

W10A00
Department of State Police

Operating Budget Data

(\$ in Thousands)

	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Working</u>	<u>FY 14</u> <u>Allowance</u>	<u>FY 13-14</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$192,683	\$206,099	\$220,901	\$14,802	7.2%
Contingent & Back of Bill Reductions	0	0	-271	-271	
Adjusted General Fund	\$192,683	\$206,099	\$220,630	\$14,531	7.1%
Special Fund	81,861	83,687	82,561	-1,125	-1.3%
Contingent & Back of Bill Reductions	0	0	-66	-66	
Adjusted Special Fund	\$81,861	\$83,687	\$82,495	-\$1,191	-1.4%
Federal Fund	8,324	436	500	64	14.7%
Adjusted Federal Fund	\$8,324	\$436	\$500	\$64	14.7%
Reimbursable Fund	6,824	7,458	1,155	-6,303	-84.5%
Adjusted Reimbursable Fund	\$6,824	\$7,458	\$1,155	-\$6,303	-84.5%
Adjusted Grand Total	\$289,692	\$297,679	\$304,780	\$7,101	2.4%

- The Governor's proposed budget includes four deficiency appropriations amounting to a \$6.5 million increase in the fiscal 2013 appropriation. The deficiencies include (1) a \$2.7 million general fund deficiency to the Maryland State Police Aviation Command (MSPAC) to replace special fund expenditures from the Maryland Emergency Medical System Operations Fund (MEMSOF) to keep the fund solvent through fiscal 2014; (2) \$5.8 million to zero out a deficit special fund balance; (3) an additional \$350,000 to the Forensic Sciences Division to maintain systems and keep up with workload; and (4) an additional \$400,000 to the Licensing Division to automate firearm background checks.
- The fiscal 2014 allowance increases by \$7.1 million, or 2.4%, when funds are adjusted for contingent reductions.

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

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W10A00 – Department of State Police

- General funds increase by \$14.5 million, or 7.1%, net of \$271,000 for an across-the-board reduction in health insurance. The increase comes primarily from personnel costs (\$13.1 million) and vehicle related expenses (\$884,000).
- Special funds decrease by \$1.2 million, or 1.4%, net of \$66,000 for an across-the-board reduction in health insurance.
- Reimbursable funds decrease by \$6.3 million, or 84.5%, from the fiscal 2013 working appropriation. This is largely due to the elimination of \$6.5 million for major information technology projects, which provided portable radios to barracks (\$3.9 million), continued the Computer Aided Dispatch/Records Management System (CAD/RMS) project (\$1.0 million), and continued the Statewide Public Safety Communication System project (\$1.5 million).

Personnel Data

	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Working</u>	<u>FY 14</u> <u>Allowance</u>	<u>FY 13-14</u> <u>Change</u>
Regular Positions	2,366.50	2,389.50	2,378.50	-11.00
Contractual FTEs	<u>24.22</u>	<u>28.61</u>	<u>28.61</u>	<u>0.00</u>
Total Personnel	2,390.72	2,418.11	2,407.11	-11.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	138.19	5.81%
Positions and Percentage Vacant as of 12/31/12	155.50	6.51%

- The allowance reflects the loss of 11 positions due to the elimination of the resident trooper program in Carroll County.
- Turnover expectancy decreases to 5.81% in fiscal 2014 from 6.6% in fiscal 2013.
- As of December 31, 2012, the vacancy rate was 6.51%, above the rate needed to meet turnover.

Analysis in Brief

Major Trends

Crime in Maryland Continues to Decline: In calendar 2011, Maryland’s crime rate of 3,355 victims for every 100,000 inhabitants exceeded the national average of 3,295 victims for every 100,000 inhabitants. Although Maryland’s crime rate exceeded the national average, the number of offenses per 100,000 of the population declined by 5.5% compared to calendar 2010.

Maryland’s Murder Rate Declines; Still Exceeds National Average: Maryland’s murder rate of 6.8 murders per 100,000 persons exceeded the national average of 4.7 murders per 100,000 persons in calendar 2011. While Maryland’s murder rate exceeded the national average, the number of murders reported to law enforcement agencies in Maryland declined from 425 to 398.

Increase in Applications for Regulated Firearms: Applications for all regulated firearms and new applications for handgun permits showed significant increases in calendar 2012. Applications for regulated firearms received by the Department of State Police (DSP) increased by 23,267, or 50.2%, from calendar 2011. New applications for handgun permits increased by 483, or 23.9%, in calendar 2012. Although the reasons for these increases are likely varied and disparate, historically, increases in applications for firearms have followed newsworthy mass shooting occurrences across the country, such as the Newtown, Connecticut school shooting in December 2012. **DSP should discuss how the Licensing Division plans to handle the increased workload.**

Maryland Fire Fatalities Lowest in 30 Years: In calendar 2012, the Office of the State Fire Marshal (OSFM) reported 53 fire fatalities, the lowest number of fatalities since 1980. Over the past 30 years, there has been a clear and significant downward trend in fire deaths. Every year, OSFM puts together a complete analysis of fire deaths to assist public education efforts and the development of legislation aimed at reducing fire deaths.

Issues

New Helicopter Fleet in Transition: The intent to replace the existing helicopter fleet dates back to the 2007 legislative session. After several attempts to fund the replacement, the Maryland Consolidated Capital Bond Loan (MCCBL) of 2009 included \$52.5 million in general obligation bonds to begin the purchase of 10 helicopters and a flight training device. Based on the MCCBL of 2013, the total cost will be \$133.9 million. According to MSPAC, delivery of the first six helicopters is scheduled for the end of February 2013. Once the fleet arrives, complete helicopter transition will take approximately 24 months. Currently, MSPAC intends to transition to the new fleet flying a single pilot during the day and two pilots at night. MSPAC will make a determination after gaining operational experience whether two pilots will be needed for 24/7 coverage. **MSPAC should update the budget committees on the transition of the new helicopter fleet and the decision to fly the new helicopters with two pilots at night. MSPAC should also discuss the possibility of dual pilot 24/7 coverage and the costs associated with that decision.**

Aviation Command Recruitment and Retention Challenges: MSPAC currently has 50 pilot positions with 11 pilot vacancies, or a 22% vacancy rate. MSPAC has difficulty filling these vacancies due to low salaries. MSPAC believes increasing the pilot salary will improve recruitment, increase retention, and lower training costs by making DSP salaries more competitive with the private market. After an Annual Salary Review, the Department of Budget and Management has recommended a one grade increase for Aviation pilots, technicians, and inspectors in fiscal 2014. **MSPAC should discuss the anticipated impact of the salary increase on recruitment and retention, identify the grade and step at which pilots will be hired, and comment on whether this increase is sufficient. If the increase is not sufficient, MSPAC should discuss what the agency believes would be needed and the impact on MEMSOF.**

Fixed Wing Aircraft Grounded for Extended Periods: DSP currently owns two aircraft in support of its mission to perform prisoner extraditions for the State and local law enforcement entities: a 1981 Cessna P-210 Centurion and the 2002 King Air 350. DSP also uses its fixed wing aircraft to perform observation flights of criminal activity, transport maintenance personnel to repair aircraft in the field, transport DSP personnel, train pilots, take aerial photography, provide aerial speed enforcement, and conduct other patrol activities. The King Air was down for scheduled maintenance since March 2011; only recently the aircraft has been put back in service. **DSP should discuss (1) the most recent prisoner extradition data since the King Air has been brought back into service; (2) how extraditions were handled while the aircraft was grounded, including a cost comparison to regular operations if available; and (3) whether to continue usual operations with intent to eventually replace the aircraft or to provide an alternate solution for prisoner extraditions. DSP should also discuss the current budget for the fixed wing program and the Extradition Unit, how these programs keep track of expenses, and offer suggestions to improve accounting and recordkeeping.**

Computer Aided Dispatch/Records Management System Vendor Default: DSP has been in the process of procuring a new computer aided dispatch/records management system (CAD/RMS) since January 2007. The project will result in statewide coordination of public safety information sharing and reporting. Recently, the RMS vendor, InterAct, was found in default for being unable to provide the proposed solution. InterAct has proposed a cure solution which will meet the needs of the State, but the implications for the schedule and costs of the project are uncertain. DSP released the project manager in November 2012, and there have been concerns that expenditures for the project were exceeding the funds authorized. After a portfolio review was conducted, it was determined that project costs may have unintentionally included noncore costs; funding authorized for CAD/RMS is only to be spent on the core of the project. **DSP should explain why the vendor defaulted, the cure proposed, the most recently revised schedule and costs, what is currently operational, and any next steps to complete the project. DSP should also discuss the decision to release the project manager, efforts to encourage stakeholder involvement, and steps taken to ensure greater accountability and cost control. Finally, DSP should discuss what is being done to reconcile project costs and funding.**

