

**W00A**  
**Department of State Police**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 15</u> <u>Actual</u>	<u>FY 16</u> <u>Working</u>	<u>FY 17</u> <u>Allowance</u>	<u>FY 16-17</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$245,218	\$245,501	\$268,051	\$22,550	9.2%
Deficiencies and Reductions	0	5,226	-610	-5,836	
<b>Adjusted General Fund</b>	<b>\$245,218</b>	<b>\$250,727</b>	<b>\$267,441</b>	<b>\$16,713</b>	<b>6.7%</b>
Special Fund	94,743	94,215	96,556	2,341	2.5%
Deficiencies and Reductions	0	0	-149	-149	
<b>Adjusted Special Fund</b>	<b>\$94,743</b>	<b>\$94,215</b>	<b>\$96,407</b>	<b>\$2,192</b>	<b>2.3%</b>
Federal Fund	7,333	8,217	9,701	1,484	18.1%
<b>Adjusted Federal Fund</b>	<b>\$7,333</b>	<b>\$8,217</b>	<b>\$9,701</b>	<b>\$1,484</b>	<b>18.1%</b>
Reimbursable Fund	14,647	12,401	5,718	-6,683	-53.9%
<b>Adjusted Reimbursable Fund</b>	<b>\$14,647</b>	<b>\$12,401</b>	<b>\$5,718</b>	<b>-\$6,683</b>	<b>-53.9%</b>
<b>Adjusted Grand Total</b>	<b>\$361,941</b>	<b>\$365,561</b>	<b>\$379,268</b>	<b>\$13,706</b>	<b>3.7%</b>

- The Governor's fiscal 2017 allowance includes two deficiency appropriations totaling nearly \$9.8 million in general funds. The deficiencies include (1) \$4.5 million to cover fiscal 2015 overspending on operating expenses; and (2) \$5.2 million to reduce turnover expectancy. Both of these deficiencies are provided to backfill the 2.0% across-the-board reductions adopted mid-year in fiscal 2015 and for fiscal 2016. The fiscal 2016 deficiency will be used to fund two trooper classes, of approximately 45 to 75 troopers in each class.
- General fund expenditures increase by approximately \$16.7 million, or 6.7%. This increase largely reflects growth in personnel expenditures, which includes additional funding to fill sworn and civilian vacancies. In addition to enhanced personnel expenses, the department receives funding increases for computer equipment, grounds maintenance, and covert investigation vehicles.

Note: Numbers may not sum to total due to rounding.

For further information contact: Rebecca J. Ruff

Phone: (410) 946-5530

*W00A – Department of State Police*

- Special fund expenditures grow by approximately \$2.2 million in the fiscal 2017 allowance. Additional Maryland Emergency Medical System Operations Fund funds allocated to support the Aviation Command account for 95.0% of the increase. Personnel expenses, along with higher than expected fuel and maintenance costs for the helicopter fleet, are driving the Aviation Command's need for additional resources.
- The fiscal 2017 federal fund allowance increases by nearly \$1.5 million. This reflects efforts by the department to anticipate more accurate federal fund expenditures in order to reduce the need to appropriate federal funds via budget amendment throughout the fiscal year. The Department of State Police (DSP) receives routine federal funding, primarily in the form of Asset Seizure funds, which were not adequately captured at the time of budget submission in previous years.
- Reimbursable funds decrease by approximately \$6.7 million, or 53.9%, when compared to the fiscal 2016 working appropriation. This decrease is largely due to reduced funding for Major information technology (IT) projects; however, the fiscal 2017 allowance includes \$2.1 million for the Automated Licensing and Registration Tracking System project and \$9.5 million for the 700 MegaHertz System radios budgeted in the Major Information Technology Development Project Fund. These funds will be transferred to the department via budget amendment at a later date.
- Supplemental Budget No. 2 provides \$275,000 in general funds to implement recommendations from the Governor's Heroin and Opioid Emergency Task Force that pertain to DSP. Approximately \$200,000 will be used to establish a multi-jurisdictional Heroin Investigation Unit and \$75,000 will be used to establish the High Intensity Drug Trafficking Area (HIDTA) Case Explorer database as the central repository for Maryland drug intelligence through the funding of a DSP liaison at the HIDTA office building in Greenbelt.

## ***Personnel Data***

---

	<b><u>FY 15</u></b> <b><u>Actual</u></b>	<b><u>FY 16</u></b> <b><u>Working</u></b>	<b><u>FY 17</u></b> <b><u>Allowance</u></b>	<b><u>FY 16-17</u></b> <b><u>Change</u></b>
Regular Positions	2,437.50	2,437.50	2,435.50	-2.00
Contractual FTEs	<u>27.64</u>	<u>70.08</u>	<u>66.49</u>	<u>-3.59</u>
<b>Total Personnel</b>	<b>2,465.14</b>	<b>2,507.58</b>	<b>2,501.99</b>	<b>-5.59</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	101.56	4.17%
Positions and Percentage Vacant as of 12/31/15	281.00	11.53%

- The department loses 2.0 regular positions and approximately 3.6 full-time equivalents in the fiscal 2017 allowance. The abolished positions are both IT related and are part of the statewide consolidation of IT services within the Department of Information Technology.
- DSP vacancies equate to nearly 12% of its workforce. The fiscal 2017 budgeted turnover rate of 4% leaves nearly 180 funded vacancies for the department to fill in the upcoming fiscal year.

## ***Analysis in Brief***

---

### **Major Trends**

***Crime in Maryland Continues to Decline:*** In calendar 2014, Maryland’s crime rate of 2,960 offenses for every 100,000 inhabitants was nearly even with the national average of 2,962 offenses for every 100,000 inhabitants. This is the lowest Part 1 crime reported since 1975 when the *Uniform Crime Report* program began. Since the most recent peak in calendar 2008, the crime rate has fallen by nearly 29%. The most recent year-over-year change reflects a 5% decrease.

***Maryland’s Murder Rate Decreases; Exceeds National Average:*** In calendar 2014, Maryland’s murder rate decreased slightly to 6.1 murders per 100,000 persons from the prior year’s 6.5 murders per 100,000 persons. This reflects the lowest murder rate in over 15 years, however, the State’s murder rate still greatly exceeds the national average, which remained constant at 4.5 murders per 100,000 persons in calendar 2014.

## Issues

***New Collective Bargaining Agreement for Sworn Police Officers:*** The Department of Budget and Management (DBM) has reached agreement with the State Law Enforcement Officers Labor Alliance, which bargains for sworn police officers. The agreement provides for regular increments, a general salary increase in fiscal 2017, step increases for officers employed in the recent four years (fiscal 2010 to 2013) in which State employees did not receive step increases, and other enhancements. Analysis of the fiscal 2017 allowance indicates that most of the provisions within the new agreement have not been properly funded. **DSP and DBM should comment on whether all aspects of the new collective bargaining agreement are fully funded in the fiscal 2017 allowance. If certain components are not funded, cost estimates of the funding required and a plan for appropriating those funds should be provided.**

***Department of State Police Staffing Issues:*** The fiscal 2017 allowance includes a significant amount of additional resources to help the department achieve full staffing in both its sworn and civilian workforce. A closer look at the DSP personnel complement reveals questions pertaining to the appropriate size of the trooper workforce for the State, whether certain positions or responsibilities could be civilianized in order to lessen the administrative burden on existing troopers, and whether internal and external hiring processes could be streamlined or altered to reduce vacancies. **The Department of Legislative Services (DLS) recommends the adoption of committee narrative directing DSP to evaluate the current size of the sworn workforce, and DSP and DBM to collaboratively evaluate how to improve hiring policies and practices in order to expedite the filling of vacancies.**

***Reopening the Annapolis Barrack:*** The Annapolis Barrack reopened in November 2015 after closing in 2008 due to cost containment. To date, approximately \$650,000 has been spent on minor renovations and start-up costs to improve the facility to the point of partial operations. A building assessment, completed in January 2016, has determined that additional renovation is required. The fiscal 2017 allowance includes \$2.45 million in the Department of General Services' Facilities Renewal program for the upgrade; however, it is not clear whether this will completely cover the entire cost of the upgrade, including IT and equipment needs. If the cost of the project were to exceed \$2.5 million, it would be over the limit for projects eligible to be funded through the program. **DLS recommends language prohibiting the use of the Facilities Renewal Fund appropriation on the renovation of the Annapolis Barrack. The department should instead pursue the proper procedure for funding a capital project of this nature, including submission of Part I and II program plans for review by DBM. The recommended language can be found in the Board of Public Works capital analysis.**

***Fiscal 2015 Closeout Audit:*** In February 2016, the Office of Legislative Audits released its closeout audit report for fiscal 2015. Two findings pertain to the department, one of which is a continuation of findings highlighted in the department's November 2015 fiscal compliance audit. **DSP should provide an update on its work to resolve the November 2015 audit findings pertaining to the use of special funds. In addition, the department should identify how it will absorb the \$1.1 million in fiscal 2015 overspending identified in the fiscal 2015 closeout audit that is not covered by the fiscal 2016 deficiency appropriation.**

## Recommended Actions

1. Adopt narrative requesting a review of internal and external hiring policies in an effort to expedite the Department of State Police hiring process.
2. Adopt narrative directing the Department of State Police to evaluate the current size of the State's sworn workforce.
3. Adopt committee narrative requesting that an appendix continue to be provided in the Maryland Budget Highlights book consolidating budgetary resources that the Maryland Coordination and Analysis Center receives from State agency appropriations.
4. Add budget bill language restricting \$1,000,000 of the general fund appropriation until the Department of State Police submits the 2015 Uniform Crime Report.

