

# D50H01 Military Department

## *Executive Summary*

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The Military Department is responsible for the Maryland Air National Guard, the Maryland Army National Guard, the Maryland Defense Force, and the Maryland Emergency Management Agency (MEMA). The Military Department also builds and maintains the armories and other facilities used by the Maryland National Guard.

## *Operating Budget Data*

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(\$ in Thousands)

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$12,127	\$13,054	\$24,812	\$11,758	90.1%
Adjustments	0	270	229	-42	
<b>Adjusted General Fund</b>	<b>\$12,127</b>	<b>\$13,324</b>	<b>\$25,040</b>	<b>\$11,716</b>	<b>87.9%</b>
Special Fund	20,076	18,312	18,312	0	
Adjustments	0	0	0	0	
<b>Adjusted Special Fund</b>	<b>\$20,076</b>	<b>\$18,312</b>	<b>\$18,312</b>	<b>\$0</b>	<b>0.0%</b>
Federal Fund	52,155	51,328	52,114	786	1.5%
Adjustments	0	119	418	300	
<b>Adjusted Federal Fund</b>	<b>\$52,155</b>	<b>\$51,446</b>	<b>\$52,532</b>	<b>\$1,086</b>	<b>2.1%</b>
Reimbursable Fund	200	0	0	0	0
Adjustments	0	0	0	0	0
<b>Adjusted Reimbursable Fund</b>	<b>\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Adjusted Grand Total</b>	<b>\$84,558</b>	<b>\$83,083</b>	<b>\$95,885</b>	<b>\$12,802</b>	<b>15.4%</b>

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

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

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- An \$11.7 million increase in general funds accounts for nearly all of the growth in the Military Department’s fiscal 2020 allowance. Over 90% of the general fund increase is attributable to the transfer of funding for the Opioid Operational Command Center (OCCC) from the Behavioral Health Administration (BHA) to MEMA. This transfer is in response to a revised executive order issued in December 2018, which aligns the fiscal and administrative functions for the center with current practice, placing it under the newly created OCCC executive director within MEMA.

***Personnel Data***

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	<b><u>FY 18</u></b> <b><u>Actual</u></b>	<b><u>FY 19</u></b> <b><u>Working</u></b>	<b><u>FY 20</u></b> <b><u>Allowance</u></b>	<b><u>FY 19-20</u></b> <b><u>Change</u></b>
Regular Positions	293.50	297.50	301.50	4.00
Contractual FTEs	<u>56.01</u>	<u>25.00</u>	<u>25.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>349.51</b>	<b>322.50</b>	<b>326.50</b>	<b>4.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	20.22	7.01%
Positions and Percentage Vacant as of 12/31/18	54.00	18.15%

- The department’s authorized position count increases by a total of 8 positions when compared to fiscal 2018. Four vacant correctional officer positions were reclassified and transferred to MEMA in fiscal 2019 to provide grants management support. These positions are 100% federally funded. In addition, MEMA receives 4 new positions in the fiscal 2020 allowance, including a newly created executive director for OCCC, along with 3 previously established OCCC positions transferred from BHA.
- At the end of calendar 2018, the Military Department was operating with 34 more positions vacant than will be needed to meet the fiscal 2020 budgeted turnover rate of 7%. Over 20% of the positions have been vacant for more than one year. These long-term vacancies are primarily maintenance positions and honor guard specialists.

***Key Observations***

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- Military honor services performed by the Honor Guard declined by 10% in fiscal 2018. The unit’s 32% vacancy rate may have been a contributing factor.

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- Although the percent of Army National Guard facilities in fully functional status has increased in recent years, the overall percentage still hovers around 25%. In comparison, Air National Guard facilities, which are more heavily funded with federal dollars, are 100% fully functional year after year. Aging facilities, a flat maintenance budget, and a slow divestiture process contribute to the poor functional rating for Army National Guard facilities. The Military Department should provide information on its divestiture plans and how best to maximize federal resources to improve its facilities.
- In September 2018, MEMA entered into an interagency agreement with the Maryland Center for School Safety (MCSS) to develop and maintain the Maryland School Safety Tip Line. The agreement states that MCSS will provide MEMA with \$300,000 to support the expense of 5 positions used to operate the tip line; however, the positions and funding do not appear in the agency's fiscal 2019 or 2020 budgets.

### **Operating Budget Recommended Actions**

1. Adopt narrative expressing legislative intent that general fund maintenance spending dedicated to improve the functionality of Army National Guard facilities be excluded from the State's calculation of spending affordability.
2. Adopt narrative requesting quarterly spending reports for the Opioid Crisis Fund maintained by the Opioid Operational Command Center.

### **Updates**

- ***MEMA Continues to Pursue Improvements in Complex Coordinated Terrorist Attack Preparedness:*** Funded through a \$2.1 million federal grant, MEMA conducted a gap analysis to identify and address areas of improvement for preparing for and responding to Complex Coordinated Terrorist Attacks. The results of the analysis indicated the need for cross-cutting resource management across all levels of government, improving local-to-state resource management and communications, and improving asset management and coordination at the State level. MEMA intends to increase its training opportunities and exercises to address the identified gaps.

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***Operating Budget Analysis***

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**Program Description**

The Military Department provides overall direction, development, and maintenance of the Maryland National Guard (MDNG), which is comprised of the Maryland Army National Guard and the Maryland Air National Guard. MDNG may be called up by the Governor during State emergencies or may be activated by the federal Department of Defense (DoD). The Military Department also operates the Maryland Emergency Management Agency (MEMA). MEMA is responsible for statewide emergency response activities.

To fulfill its mission, the Military Department oversees the construction, operations, and maintenance of armories and other facilities. Operating expenses of MDNG facilities are a shared State and federal responsibility. The equipment costs for MDNG are solely a federal responsibility provided for under the DoD National Guard Bureau (NGB). Active members of MDNG units receive pay and allowances while under inactive status (drill) or active duty status (training). These expenses are also the sole responsibility of NGB. During Governor call-ups, MDNG salaries and expenses are the responsibility of the State; however, there is no funding provision in the Military Department's State operating budget for these expenses. The Board of Public Works makes mission-specific emergency allocations of funds for State call-ups. These activities include mitigation, preparedness, response, and recovery.