W10A00 – Department of State Police

Motor Vehicle Replacement: The Budget Reconciliation and Financing Act of 2011 (Chapter 397) required that for fiscal 2013, 2014, and 2015, \$3 million of the revenue derived from work zone speed control systems be distributed to DSP for the purchase of replacement vehicles and related equipment, after administrative costs are paid. In fiscal 2013, DSP ordered 83 Chevy Caprices and the necessary equipment, exceeding the funding by \$900,000 because asset forfeiture funds made up the difference. According to DSP, they will be able to replace 62 vehicles each year with the current funding. There is concern that after funding is scheduled to stop in fiscal 2015, it will not be long until the fleet will be in need of replacement due to excessive mileage again. **DLS recommends committee narrative requiring that the agency submit a report, in conjunction with the Department of Budget and Management, to the budget committees on the current state of the fleet and the future state of the fleet after work zone revenue is scheduled to stop. In addition, DSP should discuss what funding level would be needed to sustain the fleet over time and present funding suggestions.**

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete the Deputy Secretary of the Department of State Police position.	\$ 149,183	1.0
2. Add language to restrict funds for the Maryland Center for School Safety.		
3. Add language to eliminate the deficiency appropriation to Field Operations Bureau contingent on legislation to raise the motor vehicle registration fee for the Maryland Emergency Medical System Operations Fund.		
4. Reduce funds for the Maryland Center for School Safety.	250,000	
5. Adopt committee narrative requesting the Department of State Police to submit a report on the motor vehicle fleet and present solutions for sustainability.		
6. Add budget bill language that restricts \$1,000,000 of the general fund appropriation until the Department of State Police submits the 2012 Uniform Crime Report.	\$1,000,000	
Total Reductions	\$ 399,183	1.0

Updates

Fiscal 2012 Statewide Closeout Audit: The fiscal 2012 statewide closeout audit noted that a general fund deficiency appropriation may be required to eliminate a deficit special fund balance of \$5.1 million that existed as of June 30, 2012. This issue has been commented upon in six preceding annual budget closeout reports. The budget bill for the 2013 legislative session provides a \$5.8 million general fund deficiency for fiscal 2013 to correct the deficit. Previous audit reports have contributed other DSP special fund savings to address the special fund deficit, but the actual amount owed is \$5.8 million.

Unprovided for General Fund Payables in Fiscal 2012: At the close of fiscal 2012, DSP was not able to meet \$660,672 in payments for several programs with the fiscal 2012 appropriation. These expenses will roll over into fiscal 2013; DSP does not project a deficiency will be needed. The majority of these expenses (\$535,000) came from the Support Services Bureau for fuel, utilities, and maintenance.

W10A00
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 includes the Vehicle Theft Prevention Council and also 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. The department's various programs are described briefly in **Appendix 2**.

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.

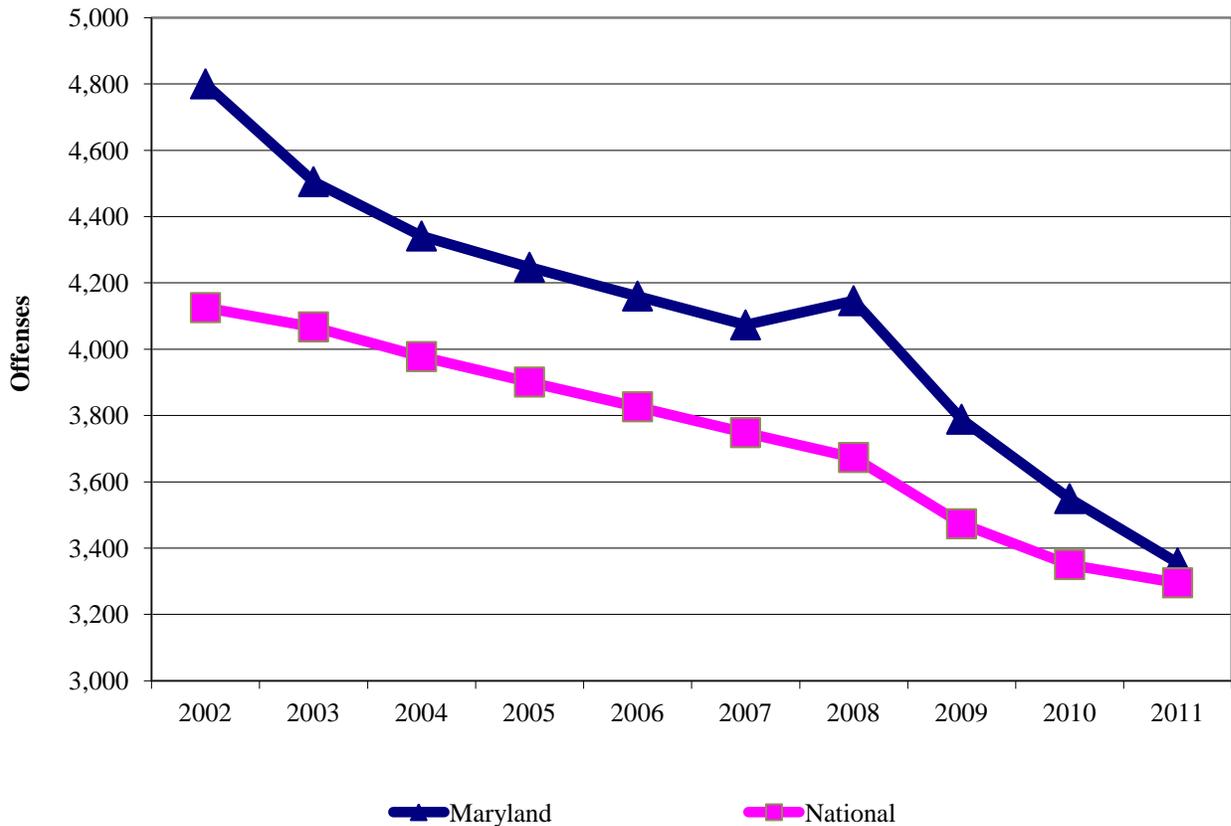
W10A00 – Department of State Police

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 2011, Maryland's crime rate of 3,355 victims for every 100,000 inhabitants exceeded the national average of 3,295 victims for every 100,000 inhabitants. Although Maryland's crime rate exceeded the national average, the number of offenses per 100,000 of the population declined by 5.5% compared to calendar 2010 (see **Exhibit 1**).

Exhibit 1
Maryland and National Crime Rate Trends
Offenses Per 100,000 of Population
Calendar 2002-2011

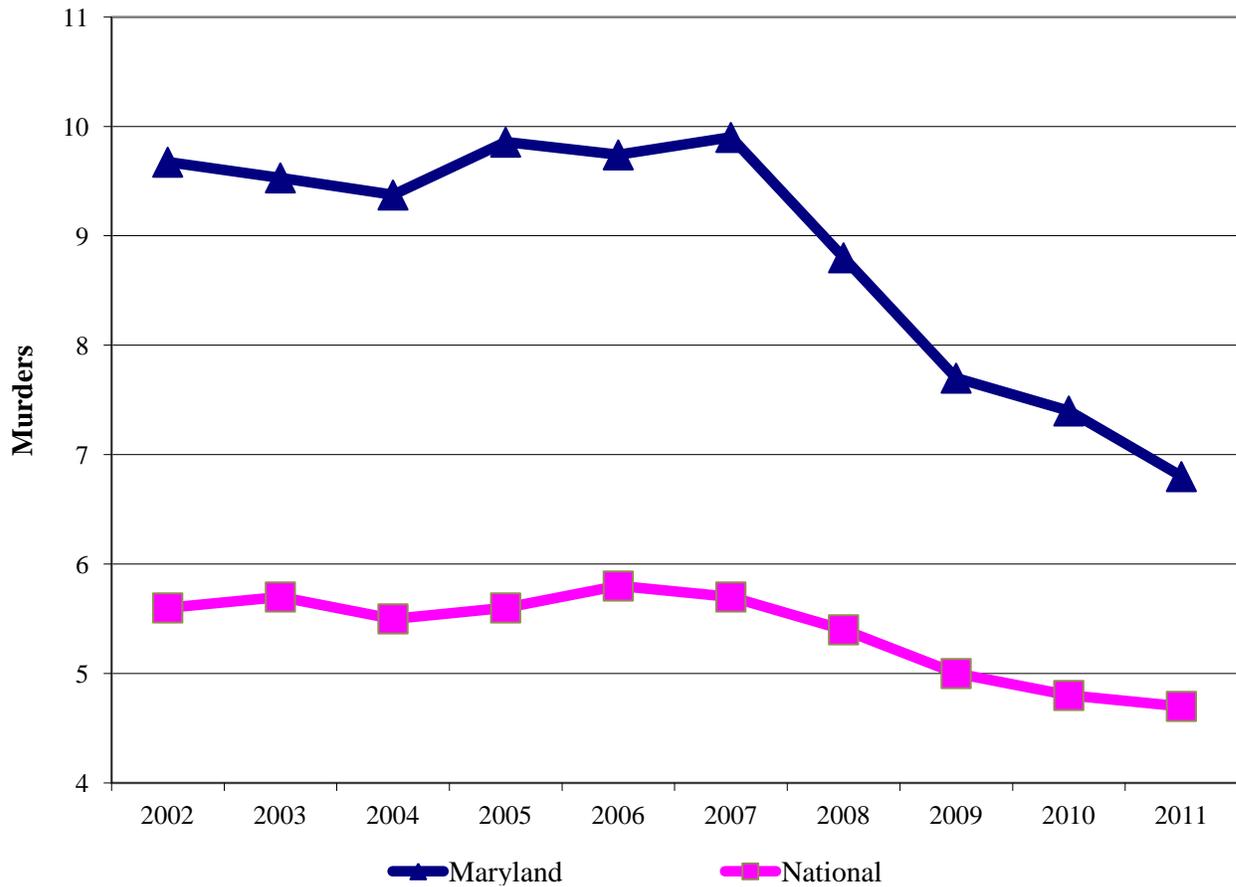


Source: *Crime in Maryland*, 2011 Uniform Crime Report; Federal Bureau of Investigation

2. Maryland's Murder Rate Declines; Still Exceeds National Average

In calendar 2011, Maryland's murder rate of 6.8 murders per 100,000 persons exceeded the national average of 4.7 murders per 100,000 persons (see **Exhibit 2**). While Maryland's murder rate exceeded the national average, the number of murders reported to law enforcement agencies in Maryland declined from 425 to 398 in calendar 2011.

