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Joint Committee on Finance

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Homeland Security Office (Military Affairs)

[LFB 2023-25 Budget Summary: Page 420, #18]

CURRENT LAW

As the head of the Department of Military Affairs (DMA), the Adjutant General (TAG) serves as the chair to Wisconsin's Homeland Security Council and the Homeland Security Advisor to the Governor. The Adjutant General also serves as the Governor's Cybersecurity Advisor. The Homeland Security Council is a 16-member, non-statutory council responsible for advising the Governor on homeland security issues, coordinating state and local threat prevention and response efforts, and producing reports on the state of homeland security in Wisconsin. The Council works with local, state, federal, and tribal agencies, non-governmental organizations, and private industry to improve citizen and community preparedness to threats to the state. The Governor appoints members to the Homeland Security Council.

Under DMA, the State Emergency Operations Center (SEOC) responds to every type of emergency in Wisconsin, including manmade and natural disasters and homeland security threats. The SEOC facilitates coordination between Wisconsin's state agencies to ensure that there is an effective response to emergencies in Wisconsin.

DISCUSSION POINTS

Background

1. The Department of Military Affairs identifies five main threats within the state: cartel facilitation of illicit drugs, intellectual property theft, cyber intrusions and attacks, domestic violent extremists, and misinformation and disinformation campaigns.

2. ***Cartel Facilitation of Illicit Drugs.*** According to DMA, in 2021, fentanyl overdose was the leading cause of death among Americans ages 18 to 45. Drug-related deaths have increased

dramatically in recent years. For example, Wisconsin's Department of Health Services reports that fentanyl overdose deaths in Wisconsin increased by 97% from 2019 (651 deaths) to 2021 (1,280 deaths). Additionally, cocaine deaths involving synthetic opioids increased by 134% from 2019 (182 deaths) to 2021 (426 deaths). Information presented at a hearing on illicit fentanyl tracking before the US Senate Foreign Relations Committee in February, 2023, indicated that China is the predominate supplier of fentanyl precursors, which are transported to Mexican cartels for production in labs before being trafficked into the United States.

3. ***Intellectual Property Theft.*** The 2022 US National Security Strategy (NSS) characterizes the security environment as one of strategic competition in which countries such as China and Russia compete against the US for advantages in the economic, information, and security domains. One way China has gained a competitive advantage is through intellectual property theft. According to media accounts, China has illegally acquired trillions of dollars in intellectual property from within the global manufacturing, energy, and pharmaceutical sectors. For example, the Chinese company Sinovel was convicted of conspiracy to commit trade secret theft, theft of trade secrets, and wire fraud after stealing wind turbine code in 2011 from a US-based company, AMSC (formerly known as American Superconductor, Inc.). The code was downloaded from an AMSC computer in Wisconsin. The theft cost AMSC more than \$800 million. According to DMA, the NSS seeks to mitigate theft of intellectual property by integrating local, state, and federal law enforcement, homeland security, and intelligence efforts.

4. ***Cyber Intrusions and Attacks.*** According to DMA, Wisconsin civil and municipal cyber networks are under constant threat of cyberattacks. In 2022, DMA's cyber response team, along with the US Cybersecurity and Infrastructure Security Agency (CISA), responded to 16 events. The 2023 US National Cybersecurity Strategy indicates that, as software systems grow more complex, they provide value to companies and consumers, but also increase collective insecurity by layering new functionality and technology onto intricate and brittle systems at the expense of security and resilience. For example, new artificial intelligence systems are heightening the complexity and risk associated with important technological systems. According to DMA, as complexity increases without proportionate increases in education and security protocols, malicious actors may be able to uncover more vulnerabilities.

5. ***Domestic Violent Extremists.*** While incidents involving domestic violent extremists are not new in the US, such events are increasing. According to the US Government Accountability Office, over the last ten years, domestic terrorism-related investigations have grown by 357%. For example, there has been a surge of attacks on power substations, in some cases resulting in power outages. According to DMA, there have been at least two suspicious incidents at power substations in Wisconsin in 2023.

6. ***Misinformation and Disinformation Campaigns.*** According to CISA, misinformation is false, but not created or shared with the intention of causing harm; disinformation is deliberately created to mislead, harm, or manipulate a person, social, group, organization, or country; and malinformation is based on fact, but used out of context to mislead, harm, or manipulate. The agency indicates that foreign actors use misinformation, disinformation, and misinformation campaigns to cause chaos, confusion, and division, with the intent of interfering with democracy and national cohesiveness.

Homeland Security Office

7. Under Assembly Bill 43/Senate Bill 70, an Office of Homeland Security would be created within the Department of Military Affairs (DMA). The bill specifies that: (a) the Office would have the meaning of a "bureau" in statutes; (b) the director of the Office would be appointed by the Adjutant General; and (c) the Office would coordinate with the federal Department of Homeland Security and state and local law enforcement agencies to identify, investigate, assess, report, and share tips and leads linked to emergency homeland security threats. The bill would create an annual office of homeland security appropriation and provide the Office with expenditure and position authority of \$244,700 GPR in 2023-24, \$313,000 GPR in 2024-25, and 4.0 GPR positions annually. The 4.0 positions in the Homeland Security Office would include one supervisor and three program staff that would work with state, local, and federal government information related to homeland security. Funding would support the salaries, fringe benefits, and ongoing supplies and services for the recommended positions. Table 1 below indicates the cost components of a Homeland Security Office under AB 43/SB 70.