The Military Department's goals are to:

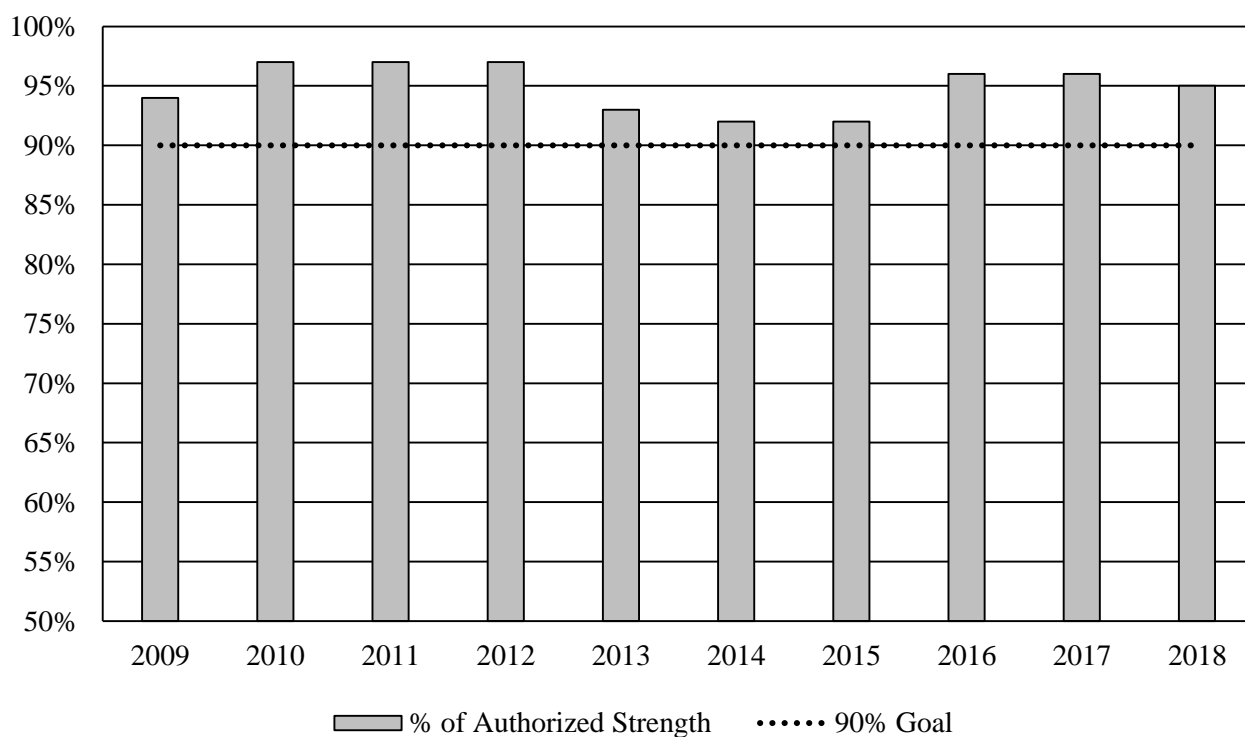
- ensure proper readiness for its missions;
- maintain all facilities so that they are adequate for training and supporting MDNG in its operations;
- successfully operate the Freestate Challenge Academy for at-risk youth; and
- provide State-level guidance on how to prepare for, mitigate against, respond to, and recover from the consequences of emergency and disaster events.

## Performance Analysis: Managing for Results

### 1. National Guard Troop Strength Continues to Exceed Goals

MDNG has a goal of reaching 90% of the federally defined authorized troop strength. Prior to fiscal 2009, MDNG had not met this goal since fiscal 2002. Heavy reliance upon the guard for activations and extended overseas tours of duty in combat zones had taken a toll on the department’s recruitment and retention efforts. As shown in **Exhibit 1**, since fiscal 2009, troop strength has exceeded the 90% goal, although in fiscal 2018 troop strength did decline slightly to 95% compared to 96% of its authorized troop strength the year prior.

**Exhibit 1**  
**Authorized Troop Strength**  
**Fiscal 2009-2018**



Source: Governor’s Fiscal 2020 Budget Books

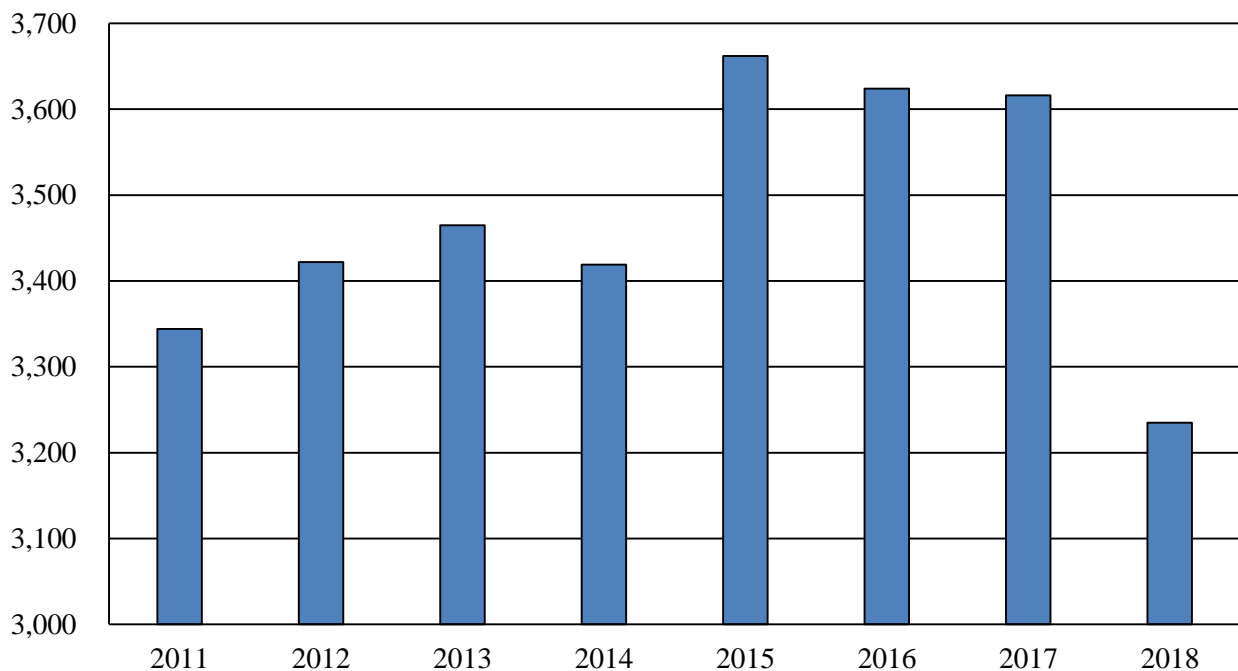
## 2. Honor Guard Activities Declined in Fiscal 2018