Exhibit 2
Maryland and National Trends
Murders Per 100,000 of Population
Calendar 2002-2011

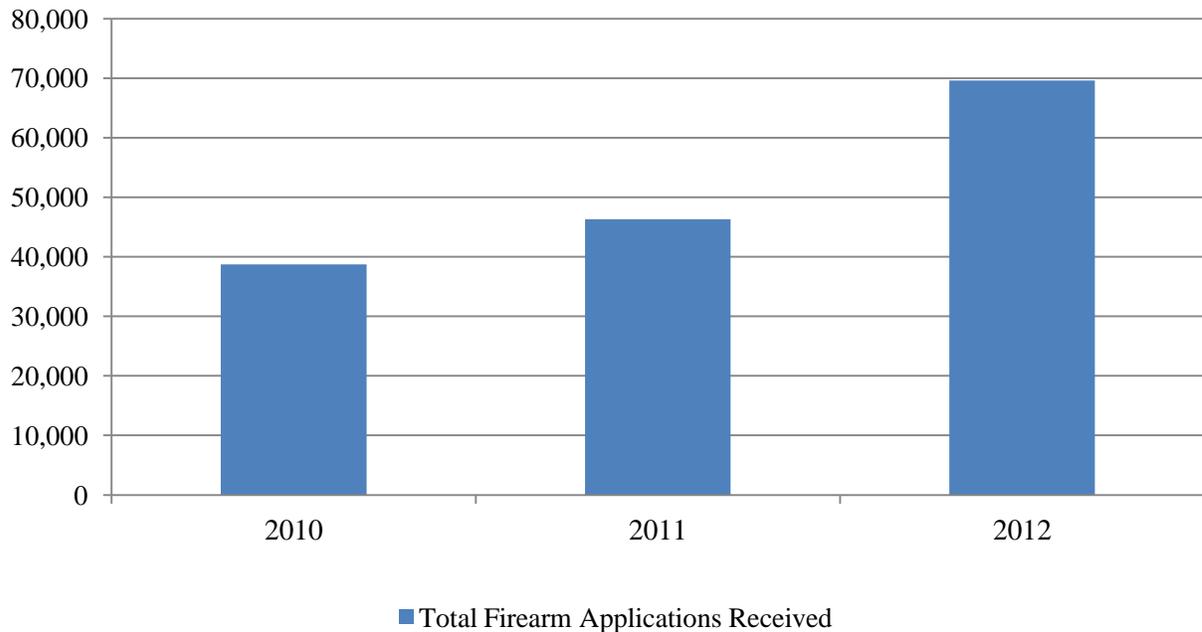


Source: *Crime in Maryland, 2011 Uniform Crime Report*; Federal Bureau of Investigation

3. Increase in Applications for Regulated Firearms

As shown in **Exhibit 3**, applications for regulated firearms experienced a significant increase of 23,267, or 50.2%, in calendar 2012. Applications for regulated firearms include licensed firearm dealer applications, secondary or private sale, transfer as a gift, and voluntary applications.

Exhibit 3
Firearm Applications
Calendar 2010-2012

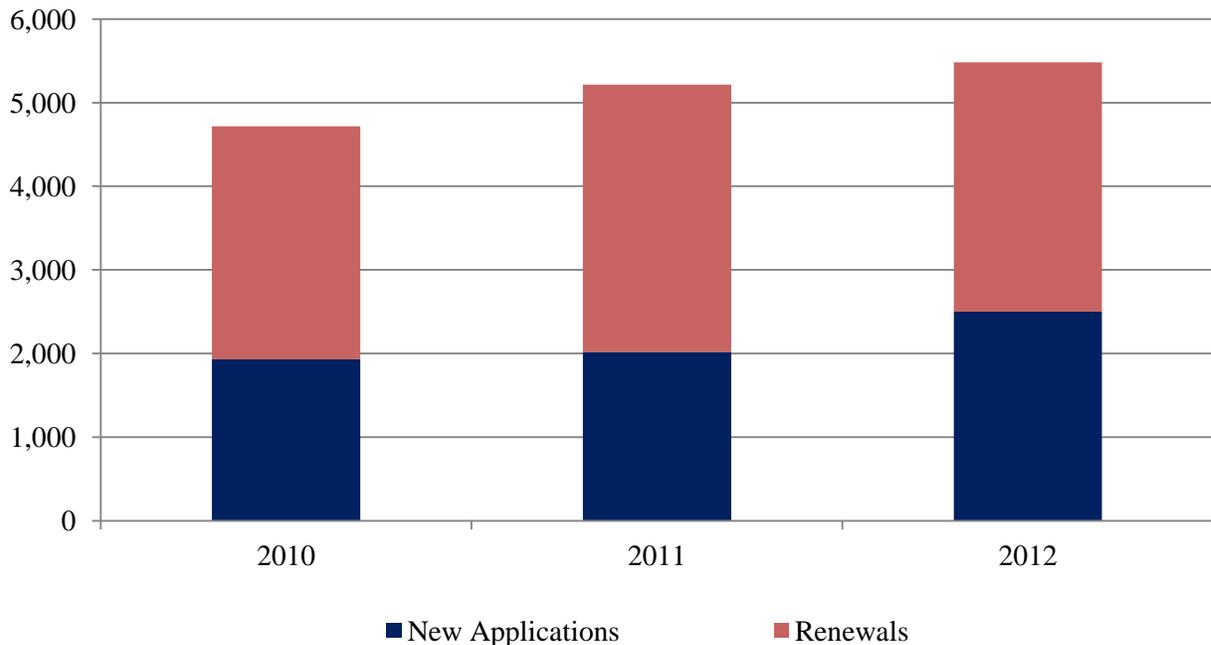


Source: Department of State Police

In addition, applications for handgun permits increased as well in 2012, as shown by **Exhibit 4**. Overall, handgun permit applications increased by 267 from 2011, which is a 5.1% increase. New handgun permit applications are the primary drivers of the increase, accounting for 2,503 of the total 5,483 applications in 2012, showing a 23.9% increase in new applications. Applications to renew handgun permits decreased by 216, or by 6.8%, in 2012.

Although the reasons for these increases are likely varied and disparate, historically, increases in applications for firearms have followed newsworthy mass shooting occurrences across the country, such as the Newtown, Connecticut school shooting in December 2012. This trend corresponds to the significant increase of firearm applications DSP received in December 2012, a total of 11,362 applications, which was much higher than the monthly average of 5,295 in 2012. **DSP should discuss how the Licensing Division plans to handle the increased workload.**

Exhibit 4
Handgun Permit Applications
Department of State Police
Calendar 2010-2012



Source: Department of State Police

4. Maryland Fire Fatalities Lowest in 30 Years

In calendar 2012, the Office of the State Fire Marshal (OSFM) reported 53 fire fatalities, the lowest number of fatalities since 1980, which had 127 deaths. Though fire deaths can vary in the short run, over the past 30 years there has been a clear downward trend in fire deaths. Every year, OSFM puts together a complete analysis of fire deaths to assist public education efforts and the development of legislation aimed at reducing fire deaths (The OSFM Fire Death Report). OSFM uses fire death information to lobby for changes in legislation; in 2008, legislation was passed to require only “fire safety compliant” cigarettes be sold in Maryland. As a result, fire deaths with the known cause related to smoking materials has fallen from 18 deaths in 2009 to 5 deaths in 2012, making it no longer the leading cause of fire deaths in Maryland.

Fiscal 2013 Actions

Proposed Deficiency

The Governor's proposed budget includes four fiscal 2013 deficiency appropriations which total \$6.5 million. The deficiencies include:

- a \$2.7 million general fund deficiency to the Maryland State Police Aviation Command (MSPAC) to replace special finds expenditures from the Maryland Emergency Medical System Operations Fund (MEMSOF) to keep the fund solvent through fiscal 2014. There is also a corresponding negative deficiency of \$2.7 million in special funds;
- a \$5.8 million general fund deficiency needed to correct a special fund deficit which resulted from an incorrect reversion to the general fund in fiscal 2005;
- \$350,000 for the Criminal Investigation Bureau to maintain systems and keep up with the workload of the Forensic Sciences Division. This deficiency will purchase new crime scene vans (\$200,000), outsource backlogged latent print casework (\$130,000), and add a second lab technician contract to handle shell casings (\$20,000); and
- \$400,000 to the Licensing Division to automate firearm background checks.

