

**WA01**  
**Department of State Police**

***Capital Budget Summary***

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**State-owned *Capital Improvement Program***  
**(\$ in Millions)**

<i>Projects</i>	<i>Prior Auth.</i>	<i>2015 Request</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>	<i>Beyond CIP</i>
Tactical Services Facility – Garage	\$3.947	\$1.053	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
State Police Helicopter Replacement and Air Crew Training Facility	120.957	12.500	0.000	0.000	0.000	0.000	0.000
New Cumberland Barrack and Garage	0.000	0.000	0.000	0.000	0.350	3.500	3.400
<b>Total</b>	<b>\$124.904</b>	<b>\$13.553</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.350</b>	<b>\$3.500</b>	<b>\$3.400</b>

<i>Fund Source</i>	<i>Prior Auth.</i>	<i>2015 Request</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>	<i>Beyond CIP</i>
GO Bonds	\$124.90	\$13.553	\$0.000	\$0.000	\$0.350	\$3.500	\$3.400
<b>Total</b>	<b>\$124.90</b>	<b>\$13.553</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.350</b>	<b>\$3.500</b>	<b>\$3.400</b>

CIP: *Capital Improvement Program*

## ***Summary of Recommended Bond Actions***

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	<b><u>Funds</u></b>
1. Helicopter Replacement and New Flight Training Facility	\$3,500,000 GO
Decrease general obligation (GO) bond funds to reflect remaining costs.	
2. Tactical Services Garage	
Concur with Governor’s allowance.	
3. SECTION 2 Department of State Police Helicopter Replacement	
Amend prior authorization.	
4. SECTION 2 Department of State Police Helicopter Replacement	
Approve amendment to prior authorization.	
5. SECTION 2 Department of State Police Helicopter Replacement II	
Amend prior authorization.	
6. SECTION 2 Department of State Police Helicopter Replacement	
Amend prior authorization	
<b>Total Reductions</b>	<b>\$3,500,000</b>

## ***Summary of Updates***

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***Licensing Division Renovation:*** The Department of State Police received a total of \$3.3 million in general obligation bond funding in fiscal 2010 and 2014 to renovate and upgrade the headquarters building K, or the old crime lab. This building currently houses the Licensing Division, an electronics shop, and other administrative units. The most significant issue is the heating, ventilation, and air conditioning system; the current system served to prevent cross-contamination of evidence, but now the building is used for administrative purposes. The Department of General Services (DGS) has committed to completing the renovation and reconfiguration by December 2015. Licensing Division staff has been relocated to temporary trailers for the renovation.

## ***Budget Overview***

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### **Tactical Services Garage**

The fiscal 2015 budget provides \$1.1 million in supplemental general obligation (GO) bond funds to construct and equip a new wooden pole barn garage for the tactical services facility. This increases the total amount of funding for the project to \$5.0 million, after accounting for \$3.9 million in prior authorizations. The garage will provide a centralized location to house tactical response vehicles and specialized equipment, which will better enable strategic deployment, protect against weather-related damage, and provide the necessary security. In particular, the garage will provide proper storage for a multiple incident command vehicle, which was acquired in fiscal 2006 for \$1.2 million. Furthermore, certain facilities currently being used for storage and training, such as spaces utilized by the Office of the State Fire Marshal Bomb Squad and the Canine Unit, will soon no longer be available. The garage will provide the needed storage and additional space to house these units.

Additional funding was not expected in fiscal 2015, but several developments have added significant costs, including a vehicle tri-lift needed as an overflow lot during construction (\$656,000), implementation of new stormwater regulations (\$150,000), a security system (\$150,000), a required fire suppression system (\$30,000), and additional construction and design costs associated with these items. The operating budget impact begins in fiscal 2015 with \$9,000 and increases to \$82,000 in fiscal 2016 and onward; the operational impact includes utilities, startup supplies, telephone instruments, and a maintenance mechanic from Waterloo Barracks.