The MDNG Honor Guard provides military funeral honors to eligible veterans whose families request those services. An eligible veteran is a person who served in the active military, naval, or air service, and was discharged or released under conditions other than dishonorable. At a minimum, the Honor Guard provides flag folding and presentation to the next of kin and a bugler to sound Taps. The Honor Guard is 97% funded through general funds.

The goal of the Honor Guard is to provide honor with dignity for deceased veterans and their families. This is measured by the reported percentage of services performed without complaint. In the past decade, the Honor Guard has achieved 100% satisfaction. Of note, however is the more than 10% decrease in the number of services performed in fiscal 2018. **Exhibit 2** highlights this drop-off by showing the number of services performed by the Honor Guard each year since fiscal 2011. The 3,235 services performed in fiscal 2018 is the lowest amount in the past eight years and nearly 240 services below the average number performed each year.

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**Exhibit 2**  
**Maryland National Guard Honor Guard**  
**Military Honor Services Performed**  
**Fiscal 2011-2018**



Source: Fiscal 2020 Managing for Results

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Of some concern is the extent to which staffing has contributed to the decrease in services, which has been in decline since fiscal 2015. Of the 28.5 positions authorized for the Honor Guard, 9 positions were reported vacant in January 2018, a nearly 32% vacancy rate. In addition, 5 of the 9 vacant positions have been unfilled for more than 12 months, with 2 positions vacant since calendar 2016.

**The Military Department should comment on the significant decline in the number of military honor services performed in fiscal 2018, including the role that vacancies have played in the functioning of the unit. Furthermore, the department should discuss the outreach efforts of the Honor Guard to ensure that all veterans’ families are aware of the Honor Guard’s services and if additional improvement can be made.**

### **Fiscal 2019 Actions**

#### **Proposed Deficiency**

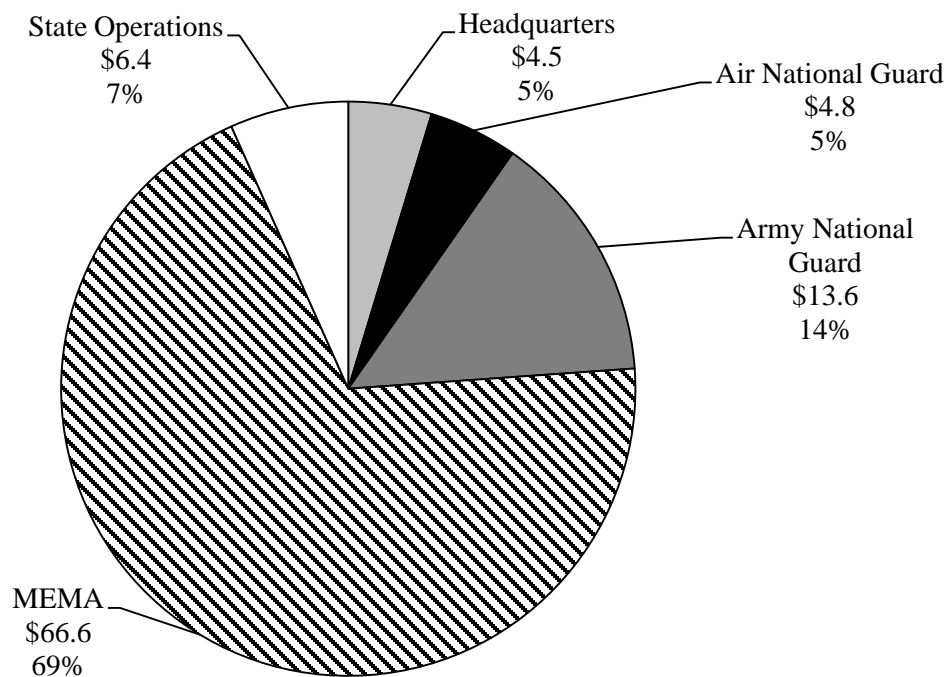
The Military Department receives a total of \$200,000 in general fund deficiencies for fiscal 2019, including \$150,000 to offset costs incurred from providing military support for the gubernatorial inauguration on January 16, 2019. The remaining \$50,000 covers operational costs incurred by the Commission on the Commemoration of the 100th Anniversary of the Passage of the 19th Amendment to the United States Constitution, which is chaired by the Adjutant General. An additional \$150,000 is included in the fiscal 2020 allowance to fund three events recognizing Maryland’s role in the women’s suffrage movement that will occur between spring 2019 and 2020.

### **Fiscal 2020 Allowance**

#### **Overview of Agency Spending**

Fiscal 2020 spending for the Military Department totals \$95.9 million. **Exhibit 3** illustrates how this is allocated among the various programs within the department.