Abolished Positions

Section 25 of Chapter 1 of the First Special Session of 2012 (the Budget Reconciliation and Financing Act (BRFA) of 2012) required the Governor to abolish at least 100 vacant positions as of January 1, 2013, saving at least \$6 million in general funds. This agency's share of the reduction was 4 positions and \$460,226 in general funds. The annualized salary savings due to the abolition of these positions is expected to be \$128,215 in general funds and \$146,715 in special funds.

Proposed Budget

As shown in **Exhibit 5**, the allowance increases by \$7.1 million, or 2.4%, when funds are adjusted for across-the-board reductions. General funds increase by \$14.5 million, or 7.1%, net of \$271,000 due to an across-the-board reduction in health insurance. The general fund increase is largely due to personnel costs (\$13.1 million) and motor vehicle-related expenses (\$884,000). Special funds decrease by \$1.2 million, or 1.4%, net of \$66,000 due to an across-the-board reduction in health insurance. Reimbursable funds decrease by \$6.3 million, or 84.5%, from the fiscal 2013 working appropriation largely due to the elimination of \$6.5 million for major information technology projects, which provided portable radios to barracks (\$3.9 million), and continued the Computer Aided Dispatch/Records Management System (CAD/RMS) project (\$1.0 million) and the Statewide Public Safety Communication System project (\$1.5 million). If reimbursable fund decreases for information technology projects were removed, the budget would increase by \$13.4 million, or by 4.5%, largely due to increasing personnel costs.

Exhibit 5
Proposed Budget
Department of State Police
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
2013 Working Appropriation	\$206,099	\$83,687	\$436	\$7,458	\$297,679
2014 Allowance	<u>220,901</u>	<u>82,561</u>	<u>500</u>	<u>1,155</u>	<u>305,117</u>
Amount Change	\$14,802	-\$1,125	\$64	-\$6,303	\$7,438
Percent Change	7.2%	-1.3%	14.7%	-84.5%	2.5%
 Contingent Reduction	 -\$271	 -\$66	 \$0	 \$0	 -\$337
Adjusted Change	\$14,531	-\$1,191	\$64	-\$6,303	\$7,101
Adjusted Percent Change	7.1%	-1.4%	14.7%	-84.5%	2.4%

Where It Goes:

Personnel Expenses

Increments and other compensation.....	-\$500
Employee and retiree health insurance, adjusted for across-the-board reduction	1,886
Employee retirement	8,693
Workers' compensation premium assessment	665
Turnover adjustments.....	973
Annualization of fiscal 2013 2% cost-of-living adjustment.....	2,083
Abolished 11 resident troopers in Carroll County	-877
Other fringe benefit adjustments.....	-123

Other Changes

Vehicle expenditures for resident troopers in Carroll County	-112
New helicopter fleet associated costs.....	-576
Hangar leases	-449
Center for School Safety	500
Gasoline for vehicles.....	1,000
Contractual services	632
Elimination of Port Security Program Grant.....	-336
Vehicle Theft Prevention Council.....	189
Elimination of major information technology project funding	-6,459
Other	-88

Total **\$7,101**

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

Personnel Costs

Personnel costs increase overall by \$12.8 million from the fiscal 2013 working appropriation. Regular earnings decrease by \$500,000, while the annualization of the fiscal 2013 2% cost-of-living adjustment (COLA) adds \$2.1 million. Not including the salary reduction from abolished positions, a net decrease in regular earnings can happen when positions become vacant and are reset at the original base salary. Health insurance increases by \$1.9 million, net of \$337,000 due to an across-the-board reduction. Workers' compensation increases by \$665,000. Turnover expectancy increases by \$974,000.

Employee retirement is the primary driver of the increase in personnel costs with an \$8.7 million increase overall. In particular, the State Police Retirement System (SPRS) increases by \$7.5 million in fiscal 2014; the Law Enforcement Officer Pension System increases by \$328,000 and State employee retirement increases by \$831,000. Contribution rates for the regular employees, teachers, State Police, and law enforcement officers pension plans increase in fiscal 2014. The rate increases are attributable to underattaining investment returns, adjusting actuarial assumptions, and increasing the reinvestment of savings achieved in the 2011 pension reform. In order to achieve 80% actuarial funding by 2023 and 100% funding by 2043, the State must reinvest a portion of savings generated by restructuring the benefits system back into the pension system, which is why increased State contributions are seen in fiscal 2013 and 2014.

SPRS requires a particularly high level of State contribution and reinvestment to reach the actuarial goals in comparison to other State pension systems. **Exhibit 6** shows those factors that result in an over \$7.4 million increase in SPRS costs. The salary base increases 2.8%, primarily reflecting the annualization of the fiscal 2013 general salary increase. In fiscal 2013, the State contribution rate was 61.21% while the reinvestment equated to a 3.54% rate, amounting to a total State contribution of 64.75%, or \$51.4 million, for SPRS. In fiscal 2014, the State contribution increases to 66.71% and the reinvestment rate increases to 5.14%, amounting to a total State contribution of 71.85%, or \$58.8 million. This cost equates to about 20% of the entire DSP budget. In comparison to State employees with a total contribution rate of 21.1% and teachers with a rate of 20.37%, the State contribution to SPRS is fairly significant. The reason State contribution rates for SPRS are high in comparison to other pension systems is because SPRS offers generous benefits for State Police sworn officers, taking into consideration these members do not receive Social Security benefits.

**Exhibit 6
State Cost for State Police Retirement System
Fiscal 2013-2014**

	<u>2013</u>	<u>2014</u>	<u>\$ Difference</u>	<u>% Difference</u>
Salary Base	\$75,551,283	\$77,689,914	\$2,138,631	2.83%
Base State Contribution Rate	61.21%	66.71%	n/a	5.50%
Reinvestment Rate	3.54%	5.14%	n/a	1.60%
Total Contribution Rate	64.75%	71.85%	n/a	7.10%
Base State Contribution	\$48,693,921	\$54,571,527	\$5,877,606	12.07%
Reinvestment	\$2,671,176	\$4,200,827	\$1,529,651	57.27%
Total State Contribution	\$51,365,097	\$58,772,354	\$7,407,257	14.42%

Note: Numbers may not match what is portrayed in the fiscal 2014 allowance because numbers provided on the Exhibit come from an illustration by the Maryland State Retirement Agency.

Source: Maryland State Retirement Agency

Abolished Positions

Personnel costs also decrease by \$877,000 as a result of the abolishment of 11 positions. These positions were troopers that were part of the Resident Trooper Program in Carroll County. The program phase-out in Carroll County began in July 2011; effective July 1, 2013, there will be no resident troopers assigned to serve Carroll County. The Carroll County Sheriff’s Office manpower is expanding and will be taking over responsibility for the services provided by the resident troopers. There will continue to be resident troopers in Walkersville and Mt. Airy.

Hangar Leases

DSP occupies hangar space at several airports in Maryland that it uses as operational bases for the Aviation Command. In several cases, including the Frederick Municipal and Martin State airports, the lease arrangement between DSP and the airports had to be amended to comply with the Federal Aviation Administration (FAA) regulation that prohibits the lease of airport property for less than fair market value. Historically, DSP has been able to obtain favorable lease rates at airports because the department could provide security and other in-kind services to reduce its financial obligation. However, several of these airports attempted to receive federal funding for facility upgrades, and prior to releasing funds for these projects, the FAA mandated that the airport must renegotiate all below-market leases to ensure that the airport is generating as much revenue as possible to contribute toward a federally funded project.

Based on this development, it was possible that rent costs would have increased significantly at certain airport facilities; the fiscal 2013 appropriation for hangar lease rent increased by approximately \$876,000 in anticipation of this increase. Negotiations are still ongoing, and Aviation Command has not yet signed a lease for Martin State Airport; however, the fiscal 2014 allowance reflects a \$449,000 decrease in hangar leases as a more updated cost estimate as negotiations come to a close.

Aviation Command New Helicopter Fleet Costs

MSPAC delivery of the new AgustaWestland (AW) 139 helicopter fleet has been delayed due to waiting for approval of helicopter modifications. MSPAC requested modifications to the searchlight and the medical interior, which had to be approved by the FAA and the European Aviation Safety Agency (EASA) before the new fleet could be delivered. The wait is finally over, and helicopters are now expected to be delivered starting February 2013. But due to this delay, the fiscal 2014 allowance reflects a cost savings of \$576,000. The delay resulted in savings of \$826,000 in gas, oil, and insurance that would have been needed if the fleet was delivered earlier. However, these savings are offset by the costs of various aviation accessories associated with delivery of the new fleet, including uniform equipment and helmets (\$180,000), tug tractors for ground movement of the aircraft (\$40,000), vendor-specific training for aircraft equipment (\$15,000), auxiliary power units (\$19,000), tough-book computers (\$52,000), a mobile refueling trailer for the Easton section (\$15,000), and a service contract for night vision goggle equipment (\$72,000). The accessories amount to \$393,000 in total costs, but since some of the purchases will be deferred until fiscal 2015, only \$250,000 is reflected in fiscal 2014 to procure some of these items. **Exhibit 7** shows the change in the operating budget in fiscal 2014 and the current change in fiscal 2015 as the result of delayed delivery of the new fleet.