## Updates

***Final Report on Cannabimimetic Agent Enforcement:*** The 2014 *Joint Chairmen's Report* required DSP to submit reports on cannabimimetic agent enforcement. The final report was submitted on July 1, 2015. From March 1, 2013, to June 15, 2015, DSP has investigated 1,282 cross border cases of illegal substances, including synthetic narcotics. From January 1, 2013, to June 15, 2015, DSP and law enforcement partners seized 3,126 pounds of synthetic narcotics.

***Final Sale of Dauphin Helicopters:*** The Maryland State Police Aviation Command operated a fleet of 12 Dauphin helicopters, most of which were purchased between 1989 and 1994. These helicopters were reaching the end of their useful lives, and it was determined that the fleet needed to be replaced. The 11 operational Dauphin helicopters have been sold. Proceeds from the sale total approximately \$2.8 million. Approximately \$4.0 million was also received from an insurance settlement for the helicopter that was destroyed in an air accident in 2008.

*W00A – Department of State Police*

**W00A**  
**Department of State Police**

***Operating Budget Analysis***

---

**Program Description**

The Department of State Police (DSP) exists to safeguard persons within the State, protect property, and assist in providing all persons equal protection under the law. The department's operating structure is composed of the following programs:

- the Office of the Superintendent;
- the Field Operations Bureau;
- the Criminal Investigation Bureau; and
- the Support Services Bureau.

Within these functions, the department recruits and hires employees; addresses retention issues; provides services in procurement and distribution of supplies and equipment; works to improve the critical error rate of law enforcement agencies that enter civil protective orders into the Maryland Interagency Law Enforcement Agency/National Crime Information Center systems; serves as a catalyst for the interagency exchange of criminal justice, homeland security, and intelligence information at the federal, State, and local levels; and provides timely and efficient access to public information and records. The department also includes the Vehicle Theft Prevention Council, the Fire Prevention Commission, and Office of the State Fire Marshal, which are charged with safeguarding life and property from the hazards of fire and explosion.

**Performance Analysis: Managing for Results**

**1. Crime in Maryland Continues to Decline**

In 1975, by statute, Maryland instituted a program to require all local law enforcement agencies to submit standardized crime reports based on the federal reporting system to ensure consistency. Data for the reports is gathered from each agency's record of complaints, investigations, and arrests. DSP compiles the information by calendar year, which is published as *Crime in Maryland, Uniform Crime Report* (UCR). The methodology for these reports follows guidelines and definitions of crimes as provided by the National Uniform Crime Reporting Program, which is administered by the Federal Bureau of Investigation.

*W00A – Department of State Police*

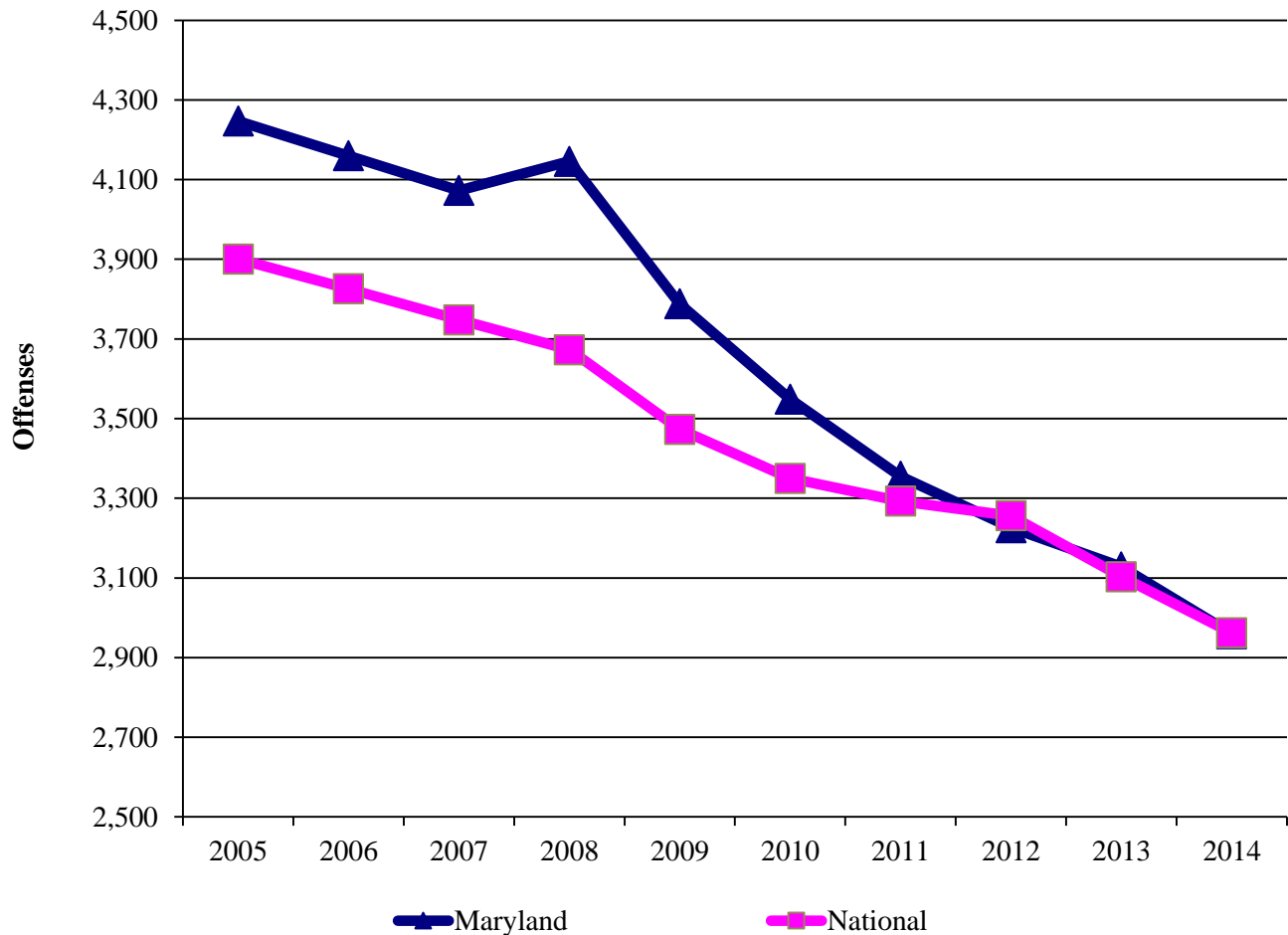
The UCR measures the incidence, arrests, and trends for the following eight crimes, referred to as Part I offenses:

- murder and voluntary manslaughter;
- forcible rape;
- robbery;
- aggravated assault;
- breaking and entering (burglary);
- larceny-theft;
- motor vehicle theft; and
- arson.

Based upon reported offenses, a crime rate is calculated for the number of offenses per 100,000 inhabitants. In calendar 2014, Maryland's crime rate of 2,960 offenses for every 100,000 inhabitants was nearly even with the national average of 2,962 offenses for every 100,000 inhabitants. This is the lowest Part 1 crime reported since 1975 when the UCR program began. Since the most recent peak in calendar 2008, the crime rate has fallen by nearly 29%. The most recent year-over-year change reflects a 5% decrease (see **Exhibit 1**).



**Exhibit 1**  
**Maryland and National Crime Rate Trends**  
**Offenses Per 100,000 of Population**  
**Calendar 2005-2014**

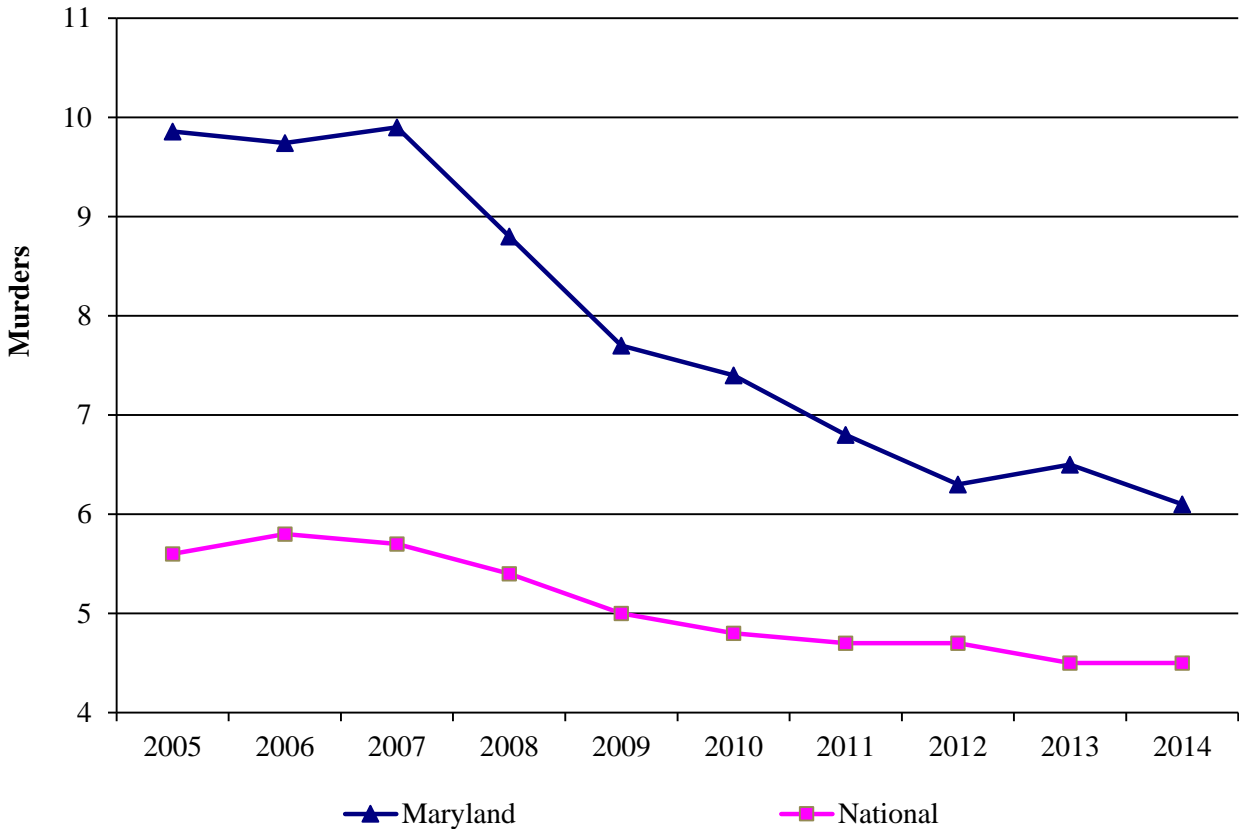


Source: *Crime in Maryland, 2014 Uniform Crime Report*; Federal Bureau of Investigation

## 2. Maryland’s Murder Rate Decreases; Exceeds National Average

In calendar 2014, Maryland’s murder rate decreased slightly to 6.1 murders per 100,000 persons from the prior year’s 6.5 murders per 100,000 persons (see **Exhibit 2**). This reflects the lowest murder rate in over 15 years, however, the State’s murder rate still greatly exceeds the national average, which remained constant at 4.5 murders per 100,000 persons in calendar 2014. Total murders reported to law enforcement agencies in Maryland decreased from 387 to 363 in calendar 2014, or a 6% decrease.