**Exhibit 3**  
**Military Department**  
**Fiscal 2020 Allowance by Program**  
**(\$ in Millions)**



MEMA: Maryland Emergency Management Agency

Source: Governor’s Fiscal 2020 Budget Books

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The Army National Guard, which operates 37 facilities in the State and provides combat troops to the U.S. Army, and engineer, transportation and medical units, and military police for State service account for approximately \$13.6 million (14%) of total departmental expenditures in fiscal 2020. In comparison, the Air National Guard, which operates 55 facilities and primarily provides air combat forces and airlift aircraft, as well as emergency support, to the U.S. Air Force and other unified commands, only accounts for \$4.8 million (5%). This difference is reflective of the fact that the Army National Guard expends more resources on supporting State or community-based missions, while the Air National Guard tends to be more federally focused in its responsibilities. A significant portion of the Military Department’s operations support 100% federally funded missions and operations with funding that does not appear in the State budget.

The State Operations Program primarily includes funding for the Free State Challenge Program and the Honor Guard. This accounts for approximately 7% of the department’s fiscal 2020 allowance



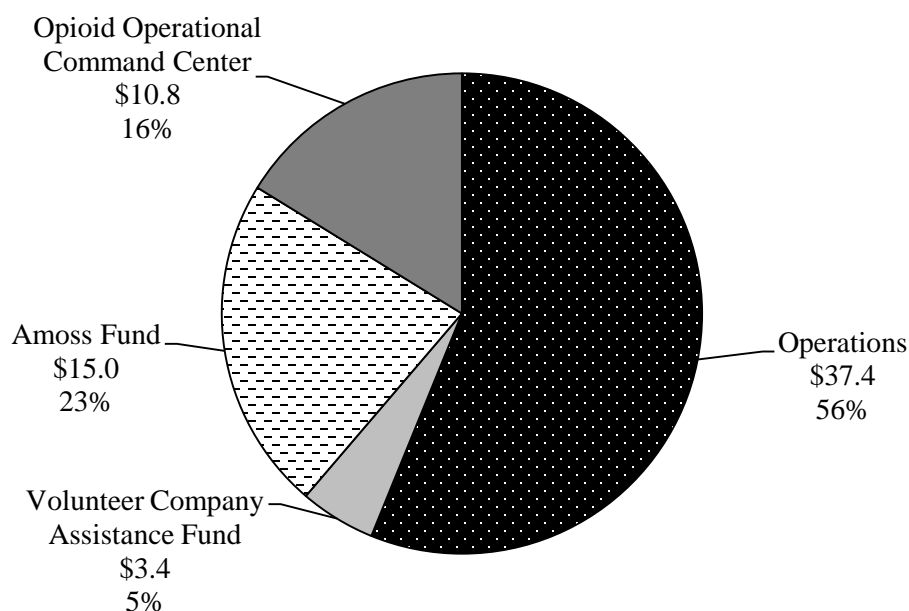
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and is near evenly split between general and federal fund support. The administrative functions performed by the department’s Headquarters accounts for the smallest portion of the budget, approximately \$4.5 million.

MEMA accounts for the vast majority (69%) of the department’s funding that flows through the State budget. Funding for the programs that operate under the MEMA umbrella is further illustrated in **Exhibit 4**. Approximately \$37.4 million of the \$66.6 million budgeted for MEMA in fiscal 2020 supports the general operations of the agency, including operating costs for the Maryland Joint Operations Center (MJOC), training programs, and pass-through federal homeland security and public assistance grant funding. Beyond that, MEMA is responsible for administering the Volunteer Company Assistance Fund loan program and the Senator William H. Amoss Fire, Rescue, and Ambulance Fund (Amoss Fund) grant program, which provide financial support for the purchase of equipment and facilities for local emergency personnel. The Amoss Fund is statutorily mandated at \$15 million annually, funded through the Maryland Emergency Medical System Operations Fund. These programs combined account for 28% of total MEMA spending. Finally, the fiscal 2020 budget allocates \$10.8 million in general funds to MEMA for support of the Opioid Operational Command Center (OCCC), which had been previously budgeted within the Behavioral Health Administration (BHA) within the Maryland Department of Health (MDH).

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**Exhibit 4**  
**Maryland Emergency Management Agency**  
**Fiscal 2020 Allowance by Subprogram**  
**(\$ in Millions)**



Amos Fund: Senator William H. Amos Fire, Rescue, and Ambulance Fund

Source: Governor’s Fiscal 2020 Budget Books

## Proposed Budget Change

**Exhibit 5** provides detail on how the Military Department’s fiscal 2020 allowance increases by a net \$12.8 million, or 15.4%, over the fiscal 2019 working appropriation. General fund growth accounts for nearly 92% of the total increase. Federal funds increase slightly, in part due to anticipated increases in the funding levels provided through the federal cooperative agreements negotiated with NGB. Approximately \$453,000 of the \$1.1 million federal fund increase is to support 4 positions allocated to MEMA in fiscal 2019 for grant administration.

### Exhibit 5 Proposed Budget Military Department (\$ 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 2018 Actual	\$12,127	\$20,076	\$52,155	\$200	\$84,558
Fiscal 2019 Working Appropriation	13,324	18,312	51,446	0	83,083
Fiscal 2020 Allowance	<u>25,040</u>	<u>18,312</u>	<u>52,532</u>	<u>0</u>	<u>95,885</u>
Fiscal 2019-2020 Amount Change	\$11,716	\$0	\$1,086	\$0	\$12,802
Fiscal 2019-2020 Percent Change	87.9%		2.1%		15.4%

#### Where It Goes:

##### Personnel Expenses

General salary increase.....	\$623
New positions for the Opioid Operational Command Center (OCCC) in fiscal 2020.....	478
Increments and other compensation.....	334
Employee and retiree health insurance.....	268
Retirement.....	237
Other fringe benefit adjustments.....	27
Workers’ compensation premium assessment.....	-19
One-time fiscal 2019 \$500 bonus.....	-165
Turnover adjustments.....	-172