Exhibit 7
Maryland State Police Aviation Command
Helicopter Fleet Revised Costs Due to Delay

	<u>FY 2014</u>	<u>FY 2015</u>
Gas and Oil Saved	-\$826,000	\$0
Helicopter Accessories	250,000	143,000
Operating Budget Impact	-576,000	143,000

Source: Department of State Police

Maryland Center for School Safety

The fiscal 2014 allowance for DSP includes \$500,000 to create a Center for School Safety within the Maryland Coordination and Analysis Center (MCAC) located in Baltimore County. MCAC coordinates the efforts of federal, State, and local agencies to gather, analyze, and share intelligence information with law enforcement, public health, and emergency responder personnel. The Center for School Safety will work out of MCAC to bring together stakeholders from public school and law enforcement to implement a comprehensive approach to school safety. Coordinators will meet with the State Board of Education to develop and audit school safety plans, formulate best practices, and develop emergency response plans with local law enforcement. The center will also pursue additional grant funding for continued support of the program.

The costs include \$409,000 in salaries for 5 full-time contractual employees, including (1) an executive director; (2) a coordinator of projects; (3) a coordinator of grants; (4) an administrative aide; and (5) a school resource officer. The costs also include \$10,000 for equipment and supplies, including a business printer with a service contract, computers, laptops, standard printers, an LCD player, and other supplies. In addition, \$10,000 in travel costs are also provided for conferences and out-of-state meetings. At the time this analysis was written, not all the funding provided by the fiscal 2014 allowance was allocated.

The employees of the center will focus on collaboration across State and local jurisdictions to develop school emergency plans. In addition, the grant coordinator will be responsible for administering and seeking grant funding for the program. The Governor's Office of Crime Control and Prevention (GOCCP) already focuses efforts on coordination of State and local crime initiatives and grant funding. GOCCP may be better suited to carry out these responsibilities using existing resources. **DLS recommends that \$250,000 of this appropriation be reduced and that the rest of the appropriation, \$250,000, be transferred to GOCCP to establish the Center for School Safety.**

Issues

1. New Helicopter Fleet in Transition

The Maryland General Assembly has expressed intent to replace the existing helicopter fleet since the 2007 legislative session. After several attempts to fund the replacement of the fleet, the Maryland Consolidated Capital Bond Loan (MCCBL) of 2009 provided \$52.5 million in general obligation bonds to begin the initial purchase of 10 Medevac helicopters and a flight training device (FTD), as recommended by the 2011 Helicopter Trooper Base Assessment Study. With the addition of \$7.1 million in fiscal 2014 and \$12.9 million in fiscal 2015 authorized by the MCCBL of 2013, total cost to replace the fleet and purchase the FTD will be \$133.9 million. It should be noted that the Maryland Institute for Emergency Medical Services Systems (MIEMSS) and MSPAC have accepted the report's findings with the proviso that a recommendation on whether an eleventh helicopter is warranted is made following the integration of the new helicopters.

As of December 2012, pre-acceptance inspections for helicopters #1 through #6 were complete. Delivery of the fleet was delayed, pending FAA and EASA certification of requested modifications to the search-light and medical interior. According to DSP, approval has been granted for the modifications, and MSPAC will take delivery of the first six AW-139s by February 2013. Once the fleet arrives, it is anticipated that it will take approximately 24 months to transition the entire fleet. The planned order of the transition is Trooper 3, 5, 4, 6, 7, 2, and then 1.

Recommended Safety Measures

Following the fatal helicopter accident in 2008, a helicopter panel was convened to evaluate the recent changes to the State's Medevac protocols. Recommendations issued by the panel indicated that MSPAC should take the necessary steps to achieve accreditation by the Commission for the Accreditation of Medical Transport Systems (CAMTS). The panel also recommended that all Medevac operations be conducted under Part 135 of FAA regulations¹.

CAMTS accreditation is a program of voluntary compliance with standards that demonstrate the ability of providers to deliver service of a specific quality. In order to achieve CAMTS accreditation, MSPAC must be Part 135 certified and operate with 2 medical crew members per flight. Funding was authorized to hire a total of 40 trooper paramedics – 8 paramedics were hired in fiscal 2012 and 32 paramedics were hired in fiscal 2013. The fiscal 2013 appropriations included \$1.7 million to phase in the 32 new paramedics. These costs are annualized in fiscal 2014 showing an increase of \$1.4 million, totaling \$3.1 million, for salaries and benefits. The phase-in of the paramedics will begin in fiscal 2013. The first section is expected to stand up, or operate, with two providers around May 2013.

¹ Part 135 is the standard under which commercial airlines operate.

MSPAC currently operates as a public aircraft carrier under the FAA General Aviation requirements. Part 135 regulations are more restrictive than that of a public air carrier in several areas, such as weather minimums, helicopter maintenance, and documentation requirements. In 2009, MSPAC received approval from the Emergency Medical Services Board to make the changes necessary to be in compliance with Part 135. In October 2011, MSPAC hired a consultant to aid in the Part 135 certification process, but work has been halted due to a contract dispute over travel reimbursement. The Department of Information Technology (DoIT) and the Quartermaster Division of DSP are actively working to resolve the issue. Until the issue is resolved, the timeline for when MSPAC will achieve certification is uncertain.

Copilots

MSPAC initially requested funding to hire additional Medevac copilots in fiscal 2012, but the positions were deleted to give MSPAC more time to gain operational experience and determine if copilots are necessary. Currently, MSPAC is certified for single pilot Visual Flight Rule (VFR) operations for day and night. This means that in weather conditions where visibility is good, MSPAC can fly with a single pilot, as long as the pilot has demonstrated proficiency. MSPAC only launches into VFR conditions, so, overall, MSPAC should be able to achieve Part 135 certification flying with a single pilot. However, after initial check flights, MSPAC has determined the AW-139 would be safer to fly with 2 pilots during nighttime operations due to increased complexity of nighttime flying. MSPAC intends to utilize the current staff of pilots to accommodate this decision, including filling current pilot vacancies. Once additional operational knowledge is acquired from flying the aircraft, MSPAC will re-evaluate whether 2 pilots will be necessary only during nighttime operations or for 24/7 coverage. If 2 pilots are needed for 24/7 coverage, an additional 20 pilots would have to be hired.

MSPAC should update the budget committees on the transition of the new helicopter fleet and the decision to fly the new helicopters with two pilots at night. MSPAC should also discuss what would be needed if two pilots are recommended for 24/7 coverage and the costs associated with this decision.

2. Aviation Command Recruitment and Retention Challenges

Since July 2007, MSPAC has received 194 pilot applications; of those applications, 72 declined to interview due to low salary and of the 90 pilots who did interview, 11 declined job offers due to low salary. MSPAC currently has 50 pilot positions and 11 pilot vacancies, or a 22% vacancy rate. From January 2009 to January 2013, MSPAC has had an average of 16.7% pilot vacancies. Aviation Command believes increasing the pilot salary will improve recruitment, increase retention, and lower training costs by making DSP salaries more competitive with the private market.

An annual salary review was conducted and produced two recommended salary increases in fiscal 2014; funds were allocated for these increases in the Department of Budget and Management's budget. The first recommendation was a one-grade increase for MSPAC technicians and inspectors, which will increase general fund expenditures by \$26,904 and special fund expenditures from

MEMSOF by \$107,617 in fiscal 2014. The second recommendation was a one-grade increase for MSPAC pilots, which will increase general fund expenditures by \$47,530 and MEMSOF expenditures by \$190,119 in fiscal 2014. Currently, pilots start at Grade 17 Step 9 (\$57,885) and can be promoted to Grade 18 Step 9 (\$61,775) noncompetitively in one year. MSPAC expenditures are split 80/20 between MEMSOF and general funds, which is why the salary increases have an impact on both funds.

MSPAC should discuss the anticipated impact of the salary increase on recruitment and retention, identify the grade and step at which pilots will be hired, and comment on whether this increase is sufficient. If the increase is not sufficient, MSPAC should discuss what the agency believes would be needed in the future and the impact on the MEMSOF.

3. Fixed Wing Aircraft Grounded for Extended Periods

DSP currently owns two fixed wing aircraft in support of its mission to perform prisoner extraditions for the State and local law enforcement entities, a 1981 Cessna P-210 Centurion (2 to 4 seats) and a 2002 King Air 350 (8 to 10 seats). In addition to prisoner extradition services, the aircraft are also used for observation flights of criminal activity, transport of maintenance personnel to repair aircraft in the field, transport of DSP personnel, training flights for pilots, aerial photography, aerial speed enforcement, and other patrol activities.

Since fiscal 2010, MSPAC has also been responsible for providing aerial search and rescue, and law enforcement services for the Department of Natural Resources (DNR). MSPAC reports that it has made every attempt to accommodate DNR with preplanned missions; however, MSPAC's ability to accommodate DNR is often limited by the age of the current fixed wing fleet. MSPAC conducted 84 preplanned missions on behalf of DNR between 2010 and 2012. The Cessna, which typically conducts the DNR missions, has been grounded for repairs since November 2012; the aircraft had been grounded for three months previously, was active for one month, then grounded again in November.