**Exhibit 2**  
**Maryland and National Trends**  
**Murders Per 100,000 of Population**  
**Calendar 2005-2014**



Source: *Crime in Maryland, 2014 Uniform Crime Report*; Federal Bureau of Investigation

## Fiscal 2016 Actions

### Proposed Deficiency

The Governor’s fiscal 2017 allowance includes two deficiency appropriations totaling nearly \$9.8 million in general funds. Approximately \$4.5 million is provided to cover fiscal 2015 overspending on operating expenses. DSP was given a 2% across-the-board reduction of \$5.0 million midway through fiscal 2015. Despite efforts to meet the reduction in funds by minimizing spending, closing purchase orders, reducing overtime, *etc.*, there was a deficit of \$4.5 million. Carryover from fiscal 2014 expenditures, payouts through the Voluntary Separation Program (VSP), a legal settlement

*W00A – Department of State Police*

and retirement payouts contributed to the cost overages. As a result, in order to close fiscal 2015, the General Accounting Division accrued this balance into fiscal 2016. As discussed in the Issues section of this analysis, the Office of Legislative Audits (OLA) actually estimates fiscal 2015 overspending to total \$5.6 million.

In addition, the department receives \$5.2 million to reduce turnover expectancy in fiscal 2016. This deficiency backfills the 2% across-the-board reduction adopted for the current fiscal year. The fiscal 2016 deficiency will be used to fund two trooper classes, of approximately 45 to 75 troopers in each class, and support start-up operating costs associated with the reopening of the Annapolis Barrack.

The fiscal 2017 budget also includes a \$2.5 million deficiency appropriation budgeted within the Department of Budget and Management (DBM) to fund the provisions of a new collective bargaining agreement (CBA) with the State Law Enforcement Officers Labor Alliance (SLEOLA), which bargains for sworn police officers, that takes effect in fiscal 2016. The \$1.8 million that represents the DSP share of these funds will be transferred via budget amendment at a later date. The details of the SLEOLA agreement are discussed further under the Issues section of the analysis.

### **Cost Containment**

The fiscal 2016 budget included a 2% across-the-board reduction to ongoing general fund operating expenses. For DSP, this reduction totaled \$5.2 million. The full amount of the reduction is being restored to the department through a fiscal 2016 deficiency appropriation.

### **Proposed Budget**

**Exhibit 3** illustrates how the Governor’s fiscal 2017 allowance grows by \$13.7 million, or 3.7%, above the fiscal 2016 working appropriation.

---

**Exhibit 3**  
**Proposed Budget**  
**Department of State Police**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2015 Actual	\$245,218	\$94,743	\$7,333	\$14,647	\$361,941
Fiscal 2016 Working Appropriation	250,727	94,215	8,217	12,401	365,561
Fiscal 2017 Allowance	<u>267,441</u>	<u>96,407</u>	<u>9,701</u>	<u>5,718</u>	<u>379,268</u>
Fiscal 2016-2017 Amount Change	\$16,713	\$2,192	\$1,484	-\$6,683	\$13,706
Fiscal 2016-2017 Percent Change	6.7%	2.3%	18.1%	-53.9%	3.7%

*W00A – Department of State Police*

**Where It Goes:**

**Personnel Expenses**

Employee retirement.....	\$5,360
Employee and retiree health insurance .....	5,276
Two trooper classes with the goal of hiring 100+ troopers .....	3,329
Turnover adjustments (including fiscal 2016 deficiency).....	1,345
Other fringe benefit adjustments.....	392
Abolished/transferred positions .....	-132
Workers’ compensation premium assessment .....	-134
Salaries and other compensation.....	-1,681
Overtime .....	-2,077

**Aviation Command and Helicopter Fleet Costs**

Aircraft fuel .....	219
Maintenance and repair.....	191
Reduced travel costs for flight simulator training.....	-326

**Other Changes**

Increased anticipated grant funding .....	3,987
IT equipment replacement .....	2,044
Telecommunications – reallocation of costs among users of 700 MHz System.....	1,992
Grounds maintenance .....	1,100
Covert investigation vehicle purchases.....	700
Advertising expenses in compliance with Chapter 249 of 2014.....	100
IT shared services initiative .....	78
Other .....	-613
Vehicle fuel and oil expenses .....	-1,221
Major IT funds – ALRTS and 700 MHz radios.....	-6,223

**Total** **\$13,706**

ALRTS: Automated Licensing and Registration Tracking System

IT: information technology

MHz: MegaHertz

Note: Numbers may not sum to total due to rounding.

## **Across-the-board Reductions**

The fiscal 2017 budget bill includes an across-the-board reduction for employee health insurance, based on a revised estimate of the amount of funding needed. This agency's share of these reductions is \$610,389 in general funds and \$148,943 in special funds. There is an additional across-the-board reduction to abolish positions statewide, but the amounts have not been allocated by agency.

## **Personnel Expenses**

Personnel expenses increase by a net \$11.7 million in fiscal 2017. Not reflected in the DSP allowance is approximately \$5.7 million in general funds and \$1.3 million in special funds budgeted within DBM for fiscal 2017 employee increments. Enhancements provided to sworn police officers through the new CBA with SLEOLA, discussed further in the Issues section of this analysis, do not appear to be funded in the fiscal 2017 allowance.

Growth in retirement (\$5.4 million) and health insurance payments (\$5.3 million) account for the majority of the increase in personnel expenses. The State's contribution rate into the State Police Retirement System increases in fiscal 2017 to 83.73%. This includes a 2.49 percentage point increase in the actuarial rate, as well as the plan's share of all supplemental and extra contributions being paid by the State in fiscal 2017. In addition, the department receives approximately \$3.3 million in additional funding to support two new trooper classes with the goal of hiring 100 troopers or more to address existing sworn officer vacancies. As of February 2016, the department had 114 trooper vacancies. As is discussed in the Issues section, DSP has significant turnover among both its sworn and civilian positions. This requires a minimum of two trooper classes each year to maintain status quo. In addition, the allowance provides \$1.3 million in additional funding, accounting for the fiscal 2016 deficiency appropriation, to reduce the fiscal 2017 budgeted turnover rate to approximately 4.2%. This additional funding will be predominately targeted toward filling existing civilian vacancies, which outnumber the total number of trooper vacancies.

Offsetting these increases is a \$1.7 million reduction in salaries and a \$2.1 million decrease in overtime expenses. As positions become vacant, in many instances due to retirement, they are reclassified to the base salary. This results in an overall net decrease to salaries. On average, the department has more than 165 sworn and civilian separations each year. The reduced overtime funding is in anticipation of reducing the number of vacancies within the department. More filled positions, both sworn and civilian, should lessen the need for employees to work overtime. It is worth noting, however, that overtime funding in fiscal 2016 and 2017 is budgeted below fiscal 2015 actual spending by \$5.8 million and \$7.9 million, respectively. To the extent that the department is less successful in filling vacancies, the additional turnover funding would be available to expend on overtime.

DSP also loses 2 regular positions in the fiscal 2017 allowance, for a total reduction of \$132,000. These are information technology (IT) positions being consolidated within the Department of Information Technology (DoIT) through the statewide shared IT services initiative. This initiative is discussed further within the DoIT analysis. There is an offsetting charge of \$78,000 budgeted elsewhere within the DSP allowance to fund the cost of the shared services.

## Aviation Command

Funding for the Maryland State Police Aviation Command (MSPAC) increases by \$2.7 million, or 7.3%, in fiscal 2017. Special funds from Maryland Emergency Medical System Operations Fund (MEMSOF) support the medically oriented mission of MSPAC, as required by statute. General funds support law enforcement and homeland security functions. The funding split for MSPAC has remained at 80.0% in special funds and 20.0% in general funds since fiscal 2003.

In calendar 2014, MSPAC took delivery of the tenth, and final AgustaWestland (AW) 139 helicopter to be used for medical evacuation, Medevac, and law enforcement missions. As of January 2015, all seven helicopter sections in the State had fully transitioned to 24/7 operations of the AW-139 helicopter, officially retiring the Dauphin helicopter fleet. Fiscal 2016 will be the first full fiscal year of expenditures for the new fleet. Additional funding was provided for fuel and maintenance to support the new aircraft in fiscal 2016. Funding for these items further increases in fiscal 2017. The allowance shows increases of \$219,000 in gas and oil and \$191,000 in maintenance and repair for the new helicopters. This reflects an 8.3% increase over the fiscal 2016 working appropriation. Fiscal 2017 anticipated maintenance costs for the fleet reflect a 116.1% increase (\$1.8 million) over fiscal 2015 actual expenditures. An analysis completed by MSPAC estimated that from the time of delivery for the first helicopter through May 2015, approximately \$7.5 million has been spent on maintenance, with \$6.5 million covered through warranties. The original maintenance warranties for the entire fleet will expire by the end of calendar 2017, meaning all maintenance costs will be funded through the MEMSOF or the use of general funds in fiscal 2018.