TABLE 1

Cost Components of Homeland Security Office under AB 43/SB 70

<u>Costs</u>	<u>2023-24</u>	<u>2024-25</u>
Salary for 1.0 Supervisor	\$51,100	\$68,100
Fringe for 1.0 Supervisor	22,500	30,000
Salaries for 3.0 Program Staff	91,000	121,400
Fringe for 3.0 Program Staff	40,100	53,500
Supplies and Services (Ongoing)	<u>40,000</u>	<u>40,000</u>
Total	\$244,700	\$313,000

8. According to the Department of Administration (DOA), the 4.0 positions recommended for the Office would assist with: (a) analyzing critical infrastructure; (b) assessing and prioritizing homeland security threats; (c) developing homeland security policy, strategy, outreach, and training on threat awareness; (d) improving and coordinating homeland security initiatives and information across all levels of government; (e) protecting the critical infrastructure of the state and recovering disrupted essential services; (f) improving the state's capability to prevent terrorism; (g) identifying and reducing the influence of adversaries to the state; (h) providing administration services for the Wisconsin Homeland Security Council (which currently does not have full-time administrative resources); (i) managing the homeland security grant program; and (j) identifying and assessing cybersecurity concerns.

9. Additionally, the Homeland Security Office would coordinate with all levels of government and critical infrastructure entities, such as power plants. By consolidating information from all levels of government and critical infrastructure entities, the Office is intended to provide a broad view of the threats concerning the state. The National Governor's Association Homeland Security guidance report recommends that states have a homeland security organization that can share information both within the state and with neighboring states. According to the Administration, the intent of creating the Homeland Security Office would be to provide an entity that can consolidate

important information and ensure that the correct entities and individuals are made aware of threats in a timely and comprehensive manner when they arise. The Homeland Security Office would coordinate with Wisconsin's Protective Security Advisors (liaisons of the federal Department of Homeland Security) and state agencies, including the Capitol Police, the Wisconsin Statewide Intelligence Center, the Wisconsin State Patrol, and the Department of Natural Resources. Protective Security Advisors support planning, outreach, and training initiatives and serve as liaisons to government officials and private sector critical infrastructure owners/operators during and after incidents.

10. The Administration indicates that, upon creation of a Homeland Security Office, the SEOC would still respond to emergencies, and the positions under the Homeland Security Office would be integrated into the SEOC response.

11. Given that a Homeland Security Office could consolidate important information on threats to the state, prioritize threats, and provide a deeper understanding of threats to the state's security, the Committee could create an Office of Homeland Security under DMA. [Alternative 1] The Committee could specify that: (a) the Office would have the meaning of a "bureau" in statutes; (b) the director of the Office would be appointed by the Adjutant General; and (c) the Office would coordinate with the federal Department of Homeland Security and state and local law enforcement agencies to identify, investigate, assess, report, and share tips and leads linked to emergency homeland security threats. The Committee could create an office of homeland security appropriation and provide \$244,700 GPR in 2023-24, \$313,000 GPR in 2024-25, and 4.0 GPR positions annually.

12. Alternatively, given that the Office would be a new state function, the Committee could create a Homeland Security Office but provide a lesser amount of funding and position authority. [Alternative 2] The Committee could create an Office of Homeland Security under DMA, and specify that: (a) the Office would have the meaning of a "bureau" under s. 15.01(6) of the statutes; (b) the director of the Office would be appointed by the Adjutant General; and (c) the Office would coordinate with the federal Department of Homeland Security and state and local law enforcement agencies to identify, investigate, assess, report, and share tips and leads linked to emergency homeland security threats. The Committee could create an annual office of homeland security appropriation and provide \$137,300 GPR in 2023-24, \$176,500 GPR in 2024-25, and 2.0 GPR positions annually. This alternative would allow DMA to begin operation of the Office and assess the need for further future resources. Table 2 below indicates the cost components of a Homeland Security Office with 2.0 positions.

TABLE 2

Cost Components of Homeland Security Office with 2.0 Positions

<u>Costs</u>	<u>2023-24</u>	<u>2024-25</u>
Salary for 1.0 Supervisor	\$51,100	\$68,100
Fringe for 1.0 Supervisor	22,500	30,000
Salary for 1.0 Program Staff	30,300	40,500
Fringe for 1.0 Program Staff	13,400	17,900
Supplies and Services (Ongoing)	<u>20,000</u>	<u>20,000</u>
Total	\$137,300	\$176,500

13. Finally, the Committee could take no action. [Alternative 3] Under this alternative, threats to Wisconsin would continue to be handled situationally by the SEOC under DMA. Further, TAG would continue to serve as the Governor's homeland security advisor with assistance from the Governor's Homeland Security Council.

ALTERNATIVES

1. Create an Office of Homeland Security under DMA. Specify that: (a) the Office would have the meaning of a "bureau" in statutes; (b) the director of the Office would be appointed by the Adjutant General; and (c) the Office would coordinate with the federal Department of Homeland Security and state and local law enforcement agencies to identify, investigate, assess, report, and share tips and leads linked to emergency homeland security threats. Create an annual office of homeland security appropriation and provide \$244,700 GPR in 2023-24, \$313,000 GPR in 2024-25, and 4.0 GPR positions annually.

ALT 1	Change to Base	
	Funding	Positions
GPR	\$557,700	4.00

2. Create an Office of Homeland Security under DMA. Specify that: (a) the Office would have the meaning of a "bureau" in statutes; (b) the director of the Office would be appointed by the Adjutant General; and (c) the Office would coordinate with the federal Department of Homeland Security and state and local law enforcement agencies to identify, investigate, assess, report, and share tips and leads linked to emergency homeland security threats. Create an annual office of homeland security appropriation and provide \$137,300 GPR in 2023-24, \$176,500 GPR in 2024-25, and 2.0 GPR positions annually.

ALT 2	Change to Base	
	Funding	Positions
GPR	\$313,800	2.00

3. Take no action.

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