP advises that there is a backlog of ICAC-related cases and that, under the bill, DSP plans to use the additional funding to hire additional investigators and digital forensic examiners and, if possible, to expand its digital forensics work across the State. This analysis assumes that funding provided to DSP under the bill is supplemental to any federal funds it receives.

GOCCP's Costs to Administer the New Fund

General fund expenditures for GOCCP increase by \$7,117 in fiscal 2017, which assumes an implementation date of June 1, 2017, which reflects the assumption that no funding is appropriated to the new fund until fiscal 2018. This estimate reflects the cost of hiring one part-time programming specialist to administer the new fund. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. Because the bill does not explicitly allow GOCCP to use the new fund to cover its administrative costs, it is assumed that these costs are borne by the general fund.

Position	0.5
Salary and Fringe Benefits	\$2,730
Equipment/Operating Expenses	<u>4,387</u>
Total FY 2017 Admin. Expenditures	\$7,117

Future year administrative expenditures in GOCCP reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Although the bill takes effect June 1, 2016, it is assumed that there is no impact in fiscal 2016.

Office of Legislative Audits

The Office of Legislative Audits can audit the new fund during its regular audit of the Governor's Office. Thus, it can implement the bill with existing resources.

Local Fiscal Effect: Assuming the minimum of \$2.0 million annually is appropriated to the new fund beginning in fiscal 2018, local law enforcement agencies could receive an estimated \$750,000 annually in grants from the new fund (assuming the distribution of grant money as discussed above) for salaries, training, and equipment to be used for the investigation and prosecution of Internet crimes against children.

Additional Information

Prior Introductions: None.

Cross File: HB 1490 (Delegates Lierman and Morales) - Appropriations.

Information Source(s): Governor's Office of Crime Control and Prevention, Maryland State Lottery and Gaming Control Agency, Department of State Police, Comptroller's Office, Montgomery and Prince George's counties, cities of Bowie and Takoma Park, Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2016
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