Offsetting the increase in helicopter fuel and maintenance costs is a \$326,000 reduction in travel costs for pilot training. As part of the purchase of 10 AW-139 helicopters, the State also authorized general obligation (GO) bonds to acquire a flight training simulator to conduct recurrent pilot training. The flight training device (FTD) will allow up to 75% of mandatory pilot training to be conducted in the FTD and require at least 25% to be conducted in the helicopters. Training using the FTD will save flight hours on the new fleet, as well as create a safer environment for training. The FTD is anticipated to be operational by December 2016. MSPAC currently sends pilots to New Jersey to train on a full motion simulator. Funding for this training is reduced in fiscal 2017 since, once the FTD is operational, only newly hired pilots will require training with the full motion simulator.

Purchasing the FTD required renovation of an appropriate facility to house the device. Approximately \$4.8 million in GO bonds was authorized to renovate a facility at Martin State Airport. The FTD building project has been awarded, with approval of the contract anticipated for March 2016. Construction is to be completed 180 days from the Notice to Proceed, which would have the facility ready in September 2016. The FTD is scheduled for delivery in July 2016, approximately two months before the anticipated completion of the facility.

**MSPAC should comment on how the discrepancy in the timeline for constructing the FTD facility and delivery of the device will impact pilot training and whether the delay will have a fiscal impact.**

## **Other Changes**

Other significant changes in the fiscal 2017 allowance provide a net increase of \$1.9 million. Anticipated grant funding is budgeted nearly \$4.0 million above the fiscal 2016 working appropriation in an effort to reduce the need to process multiple budget amendments for funds received on an annual basis. DSP also receives an increase of approximately \$2.0 million to refresh computers and other IT equipment throughout the department. Telecommunications costs increased by nearly \$2.0 million, or 161.9%, as DoIT realigned its method for charging users of the statewide 700 megahertz (MHz) public safety communication system. Assigned charges are now based on the number of radios assigned to each user, of which DSP has a significant number. Ground maintenance increases by \$1.1 million to address deficiencies within DSP facilities, and an additional \$700,000 is provided to purchase undercover vehicles used for investigations. Statute pertaining to the use of speed camera revenue refers to the special funds being used for roadside enforcement activities. DSP has determined that speed camera revenues used for vehicles may only be used for patrol cars. As such, general funds are provided for the investigative vehicles.

Offsetting these increases is a \$6.2 million decrease in Major IT funding for the Automated Licensing and Registration Tracking System (ALRTS) and the ongoing purchase of radios for the statewide 700 MHz public safety wireless communication system. The fiscal 2017 allowance includes \$2.1 million for the ALRTS project and \$9.5 million for the 700 MHz System radios budgeted in the Major Information Technology Development Project Fund (MITDPF). These funds will be transferred to the department via budget amendment at a later date.

## **Supplemental Budget No. 2**

Supplemental Budget No. 2 provides \$275,000 in general funds to implement recommendations from the Governor's Heroin and Opioid Emergency Task Force that pertain to DSP. Approximately \$200,000 will be used to establish a multi-jurisdictional Heroin Investigation Unit. Specifically, the funds will be used for equipment to support investigations, intelligence gathering with the High Intensity Drug Trafficking Area (HIDTA), training, and manpower overtime.

The remaining \$75,000 will be used to support DSP's HIDTA intelligence gathering and data sharing efforts by establishing the Case Explorer database as the central repository for Maryland drug intelligence and through the funding of a DSP liaison at the HIDTA office building in Greenbelt.

## ***Issues***

---

### **1. New Collective Bargaining Agreement for Sworn Police Officers**

DBM has reached agreement with SLEOLA, which bargains for sworn police officers. The agreement provides for regular increments, a general salary increase in fiscal 2017, and provides step increases for officers employed in the recent four years (fiscal 2010 to 2013) in which State employees did not receive step increases. DBM advises that the contract includes the following:

- three-year contract from July 1, 2016, to June 30, 2019;
- increments in fiscal 2016 and 2017;
- on January 1, 2017, one step for all who missed steps;
- on January 1, 2018, one step for all who missed steps;
- increase starting salary for police officer scale to \$36,800;
- one grade increase for the Department of Public Safety and Correctional Services (DPSCS) officers Warrant Apprehension Unit;
- no shift differential would be paid for any hours that are designated as a scheduled day shift, so that all hours worked from 2:00 p.m. to 7:00 a.m. qualify for shift differential;
- 2% general salary increase in fiscal 2017;
- bonuses for fitness, education, and clothing; and
- limited reopener language, which allows the union and State to negotiate again depending on economic conditions.

#### **Allowance May Not Provide Adequate Funding**

Within the DBM budget, the fiscal 2017 allowance provides a \$2.5 million fiscal 2016 deficiency appropriation to support the agreement, of which the DSP share is approximately \$1.8 million. This provides funding for a fiscal 2016 increment, shift differential, uniform allowance, fitness bonus, and education bonus. The only funding provided in fiscal 2017 is approximately \$6.9 million budgeted within DBM to provide the standard fiscal 2017 increment for all State employees. Given the timing of when the agreement was signed versus when the budget was submitted, the fiscal 2017 allowance does not appear to fund the new CBA provisions, including the 2% general salary increase, shift differential, the additional step on January 1, 2017, for all who missed steps, and



the clothing, education, and fitness bonuses. The Department of Legislative Services (DLS) estimates the cost of these provisions to be approximately \$6.6 million, assuming only 50% of employees are eligible for the additional step increase.

**DSP and DBM should comment on whether all aspects of the new CBA are fully funded in the fiscal 2017 allowance. If certain components are not funded, cost estimates of the funding required and a plan for appropriating those funds should be provided.**

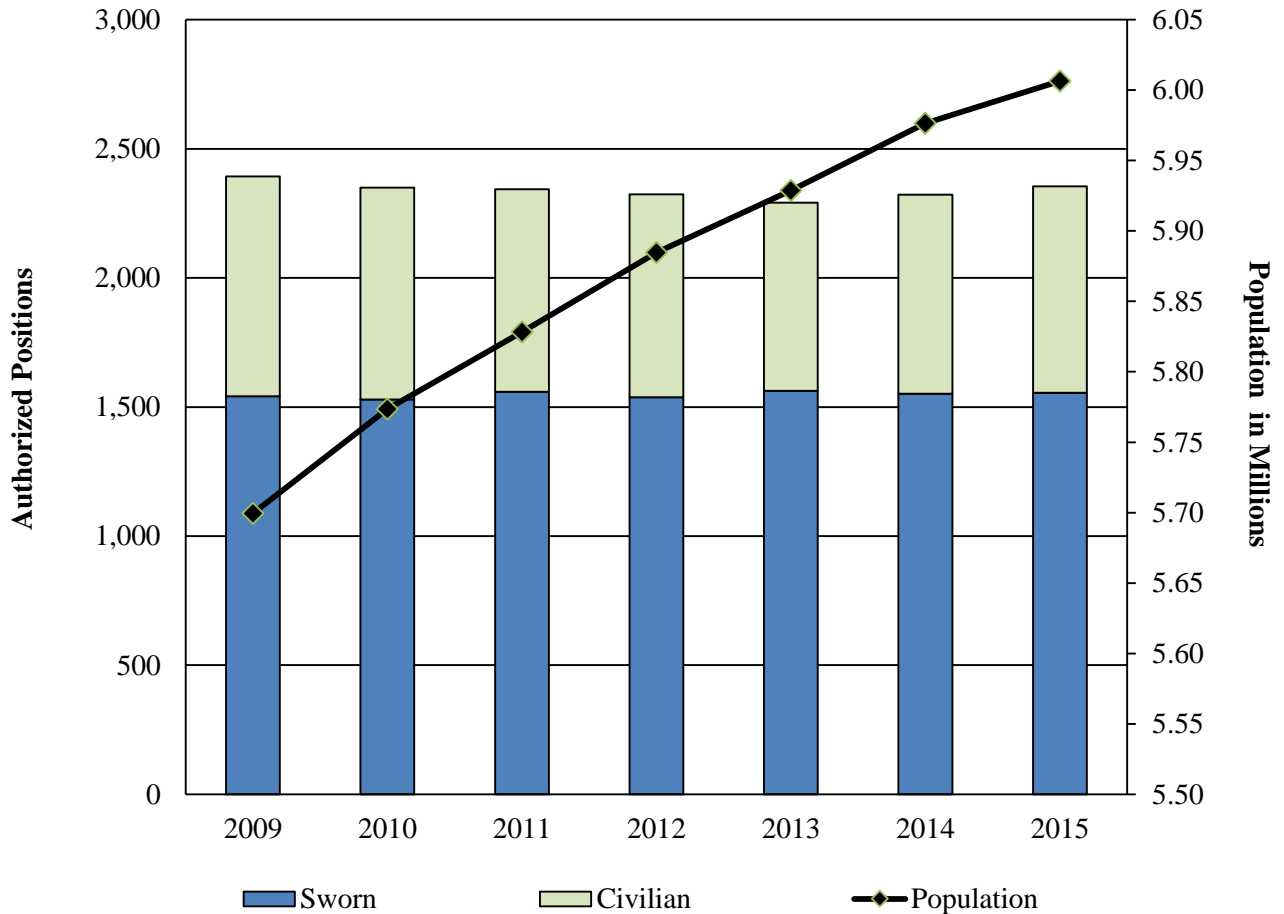
## **2. Department of State Police Staffing Issues**

The fiscal 2017 allowance provides a significant amount of additional resources to assist DSP in achieving the goal of maintaining close to 100% staffing levels for both sworn and civilian positions. Since fiscal 2015, the Administration has provided nearly \$10.0 million to fund the hiring of new troopers. An additional \$1.3 million is provided in the allowance for turnover relief to fill existing civilian positions. These additional resources may be warranted; however, the department's existing staffing issues are not new and resolutions may need to go beyond providing resources to fund new trooper classes.