##### Maryland Emergency Management Agency

OCCC transfer from the Behavioral Health Administration (nonpersonnel expenses).....	10,277
Miscellaneous cost containment.....	-52

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**Where It Goes:**

Realignment of budgeted information technology expenses due to DoIT transition to consolidated fee-for-service system..... -127

**Other Changes**

DoIT services allocation..... 1,094

New vehicle purchases ..... 210

Commission on the Commemoration of the 100th Anniversary of the Passage of the 19th Amendment to the United States Constitution..... 100

One-time fiscal 2019 deficiency spending for inauguration support ..... -150

Other..... -161

**Total** **\$12,802**

DoIT: Department of Information Technology

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

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**Opioid Operational Command Center**

As previously mentioned, the fiscal 2020 allowance reflects an increase of \$10.8 million and 4 new positions resulting from the transfer of OOCC from BHA to MEMA. This increase accounts for 84% of the total increase for the Military Department in fiscal 2020.

**Background**

In January 2017, Governor Lawrence J. Hogan, Jr., issued an executive order establishing OOCC to facilitate collaboration between State and local public health, human services, education, and public safety entities to combat the heroin and opioid crisis. In December 2018, the Governor amended the existing order to create a more clearly defined governance structure for the center, creating an executive director position and formally placing OOCC within MEMA. In practice, OOCC had been operating out of MEMA’s MJOC since its inception. The primary tasks for OOCC, as outlined in the executive order, include:

- developing operational strategies to continue implementing the recommendations of the Governor’s Heroin and Opioid Emergency Task Force;
- implementing the annually updated Inter-agency Heroin and Opioid Coordination Plan;
- collecting, analyzing, and facilitating the sharing of data relevant to the epidemic from State and local sources while maintaining the privacy and security of sensitive personal information;

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- developing a Memorandum of Understanding among State and local agencies that provides for the sharing and collection of health and public safety information and data relating to the heroin and opioid epidemic;
- assisting and supporting local agencies in the creation of opioid intervention teams (OIT); and
- coordinating the training and provision of resources for State and local governments addressing the threat to the public health, security, and economic well-being of the State posed by the crisis.

In addition, the revised order defines and requires the establishment of OITs in each jurisdiction prior to receiving OOC funding. The order also requires all units of State government to submit spending plans to the center annually.

**OOCC Spending**

In March 2017, Maryland became the first state to declare a state of emergency for the opioid crisis, activating the Governor’s emergency management authority and enabling increased and more rapid coordination between the State and local jurisdictions. In conjunction with the declaration, Governor Hogan included a supplemental budget appropriation of \$10 million in fiscal 2018, part of a \$50 million, five-year commitment to address the State’s heroin and opioid epidemic. These general funds represent only a share of the total amount of resources budgeted by the State each year to combat the crisis. Funding budgeted outside of OOC is discussed in more detail in the BHA analysis.

**Exhibit 6** compares year-to-year funding for OOC since its creation in fiscal 2018.

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**Exhibit 6**  
**Maryland Emergency Management Agency**  
**Opioid Operational Command Center Spending**  
**Fiscal 2018-2020**

	<u>Actual</u> <u>2018</u>	<u>Working</u> <u>Approp.</u> <u>2019</u>	<u>Allowance</u> <u>2020</u>	<u>Allowance</u> <u>v.</u> <u>Actual</u>	<u>%</u>	<u>Allowance</u> <u>v.</u> <u>Working</u>	<u>%</u>
Personnel	\$361,799	\$306,782	\$528,693	\$166,894	46%	\$221,911	72%
Contractual Intervention							
Activities	10,148,601	15,893,717	10,273,246	124,645	1%	-5,620,471	-35%
Other Operating							
Expenses	3,312	482	3,608	296	9%	3,126	649%
<b>Total</b>	<b>\$10,513,712</b>	<b>\$16,200,981</b>	<b>\$10,805,547</b>	<b>\$291,835</b>	<b>3%</b>	<b>-\$5,395,434</b>	<b>-33%</b>

Source: Maryland Emergency Management Agency; Behavioral Health Administration

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Approximately \$10.5 million was spent by the center in its first year of operation. This included nearly \$10.2 million in contractual funding for intervention services, essentially passed through to other State and local entities (primarily local health departments) to work toward the four goals established by the Center: (1) prevent new cases; (2) improve early detection and intervention; (3) expand access to services; and (4) enhance available data. The remainder of the funds were used to support general operating costs and three dedicated positions.

The fiscal 2020 allowance is largely budgeted in line with fiscal 2018 actual expenditures, returning to the Administration's initial commitment of \$10 million each year for OOCC spending to address the epidemic, after the fiscal 2019 budget provided an increase of nearly \$5.7 million. Additional funding is provided in fiscal 2020 for personnel, as OOCC receives 1 additional position beyond what had been budgeted in BHA to reduce the workload of the other 3 positions. In comparison to the fiscal 2019 working appropriation, the allowance reflects a net decrease of \$5.3 million. This is not actually a reduction in the amount of resources dedicated to intervention activities. An administrative decision was made in the fiscal 2019 budget to place funding for provider rate increases within BHA in the OOCC budget. These funds have since been transferred elsewhere. The intervention activities funded through OOCC essentially remain near the \$10 million level for fiscal 2018 through 2020. Of the \$10 million dedicated to intervention services in fiscal 2019, OOCC has distributed approximately \$7.5 million, with the remaining \$2.5 million pending approval.

OOCC and BHA indicate that since the center was created in fiscal 2018, \$4 million has been provided to jurisdictions specifically for OITs, which are formally required under the revised executive order. How the remainder of the intervention funding is spent is determined in coordination with other opioid crisis funding received and spending plans addressing the epidemic.

**The Department of Legislative Services (DLS) recommends that OOCC, in coordination with MDH, submit quarterly reports on spending to address the heroin, opioid, and fentanyl crisis.** These reports have been requested and provided since OOCC was created.