Utilizing the King Air guarantees sufficient restraint and order at all times during prisoner extraditions by providing several officers to each prisoner, and protects the public from being exposed to criminals. Having the aircraft at the disposal of DSP also eliminates complications from airline flight schedules, commercial airport locations, and commercial airline passenger restrictions. **Exhibit 8** shows the prisoner extraditions performed by DSP fixed wing aircraft from calendar 2002 through calendar 2011. The King Air was grounded for maintenance in March 2011. The maintenance program required both engines for the King Air be rebuilt for inspection at 3,500 flight hours. Due to multiple procurement processing and funding delays, the aircraft was grounded for an extended period. The aircraft has only been back in service since late January 2013. If a fixed wing is not used for extraditions, then a commercial airline or vehicle transportation is used.

Exhibit 8
Prisoner Extraditions Conducted by DSP Fixed Wing Aircraft
Calendar 2002-2011

<u>Agency</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
State Police	40	46	43	55	72	86	86	111	105	16
Fire Marshal	0	0	0	0	0	0	0	0	2	0
Municipalities	0	0	0	0	2	5	6	2	5	1
Counties	34	42	35	45	26	34	22	23	27	6
Total Extraditions	74	88	78	100	100	125	114	136	139	23
Flight Hours	282.0	322.0	284.0	405.0	308.0	380.0	356.0	415.0	377.0	62.8
Hours Per Prisoner	3.8	3.7	3.6	4.0	3.1	3.0	3.1	3.0	2.7	2.7

DSP: Department of State Police

Source: Department of State Police

DSP should discuss (1) the most recent prisoner extradition data since the King Air has been brought back into service; (2) how extraditions were handled while the aircraft was grounded, including a cost comparison to regular operations if available; and (3) whether to continue usual operations with intent to eventually replace the aircraft or to provide an alternate solution for prisoner extraditions. DSP should also discuss the current budget for the fixed wing program and the Extradition Unit, how these programs keep track of expenses, and offer suggestions to improve accounting and recordkeeping.

4. Computer Aided Dispatch/Records Management System Vendor Default

DSP has been in the process of procuring a new CAD/RMS since January 2007. The project will result in statewide coordination of public safety information sharing and reporting. So far, \$15.6 million has been spent on the project with \$4.1 million authorized in fiscal 2014 and a total of \$6.7 million pre-authorized for fiscal 2015 and 2016, bringing total project costs to \$26.4 million. Recently, the RMS vendor, InterAct, was found in default for being unable to provide the proposed solution; a key subcontractor was purchased by a competitor of InterAct, slowing work down. InterAct has proposed a cure which will meet the needs of the State, but the implications for the schedule and costs of the project are uncertain. The first pilot of the system is scheduled to go live in March or April 2013 at the Waterloo Barrack. The core of the project is scheduled to be complete in July 2013, with the cure implemented. In January 2014, the Maryland Transportation Authority Officer-in-Service program should become operational.

DSP also released the project manager (PM) in November 2012. DSP has hired a new PM who will start February 2013. DSP also intends to hire an additional functional PM and technical PM to improve project oversight and distribution of responsibilities. Stakeholder meetings have been held regularly, and DSP intends to create an Executive Steering Committee.

There was concern that expenditures for the project were exceeding the funds authorized in 2012, so a portfolio review was conducted. The review found that some of the costs for the project included items that were not part of the core system, including DSP program costs and ongoing information technology costs. Funding authorized for CAD/RMS is only to be spent on the core of the project. The CAD/RMS project billing records were not found to be up to date, so it is unclear how much was spent and what was procured. DSP and DoIT are in the process of reconciling what was spent on the project and where the funding should come from for each item.

DSP should discuss why the vendor defaulted, the cure proposed, the most recently revised schedule and costs, what is operational currently, and any next steps to complete the project. DSP should also discuss the decision to release the project manager, efforts to encourage stakeholder involvement and provide progress reports, and steps to ensure greater accountability and cost control. Finally, DSP should discuss what is being done to reconcile project costs and funding.

5. Motor Vehicle Replacement

As of August 2011, nearly 51% of DSP's 1,100 vehicle fleet had in excess of 150,000 miles, and over 74% had more than 100,000 miles. The BRFA of 2011 (Chapter 397) required that, for fiscal 2013, 2014, and 2015, \$3.0 million of the revenue derived from work zone speed control systems be distributed to DSP for the purchase of replacement vehicles and related equipment, after administrative costs are paid. In fiscal 2013, DSP ordered 83 Chevy Caprices and equipment, which amounted to \$3.9 million. An additional 18 Chevy Tahoes were also purchased in fiscal 2013 using funds from the Transportation Trust Fund for the Commercial Vehicle Enforcement Division. Costs in excess of the \$3.0 million authorized were paid with asset forfeiture funds.

Exhibit 9 shows the status on the motor vehicle fleet from January 2013 through July 2015 with the assumption that \$3 million is received from fiscal 2013 through fiscal 2015 from work zone revenue. DSP predicts that 62 cars with necessary accessories can be replaced each year with current funding. However, there is a concern that after funding is scheduled to stop in fiscal 2015 that it will not be long until the fleet will be in need of replacement due to excessive mileage again. As shown in Exhibit 9, the first year after the end of the replacement funding has 815 vehicles, or 69.8%, of the fleet over 150,000 miles; this portion exceeds the 2011 portion of the fleet with excessive miles.

DLS recommends committee narrative requiring that the agency submit a report, in conjunction with the Department of Budget and Management, to the budget committees on the current state of the fleet and the future state of the fleet after work zone special funding is scheduled to stop. In addition, DSP should discuss what funding level would be needed to sustain the fleet over time and present funding suggestions.

Exhibit 9
Motor Vehicle Fleet Status with Replacement Funding
Department of State Police
Fiscal 2013-2015

<u>Mileage</u>	<u>January 2013</u>	<u>July 2013</u>	<u>July 2014</u>	<u>July 2015</u>
0-29,999	117	62	62	0
30,000-59,999	111	117	62	62
60,000-89,999	103	111	117	62
90,000-119,999	82	103	111	117
120,000-149,999	98	82	103	111
150,000-179,999	105	98	82	103
180,000-209,999	180	105	98	82
210,000-239,999	172	180	105	98
240,000-269,999	137	172	180	105
270,000-299,999	44	137	172	180
300,000+	18	0	75	247
Total	1,167	1,167	1,167	1,167

Note: Approximately 62 cars replaced annually.

Source: Department of State Police

Recommended Actions

- | | <u>Amount
Reduction</u> | | <u>Position
Reduction</u> |
|---|------------------------------------|----|--------------------------------------|
| 1. Delete 1 regular position (PIN# 038160) and reduce the general fund appropriation by \$149,183 in the Office of the Superintendent. This action deletes the Deputy Secretary of the Department of State Police position, which has been vacant since 2006. The department has been using these funds for other purposes than specified by the appropriation. | \$ 149,183 | GF | 1.0 |
| 2. Add the following language to the general fund appropriation: | | | |

, provided that \$250,000 of this appropriation made for the purpose of funding the Center for School Safety within the Maryland Coordination and Analysis Center may not be expended for that purpose but instead may only be transferred to the Governor’s Office of Crime Control and Prevention to establish the Center for School Safety. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: This language reduces the general fund appropriation for the Department of State Police, Maryland Coordination and Analysis Center, by \$250,000 and transfers funding to the Governor’s Office of Crime Control and Prevention to establish the Center for School Safety.

3. Add the following language to the general fund appropriation:

, provided that the appropriation made for the purpose of a general fund deficiency for the Maryland State Police Aviation Command to reduce Maryland Emergency Medical System Operations Fund expenditures shall be reduced by \$2,700,000 contingent on enactment of legislation to raise the motor vehicle registration fee. The Governor is authorized to process a special fund budget amendment to restore \$2,700,000 from the Maryland Emergency Medical System Operations Fund to the Maryland State Police Aviation Command.

Explanation: This language eliminates the general fund deficiency appropriation of \$2.7 million to Maryland State Police Aviation Command (MSPAC) upon enactment of legislation to raise the motor vehicle registration fee for the Maryland Emergency Medical System Operations Fund (MEMSOF). In addition, the Governor is authorized to process a budget amendment to restore \$2.7 million of MEMSOF funding to MSPAC.

W10A00 – Department of State Police

	<u>Amount Reduction</u>	<u>Position Reduction</u>
4. Reduce funds for the Maryland Center for School Safety by \$250,000. This would eliminate funding for the Department of State Police for this purpose if \$250,000 of the original \$500,000 appropriation is also restricted for the Governor’s Office of Crime Control and Prevention to carry out these functions instead.	250,000	GF

5. Adopt the following narrative:

Report on the Department of State Police Motor Vehicle Fleet: Chapter 397 of 2011 (the Budget Reconciliation and Financing Act) required that, for fiscal 2013, 2014, and 2015, \$3 million of revenue derived from work zone speed control systems be distributed to the Department of State Police (DSP) for the purchase of replacement vehicles and related equipment, after administrative costs are paid. It is the intent of the Maryland General Assembly that the DSP, in conjunction with the Department of Budget and Management, submit a report to the committees by November 1, 2013, on the current state of the motor vehicle fleet and the anticipated future state of the fleet once funding is scheduled to stop from work zone speed camera revenue. In addition, DSP should present what would be needed to sustain the fleet over time and provide funding options.