**Executive’s Operating Budget Impact Statement  
(\$ in Millions)**

	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>
<b>Tactical Services Facility – Garage</b>					
Estimated Operating Cost	\$0.009	\$0.082	\$0.082	\$0.082	\$0.082

**State Police Helicopter Replacement and Air Crew Training**

The Maryland State Police Aviation Command (MSPAC) has utilized a fleet of Dauphin helicopters since 1989. The General Assembly’s intent to replace the Dauphin fleet dates back to fiscal 2007, but it was not until \$52.5 million in GO bonds was authorized by the Maryland Consolidated Capital Bond Loan (MCCBL) of 2009 that the initial purchase of AgustaWestland (AW) helicopters began. So far, \$121.0 million in GO bonds have been authorized to purchase 10 AW-139 helicopters.

Delivery of the first two AW-139s was expected in May 2012. During the procurement process, MSPAC requested modifications to the aircraft’s searchlight and medical interior, which pushed back delivery. MSPAC took delivery of the first 6 helicopters late February 2013; all 10 helicopters are expected to be delivered by July 2014. As of December 2013, MSPAC had 9 AW-139s and with three sections operating 24/7 with the new helicopters. Full transition to the AW-139 of all seven sections is expected by November 2014.

**Air Crew Training Facility**

In previous years, the Air Crew Training Facility has been a separate project in the *Capital Improvement Program* (CIP). The fiscal 2015 allowance eliminates separate funding for the facility and consolidates the funding into the Helicopter Replacement project. The facility would house the helicopter flight training device (FTD), which will be used for recurrent air crew training and related functions on the new AW-139 helicopters. The facility will allow consolidation of pilot and paramedic training into one central location and provide classroom and dormitory spaces. Currently, training is conducted in the helicopters at MSPAC Headquarters, located at Martin State Airport in Middle River. The FTD will allow 75% of training to be conducted in the simulator but will still require 25% in the helicopters. The facility will be constructed at Martin State Airport in order to have ready access to a helicopter to complete all required training and to more easily maintain normal operations during training sessions.

In the MCCBL of 2013, \$4.0 million was authorized for the Air Crew Training Facility. In the MCCBL of 2014, this cost increases to \$4.8 million. The original intention was to construct a new facility, but the revised strategy is to renovate available space. The renovation will require the FTD to be built off the ground in order to avoid water damage from potential flooding, but the

renovation is expected to be less costly than constructing a new facility. Costs have increased from the previous CIP due to uncertainty of access to electricity at Martin State Airport.

### **Flight Training Device**

The 2013 *Joint Chairmen's Report* required the Maryland Department of Transportation (MDOT), in conjunction with MSPAC, to provide the budget committees with a complete cost-benefit analysis of the proposals submitted to provide flight simulator training. In addition, \$200,000 of GO bond funds was restricted until the analysis was submitted. The analysis was given a due date of October 1, 2013, but MDOT requested an extension. The analysis was submitted December 20, 2013, and three flight training options were considered:

- Option 1: train using the AW-139 only;
- Option 2: outsource all training to a commercial training facility; and
- Option 3: train using the AW-139 and an FTD.

In consideration of each option, MDOT and MSPAC weighed the pros and cons.

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Option 1: 100% Training in the AW-139

- Pros
  - training conducted under actual conditions rather than simulated; and
  - no additional capital expenditures required.
- Cons
  - accelerated wear to equipment, resulting in higher maintenance costs and reduced aircraft availability;
  - reduced useful life of the aircraft;
  - training is contingent on weather and availability;
  - reduced mission readiness due to training exercises;
  - increased risk to aircraft and crews; and
  - inability to perform all emergency procedures.

Option 2: 100% Outsourcing All Training

- Pros
  - no capital expenditure is required;
  - no impact to current aircraft fleet;
  - all emergency procedures can be performed in a full-motion simulator; and
  - no additional personnel are required.
- Cons
  - restricted use of the simulator, subject to scheduling with other customers;
  - training is held in New Jersey or Louisiana, which would increase travel costs; and
  - the simulator would not replicate the MSPAC AW-139 cockpit.

Option 3: 75% FTD and 25% AW-139 Training

- **Pros**
  - 24/7 availability of the simulator;
  - 100% schedule availability;
  - not weather-dependent;
  - reduced maintenance costs to the AW-139;
  - 100% mission readiness, even during training events;
  - all pilot simulations will be recorded and documented for pilot assessment;
  - ability to simulate emergency procedures not authorized in the aircraft;
  - the FTD will replicate the MSPAC AW-139 cockpit; and
  - additional training would be possible due to greater access to the simulator.
  