### **Fleet Management**

The Military Department receives \$210,000 in general funds in fiscal 2020 to purchase replacement vehicles as the first year of a multi-year plan to improve the overall condition of its maintenance vehicle fleet. The current fleet consists of 67 vehicles, with an average age of 11 years in service and average monthly mileage in excess of 1,000 miles. The department estimates that approximately 42 vehicles are in need of replacement. The fiscal 2020 funding will allow the department to replace between 5 and 10 vehicles, depending on the actual mix of vehicles purchased.

### **Department of Information Technology Services Allocation**

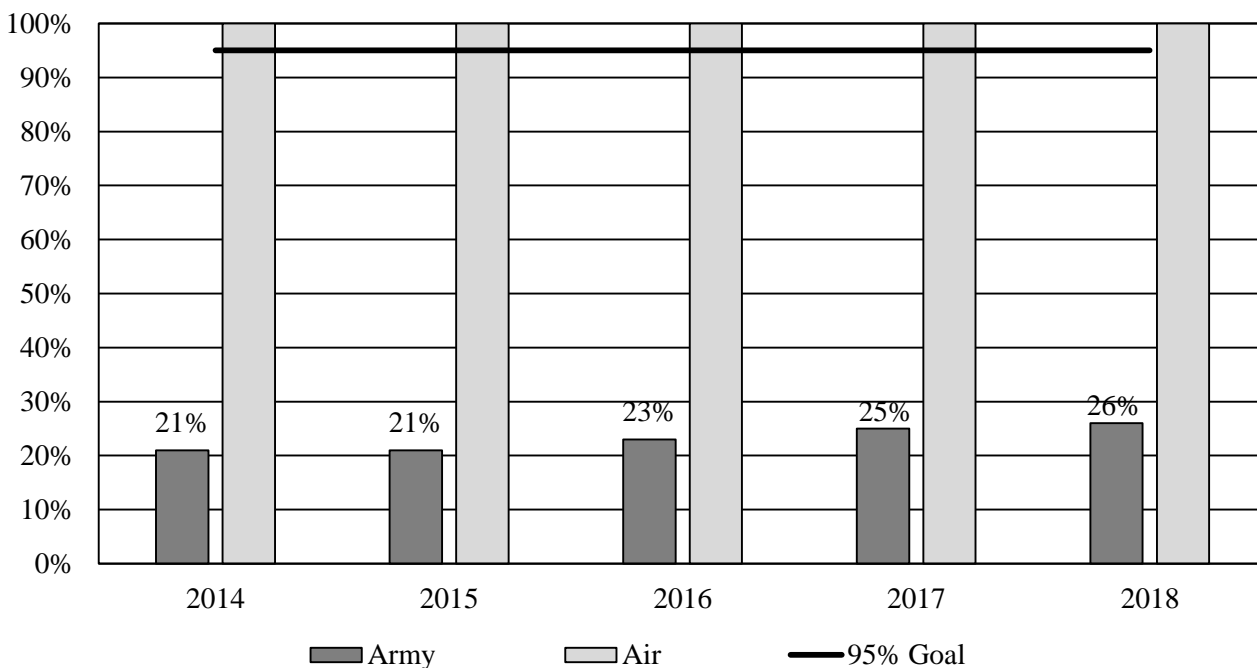
Department of Information Technology (DoIT) is moving to a fee-for-service funding model, which results in declining DoIT general fund appropriations and increasing reimbursable fund appropriations. DoIT has also been underfunded in recent years (there are deficiency appropriations in fiscal 2019 to compensate for this underfunding) so total fiscal 2020 DoIT appropriations increase. With respect to the Military Department, fees for DoIT increase by \$1.1 million.

## Issues

### 1. Army National Guard Facilities Show Improvement but Continue to Fail in Reaching Maintenance Goals

All MDNG facilities and real property support the operational and training needs of MDNG and the ability to respond to State and local emergencies. One of the responsibilities of the Military Department is to build and maintain the armories and other facilities used by MDNG. Through a cooperative agreement with NGB, maintenance funding is split between federal and State funds, depending on the facility. **Exhibit 7** shows the percentage of Army National Guard facilities in fully functional status from fiscal 2014 through 2018. Prior to fiscal 2014, different criteria was used to evaluate the functional status of MDNG facilities, making comparison before that time difficult.

**Exhibit 7**  
**Maryland Army National Guard**  
**Facilities in Fully Functional Status**  
**Fiscal 2014-2018**



Source: Governor’s Fiscal 2020 Budget Books

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Although there has been improvement since fiscal 2014, the 26% of Army National Guard facilities in fully functional status is still far short of ideal. As a point of comparison, reported Managing for Results data indicates that the Air National Guard maintains one-third more facilities than the Army National Guard, of which 100% are consistently in fully functional status. Over 81% of Air National Guard operations and 100% of capital costs are federally supported versus less than 70% of Army National Guard operations and 75% of capital costs.

Historically, the department believes that the average age of the Army National Guard facilities (43 years) and reduction of maintenance funding due to cost containment has impacted facility ratings. Although additional maintenance funding has been provided over the years, the current unaddressed need estimated by the department exceeds \$13.5 million, including a backlog of critical maintenance needs reported to the Department of General Services (DGS) in excess of \$7.2 million.

The department has previously cited that its capital program, along with the divestiture of unused properties, should have a positive impact on future ratings; however, the divestiture process to date has been very slow. In addition, with new construction projects averaging one new facility every five years, it is questionable whether the current capital program and a flat-line maintenance budget will truly have an impact on the functionality of the Army National Guard facilities.

Opportunities for improvement appear to be somewhat cast aside, although the department does have some projects included in the list of capital facilities renewal to be funded through DGS. Maintenance for State-owned properties are typically funded at least at a 50/50 cost-share with the federal government. The relatively level-funding budgeted for maintenance in fiscal 2017 through 2020 means that the State is not accessing potential federal funding enhancements. The department has brought online or is close to opening several new readiness centers in recent years, some with advanced and technical utility systems. Pursuit of preventative maintenance contracts for new facilities going forward could prove beneficial for avoiding significant maintenance expenses in the future, but these contracts do not appear to be expenses included in the budget.