### **Authorized Positions Remain Level Despite Significant Population Increases**

For nearly a decade, the number of authorized positions assigned to the department has remained relatively flat (**Exhibit 4**). Between fiscal 2009 and 2015, DSP lost a net of 26 positions. During the same time period, the State's population increased by 307,000 people, or by 5.4%. In comparison to the size of the DSP workforce in the early 1990s, the current personnel complement is over 100 positions less than it was 20 years ago.

**Exhibit 4  
Department of State Police  
Authorized Positions  
Fiscal 2009-2015**



Source: Department of State Police; Department of Legislative Services; Maryland Department of Planning

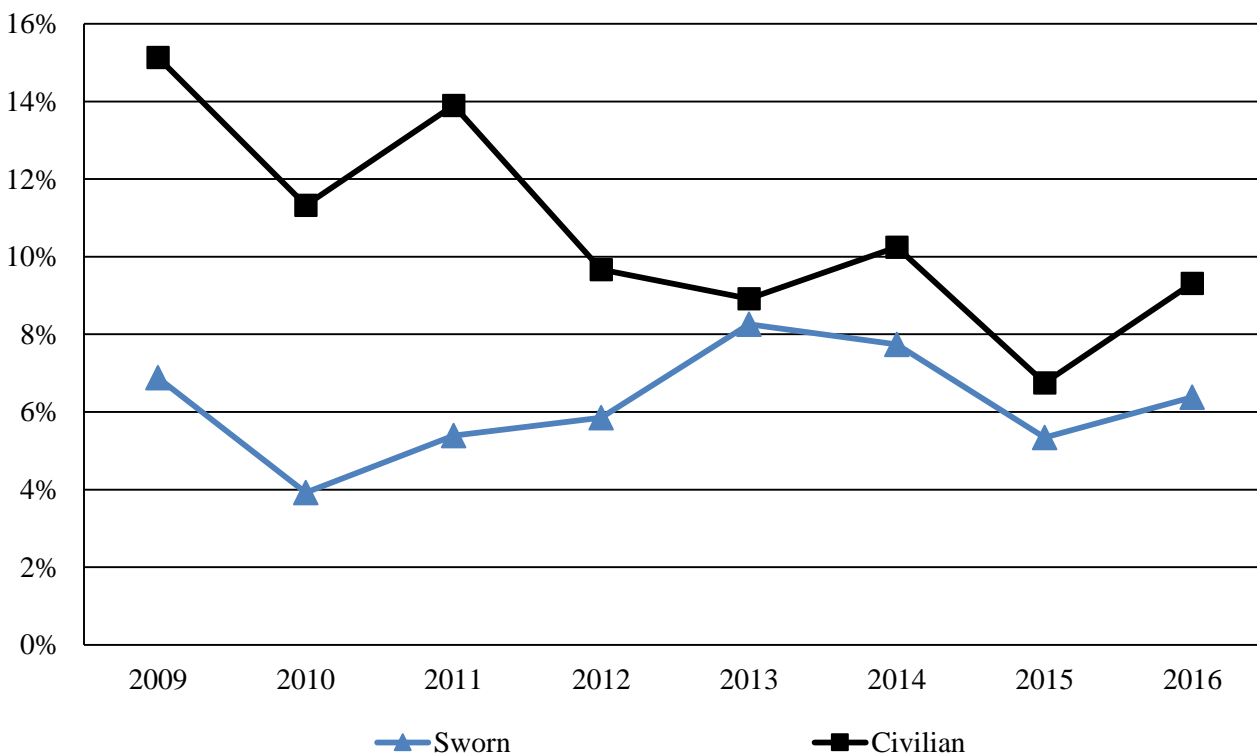
**Loss of Civilian Positions, Obstacles to Hiring, and High Vacancy Rates Impact Operations**

All of the positions lost since fiscal 2009 were within the civilian workforce. Sworn personnel actually increased by 10 positions over the seven-year period, while civilian positions decreased by 36 positions. In addition, DSP has a more difficult time filling vacant civilian positions once they occur due to hiring freezes and other obstacles to overcome in the hiring process. This means that once a position is vacant, there can be an extensive amount of time before a replacement is hired. For example,

DSP has had a capital project manager position frozen since July 2013. The department currently lacks an updated facility master plan and operates 22 barracks, in addition to other facilities. The department just received approval to begin recruiting for this position in February 2016. This is the only position within the department dedicated to its capital program.

The problems created by the level-staffing since fiscal 2009 is exacerbated by the agency’s high vacancy rates, as evidenced in **Exhibit 5**. Since fiscal 2009, the department has maintained an average vacancy rate of 7.7%. Vacancy rates for civilian positions have declined recently; however, this is more reflective of vacant civilian positions being abolished through cost containment rather than improved hiring. As of February 2016, the department had 114 trooper vacancies and 125 civilian vacancies – a combined vacancy rate of 10.1%.

**Exhibit 5**  
**Department of State Police**  
**Sworn Officer and Civilian Vacancy Rates**  
**Fiscal 2009-2016**



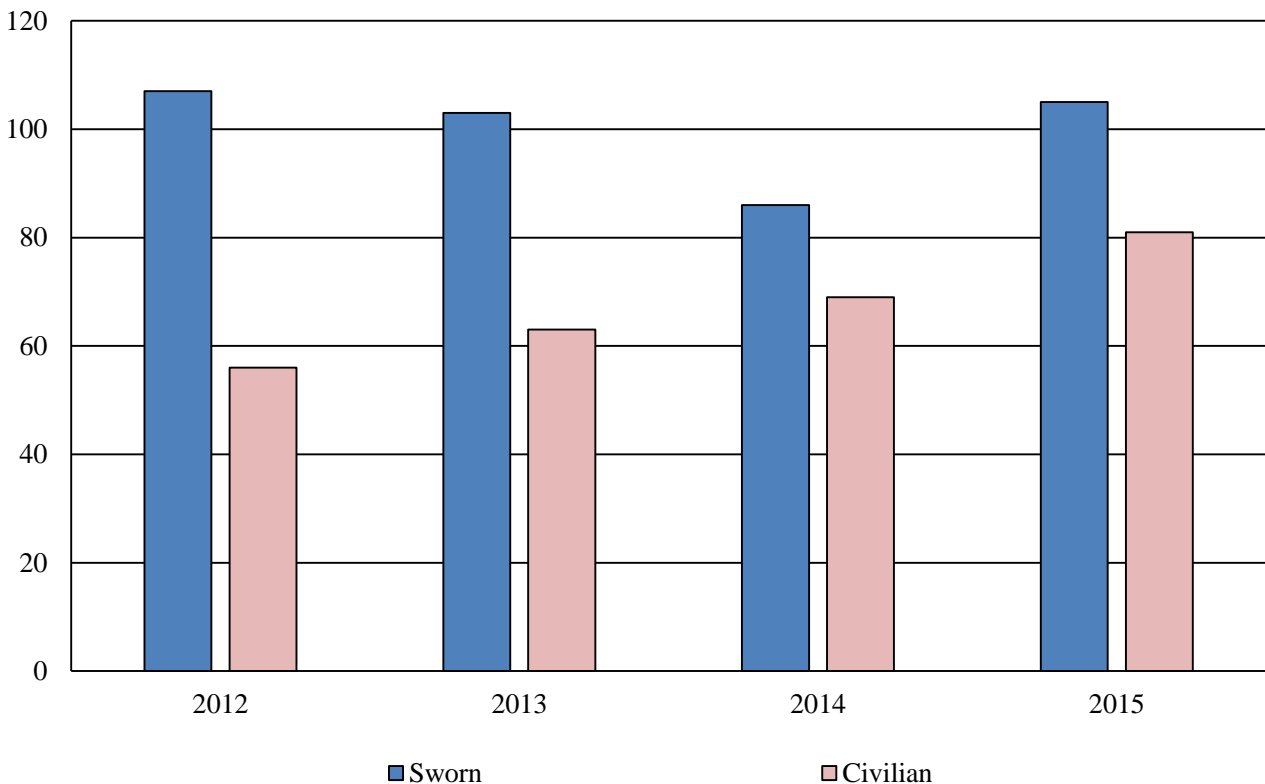
Note: Vacancy data is point-in-time from the start of each fiscal year.

Source: Department of State Police

*W00A – Department of State Police*

The provision of funding for trooper classes is helping to drive down the sworn vacancy rate; however, separation data provided by DSP (**Exhibit 6**) shows that the department has to hire an average of 100 new troopers annually to maintain status quo. With over 100 troopers leaving annually, primarily through retirements, DSP will have to hire more than 100 troopers each year to begin to improve its vacancy rates. In addition, the number of civilian staff leaving DSP service has increased by 44.6% since fiscal 2012.