Information Request	Authors	Due Date
Report on the Department of State Police motor vehicle fleet	DSP DBM	November 1, 2013

6. 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, 2012 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 a 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 the 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

W10A00 – Department of State Police

Aid for Police Protection (SAPP) grant for fiscal 2014 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 2012 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.

Information Request	Author	Due Date	
2012 UCR	DSP	45 days prior to the expenditure of funds	
Total General Fund Reductions		\$ 399,183	1.0

Updates

1. Fiscal 2012 Statewide Closeout Audit

Each year, the Department of Legislative Services' Office of Legislative Audits completes a statewide review of budget closeout transactions. The review for fiscal 2012 identified a special fund deficit of \$5.1 million that may require a general fund deficiency appropriation to eliminate it. In fiscal 2005, DSP mistakenly recorded certain transactions as both accrued revenue and actual revenue. This resulted in a special fund surplus of \$5.6 million in the records. DSP then transferred the apparently excess funds to the general fund in fiscal 2005, as legally required. When the mistake was discovered in fiscal 2006, DSP was left with a special fund deficit. Since fiscal 2006, excess special fund revenues have been retained in the fund, which reduced the negative balance to \$5.1 million. This issue has been commented on in the six preceding annual closeout reports. The budget bill for the 2013 legislative session provides a \$5.8 million general fund deficiency for fiscal 2013 to correct the deficit. Despite DSP's special fund deficit being \$5.1 million, to zero out the deficit would require \$5.8 million.

2. Unprovided for General Fund Payables in Fiscal 2012

At the close of fiscal 2012, DSP was not able to meet \$660,672 in payments for several programs with the fiscal 2012 appropriation. The largest overexpenditures came from the Support Services Bureau (\$535,000) and the Criminal Investigation Bureau (\$90,000). Expenditures included fuel, utilities, maintenance, travel, DNA laboratory costs, aviation expenses, and executive protection. Executive protection amounted to \$163,000 in fiscal 2012; of this cost, \$33,000 was unprovided for, as identified by the audit. These unprovided for general fund expenses will roll over into fiscal 2013 for payment; DSP does not believe a deficiency will be necessary.

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>
Fiscal 2012					
Legislative Appropriation	\$186,762	\$89,205	\$1,436	\$1,051	\$278,454
Deficiency Appropriation	3,170	-1,230	0	0	1,940
Budget Amendments	2,751	570	8,905	5,882	18,108
Reversions and Cancellations	0	-6,684	-2,016	-109	-8,809
Actual Expenditures	\$192,683	\$81,861	\$8,325	\$6,824	\$289,693
Fiscal 2013					
Legislative Appropriation	\$206,099	\$78,138	\$436	\$998	\$285,671
Budget Amendments	0	5,549	0	6,459	12,008
Working Appropriation	\$206,099	\$83,687	\$436	\$7,457	\$297,679

Fiscal 2012

In fiscal 2012, the total budget for the department increased by approximately \$11.2 million. The general fund appropriation increased by \$5.9 million due to three deficiency appropriations and several budget amendments. The deficiencies included a general fund increase of \$1.2 million to replace a shortfall of special fund speed camera revenue, \$940,000 to cover overtime costs for the Field Operations Bureau, and \$1.0 million to cover the cost of increased gasoline prices. Additionally, general funds increased by \$2.8 million as a result of three budget amendments. These budget amendments resulted in (1) transfers of general and special funds to the State Law Enforcement Office Labor Alliance (SLEOLA) for salary-related bargaining increases; (2) allocation of a \$750 bonus; and (3) realignment of general funds between State agencies based on estimates for telecommunications.

The special fund appropriation decreased by a net \$7.3 million from the legislative appropriation in fiscal 2012. This decrease was the result of a deficiency appropriation, two budget amendments, and special fund cancellations. The special fund deficiency resulted in a special fund decrease of \$1.2 million corresponding to the general fund increase to replace speed camera revenue that underattained. The special fund appropriation increased by \$570,000 due to two budget amendments that transferred special funds to SLEOLA for salary-related bargaining increases and the allocation of a \$750 bonus. However, \$6.7 million in special funds was cancelled due to unspent funds by the Automotive Safety Enforcement Division, the Resident Trooper Program, the Salvage Vehicle Program, the Criminal Justice Information System fee reimbursement, and the Vehicle Theft Prevention Council.

The federal fund appropriation increased \$6.9 million in fiscal 2012 due to two budget amendments and federal fund cancellations. One budget amendment increased the appropriation by \$5.8 million as a result of Department of Justice grant funding. Another budget amendment increased the appropriation by \$3.1 million from the Federal Asset Sharing Funds to be used for a variety of purposes. A federal fund cancellation reduced the appropriation by \$2.0 million; the agency advises that the cancellation is a result of unspent federal grants and asset forfeiture money, and that funds will roll into fiscal 2013.

The reimbursable fund increased by \$5.8 million over the legislative appropriation. The increase was the result of five budget amendments. The amendments included (1) \$2.5 million from the Maryland Information Technology Development Project Fund (MITDPF) for the CAD/RMS project; (2) \$3.0 million in various continuing grants from the Governor's Office of Crime Control and Prevention and the Military Department; (3) \$206,000 from the Department of Public Safety and Correctional Services to appropriate the fiscal 2012 Polygraph Examination Grant Funds; and (4) \$208,000 from the Maryland Department of Transportation to carry forward unexpended Aggressive and Impaired Driving grants from fiscal 2011. Finally, there was a \$109,000 reimbursable fund cancellation in fiscal 2012 due to unexpended Fire Marshal inspection fees and other various grants. DSP advises that some of these grant monies were rolled into fiscal 2013.

Fiscal 2013

The budget for the department increased by \$12.0 million over the legislative appropriation. Two special fund budget amendments increased the appropriation by \$5.5 million for COLAs (\$1.3 million) and to reflect speed camera revenue, which was used to fill vacant positions (\$4.2 million). Three reimbursable budget amendments awarded DSP \$6.5 million from the MITDPF to provide portable and mobile radios to barracks (\$3.9 million), and continue the CAD/RMS (\$1.0 million) and the Statewide Public Safety Communications System projects (\$1.5 million).

Programs within the Department of State Police

Office of the Superintendent	Provides overall administration including legal counsel, government affairs, and planning. The commanders of the divisions and sections that report directly to the Superintendent include Executive Protection, Fair Practices, Legislative Security, Labor Relations, Strategic Planning, Internal Affairs, Legal Counsel, and Media Communications and Marketing Sections.
Field Operations Bureau	Manages 22 police barracks, the Automotive Safety Enforcement Division, Commercial Vehicle Enforcement Division, Special Operations Command, Transportation Safety Command, and the Aviation Division. The bureau promotes traffic safety, crime-free communities, and provides qualified Aviation Command personnel to provide timely Medevac transports throughout the State.
Criminal Investigation Bureau	Manages the Homeland Security and Intelligence Division, Forensic Sciences Division, Drug Enforcement Division, and the Criminal Investigation Division. The bureau provides investigators and analysts to collect, analyze, and disseminate intelligence to protect citizens from foreign and domestic threats, to follow-up on suspicious activity tips, and to infiltrate criminal groups. The bureau also strives to reduce the rate of firearm-related assaults and uses its resources to address criminal and drug-related acts.
Support Services Bureau	Oversees the Personnel Command, the Logistics Command, and the Records Command.
<i>Personnel Command</i>	Includes the Administrative Hearing, Department Prosecutor, Human Resources, Promotional Testing, and Education and Testing divisions.
<i>Logistics Command</i>	Includes the Electronics Systems, Facilities Management, Information Technology, Motor Vehicles, and Quartermaster divisions.
<i>Records Command</i>	Includes the Central Records and Licensing divisions.
Vehicle Theft Prevention Council	Develops strategies to assist in the prevention of vehicle theft and related crimes, including vandalism and theft of property from vehicles. DSP is responsible for administering grants from the Vehicle Theft Prevention Fund to assist in programs consistent with council's plan of operation.
Fire Prevention Commission and State Fire Marshal	Safeguards life and property from fire and explosion hazards.