- **Cons**
  - capital improvement costs;
  - separate costs for two maintenance technicians and two FTD instructors; and
  - only usable for 75% of training requirements, so the aircraft must be used for the other 25% of required training.

The 20-year projected cost of each option is provided in **Exhibit 1**. According to the analysis, Option 3 is the least expensive and most favorable solution to provide flight training.

**Exhibit 1**  
**Flight Training Options 20-Year Cost Summary**

<u>Category</u>	<u>Price</u>
Option 1: 100% Training in AW-130	\$107,841,025
Option 2: 100% Training Outsourced	55,167,441
Option 3: 75% FTD and 25% AW-139	42,283,285

AW: AgustaWestland  
FTD: flight training device

Source: *Cost Benefit Analysis for Pilot Recurrent Training for the Maryland State Police Aviation Command*; Maryland Department of Transportation

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### **Timing Concerns**

According to DGS, in consultation with MSPAC, the air crew training facility is anticipated to be complete by the contractor by April 2016. The installation of the simulation equipment may extend past the completion date of building construction. MSPAC has a contract for pilots to receive training on AgustaWestland’s flight simulator, but that contract is set to expire in July 2015. MDOT is working to extend the training contract for initial pilot training at AW for five additional years. Recurrent pilot training needed prior to when the FTD is operational would result in additional costs to either contract with AW temporarily or conduct all training in the AW-139s until the FTD is available. The MSPAC funding split of 20% general funds and 80% special funds from the Maryland Emergency Medical System Operations Fund would apply to any additional training costs. **MSPAC should describe any additional expenses that could result from the delayed operation of the FTD.**

### **Fiscal 2015 Allowance**

The fiscal 2015 allowance authorizes an additional \$12.5 million in GO bond funding to complete the procurement of the helicopters, purchase an FTD, and provide funding to construct a new Air Crew Training Facility at Martin State Airport. The fiscal 2015 allowance brings the total project cost to \$133.5 million. According to the cash flow for this project provided by the Department of Budget and Management, there is currently a surplus of \$13.3 million in GO bond funds due to lower than anticipated costs. With the additional \$12.5 million, this brings total remaining funding for the project to \$25.8 million. The remaining costs include:



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- **Helicopter #9:** \$4.9 million
- **Helicopter #10:** \$4.9 million
- **FTD:** \$5.7 million
- **Air Crew Training Facility:** \$4.8 million
- **Total** **\$20.3 million**

The total of remaining costs are \$20.3 million. The current funding authorized includes \$5.5 million in contingency funding. This amount of contingency funding reflects 4.1% of total project costs but reflects 27.1% of remaining project costs. Given the relative certainty of remaining expenditures (besides electricity access at Martin State Airport for the FTD), the Department of Legislative Services (DLS) feels a contingency of 10.0% of remaining costs, or \$2.0 million, would be sufficient. This would mean \$22.3 million total funding would be needed, or an additional \$9.0 million in fiscal 2015.

**Given that this project is close to completion, and remaining costs should be well established, DLS recommends the fiscal 2015 allowance for the State Police Helicopter Replacement and Air Crew Training Facility project be reduced by \$3.5 million to reflect remaining actual costs.**

## **Summary of Other Projects in the Capital Improvement Program**

### **New Cumberland Barrack and Garage**

The CIP includes \$350,000 in fiscal 2018 and \$3.5 million in fiscal 2019 in GO bond funding for the construction of a new Cumberland barrack, garage, and radio tower to replace Barrack C in Cumberland. Barrack C was constructed in 1956 as a combined residence and operations center for 10 to 20 troopers. The current space is insufficient for the now 50 sworn and 15 civilian personnel assigned to the barrack. The multi-floor design of the existing barrack has led to slip and fall injuries, and the current configuration of cells and detainee processing areas violate regulations requiring separation of juveniles and adults. The new barrack will address the problems of the existing barrack. The estimated cost of the project is \$7.3 million.

***GO Bond Recommended Actions***

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1. Decrease general obligation (GO) bond funds to reflect remaining costs.