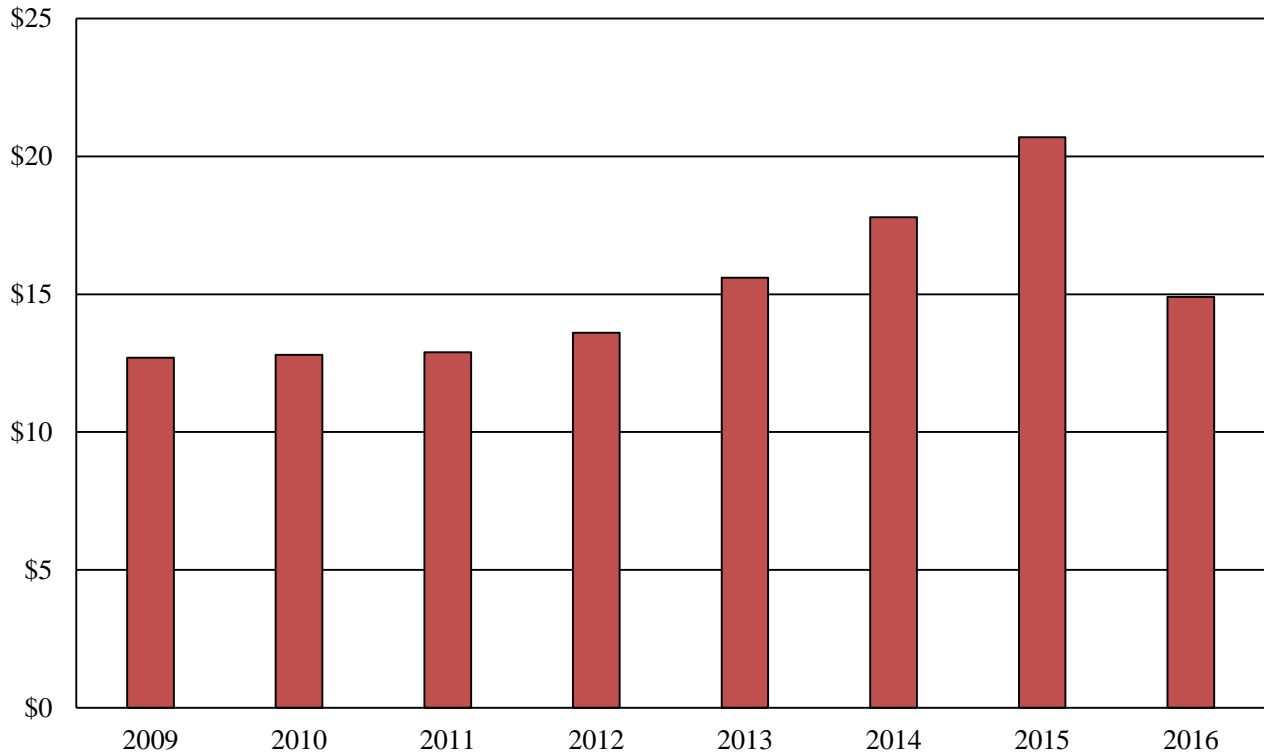
**Exhibit 6**  
**Department of State Police**  
**Sworn and Civilian Separations**  
**Fiscal 2012-2015**



Source: Department of State Police

These staffing issues have significant impacts on departmental operations, and particularly the ability of the trooper workforce to focus on law enforcement duties. With less civilian support, through the loss of positions and higher vacancy rates, troopers are having to dedicate increased time to administrative functions. This staffing environment also contributes to increased overtime. Between fiscal 2009 and 2015, overtime expenses increased by \$8 million, or 63%, as shown in **Exhibit 7**.

**Exhibit 7**  
**Department of State Police**  
**Overtime Expenses**  
**Fiscal 2009-2016**



Source: Department of State Police

**Comprehensive Review of DSP Staffing Is Needed**

Additional funding has been provided to begin to address these staffing issues, particularly the high vacancy rates; however, larger questions remain. A comprehensive review of DSP staffing would help determine whether the current number of authorized troopers is adequate to appropriately fulfill the department’s law enforcement mission. In addition, the current allocation of sworn versus civilian positions should be reviewed to determine whether certain duties currently performed by troopers could be reassigned to civilian positions for a lesser expense, thus increasing the number of troopers available for law enforcement duties. Finally, internal and external hiring processes should be evaluated to determine how best to improve and expedite the filling of DSP vacancies, particularly among the civilian workforce.

**DLS recommends the adoption of committee narrative directing DSP to evaluate the current size of the sworn workforce, and DSP and DBM to collaboratively evaluate how to improve hiring policies and practices in order to expedite fulfillment of vacancies.**

### **3. Reopening the Annapolis Barrack**

The Annapolis Barrack reopened in November 2015 after closing in July 2008 due to cost containment. Functionally, the Annapolis Barrack merged with the Glen Burnie Barrack to provide a single base of operations in Glen Burnie. The building was vacated by DSP and operated by the Department of General Services (DGS). Most recently, the facility had been used by Annapolis City's public works department. The reopening of the facility for DSP use will allow response and prisoner transport times from southern Anne Arundel County to be reduced by half.

To date, approximately \$650,000 has been spent on minor renovations and start-up costs to improve the facility to the point of partial operations. These funds have been budgeted within the DSP and DGS budgets, as DGS has been the lead agency to perform the mostly cosmetic improvements. A building assessment, completed in January 2016, has determined that additional renovation of the facility is required, including a new roof; heating, ventilation, and air conditioning (HVAC); electrical upgrades; wireless and other IT/connectivity improvements; and Americans with Disabilities Act accessibility upgrades.

Currently, the Annapolis Barrack is staffed with 13 sworn troopers (5 sergeants and 8 patrol troopers). The Gang Unit (6 troopers) is scheduled to move into the barrack; however, the move is pending completion of work on HVAC and Internet connectivity. The CRASH Team is also expected to occupy office space on the third floor of the barrack. By the end of calendar 2016, the barrack will be staffed by 1 first sergeant, 5 sergeants, and 15 patrol troopers. The department's goal is to have it staffed with 1 lieutenant, 1 first sergeant, 5 sergeants, 5 corporals, 15 patrol troopers, and an administrative aide by the end of calendar 2017. Excluding personnel costs, the estimated operating cost for the facility in fiscal 2017 is \$130,000.

The fiscal 2017 allowance includes \$2.45 million for the project from the State's Facilities Renewal Fund; however, it is not clear whether this fully funds all aspects of the upgrade, including IT and equipment needs. If the cost of the project were to exceed \$2.5 million, it would be over the limit for projects eligible to be funded within the Facilities Renewal appropriation. In addition, the Facilities Renewal program may not be the appropriate avenue for funding this project, particularly given the backlog of more traditional State facility repair projects. This renovation is needed to open a facility that had not been in State use for multiple years. This is not a project to provide repair to an existing State-used property.

**DLS recommends language prohibiting the use of the Facilities Renewal Fund appropriation on the renovation of the Annapolis Barrack. The department should instead pursue the proper procedure for funding a capital project of this nature, including submission of Part I and II program plans for review by DBM. The recommended language can be found in the Board of Public Works capital analysis.**

#### **4. Fiscal 2015 Closeout Audit**

In February 2016, OLA released its closeout audit report for fiscal 2015. In the audit, OLA identifies agencies with large unprovided for payables and other major issues. Findings pertaining to DSP include:

- \$5.6 million in fiscal 2015 overspending; and
- \$5.4 million in special funds retained at the close of fiscal 2015, even though fund balances for multiple programs were being accounted for under the same appropriation and could not be differentiated.

The first finding, as previously discussed, is the result of the 2% across-the-board reduction implemented midway through fiscal 2015, combined with carryover from fiscal 2014 expenditures, payouts through the VSP, a legal settlement, and retirement payouts. A \$4.5 million general fund deficiency appropriation is provided to cover the overspending in fiscal 2015; however, this leaves \$1.1 million in overspending identified by OLA unaddressed.

The second finding is an extension of issues pertaining to the accounting of special funds raised in the department's November 2015 fiscal compliance audit. OLA found that DSP did not establish separate accounts to identify individual fund balances for special fund incomes received and did not properly track activity pertaining to those special funds. This resulted in inconsistent fund balances and improper charges for expenditures. In addition, OLA found that some of the special fund revenues would be better budgeted as reimbursable funds, given that the source of funds is another State agency. With regard to this last issue, DSP and DBM determined that all funds would remain budgeted as special funds.

**DSP should provide an update on its work to resolve the November 2015 audit findings pertaining to the use of special funds. In addition, the department should identify how it will absorb the \$1.1 million in fiscal 2015 overspending identified in the fiscal 2015 closeout audit that is not covered by the fiscal 2016 deficiency appropriation.**

## ***Recommended Actions***

---

1. Adopt the following narrative:

**Improving Department of State Police Hiring:** The Department of State Police (DSP) has maintained an average vacancy rate of nearly 8% over the past seven years. These vacancies, particularly among civilian positions, contribute to increased overtime expenses, neglected administrative functions, and fewer troopers available for law enforcement duties. DSP should work collaboratively with the Department of Budget and Management (DBM) to review both the internal and external hiring policies and procedures to identify potential areas that could be streamlined or modified in order to expedite filling existing vacancies and improve overall hiring within the department. The report is due to the budget committees no later than November 15, 2016.

<b>Information Request</b>	<b>Authors</b>	<b>Due Date</b>
Improving DSP hiring	DSP DBM	November 15, 2016

2. Adopt the following narrative:

**Trooper Strength Assessment:** For nearly a decade, the number of authorized positions assigned to the department has remained relatively flat. In comparison to the size of the sworn workforce in the early 1990s, the current personnel complement is over 100 positions less than it was 20 years ago. The budget committees direct the Department of State Police (DSP) to evaluate the adequacy of Maryland’s current authorized trooper workforce. In completing its assessment, the department should provide information on the number of local jurisdictions that have added a local law enforcement unit in the past decade, and the impact of the role that technology has played on law enforcement responsibilities. In addition, DSP should compare the size, roles, and responsibilities of Maryland’s State troopers to neighboring or similar states. The report should be submitted to the budget committees no later than December 15, 2016.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Trooper strength assessment	DSP	December 15, 2016

3. Adopt the following narrative:

**Maryland Coordination and Analysis Center Budget Appendix:** It is the intent of the budget committees that the Department of State Police, in conjunction with the Maryland Coordination and Analysis Center (MCAC) and the Department of Budget and Management, continue to submit budget information that consolidates State budgetary resources to MCAC in the form of an appendix in the Maryland Budget Highlights book in fiscal 2018 and



*W00A – Department of State Police*

subsequent fiscal years. Budget information and the resulting appendix should include more comprehensive personnel expenditure information, including position counts, from each State agency assigned at MCAC.