Major Information Technology Projects

Department of State Police Computer-aided Dispatch/Records Management System

Project Status¹	Implementation.	New/Ongoing Project:	Ongoing.
Project Description:	The procurement of a new computer-aided dispatch and records management system (CAD/RMS). The project will result in statewide coordination of public safety information sharing and reporting.		
Project Business Goals:	The primary goal of the project is to protect the citizens of Maryland by facilitating the interagency exchange of criminal justice, homeland security, and intelligence information at the federal, State, and local level.		
Estimated Total Project Cost¹:	\$26,361,752	Estimated Planning Project Cost¹:	n/a
Project Start Date:	January 2007	Projected Completion Date:	June 2014
Schedule Status:	In November 2012, the Department of State Police (DSP) released the original Project Manager (PM) and has been actively evaluating new candidates. The new project leadership team will include a Senior PM, as well as a Technical and Functional PM. In the meantime, the vendor PM is working with agency stakeholders to create a comprehensive master schedule, which will assist the new PM with the direction of the project and keep momentum going. DSP plans to pilot the system at the Waterloo barrack in March 2013 and have the Maryland Transportation Authority go live in January 2014 with its Officer-in-Service Program.		
Cost Status:	No cost changes are identified to date. As the project team and the Department of Information Technology (DoIT) works with the vendor to finalize all the details of the cure, contract modifications and cost changes will be executed and reported accordingly.		
Scope Status:	The CAD/RMS vendor, InterAct, has been found in default as a result of being unable to provide the RMS solution proposed. The vendor proposed a cure solution, which DSP and DoIT have agreed will meet the needs of the State. However, the original solution was premise-based and the cure is cloud-based, so the project team must determine what other elements of the project must be modified to accommodate the new solution. DoIT will take the modifications to the Board of Public Works in phases to avoid delay.		
Project Management Oversight Status:	DSP is establishing a stakeholder committee and an Executive Steering Committee for additional internal oversight going forward.		
Identifiable Risks:	If pilot/users are not fully committed to the project, an ineffective pilot with insufficient data could result. DSP is beginning to hold stakeholder meetings, which should mitigate the risk of stakeholder agencies defecting from the project. There is also risk to the project, schedule, and cost until the outcome of the vendor's cure is known.		
Additional Comments:	None.		

Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Balance to Complete	Total
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Professional and Outside Services	15.564	4.107	3.318	3.372	0.0	0.0	0.0	26.362
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$15.564	\$4.107	\$3.318	\$3.372	\$0.0	\$0.0	\$0.0	\$26.362

¹ In calendar 2011, a two-step approval process was adopted. Initially, an agency submits a Project Planning Request. After the requirements analysis has been completed and a project has completed all of the planning required through Phase Four of the Systems Development Lifecycle (Requirements Analysis), including a baseline budget and schedule, the agency may submit a Project Implementation Request and begin designing and developing the project when the request is approved. For planning projects, costs are estimated through planning phases. Implementation projects are required to have total development costs.

Major Information Technology Projects

Department of State Police IP Enabled Network for ANI/ALI

Project Status¹	Planning.	New/Ongoing Project:	Ongoing.					
Project Description:	The Emergency Number Systems Board (ENSB) is providing funds through Dorchester County for the Department of State Police (DSP) to implement a new state-of-the-art e911 delivery network. ENSB is also investigating the possibility of using an advanced IP-enabled network for delivery of emergency e911 traffic to the DSP barracks, which currently function as a secondary Public Safety Answering Point.							
Project Business Goals:	The primary goal is to improve emergency services for the State by routing and delivering e911 calls throughout the State to regionally distributed call centers.							
Estimated Total Project Cost¹:	\$6,863,829	Estimated Planning Project Cost¹:	n/a					
Project Start Date:	n/a	Projected Completion Date:	April 2014					
Schedule Status:	The project planning began in July 2012. A kickoff meeting was held in October 2012. A Preliminary Design Review (PDR) and site surveys were conducted in November 2012. The DSP Program Manager (PM) met with the Department of Information Technology (DoIT) to review the proposed vendor schedule in December 2012. DSP and the vendor are working to finalize the schedule and present it to DoIT for approval. The Critical Design Review is anticipated to occur in January 2013.							
Cost Status:	So far, costs for the Eastern Shore pilot region have been provided. To take this project statewide, additional funding or a re-scoping of the project would be needed.							
Scope Status:	Currently, the project has funding to implement the Eastern Shore pilot region. The scope has approved the project to be implemented on a statewide basis. Since the awarded contract currently exceeds the funded amount, it is possible that the project may not go forward as currently configured for all regions in the State.							
Project Management Oversight Status:	The DSP PM has met with the DoIT Oversight PM to conduct the PDR.							
Identifiable Risks:	The project has been approved on a statewide basis; however, the costs include only the Eastern Shore pilot region. Since the awarded amount currently exceeds the funded amount, it is possible the project may not go forward as currently configured for all regions in the State. It is possible, after the conclusion of the Eastern Shore pilot, DSP may need to re-scope the project to align with available funding, or additional funding sources may be needed.							
Additional Comments:	None.							
Fiscal Year Funding (\$ in Thousands)	Prior Years	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Balance to Complete	Total
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Professional and Outside Services	1.795	0.180	3.925	0.964	0.0	0.0	0.0	6.864
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$1.795	\$0.180	\$3.925	\$0.964	\$0.0	\$0.0	\$0.0	\$6.864

¹ In calendar 2011, a two-step approval process was adopted. Initially, an agency submits a Project Planning Request. After the requirements analysis has been completed and a project has completed all of the planning required through Phase Four of the Systems Development Lifecycle (Requirements Analysis), including a baseline budget and schedule, the agency may submit a Project Implementation Request and begin designing and developing the project when the request is approved. For planning projects, costs are estimated through planning phases. Implementation projects are required to have total development costs.

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

<u>Object/Fund</u>	<u>FY 12 Actual</u>	<u>FY 13 Working Appropriation</u>	<u>FY 14 Allowance</u>	<u>FY 13 - FY 14 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	2,366.50	2,389.50	2,378.50	-11.00	-0.5%
02 Contractual	24.22	28.61	28.61	0.00	0%
Total Positions	2,390.72	2,418.11	2,407.11	-11.00	-0.5%
Objects					
01 Salaries and Wages	\$ 236,886,994	\$ 247,831,448	\$ 260,968,498	\$ 13,137,050	5.3%
02 Technical and Spec. Fees	1,499,469	1,270,720	1,244,624	-26,096	-2.1%
03 Communication	2,232,332	2,519,015	2,890,773	371,758	14.8%
04 Travel	537,178	358,406	277,262	-81,144	-22.6%
06 Fuel and Utilities	2,747,239	3,091,734	2,896,032	-195,702	-6.3%
07 Motor Vehicles	19,489,759	19,384,455	19,508,801	124,346	0.6%
08 Contractual Services	10,837,563	8,008,123	8,574,788	566,665	7.1%
09 Supplies and Materials	3,666,254	2,480,015	2,754,500	274,485	11.1%
10 Equipment – Replacement	1,146,707	6,459,430	251,325	-6,208,105	-96.1%
11 Equipment – Additional	5,483,377	661,559	582,384	-79,175	-12.0%
12 Grants, Subsidies, and Contributions	4,187,410	3,559,892	3,443,560	-116,332	-3.3%
13 Fixed Charges	978,070	2,054,641	1,724,850	-329,791	-16.1%
Total Objects	\$ 289,692,352	\$ 297,679,438	\$ 305,117,397	\$ 7,437,959	2.5%
Funds					
01 General Fund	\$ 192,683,471	\$ 206,099,191	\$ 220,901,269	\$ 14,802,078	7.2%
03 Special Fund	81,860,797	83,686,554	82,561,454	-1,125,100	-1.3%
05 Federal Fund	8,324,466	436,000	500,000	64,000	14.7%
09 Reimbursable Fund	6,823,618	7,457,693	1,154,674	-6,303,019	-84.5%
Total Funds	\$ 289,692,352	\$ 297,679,438	\$ 305,117,397	\$ 7,437,959	2.5%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.

**Fiscal Summary
Department of State Police**

<u>Program/Unit</u>	<u>FY 12 Actual</u>	<u>FY 13 Wrk Approp</u>	<u>FY 14 Allowance</u>	<u>Change</u>	<u>FY 13 - FY 14 % Change</u>
01 Office of the Superintendent	\$ 16,430,320	\$ 16,582,217	\$ 17,669,004	\$ 1,086,787	6.6%
02 Field Operations Bureau	177,431,775	186,309,743	194,810,174	8,500,431	4.6%
03 Criminal Investigation Bureau	33,690,673	31,344,827	32,527,683	1,182,856	3.8%
04 Support Services Bureau	50,534,813	47,532,215	50,172,728	2,640,513	5.6%
08 Vehicle Theft Prevention Council	1,608,895	1,800,000	2,000,000	200,000	11.1%
12 Information Technology Communications Bureau	2,507,026	6,621,171	102,685	-6,518,486	-98.4%
01 Fire Prevention Services	7,488,850	7,489,265	7,835,123	345,858	4.6%
Total Expenditures	\$ 289,692,352	\$ 297,679,438	\$ 305,117,397	\$ 7,437,959	2.5%
General Fund	\$ 192,683,471	\$ 206,099,191	\$ 220,901,269	\$ 14,802,078	7.2%
Special Fund	81,860,797	83,686,554	82,561,454	-1,125,100	-1.3%
Federal Fund	8,324,466	436,000	500,000	64,000	14.7%
Total Appropriations	\$ 282,868,734	\$ 290,221,745	\$ 303,962,723	\$ 13,740,978	4.7%
Reimbursable Fund	\$ 6,823,618	\$ 7,457,693	\$ 1,154,674	-\$ 6,303,019	-84.5%
Total Funds	\$ 289,692,352	\$ 297,679,438	\$ 305,117,397	\$ 7,437,959	2.5%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.