WA01A	Helicopter Replacement and New Flight Training Facility .....	\$ 9,000,000
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<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
12,500,000	-3,500,000	9,000,000

**Explanation:** This action decreases general obligation bond funds by \$3,500,000 to reflect the remaining expenditures to purchase the final two helicopters, a flight training device, and an aircrew training facility. Remaining costs are estimated at \$20.3 million. With a 10% contingency of the remaining cost, only \$22.3 million is needed. There is currently a surplus of \$13.3 million; therefore, only \$9.0 million in additional funding should be necessary in fiscal 2015 to cover all remaining costs.

2. Approve \$1,053,000 general obligation bond authorization for the State Police Tactical Services Facility project that will allow for the construction of a garage to store specialized vehicles and equipment.
3. Amend prior authorization.

ZF0900	SECTION 2 Department of State Police Helicopter Replacement.....	\$ 0
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Add the following language:

Helicopter Replacement. Provide funds to acquire new helicopters to upgrade the quality of the State helicopter fleet, **ACQUIRE A FLIGHT TRAINING DEVICE, AND CONSTRUCT AN AIR CREW TRAINING FACILITY** (Statewide).....

**Explanation:** Amend the authorization of general obligation bond funds authorized in the Maryland Consolidated Capital Bond Loan of 2009 to purchase new helicopters to include the purchase of a flight training device and construction of an air crew training facility.

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4. Approve amendment to authorize construction of an air crew training facility with general obligation bond funds currently authorized in the Maryland Consolidated Capital Bond Loan of 2011 for helicopter replacement and purchase of a flight training device.
5. Amend prior authorization.

ZF2000	SECTION 2 Department of State Police Helicopter Replacement II.....	\$ 0
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Add the following language:

Helicopter Replacement. Provide funds to acquire new helicopters to upgrade the quality of the State helicopter fleet, **ACQUIRE A FLIGHT TRAINING DEVICE, AND CONSTRUCT AN AIR CREW TRAINING FACILITY** (Statewide).....

**Explanation:** Amend the authorization of general obligation bond funds in the Maryland Consolidated Capital Bond Loan of 2012 authorized to purchase new helicopters to include the purchase of a flight training device and construction of an air crew training facility.

6. Amend prior authorization

ZF2150	SECTION 2 Department of State Police Helicopter Replacement.....	\$ 0
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Add the following language:

<u>WA01</u>	<u>DEPARTMENT OF STATE POLICE</u> (Statewide)
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(A)	<p><u>Helicopter Replacement. Provide funds to acquire new helicopters to upgrade the quality of the State helicopter fleet, <b>ACQUIRE A FLIGHT TRAINING DEVICE, AND CONSTRUCT AN AIR CREW TRAINING FACILITY</b>, provided that \$200,000 of general obligation bond funds may not be expended until the Maryland Department of Transportation, in conjunction with the Maryland State Police Aviation Command, has provided the budget committees with a complete cost benefit analysis of the proposals submitted for providing flight simulator training. The report shall be submitted by October 1, 2013, and the budget committees shall have 45 days to review and comment following receipt of the report .....</u></p>	<u>7,057,000</u>
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**Explanation:** Amend the authorization of general obligation bond funds in the Maryland Consolidated Capital Bond Loan of 2013 authorized to purchase new helicopters to include the purchase of a flight training device and construction of an air crew training facility.

**Total General Obligation Bonds Reduction** **\$3,500,000**

## ***Updates***

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### **1. Licensing Division Renovation**

The Department of State Police (DSP) received a total of \$3.3 million in GO bond funding in fiscal 2010 and 2014 to renovate and upgrade the headquarters building K, or the old crime lab. This building currently houses the Licensing Division, an electronics shop, and other administrative units. The most significant issue is the heating, ventilation, and air conditioning (HVAC) system. The current system served to prevent cross-contamination of evidence when the building was being used as a forensic laboratory, but now that the building is used for administrative purposes, the HVAC system is not adequate. When the project is complete, DSP will have replaced the HVAC system, the electrical distribution panels, the emergency generator, and the original boilers; removed the laboratory exhaust fans; installed additional windows; and reconfigured the basement for storage space.

The initial strategy was to renovate the building in phases, temporarily moving staff out one floor at a time, so as to keep the majority of operations in the building during renovation. However, it was determined to be more efficient to keep staff together during a time of high volume, *i.e.*, the Licensing Division was overwhelmed with new applications for firearm purchases. The entire building was vacated to temporary trailers to allow renovation to occur quicker. The Department of General Services has committed to completing the renovation and reconfiguration by December 2015.