4. Add the following section:

SECTION XX. AND BE IT FURTHER ENACTED, THAT \$1,000,000 of the General Fund appropriation within the Department of State Police (DSP) may not be expended until DSP submits the Crime in Maryland, 2015 Uniform Crime Report (UCR) to the budget committees. The budget committees shall have 45 days to review and comment following receipt of the report. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Further, provided that, if DSP encounters difficulty obtaining necessary crime data on a timely basis from local jurisdictions who provide the data for inclusion in the UCR, DSP shall notify the Governor’s Office of Crime Control and Prevention (GOCCP). GOCCP shall withhold a portion, totaling at least 15%, but no more than 50%, of that jurisdiction’s State Aid for Police Protection (SAPP) grant for fiscal 2017 upon receipt of notification from DSP. GOCCP shall withhold SAPP funds until such a time that the jurisdiction submits its crime data to DSP. DSP and GOCCP shall submit a report to the budget committees indicating any jurisdiction from which crime data was not received on a timely basis and the amount of SAPP funding withheld from each jurisdiction.

**Explanation:** The annual language was originally added because DSP had not been submitting its annual crime report in a timely manner due to issues related to receiving crime data from the local jurisdictions. As such, this language withholds a portion of the general fund appropriation until the budget committees receive the 2015 UCR. The language also specifies that GOCCP, upon receipt of notification from DSP, must withhold a portion of a delinquent jurisdiction’s SAPP grant until certain crime data is received by DSP. Finally, DSP and GOCCP must submit a report to the budget committees that includes information on any jurisdiction that did not report crime data on a timely basis and the amount of SAPP funding that was withheld from each jurisdiction.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
2015 UCR	DSP	45 days prior to the expenditure of funds

## *Updates*

---

### **1. Final Report on Cannabimimetic Agent Enforcement**

Cannabimimetic agents are chemical substances that are not derived from the marijuana plant but are designed to affect the body in ways similar to tetrahydrocannabinol, the primary ingredient in marijuana. Chapter 442 of 2013 added cannabimimetic agents to the State’s list of Schedule I controlled dangerous substances and defined several chemical substances that are considered cannabimimetic agents. The 2014 *Joint Chairmen’s Report* required DSP to submit interim and final reports on cannabimimetic enforcement as a result of the changes enacted by Chapter 442. The final report was submitted July 1, 2015.

DSP’s strategy to enforce Chapter 442 is to identify, investigate, and dismantle major drug trafficking organizations (DTO) regardless of the type of illegal substances involved. DSP’s goal is to target DTOs that are supplying local dealers by focusing on major DTOs involved in cross border (state to state) and interjurisdictional (county to county) criminal enterprise. From March 1, 2013, to June 15, 2015, DSP has investigated 1,282 cross border cases of illegal substances, including synthetic narcotics. From January 1, 2013, to June 15, 2015, DSP and law enforcement partners seized 3,126 pounds of synthetic narcotics. **Exhibit 8** compares drug arrests for sale or manufacture of synthetic drugs to arrests for possession of synthetic drugs from calendar 2013 to 2014. Arrests in both categories fell in fiscal 2014. Prince George’s County had the highest number of arrests for sale or manufacturing in both fiscal 2013 and 2014, while Anne Arundel County had the highest number of arrests for possession in both years.

Since enactment of Chapter 442, DSP notes a significant decrease in synthetic narcotics distribution in all regions of the State. At the time the report was submitted, there were no active narcotic investigations. DSP maintains a good working relationship with the Washington/Baltimore HIDTA, which will only increase through the collaborative effort funded with the \$275,000 provided in the supplemental budget

**Exhibit 8  
Synthetic Marijuana Arrests  
Calendar 2013-2014**

	Sales/Manufacturer				Possession			
	<u>2013</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Allegany	1	1	0	0.0%	11	3	-8	-72.7%
Anne Arundel	30	35	5	16.7%	<b>699</b>	<b>389</b>	-310	-44.3%
Baltimore	127	79	-48	-37.8%	157	145	-12	-7.6%
Baltimore City	7	5	-2	-28.6%	0	2	2	200.0%
Calvert	34	33	-1	-2.9%	238	185	-53	-22.3%
Caroline	2	3	1	50.0%	29	19	-10	-34.5%
Carroll	5	4	-1	-20.0%	13	7	-6	-46.2%
Cecil	8	8	0	0.0%	39	41	2	5.1%
Charles	19	10	-9	-47.4%	75	50	-25	-33.3%
Dorchester	4	10	6	150.0%	10	13	3	30.0%
Frederick	5	9	4	80.0%	25	15	-10	-40.0%
Garrett	4	4	0	0.0%	20	2	-18	-90.0%
Harford	12	18	6	50.0%	75	51	-24	-32.0%
Howard	0	0	0	0.0%	32	24	-8	-25.0%
Kent	0	0	0	0.0%	11	0	-11	-100.0%
Montgomery	14	31	17	121.4%	31	83	52	167.7%
Prince George's	<b>134</b>	<b>104</b>	-30	-22.4%	234	224	-10	-4.3%
Queen Anne's	0	4	4	400.0%	13	6	-7	-53.8%
St. Mary's	6	12	6	100.0%	102	125	23	22.5%
Somerset	4	0	-4	-100.0%	1	5	4	400.0%
Talbot	4	4	0	0.0%	2	7	5	250.0%
Washington	13	18	5	38.5%	13	7	-6	-46.2%
Wicomico	12	20	8	66.7%	16	33	17	106.3%
Worcester	14	19	5	35.7%	110	76	-34	-30.9%
Statewide Agencies*	13	1	-12	-92.3%	34	24	-10	-29.4%
<b>Total</b>	<b>472</b>	<b>432</b>	<b>-40</b>	<b>-8.5%</b>	<b>1,990</b>	<b>1,536</b>	<b>-454</b>	<b>-22.8%</b>

\*Statewide agencies report offenses but do not identify county of occurrence.

Source: 2014 Uniform Crime Report

## **2. Final Sale of the Dauphin Helicopters**

MSPAC operated a fleet of 12 Dauphin helicopters, most of which were purchased between 1989 and 1994. These helicopters were reaching the end of their useful lives, and it was determined that the fleet needed to be replaced. Chapter 464 of 2014 directed proceeds from the sale of the Dauphin helicopters to the General Fund. The 11 operational helicopters have been sold. Proceeds from the sale total approximately \$2.8 million. DSP also received \$4.0 million from an insurance settlement for the helicopter that was destroyed in an air accident in 2008.

## *Current and Prior Year Budgets*

---

### Current and Prior Year Budgets Department of State Police (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2015</b>					
Legislative Appropriation	\$248,303	\$92,324	\$1,795	\$3,009	\$345,430
Deficiency Appropriation	2,000	0	0	0	2,000
Cost Containment	-7,482	0	0	0	-7,482
Budget Amendments	2,407	3,677	7,427	13,737	27,248
Reversions and Cancellations	-10	-1,257	-1,890	-2,099	-5,256
<b>Actual Expenditures</b>	<b>\$245,218</b>	<b>\$94,744</b>	<b>\$7,332</b>	<b>\$14,647</b>	<b>\$361,941</b>
<b>Fiscal 2016</b>					
Legislative Appropriation	\$241,955	\$93,048	\$1,172	\$3,015	\$339,191
Budget Amendments	3,546	1,167	7,045	9,387	21,145
<b>Working Appropriation</b>	<b>\$245,501</b>	<b>\$94,215</b>	<b>\$8,217</b>	<b>\$12,401</b>	<b>\$360,335</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. Numbers may not sum to total due to rounding.

---

## **Fiscal 2015**

In fiscal 2015, the total budget for the department increased by approximately \$16.5 million. The general fund appropriation decreased by a net \$3.1 million. The department received an increase of \$2.0 million via a deficiency appropriation to hire a new trooper cadet class and an additional \$2.4 million from budget amendments. The amendments provided funding for employee cost-of-living adjustments (COLA) and overtime. Those increases were offset by nearly \$7.5 million in cost containment reductions, which included a 2% across-the-board reduction to agency operating expenses (\$5.0 million); personnel savings generated from holding positions vacant (\$1.8 million); the loss of 12 contractual full-time equivalents (\$300,000); and reductions for vehicle maintenance and IT-related expenditures (\$450,000). DSP reverted approximately \$10,000 at the close of the fiscal year.

The fiscal 2015 special fund appropriation increased by \$2.4 million from the legislative appropriation. Budget amendments provided nearly \$3.7 million in additional funding for the employee COLA and to cover various agency operating expenses. The sources for the additional special funds included revenue from the Vehicle Salvage Inspection Program (\$111,000); MEMSOF (\$735,788); and speed monitoring (\$1,000,000). The department also received approximately \$1.3 million from the Contingent Fund to cover costs incurred while responding to civil unrest in Baltimore City. A total of \$1.3 million was canceled, primarily due to less than anticipated expenditures for IT-related projects.