**The Military Department should provide a list of properties planned for divestment along with a proposed timeline. The department should also include, in its written response, a discussion of its role in the divestment process and the extent to which it has control over the length of time that it takes to divest a property. Additionally, the Military Department should comment on whether it would be beneficial to include preventive maintenance contracts as an assumed part of the estimated expense of opening a new facility.**

**DLS recommends the adoption of committee narrative expressing the intent that the Spending Affordability Committee consider Army National Guard maintenance funding for exclusion from the State's calculation of the spending affordability limit as a means of encouraging additional general fund spending on MDNG maintenance in order to better leverage federal resources for the same purpose.**

## **2. Maryland School Safety Tip Line Resources Are Not Included in the MEMA Budget**

In September 2018, MEMA entered into an interagency agreement with the Maryland Center for School Safety (MCSS) to develop and maintain the Maryland School Safety Tip Line. The tip line will leverage a variety of communications modes to support the reporting and routing of tips concerning mental health crises, school and community violence, drug activity, abuse, harassment, and other issues affecting our Maryland students. The tip line is being operated out of MJOC at MEMA Headquarters.

Under the agreement, MEMA is responsible for:

- 24 hours a day, 7 days a week, 365 days a year operation of the tip line;
- entering and tracking information related to tips received; and
- the timely routing of tips received.

MCSS is responsible for the tracking and disposition of each tip at the State and local level.

The agreement states that MCSS will provide MEMA with \$300,000 to support the expense of 5 positions used to operate the tip line; however, the positions and funding do not appear in the agency's fiscal 2019 or 2020 budgets. MEMA has indicated that budget amendments will be processed to recognize the reimbursable funds from MCSS and contractual full-time equivalents (FTE). Given that only 177 tips have been received since the tip line was created in October 2018, and the fact that MEMA received 5 new FTEs in the fiscal 2019 allowance to support MJOC operations, it is not evident that the additional FTEs and funding are necessary at all.

**MEMA should provide the budget committees with a detailed workload justification for needing 5 FTEs specifically for managing the Maryland School Safety Tip Line and why this work cannot be handled with existing resources.**

This issue is further addressed in the MCSS fiscal 2020 budget analysis.



## Operating Budget Recommended Actions

1. Adopt the following narrative:

**Improving the Functionality of Army National Guard Facilities:** It is the intent of the budget committees that the Spending Affordability Committee consider identifying Army National Guard maintenance funding dedicated to improving facility functionality, as identified by the department’s Managing for Results performance measure, as an eligible exclusion from the State’s calculation of the spending affordability limit as a means of encouraging additional general fund spending on maintenance in order to better leverage federal resources for the same purpose.

In order to more easily identify these expenses for exclusion, it is the intent of the budget committees that the Military Department create a separate subprogram for maintenance expenses specifically dedicated to improving the functionality of Army National Guard facilities.

2. Adopt the following narrative:

**Opioid Crisis Fund:** The budget committees request quarterly reports for fiscal 2020 on the funding plan for the funds contained in the Opioid Crisis Fund (OCF) from the Opioid Operational Command Center (OOCC) as well as the Maryland Department of Health (MDH). These reports are to include the spending plan for these funds, including the fund source for each line item, as well as any changes to the spending plan and any performance metrics that have been gathered by OOCC from programs receiving this funding.

<b>Information Request</b>	<b>Authors</b>	<b>Due Date</b>
OCF quarterly reports	OOCC MDH	September 30, 2019 December 31, 2019 March 31, 2020 June 30, 2020

## *Updates*

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### **1. MEMA Continues to Pursue Improvements in Complex Coordinated Terrorist Attack Preparedness**

Terrorism is an ongoing, yet evolving, threat. Terrorists are shifting from symbolic, highly planned and structured attacks focused on high-visibility targets, to threats that are more diffuse, difficult to detect, and less costly to implement. These new attacks are known as Complex Coordinated Terrorist Attacks (CCTA). In July 2017, Maryland received nearly \$2.1 million in one-time federal funding from a new grant program designed to assist State and local jurisdictions with preventing, preparing for, and responding to these attacks.

With the grant funding, MEMA conducted a gap analysis to identify and address areas of improvement for preparing for and responding to CCTAs. A summary of the analysis findings was provided to the budget committees. The report identified three areas of potential improvement and indicated that the remainder of the grant funding would be used to design and conduct training and exercises necessary to address the identified gaps.

- ***Cross-cutting Resource Management:*** Local government personnel are in need of additional training on requesting aid and utilizing the mutual aid process in order to improve timely responses and management of resources needed during a CCTA.
- ***Local-to-State Resource Management:*** There is a need to have more standardized resource management nomenclature, request processes, and decision-making hierarchies during emergencies among local, regional, and state jurisdictions, including personnel outside of emergency responders (*e.g.* hospitals).
- ***State-level Resource Management:*** The State currently lacks an asset repository that can be deployed at the local level, needs to improve its use of aid from the private sector, and should evaluate how to balance the “holdback” concept of ensuring resources are available for follow-up attacks while still providing sufficient immediate response. In addition, local and regional entities are looking to MEMA to address statewide issues, including the development of model plans, guides, and annexes for how to address CCTAs.

*D50H01 – Military Department*

**Appendix 1  
Current and Prior Year Budgets  
Military Department  
(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2018</b>					
Legislative Appropriation	\$12,339	\$18,287	\$51,855	\$0	\$82,481
Deficiency/Withdrawn Appropriation	-159	0	-194	0	-353
Budget Amendments	0	1,968	639	200	2,807
Reversions and Cancellations	-53	-179	-145	0	-377
<b>Actual Expenditures</b>	<b>\$12,127</b>	<b>\$20,076</b>	<b>\$52,155</b>	<b>\$200</b>	<b>\$84,558</b>
<b>Fiscal 2019</b>					
Legislative Appropriation	\$12,991	\$18,312	\$51,214	\$0	\$82,517
Budget Amendments	63	0	114	0	176
<b>Working Appropriation</b>	<b>\$13,054</b>	<b>\$18,312</b>	<b>\$51,328</b>	<b>\$0</b>	<b>\$82,694</b>

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

## **Fiscal 2018**

Actual expenditures for the Military Department totaled \$84.6 million at the close of fiscal 2018, an increase of approximately \$2.1 million above the legislative appropriation.