The federal fund appropriation increased by \$5.5 million over the legislative appropriation. Budget amendments appropriating federal grants and reimbursements for the Maryland Coordination and Analysis Center, IT upgrades, body armor, DNA backlog efforts, intelligence analysis, mobile videos for first responders, and a variety of other equipment and programs resulted in an increase of \$7.4 million. A federal fund cancellation reduced the appropriation by \$1.9 million due to unspent federal grants.

The reimbursable fund appropriation increased by \$11.6 million. Budget amendments increased the appropriation by \$13.7 million for the Major Information Technology Development Project (MITDP) (\$10.4 million) and to carry forward or appropriate grant funds (\$3.3 million). A total of \$2.1 million in reimbursable funds was canceled due to the timing of grant funds and to back-out MITDP spending.

## **Fiscal 2016**

The fiscal 2016 working appropriation reflects an increase of \$21.1 million when compared to the legislative appropriation. Restoration of the 2% salary increase for State employees accounts for the entire \$3.5 million general fund increase, as well as \$1.0 million of the special fund increase. Special fund expenditures also increased by \$125,000 from additional revenue generated through the Vehicle Salvage Inspection Program.

The federal fund working appropriation reflects an increase of slightly more than \$7.0 million in asset seizure funds to support departmental operations. The reimbursable fund working

*W00A – Department of State Police*

appropriation reflects an increase of nearly \$9.4 million. Approximately \$6.2 million is funds transferred from the MITDPF to purchase 700 MHz radios and support the implementation of the new automated firearm licensing system. The remaining \$3.2 million increase appropriates grant funding from the Maryland Emergency Management Agency, the Governor’s Office of Crime Control and Prevention, the Maryland Department of Transportation, and DPSCS.

## ***Audit Findings***

---

Audit Period for Last Audit:	December 20, 2011 – December 31, 2014
Issue Date:	November 2015
Number of Findings:	12
Number of Repeat Findings:	1
% of Repeat Findings:	8%
Rating: (if applicable)	n/a

- Finding 1:*** DSP did not properly account for certain special fund activity.
- Finding 2:*** DSP lacked adequate controls over special fund collections and accounts receivable.
- Finding 3:*** Certain year-end closing transactions were not adequately supported and reporting discrepancies were noted.
- Finding 4:*** DSP did not include or could not support approximate quantities of services in certain solicitations.
- Finding 5:*** Procedural and documentation deficiencies were noted regarding the evaluation of vendor bids for certain service contracts.
- Finding 6:*** DSP's procedures for processing handgun qualification licenses and handgun registration applications lacked certain controls.
- Finding 7:*** Quality control procedures were not comprehensive.
- Finding 8:*** Controls over handgun registration application fees and related accounts receivable records were not sufficient.
- Finding 9:*** DSP's network was not properly secured.
- Finding 10:*** Procedures for maintaining and securing DSP's workstations were not sufficient.
- Finding 11:*** DSP lacked assurance that adequate security and operational controls existed over its record management system.
- Finding 12:*** **DSP did not establish adequate controls over its equipment.**

\*Bold denotes item repeated in full or part from preceding audit report.



## Major Information Technology Projects

### Department of State Police Automated Licensing and Registration Tracking System

<b>Project Status</b>	Implementation.	<b>New/Ongoing Project:</b>	Ongoing.					
<b>Project Description:</b>	The Firearm Safety Act of 2013 added to existing firearm laws the requirement that individuals wishing to purchase a firearm in Maryland request and receive a Handgun Qualification License (HQL), requiring background checks, fingerprinting, and firearm safety training. The Department of State Police (DSP) has been charged with automating and streamlining the process by which a citizen of Maryland requests approval to purchase a firearm. This will involve automating the entire firearm application process, from dealers applying to DSP to sell firearms in the State, to a web-accessible form submitted electronically to the agency, processing of the application, billing, and reconciliation of fees, to providing real time or near real time reporting metrics.							
<b>Project Business Goals:</b>	Currently, firearm applications are received at DSP headquarters in hardcopy only. Implementation of the automated system will reduce turnaround time needed for review and approval, reduce the amount of manual data entry needed for each application, provide easier file transfers, reduce hardcopy record storage, and ultimately save time and money for State taxpayers. DSP requires that the system proposed integrate with current licensing processes and the functionality and processes developed as part of automating the background check queries.							
<b>Estimated Total Project Cost:</b>	\$7,284,600	<b>Estimated Planning Project Cost:</b>	n/a					
<b>Project Start Date:</b>	March 2013	<b>Projected Completion Date:</b>	June 2017					
<b>Project Status:</b>	The project is currently in the implementation phase. DSP is currently using the recently deployed interim system for the receipt and processing of 77R image files. Seminars and demonstrations were conducted to ensure user readiness and stakeholder awareness. The user portal and dealer portal are in the testing phases and are expected to be complete by the end of calendar 2016. The licensing portal, which will provide full automation of the 77R process is expected to be released by the end of calendar 2016, as well.							
<b>Project Management Oversight Status:</b>	The fiscal 2017 allowance includes \$100,000 for oversight.							
<b>Identifiable Risks:</b>	Resource availability continues to be the most significant risk to the project. DSP is mitigating the potential risks by adhering to project management best practices and maintaining regular communication with all stakeholders.							
<b>Fiscal Year Funding (\$ in Thousands)</b>	<b>Prior Years</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Balance to Complete</b>	<b>Total</b>
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Professional and Outside Services	4.234	2.100	0.950	0.0	0.0	0.0	0.0	7.284
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Funding</b>	<b>\$4.234</b>	<b>\$2.100</b>	<b>\$0.950</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$7.284</b>

**Object/Fund Difference Report  
Department of State Police**

<u>Object/Fund</u>	<u>FY 15 Actual</u>	<u>FY 16 Working Appropriation</u>	<u>FY 17 Allowance</u>	<u>FY 16 - FY 17 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	2,437.50	2,437.50	2,435.50	-2.00	-0.1%
02 Contractual	27.64	70.08	66.49	-3.59	-5.1%
<b>Total Positions</b>	<b>2,465.14</b>	<b>2,507.58</b>	<b>2,501.99</b>	<b>-5.59</b>	<b>-0.2%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 294,674,202	\$ 289,732,747	\$ 307,404,731	\$ 17,671,984	6.1%
02 Technical and Spec. Fees	1,737,110	1,980,886	2,172,192	191,306	9.7%
03 Communication	3,299,927	2,981,387	5,115,047	2,133,660	71.6%
04 Travel	681,932	1,023,302	729,618	-293,684	-28.7%
06 Fuel and Utilities	3,127,587	2,906,299	3,160,148	253,849	8.7%
07 Motor Vehicles	21,737,682	24,316,179	24,373,928	57,749	0.2%
08 Contractual Services	10,637,764	15,035,745	12,865,805	-2,169,940	-14.4%
09 Supplies and Materials	4,773,742	3,561,225	3,086,652	-474,573	-13.3%
10 Equipment – Replacement	11,143,490	4,288,903	2,363,750	-1,925,153	-44.9%
11 Equipment – Additional	3,839,239	1,150,554	919,524	-231,030	-20.1%
12 Grants, Subsidies, and Contributions	4,419,086	11,653,947	15,718,337	4,064,390	34.9%
13 Fixed Charges	1,869,484	1,703,988	2,117,119	413,131	24.2%
<b>Total Objects</b>	<b>\$ 361,941,245</b>	<b>\$ 360,335,162</b>	<b>\$ 380,026,851</b>	<b>\$ 19,691,689</b>	<b>5.5%</b>
<b>Funds</b>					
01 General Fund	\$ 245,218,490	\$ 245,501,349	\$ 268,050,938	\$ 22,549,589	9.2%
03 Special Fund	94,743,309	94,215,112	96,556,023	2,340,911	2.5%
05 Federal Fund	7,332,609	8,217,387	9,701,450	1,484,063	18.1%
09 Reimbursable Fund	14,646,837	12,401,314	5,718,440	-6,682,874	-53.9%
<b>Total Funds</b>	<b>\$ 361,941,245</b>	<b>\$ 360,335,162</b>	<b>\$ 380,026,851</b>	<b>\$ 19,691,689</b>	<b>5.5%</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.

**Fiscal Summary  
Department of State Police**

<u>Program/Unit</u>	<u>FY 15 Actual</u>	<u>FY 16 Wrk Approp</u>	<u>FY 17 Allowance</u>	<u>Change</u>	<u>FY 16 - FY 17 % Change</u>
01 Maryland State Police	\$ 354,012,791	\$ 352,360,243	\$ 371,799,998	\$ 19,439,755	5.5%
02 Fire Prevention Commission and Fire Marshal	7,928,454	7,974,919	8,226,853	251,934	3.2%
<b>Total Expenditures</b>	<b>\$ 361,941,245</b>	<b>\$ 360,335,162</b>	<b>\$ 380,026,851</b>	<b>\$ 19,691,689</b>	<b>5.5%</b>
General Fund	\$ 245,218,490	\$ 245,501,349	\$ 268,050,938	\$ 22,549,589	9.2%
Special Fund	94,743,309	94,215,112	96,556,023	2,340,911	2.5%
Federal Fund	7,332,609	8,217,387	9,701,450	1,484,063	18.1%
<b>Total Appropriations</b>	<b>\$ 347,294,408</b>	<b>\$ 347,933,848</b>	<b>\$ 374,308,411</b>	<b>\$ 26,374,563</b>	<b>7.6%</b>
Reimbursable Fund	\$ 14,646,837	\$ 12,401,314	\$ 5,718,440	-\$ 6,682,874	-53.9%
<b>Total Funds</b>	<b>\$ 361,941,245</b>	<b>\$ 360,335,162</b>	<b>\$ 380,026,851</b>	<b>\$ 19,691,689</b>	<b>5.5%</b>

Note: The fiscal 2016 working appropriation does not include deficiencies or reversions. The fiscal 2017 allowance does not include contingent reductions.