General fund spending totaled \$12.1 million, reflecting the withdrawal of approximately \$159,000 in overbudgeted health insurance funds and the reversion of approximately \$53,000 in funding for contractual services to meet cost containment targets.

Special fund expenditures reflected a nearly \$1.8 million net increase over the legislative appropriation. Budget amendments provided an increase of nearly \$2.0 million, which included \$1.1 million in additional funds for the Volunteer Company Assistance Fund (VCAF) loans, \$800,000 in assistance funding provided for disaster relief support provided to Puerto Rico and the U.S. Virgin Islands, and \$80,000 from the Exelon Corporation to support nuclear power plant emergency management training. The department canceled approximately \$179,000 at the close of the fiscal year to reflect actual VCAF loan amounts.

Federal fund spending totaled \$52.2 million. Adjustments from the \$51.9 million legislative appropriation include the withdrawal of \$194,000 in overbudgeted health insurance funds, a \$639,000 increase for anticipated expenditures supported through the federal cooperative agreement negotiated with the National Guard Bureau, and the cancellation of \$145,000 at year-end to better reflect actual federal expenditures.

The department received \$200,200 in reimbursable funds from the Maryland Department of Health for the operating costs incurred by the Maryland Emergency Management Agency from supporting and locating the Opioid Operational Command Center.

## **Fiscal 2019**

The fiscal 2019 working appropriation is increased by a combined \$176,414 in general and federal funds to reflect cost-of-living adjustments for State employees.

**Appendix 2  
Object/Fund Difference Report  
Military Department**

<u>Object/Fund</u>	<u>FY 18 Actual</u>	<u>FY 19 Working Appropriation</u>	<u>FY 20 Allowance</u>	<u>FY 19 - FY 20 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	293.50	297.50	301.50	4.00	1.3%
02 Contractual	56.01	25.00	25.00	0.00	0%
<b>Total Positions</b>	<b>349.51</b>	<b>322.50</b>	<b>326.50</b>	<b>4.00</b>	<b>1.2%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 20,733,158	\$ 21,603,375	\$ 22,756,853	\$ 1,153,478	5.3%
02 Technical and Special Fees	3,531,000	1,489,221	1,489,221	0	0%
03 Communication	654,497	730,211	715,035	-15,176	-2.1%
04 Travel	219,699	93,648	96,241	2,593	2.8%
06 Fuel and Utilities	2,865,264	2,654,139	2,625,110	-29,029	-1.1%
07 Motor Vehicles	440,347	316,329	518,733	202,404	64.0%
08 Contractual Services	4,105,902	3,541,398	14,792,798	11,251,400	317.7%
09 Supplies and Materials	1,101,206	629,138	620,160	-8,978	-1.4%
10 Equipment – Replacement	123,406	172,112	172,112	0	0%
11 Equipment – Additional	43,694	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	47,020,176	45,326,507	45,326,507	0	0%
13 Fixed Charges	153,131	197,166	184,741	-12,425	-6.3%
14 Land and Structures	3,566,616	5,940,385	5,940,385	0	0%
<b>Total Objects</b>	<b>\$ 84,558,096</b>	<b>\$ 82,693,629</b>	<b>\$ 95,237,896</b>	<b>\$ 12,544,267</b>	<b>15.2%</b>
<b>Funds</b>					
01 General Fund	\$ 12,127,080	\$ 13,054,024	\$ 24,811,929	\$ 11,757,905	90.1%
03 Special Fund	20,075,840	18,311,967	18,311,967	0	0%
05 Federal Fund	52,154,976	51,327,638	52,114,000	786,362	1.5%
09 Reimbursable Fund	200,200	0	0	0	0.0%
<b>Total Funds</b>	<b>\$ 84,558,096</b>	<b>\$ 82,693,629</b>	<b>\$ 95,237,896</b>	<b>\$ 12,544,267</b>	<b>15.2%</b>

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

**Appendix 3  
Fiscal Summary  
Military Department**

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 Administrative Headquarters	\$ 3,036,919	\$ 3,338,794	\$ 4,356,381	\$ 1,017,587	30.5%
02 Air Operations and Maintenance	5,173,827	4,608,313	4,716,726	108,413	2.4%
03 Army Operations and Maintenance	13,176,914	13,051,585	13,383,688	332,103	2.5%
05 State Operations	7,023,538	6,337,416	6,340,920	3,504	0.1%
06 Maryland Emergency Management Agency	56,146,898	55,357,521	66,440,181	11,082,660	20.0%
<b>Total Expenditures</b>	<b>\$ 84,558,096</b>	<b>\$ 82,693,629</b>	<b>\$ 95,237,896</b>	<b>\$ 12,544,267</b>	<b>15.2%</b>
General Fund	\$ 12,127,080	\$ 13,054,024	\$ 24,811,929	\$ 11,757,905	90.1%
Special Fund	20,075,840	18,311,967	18,311,967	0	0%
Federal Fund	52,154,976	51,327,638	52,114,000	786,362	1.5%
<b>Total Appropriations</b>	<b>\$ 84,357,896</b>	<b>\$ 82,693,629</b>	<b>\$ 95,237,896</b>	<b>\$ 12,544,267</b>	<b>15.2%</b>
Reimbursable Fund	\$ 200,200	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Funds</b>	<b>\$ 84,558,096</b>	<b>\$ 82,693,629</b>	<b>\$ 95,237,896</b>	<b>\$ 12,544,267</b>	<b>15.2%</b>

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.